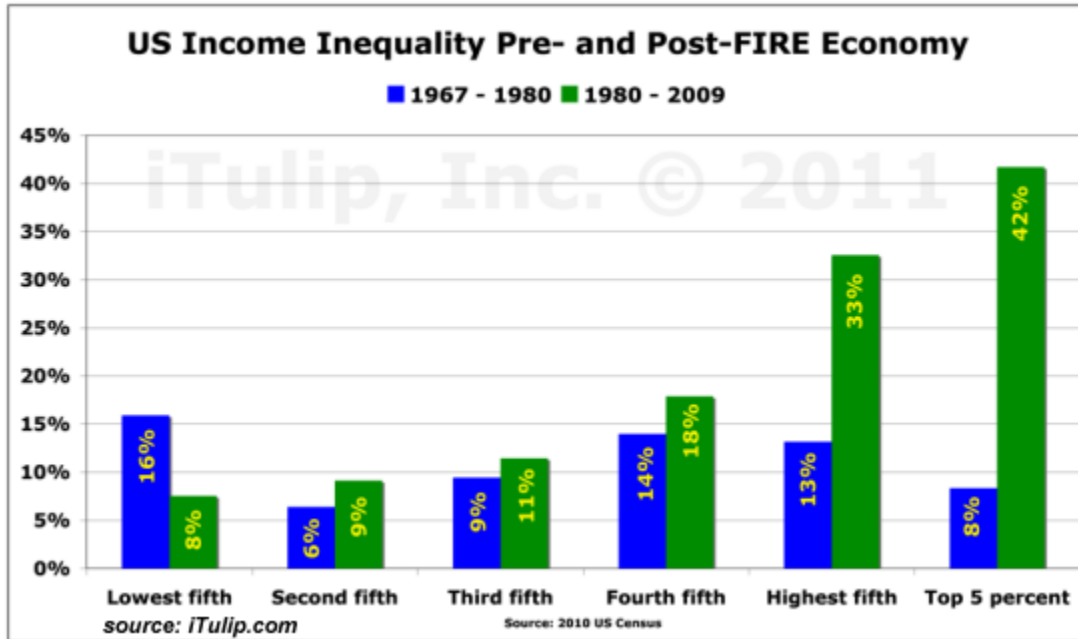


FIRE THE FIRE ECONOMY

WEB BUZZ 2011.10.17

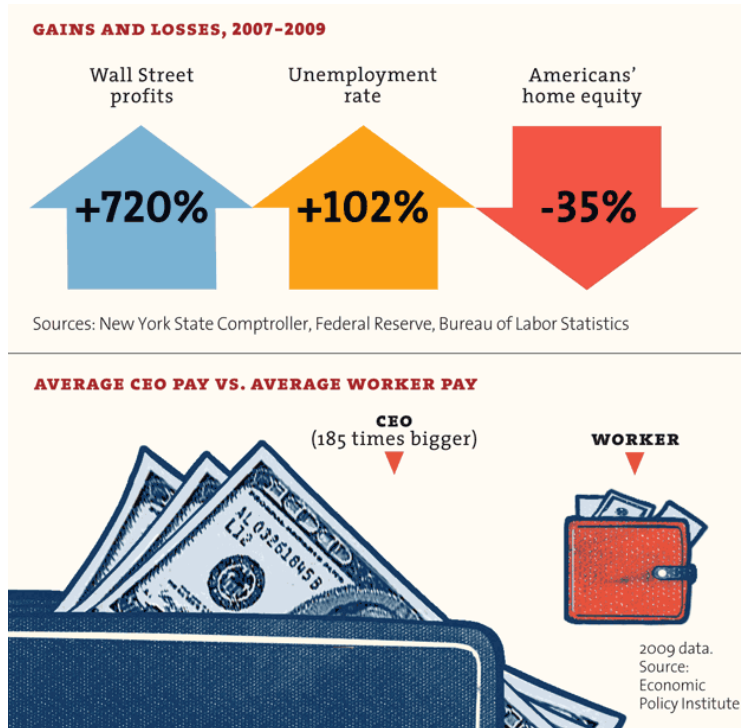
Please note the first chart which depicts the income shares pre and post the FIRE economy. FIRE refers to Finance, Income, and Real Estate.



Adapted from theburningplatform.com

Prior to about 1980 the U.S. economy and its monetary system revolved around what we call organic income. The financial community allocated capital to the economic players, i.e. corporations and consumers, based upon sound lending and investing principles. This all gave way starting in 1981, but accelerating in particular during the 2000s. Income became less and less earned the old-fashioned way, instead by shuffling papers or, better stated, playing the markets.

Rather than allocating credit to various economic players, the too big to fail banks became players themselves. Oh did this ever change things. Note the following chart which reveals the winners and losers over the blow off year of 2007-2009.



Adapted from theburningplatform.com

And you know what, it's not over yet. However, after noticing the banks' third quarter earnings, there is indication that things they are a'changin'. The problem is the speculators' earnings are coming down, but the workers and other business interests are not moving up.

Now one knows why riots are coming to America; however, the real problem is the evil alliance of Wall Street and Washington, D.C. It is not the free enterprise system (capitalism).