I. Rich get Richer

A. Four ways:

1. legislation: taxes

2. deregulation

3. privatization

4. Government Subsidies

B. Tax legislation: corporations and the rich

1. tax cuts ($425/$60,000/$521,000)

2. capital gains ($5/$25,000/$500,000)

3. estate tax (1.2%, $1 trillion)

4. tax loopholes

a. corporations

i. Work Opportunity Tax Credit ($2400/$65 million)

ii. Cruise Lines

iii. “inversions”

b. individuals

i. Hedge Fund CEOs

ii. “carried interest”

5. tax havens

a. British Virgin Islands home to 400,000 corporations

b. 80% of largest corps in U.S. in tax havens

6. Consequences

a. 60 % of companies pay no taxes

b. Corp contribution to federal tax revenue: 1950/30% to 2010 8%

c. GE $14.2 billion, $1.1 billion tax benefit

d. 2008-2010 12 lgst corps +$170 billion -1.5% tax rate

e. Deficit Commission recommendation: cut corporate taxes

B. Industries/Shareholders

1. Pharmaceuticals
   1. Medicare Prescription Drug Bill

b. Government subsidized research and development

c. Patent extensions: U.S. government opposing generic AIDs drugs in other countries

d. FDA funding

e. drug companies 2001 $30 billion 2008 $80 billion

1. Health Insurance
   1. Affordable Care Act (stock +14% to 30%)
   2. McCarran- Ferguson Act
   3. 1980 Amendment to Federal Trade Act the Federal Trade Commission (FTC) was prohibited from investigating or reporting on the activities of insurance industry.
   4. WellPoint/Anthem, Cigna, Aetna, Humana, United Health Care
   5. 2009 $12.1 billion (eliminated 2.7 million)
   6. Anthem Blue Cross (+90% raise rate 39%

3. Oil and Gas

a. Commodities Futures Market

b. deregulation of extraction techniques “fracking”

c. U.S. military support of dictators with oil/gas

d. 2005 Cheney Energy Bill: billions in subsidies, regulatory rollbacks, deferred royalty payments

e. Big Five: 2012 $120 billion

* **ExxonMobil** hauled in $10 billion in the fourth quarter, driving their annual profits to nearly $45 billion—an increase of 9% from 2011. This takes Exxon’s five-year profits to $181 billion.
* **Shell** made $6.7 billion in the fourth quarter, pushing their annual profits to more than $26 billion.
* **Chevron** earned in $7.2 billion in the fourth quarter, taking their annual profits to more than $26 billion.
* **BP** made $2.1 billion in the fourth quarter, taking their 2012 annual profits to $12 billion.
* **ConocoPhillips** raked in $1.4 billion in the fourth quarter, taking their 2012 annual profits to more than $8 billion.

4. Mass Media

a. Telecommunications Act of 1996

b. FCC regulations of 2003

c. digital spectrum and relaxation of ownership regulations

d. $70 billion and shared monopolies

5. Financial industry

a. SEC capture

b. Commodities Futures Modernization Act: no regulation of derivatives

c. Graham-Leach-Bliley: allowed mergers of investment banks

and commercial banks

d. billions in profit, bonuses, global economic crisis

e. bailout/billions more

6. nuclear industry

a. government funding two new nuclear plants

b. government subsidizes entire nuclear industry including

disposing waste

<http://www.thedailyshow.com/watch/thu-january-9-2014/slumdogs-vs--millionaires>