

## 1. Thinker Uchida's Thoughts Translated by Writer's Responsibility

Let the writer (Hideyuki Kamiryo) introduce Uchida's core of 'the current era to the actual world today.' The writer feels proud of the born Uchida in Japan. The core is consistent incidentally overlapping the writer's 'purely endogenous' thought.

**Q1:** What era is it today?

**A1:** It is now transitional periods.

We stand in social confusions such that changing activities on the Earth. Capitalism hits its limit globally. Growth up to the right is implausible anymore. We have no unfair territories and also the third worlds any more. There is no object to invest in anymore. Resultantly, the object turns back its own people by country. Whatever absorbed from poor is shifted to rich, as if growth is realized numerically.

Wage rate to young people decreases, corporate tax rate reduces and, dividends increase. From the viewpoint of shareholders and stock investors, there is no invaluable cabinet like this anymore.

**Q2:** I (Enma, here) have honestly thought that economic growth is good by me for many years. If economy turns good then, life by individual might be better.

**A2:** Uchida, however, declares such thought is not true.

Media left and right absolutely have an assumption such that an economy must grow. Mass-production, mass-transfer, and mass-thrown away are the sources for economic better growth. But, I (Uchida, here) it differs from truth. At the economic stage of no growth, if an illusion of growth appears, it implies that people's resources are all used up. It is the timing for press the stop. How can we live daily life with no means to growth? Population decreases and ages are higher in reality. What strategy is attractive in reality? It is the timing to think of this serious fact with all of our knowledges and experiences.

In the world, left backrushes occur everywhere today. In the US President candidate-fighting by Democrats party, Barney Sanders named for a socialist pursues Hilary Colington sharply now. In Canada, Justin Toledo bravely presented the importance of united peace preferred to growth. It is interpreted; such social interest as how to fairly distribute limited resources moves robustly rather than how to making-growth by country.

What I have understand by the last summer demonstration before the National Diet is a strange sketching that in the Diet adult statesmen ran up and down and, cried the proposal that unless national system must be fundamentally change right now, the country shall be destroyed. Out of the Diet, young people thoroughly opposed the adult statesmen behavior and, cried the proposal that let us guard against Constitution

## **Historic Variety on the Earth**

article nine and regrettably walk together with constitutional democracy.

This implies that adult behavior is stubborn and inflexible, so as to pursue short-sighted changes and, with no thinking of past and future in the long run. Youngers cope ‘think deeply and taking time’ while adults unconsciously shift to ‘unreasonable and hard pushing.’

**Q3:** In 2016, we have the House of Councilors election so that as a proposal there is a possibility to revision of the constitution.

**A3:** As a matter of fact, democracy is a risky make up because democracy is apt to run out of order by temporal sharp feeling. In fact, most of one leader government holds by following democratic system, as seen in Germany and Italy.

Therefore, there is Constitution, under which identifying system and principle regarding the foundation as a country cannot be changed so easily and also, three rights in parallel, two sorts of statesmanship, and cabinet independent law investigation bureau were each absolutely held. Nevertheless, after Koizumi cabinet, such break-apparatus as described above were unexpectedly unfastened each by each.

Mass-media piloted the current function-deficit. If the House of Representatives is against bicameral system, it is truly desirable and must be well-accepted and welcome to people. Despite, if the House of Councilors is effective by tamely agreeing with what the House of Representatives has passed, it is natural that we need no bicameral system anymore.

From this reasoning, one fact that the House of Representatives takes many hours and examines the contents and finally, cabinet party boldly decides yes or no is equal to another fact that the stronger the number of counter forces, the more ineffective. It results in no counter forces needed at all.

More further: Law is prepared for by execution branch. It is no meaning to have the House of Representatives’ examination and evaluation time-consumed. A path is opened from the counter forces to one-man leadership.

**Q4:** Our future is much serious, isn’t it?

**A4:** Yes, it is. History, however, has a balance of power by nature. After one time an extreme worked, its reversed power works and history surely demonstrates zigzag march. Today, we entered into a correction after too much its adverse direction.

Left backrush in a worldwide and two reversed features show against-symptom for me, so called ‘older people running away’ versus ‘younger for stop older.’

We have 2016 now in New Year days. New politics began, to what direction taking, Japan and the world? What measure do we need and use in practice? And, watch the tip of the direction carefully. Let us think of its reinforcing lines, hopefully together readers and the reporter!

The writer here expresses this interview admirably; not for Newspaper and reporter

but for ourselves jointly, proudly rethinking the essence of a great thinker born in Japan.

How can we concretely solve inequality and poverty?

The writer, separately from this manuscript, intends to write a core manuscript regarding inequality and poverty by using Anthony B. Atkinson's (3<sup>rd</sup> printing, 2015) "*INEQUALITY: What Can be Done?*"

Before ending this manuscript, the writer leaves a message to Atkinson's *INEQUALITY* and poverty, broadly from the viewpoint of several dimensions.

The writer here emphasizes a fact that the two dimensional plane is overlapped consistently with other dimensions such as three, five, and six. 'Purely endogenous' does not discuss three to six but is limited to two dimensions or a plane, where hyperbola philosophy works perfectly.<sup>1</sup>

Does the current literature present solving methods for inequality and poverty? No, it is not. Why not? The literature up-to-date, does not present how to increase consumption and/or consumption per capita. The literature usually presents concrete strategies and tactics through evidences in social activities. That is, it is impossible for researchers to present the proof or theory = practice, in reality. Of course, partially by item or to some extent, or never wholly, as an organic organization, the literature clarifies 'endogenous' but, not 'purely endogenous' at all.

'Purely endogenous' satisfies hundreds of equations measured accurately and without later corrections; algebraic and geometric analyses are always consistent with each other, regardless of ranges of evidences, over space and time; and the 2-D dimensions plane is implicitly consistent with other dimensions.

Further, policies must be distinguished with strategies and tactics. Policies are produced from 'purely endogenous' while strategies and tactics from endogenous in the actual society activities. Policies are consistent by country, by industry, by area, and by era and in the long run, while strategies and tactics are regrettably independent and inconsistent, in the short run. Policies are consistent with any strategy while strategy is inconsistent; the reverse is true versus false.

In short, we must distinguishes strictly the differences between/among 'purely endogenous' and 'endogenous in the literature.'

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<sup>1</sup> For other dimensions, the writer intends to translate Shizuko Ishida's (or, Iyonoishi, pen-named) new book published in 2016 into English, separately later in 2017 and its translation the writer has full responsibility, as I promised it with Ishida already in 2015.

Also from originals point of view, the writer started hyperbola sketching at the age of twenty and have designed all sorts of graphs/pictures related to a circle. The circle is drawn solely under the two dimensions, closely connected with hyperbola and its right triangle, as seen in my books above.

This manuscript under the 2-D dimensions has been separately published, tied up with Clay Mathematics Institute (CMI, Cambridge, MA, earlier).

## **Historic Variety on the Earth**

### **2. Shinzo Abe's Statement (14Aug 2015) and Reversed Reality at This Moment**

Here now, the writer privately presents his own view regarding "Speeches and Statements by the Prime Minister," dated on 14 August 2015. The writer thinks that Shinzo Abe's statement should be left so far as Japan ever lives on in the world, beyond space and time (see, Appendix soon below). Nevertheless, the Abe cabinet differs reversely neglecting essentials of the Abe historic speech. Note, however, the writer does not deny any philosophy, idea, opinion, policy, and strategy. Why? This is because one expresses one's variety, prevailing as many numbers as population by country. Naturally people enjoy the variety and, people/individuals are united globally; never against like enemies.

Then, how should we interpret the current economic phenomena resulting under the social economic societies in Japan? The estrangements between Shinzo Abe's speech and the current resultant phenomena are extreme, the writer points out. Why? The writer thinks; Abe's speech is what experienced members have summarized towards never again wars on the Earth. The current phenomena are bravely led by Abe himself as an individual leader so that he does whatever he believes legitimate.

The writer's question: Does he operate his cabinet for, by, and to people? Answer is No. Why? Because consumption and consumption per capita decrease: For example, the real rate of wages per capita shows minus continuously. More concretely, people do enjoy deflation-bonus but, people's life becoming worse over years. Or, private business sector by company apparently enjoys much higher rate of profits but, at the sacrifice of people's share. Fairly, wages-share is 20% and profits 80% but, the current share differs such that wages 0.02% and profits 99.98%, as proved by the writer's actual GDP database in KEWT series, 1960-2015, for 192 countries.

Today, true information is hidden just like during the 2<sup>nd</sup> world war. Sadly, Abe has no experience of this serious fact. Therefore he is able to process whatever strategies.

### **Appendix: Shinzo Abe's speech (14August, 2015)**

## Speeches and Statements by the Prime Minister

Statement by Prime Minister Shinzo Abe

Friday, August 14, 2015

Cabinet Decision

On the 70th anniversary of the end of the war, we must calmly reflect upon the road to war, the path we have taken since it ended, and the era of the 20th century. We must learn from the lessons of history the wisdom for our future.

More than one hundred years ago, vast colonies possessed mainly by the Western powers stretched out across the world. With their overwhelming supremacy in technology, waves of colonial rule surged toward Asia in the 19th century. There is no doubt that the resultant sense of crisis drove Japan forward to achieve modernization. Japan built a constitutional government earlier than any other nation in Asia. The country preserved its independence throughout. The Japan-Russia War gave encouragement to many people under colonial rule from Asia to Africa.

After World War I, which embroiled the world, the movement for self-determination gained momentum and put brakes on colonization that had been underway. It was a horrible war that claimed as many as ten million lives. With a strong desire for peace stirred in them, people founded the League of Nations and brought forth the General Treaty for Renunciation of War. There emerged in the international community a new tide of outlawing war itself.

At the beginning, Japan, too, kept steps with other nations. However, with the Great Depression setting in and the Western countries launching economic blocs by involving colonial economies, Japan's economy suffered a major blow. In such circumstances, Japan's sense of isolation deepened and it attempted to overcome its diplomatic and economic deadlock through the use of force. Its domestic political system could not serve as a brake to stop such attempts. In this way, Japan lost sight of the overall trends in the world.

With the Manchurian Incident, followed by the withdrawal from the League of Nations, Japan gradually transformed itself into a challenger to the new international order that

## 1. Inequality and Poverty by Atkinson

Why does government/cabinet policy for economies lead to wrong results? How to improve impatient results by exercising strategies reinforcing basic policies?

More concretely, why does the wage rate decrease while productivity (i.e., output per capital) increases yearly? In another way, why is the rate of technological progress not measured but given by a model in the literature?

The writer (i.e., Hideyuki Kamiryo) theoretically and empirically answers the above questions each by each using KEWT (Kamiryo Endogenous World Table) database series with evidences, 1960-2015 for 192 countries (see the *EES* (1<sup>st</sup> edition May 2013, 2<sup>nd</sup> edition June 2014) and the *HEU* (July 2015), by the Internet). These are so called 'purely endogenous' analyses. Then, what is the difference laying between the writer's 'purely endogenous' and the 'not purely endogenous' in the literature?

If the literature could prove the identity of theory to practice, then the analysis immediately turns to 'purely endogenous.' Further, if a fact could express the overlapping of past, present, and future, without no revise later, then the analysis immediately turns to 'purely endogenous.'

As a result, every data is numerically and accurately shown. Thousands equations are numerically consistent each other in the actual data world that uses GDP and GNI. This is not a story of a Utopian dream world separated from the actual data world. It implies that algebraic and geometric are united and consistent beyond space and time.

Let the writer stop preliminary question and discuss the Inequality and poverty by reviewing and citing "INEQUALITY: What Can be Done?" written by Anthony B. Atkinson (3<sup>rd</sup> printing, 2015; Cambridge, MA, and London: Harvard University Press; xi+384p.).

Now let the writer introduce and sum up "*Inequality*" by Anthony B. Atkinson above.

"*Inequality*" has texts of pages 1 to 308 plus pages 309 to 384; for Glossary (pp.309-313), Notes (pp. 315-350), Contents in detail (pp.351-352), List of tables and figures (pp. 353-354), Figure sources (pp.355-359), and Index (pp. 361-384). These listings are surprisingly quite strict and understandable and, with least equations and calculations. Historically, Atkinson must be one of geniuses in the literature.

The writer takes the way of Questions and Answers (Q &A) hereunder in order to highlight the essence of inequality and poverty.

## Hideyuki Kamiryo

**Q1:** One cannot find consumption and/or consumption per capita ( $C$  and/or  $c_{C/L} = C/L$ ) in Atkinson's. Why do  $C$  and/or  $c_{C/L} = C/L$  not appear directly?

**A1:** Commonly to the literature, including Atkinson's, consumption is 'given' (i.e., not 'purely endogenously' produced and accurately measured by using figures/numbers in reality, consistently based on actual GDP/NNI). Therefore, inequality per person cannot be ever circulated under a given numbers of consumption.

**Note:** NNI=Net National Income abbreviated.

**Q2:** Is there no theory for  $C$  and/or  $c_{C/L} = C/L$ ?

**A2:** The propensity to consumption,  $\alpha = C/Y$ , holds in the Cobb-Douglas (C-D) production function;  $Y = L^\alpha K^{1-\alpha}$ , where  $Y = W + P = I + S$  holds.

Then,  $\alpha = W/Y = (Y - P)/Y$ . Or,  $(1 - \alpha) = P/Y = (Y - W)/Y$ .

**Q3:** How about the case of net basis? If  $I=S$ , then  $I - S = 0.0$  or  $S - I = 0.0$  holds.

**A3:** The net basis is best for stable and sustainable. It implies that it is most effective and most efficient.

**Q4:** Why is it so?

**A4:** 'Purely endogenous' is equal to the maximum returns/profits under minimum net investments,  $r_{MAX}$  and  $I_{net(MIN)}$ . It is the same as the real rate of interest=zero or, nominal=real and inflation/deflation=zero. It is the same as the unit price=1.0.

**Q5:** Why does the unit price reduce to 1.0?

**A5:** Under most effective (i.e., quantity)=most efficient (i.e., amount=quantity multiplied by the unit price), the unit price must be 1.0 naturally. This means a fact such that cause=result, as proved in 'purely endogenous.'

**Q6:** What is the condition of cause=result?

**A6:** It is the unit price=1.0 alternatively.

In short, if  $S=C$ , one does not require consumption theory. Consumption theory is replaced by saving theory. What is saving theory? For sustainability, net saving theory is zero or does not exist.

Further historically from the viewpoint of Atkinson (ibid., 68-98 in Part one: Diagnosis), let the writer digest and cite the following five points, together with strict Notes. See, for supplemental, three Appendices at the end. The first and second each supplement key cores in this manuscript. The third one takes up the book transferred by Hiroo Yamagata, 山形浩生, representative of translators; [hiyori13@alum.mit.edu](mailto:hiyori13@alum.mit.edu)

## **Historic Variety on the Earth**

The writer could impressively learn a lot by comparing the original book with translated one and feels a pair of forever's.

### **2. Five Points with Notes**

1) Reducing Inequality and **the Share of Wages** (68-70; Notes numbers, 42, 43, 44, 45, 46, 47, 48, 49; p. 319 in Learning from History):

**Note 42** Dirk Kruger and Fabrizio Perri, "Does Income Inequality Lead to Consumption Inequality?" *Review of Economic Studies* 73 (2006): 163-193, quote p. 163. Dale Jorgenson, "Did We Lose the War on Poverty?" *Journal of Economic Perspectives* 12 (1998): 79-96, quote p. 79. Bruce D. Meyer and James X. Sullivan, "Winning the War: Poverty from the Great Society to the Great Recession," *Brookings Papers on Economic Activity* (Fall 2012): 163-193, quote p. 163.

**Note 43** Orazio Attanasio, Erik Hurst, and Luigi Pistaferri, "The Evolution of Income, Consumption, and Leisure Inequality in the US, 1980-2010," NBER Working Paper No. 17982, April 2012,

<http://papers.nber.org/tmp/69610-w17982.pdf>

**Note 44** Mark A. Aguiar and Mark Bilal, "Has Consumption Inequality Mirrored Income Inequality?" NBER Working Paper No. 16807,

<http://papers.nber.org/tmp/69610-w17982.pdf>, quote p.2.

**Note 45** John Sabelhaus et al., "Is the Consumer Expenditure Survey Representative by Income?" Finance and Economics Discussion Series, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, Washington, D. C.

**Note 46** Jonathan D. Fisher, David S. Johnson, and Timothy M. Smeeding, "Measuring the trends in Inequality of Individuals and Families: Income and Consumption," *American Economic Review*, Papers and Proceedings 103 (2013): 184-188, quote p. 187.

**Note 47** B. Seebohm Rowntree, *Poverty: A Study of Town Life* (London: Longmans, Green and Co., 1901, new ed. 1922), quote p. 117.

**Note 48** Mollie Orshansky, "Counting the Poor: Another look at the Poverty Profile," *Social Security Bulletin* 28 (1965): 3-29, Table E on p. 28.

**Note 49** James Tobin, "On Limiting the Domain of Inequality," *Journal of Law and Economics* 13 (1970): 263-277, quote p. 264. Tobin's essay is well worth reading today. He was a Nobel Prize-winning economist at Yale, who served on President Kennedy's Council of Economic Advisers. When approached about this post, Professor Tobin initially resisted, identifying himself as "an ivory tower economist."

“That’s all right, professor,” Kennedy replied, “I am what you might call an ivory tower president.” (Obviously for James Tobin in *Yale Bulletin and Calendar*, vol. 30, no. 22, 15 March 2002).

2) The Economics of **Technological Change** (87-89; Notes numbers, 7, 8, 9, 10, 11, 12; p. 322-323 in *The Economics of Inequality*):

**Note 7** For fuller discussion of the use of income tax statistics to estimate top income shares, see Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, “Top Incomes in the Long Run of History,” *Journal of Economic Literature* 49 (2011): 3-71; and Andrew Leigh, “Top Incomes,” in Wiemer Salverda, Brian Nolan, and Timothy M. Smeeding, eds., *The Oxford Handbook of Economic Inequality* (Oxford: Oxford University Press, 2009): 150-174.

**Note 8** It is not obvious how this affects the comparison. If all units are weighted equally, as in the estimates in Figures 1.1 and 1.2, then the impact of moving from a couple-based to an individual-based system depends on the joint distribution of income. If the rich people have partners with zero income or are unmarried, then the top shares may be raised by the move to an individual basis. A larger total of tax units means that one has to go further down the distribution to find the top X per cent. On the other hand, if the richest tax units are couples who share their income equally, the move may reduce top shares.

**Note 9** See the country studies reported in Atkinson and Piketty, *Top Incomes*; and Anthony B. Atkinson and Thomas Piketty, eds., *Top Incomes: A Global Perspective* (Oxford: Oxford University Press, 2010).

**Note 10** For a date but detailed comparison in the UK of the New Earnings Survey (the predecessor of the Annual Survey on Hours and Earnings) and the Family Expenditure Survey (predecessor of the Family Resources Survey), see Anthony B. ATKINSON, John Micklewright, and Nicholas H. Stern, “Comparison of the EES and New Earnings Survey 1967-1977,” in Anthony B. Atkinson and Holly Sutherland, eds., *Tax-Benefit Models* (London: STICERD, LSE, 1988), 154-222.

**Note 11** An impressive study based on the collection of individual data on estates is that by Thomas Piketty, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, “Wealth Concentration in a Developing Economy: Paris and France, 1807-1994,” *American Economic Review* 96 (2006): 236- 256. They collected information on everyone dying in Paris in each of ten selected years between 1807 and 1902.

**Note 12** Centraal Bureau voor de Statistiek, *Statistiek der Rijksfinanciën 1936* (‘s Gravenhage: Drukkerij Albani, 1936), Table XV.

## **Historic Variety on the Earth**

3) The **Labour Market** as a Social Institution (89-93; Notes numbers, 13, 14, 15, 16, 17, 18, 19; p. 323 in *The Economics of Inequality*):

**Note 13** This fruitful line of research was initiated by Thomas Piketty, “Income Inequality in France, 1901-1998,” *Journal of Political Economy* 111 (2003): 1004-1042, and *Les hauts revenus en France au XX<sup>e</sup> siècle* (Paris: Bernard Grasset, 2001).

**Note 14** Zvi Griliches, “Economic Data Issues,” in Zvi Griliches and Michael D. Intriligator, eds., *Handbook of Econometrics* (Amsterdam: Elsevier, 1986), vol. 3, quote p. 1509.

**Note 15** Statistics Canada, *Income in Canada 2005*, Catalogue 75-202 XIE (Ottawa: Statistics Canada, 2007), p. 125.

**Note 16** Strictly the calculation yields  $3 \frac{1}{8}$ : the change in the Gini coefficient for net income is  $\frac{5}{8}$  times the change in the marginal tax rate.

**Note 17** Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, MA, Belknap Press of Harvard University Press, 2014), quote p. 275.

**Note 18** From the World Top Income Database. In the case of the UK, the data relate to the share of the top 0.1 per cent. The comparisons are between 1914 and 1945 except for France (1915), Japan (1947), Sweden (1912), Norway (1913 and 1948), Netherlands (1946), and Denmark (1908).

**Note 19** Josiah Stamp, *The Financial Aftermath of War* (London: Ernest Benn, 1932), quote p. 34.

4) The **Share of Profits** (95-97; Notes numbers, 28, 29, 30, 31, 32, 33, 34; p. 324 in *The Economics of Inequality*):

**Note 28** Jeff Larrimore, “Accounting for United States Household Income Inequality Trends: The Changing Importance of Household Structure and Male and Female Earnings Inequality,” *Review of Income and Wealth* 60 (2014): 683-704.

**Note 29** Wojciech Kopczuk and Emmanuel Saez, “Top Wealth Shares in the US, 1916-2000: Evidence from the Estate Tax Returns,” *National Tax Journal* 57 (2004): 445-487, longer version in NBER Working Paper 10399.

**Note 30** George F. Break, “The Role of Government: Taxes, Transfers, and Spending,” in Martin Feldstein, ed., *The American Economy in Transition* (Chicago: University of Chicago Press, 1980), Table 9.17. The figures are for percentages of “non-recession GNP.”

**Note 31** Karoly and Burtless, “Demographic Change,” quote p. 392.

**Note 32** Richard Goode, *The Individual Income Tax* (Washington, D. C.: Brookings Institution, 1964), quote 283. I owe to this source the quotations from Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper and Row, 1962), 3<sup>rd</sup> ed., quote p. 381; and Irving B. Kravis, *The Structure of Income* (Philadelphia: University of Pennsylvania Press, 1962), quote p. 220.

**Note 33** See, for example, Figure 2.1 in Anthony B. Atkinson and Joseph E. Stiglitz, *Lectures on Public Economics* (New York: McGraw-Hill, 1980, reprinted by Princeton University Press, 2015).

**Note 34** The Proportions in poverty come from Anthony B. Atkinson and Salvatore Morelli, *Chartbook of Economic Inequality*,

<http://www.chartbookofeconomicinequality.com/>

5) **Story of Solow, Samuelson, Meade, and Atkinson** (97-98; Notes numbers, 35, 36; p. 331 in *The Economics of Inequality*):

**Note 35** Paul Samuelson, “Review,” *Economic Journal* 75 (1965): 804-806, quote p. 805.

**Note 36** Michael Kalecki, “Class Struggle and the Distribution of National Income,” *Kyklos* 24 (1971): 1-9, quote p. 3.

## **Appendices**

### **Appendix 1 Fifteen Proposals and five ideas (2015, *ibid.*, pp. 301-308)**

Among others, I pay attention to ‘The way forward,’ (pp. 301-308) impressively. Let the writer allow typing and citing basic cores in key paragraphs in these pages.

#### **15 Proposals** (pp.302-304, *ibid.*, 2015):

Proposal 1: The direction of technological change should be an explicit concern of policy-makers, encouraging innovation in a form that increases the employability of workers, emphasizing the human dimension of service provision.

Proposal 2: Public policy should aim at a proper balance of power among stakeholders, and to this end should (a) introduce an explicitly distributional dimension into competition policy, (b) ensure a legal framework that allows trade unions to represent workers on level terms, and (c) establish, where it does not already exist, a Social and Economic Council involving the social partners and other nongovernmental bodies.

## **Historic Variety on the Earth**

Proposal 3: The government should adopt an explicit target for preventing and reducing unemployment and underpin this ambition by offering guaranteed public employment at the minimum wage to those who seek it.

Proposal 4: There should be a national pay policy, consisting of two elements: a statutory minimum wage set at a living wage, and code of practice for pay above the minimum, agreed as part of a “national conversation” involving the Social and Economic Council.

Proposal 5: The government should offer via national savings bonds a guaranteed positive real rate of interest on savings, with a maximum holding per person.

Proposal 6: There should be a capital endowment (minimum inheritance) paid to all at adulthood.

Proposal 7: A public Investment Authority should be created, operating a sovereign wealth fund with the aim of building up the net worth of the state by holding investments in companies and in property.

Proposal 8: We should return to a more progressive rate structure for the personal income tax, with marginal rates of tax increasing by ranges of taxable income, up to a top rate of 65 per cent, accompanied by a broadening of the tax base.

Proposal 9: The government should introduce into the personal income tax an Earned Income Discount, limited to the first band of earnings.

Proposal 10: Receipts of inheritance and gifts inter vivo should be taxed under a progressive lifetime capital receipts tax.

Proposal 11: There should be a proportional, or progressive, property tax based on up-to-date property assessments.

Proposal 12: Child Benefit should be paid for all children at a substantial rate and should be taxed as income.

Proposal 13: A participation income should be introduced at a national level, complementing existing social protection, with the prospect of an EU-wide child basic income.

Proposal 14 (alternative to 13): There should be a renewal of social insurance, raising the level of benefits and extending their coverage.

Proposal 15: Rich countries should raise their target for Official Development Assistance to 1 per cent of Gross National Income.

## Hideyuki Kamiryo

Here the writer believes to add the following **five Italic Idea sentences** to the above fifteen proposal paragraphs; ‘Idea to pursue’ in ‘alongside’ (pp.304-305).

*Idea 1: A thoroughgoing review of the access of households to the credit market for borrowing not secured on housing.*

*Idea 2: Examination of the case for an “income-tax-based” treatment of contributions to private pensions, along the lines of present “privileged” savings schemes, which would bring forward the payment of tax.*

*Idea 3: A re-examination of the case for an annual wealth tax and the prerequisites for its successful introduction.*

*Idea 4: A global tax regime for personal taxpayers, based on total wealth.*

*Idea 5: A minimum tax for corporations.*

The above citations, proposals and ideas, are truly concrete and, strange to say, wholly and respectively cover all of policies behind. The writer can shift my review by Q & A smoothly. Particularly, five ideas are each global and precisely expressed in the long run. In general and naturally, strategy does not lead to causes implicitly involved in the organic system. Why not so? The writer’s answer is: I do not know why not so. Or, I cannot answer it ashamedly. Yet, I perceive that it is a fact and true in the world. It might suggest that we human beings are becoming closer to the Nature or God and, marching zigzag. In this respect, the writer first raised Uchida story in this manuscript, didn’t it?

### **Appendix 2 List of Tables and Figures (2015, *ibid.*, 353-354)**

Table 1.1 p.28, A brief postwar history of inequality in the UK and the US.

Table 2.1 p.76, Mechanisms leading to change in inequality.

Table 4.1 p.130, Major trade union legislation in the UK, 1980-1993.

Table 8.1 p.208, Essential differences between forms of social security.

Table 10.1 p.266, Social security legislation in the period of globalization before the First World War.

Table 11.1 p.289, Analysis of fifteen proposals for the UK.

Figure 1.1 p.18, Inequality in the US, 1913-2013.

Figure 1.2 p.19, Inequality in the UK, 1913-2013.

Figure 1.3 pp.22-23, Inequality in selected world countries, 2010, where ‘Inequality’ shows Gini coefficient.

Figure 1.4 p.26, Poverty and top income shares in selected countries, c. 2010.

## **Historic Variety on the Earth**

- Figure 1.5 p.30, Guide to household income.
- Figure 1.6 p.43, Global divergence then convergence: GDP per capita, 1820-2006.
- Figure 2.1 p.58, Inequality and the Second World War, selected world countries.
- Figure 2.2 p.63, Inequality in Scandinavia in the post-Second World War decades, where Share of gross income going to top 1% (left axis) and inequality (right axis), in post-Second World War period.
- Figure 2.3 p.64, Inequality in Continental Europe in the post-Second World War decades (similarly to Figure 2.2).
- Figure 2.4 p.69, Share of wages (ten-year averages), selected world countries, 1950s to 2000s.
- Figure 2.5 p.73, Earnings dispersion in US and Europe, 1954-1990.
- Figure 2.6 p.79, Recent declines in inequality and poverty in Latin America.
- Figure 2.7 p.81, Change in overall income inequality since 1980 in selected world countries.
- Figure 3.1 p.101, From national income to household income.
- Figure 3.2 p.105, Change in earnings in the UK since 1977.
- Figure 5.1 p.134, Unemployment in the UK, 1921-2013.
- Figure 5.2 p.142, Expenditure on direct job creation in UK and Europe, 2010.
- Figure 5.3 p.146, Proportion existing poverty after taking up a job in EU countries, 2008-2009.
- Figure 5.4 p.149, Minimum wages in OECD countries, 2010.
- Figure 6.1A p.156, Wealth of top 1% and bottom 99% in real terms, UK, 1923-2000.
- Figure 6.1B p.157, Wealth of top 1% and bottom 99% compared to national income, UK, 1923-2000.
- Figure 6.2 p.168, Interest rates in the UK, 1996-2014.
- Figure 6.3 p.173, Public-sector net worth in the UK, 1957-2012.
- Figure 6.4 p.175, Sovereign wealth funds compared with GDP, worldwide, 2013.
- Figure 6.5 p.177, Public).-sector net worth and hypothetical sovereign wealth fund, UK, 1957-2012.
- Figure 7.1 p.180, Income share and after-tax retention rate of top earners in the UK, 1913-2013.
- Figure 7.2 p.182, Change in top income shares and tax rates of top 1% in selected world countries, 1960s to 2000s.
- Figure 7.3 p.199, Property tax (council Tax vs. proposed proportional) in the UK, 2014-2015.
- Figure 8.1 p.209, Comparison of social security expenditure in the UK, 1963-2012.
- Figure 8.2 p.214, Child poverty rates in the US and UK, 1969-2014.
- Figure 8.3 p.215, Child poverty rates in selected countries, c. 2010.
- Figure 8.4 p.226, Unemployment benefit relative to average consumption expenditure in the UK, 1948-2013.

- Figure 8.5 p.218-219, Proportion of unemployed receiving benefit in selected countries, 1985, 1995, 2005.
- Figure 8.6 p.233, Development and expenditures, UK, US, and OECD countries, 1960-2015.
- Figure 9.1 p.245, “The cake gets smaller” argument against redistribution.
- Figure 9.2 p 250, An alternative view of the impact of a minimum wage.
- Figure 9.3 p.259, Inequality (1990) and GDP growth (1990-2013) in selected countries, where Gini coefficient is shown on the x axis.
- Figure 10.1 p.269, Public and private social expenditure in OECD countries, 2011.
- Figure 10.2 p.279, A brief history of EU social policy.
- Figure 11.1 p.285, Calculating who gains and who loses.
- Figure 11.2 p.297, Effects of proposed PI and SI programmes on income, by income level.

**Appendix 3 Digest and cite the book transferred by Hiroo Yamagata, 山形浩生<sup>1</sup>**

As above, Atkinson’s “Inequality, ≠” was written from the viewpoint of *strategy*. The writer here digests, comments, and cites Yamahgata’s ‘Translation-Preface’ in the book transferred by Hiroo Yamagata, 山形浩生; from the viewpoint of *policy* expressing the writer’s ‘purely endogenous.’.

“Translation-Preface” (ibid., xiii-xix) is composed of five titles. The writer is fully responsible for translating “Translation-Preface in Japanese” to “Translation-Preface in English.” The writer, of course, intends to get permission directly from Yamagata, after writing up this Appendix.

**“Translation-Preface in English”**

**Title 1:** p. xiii-xiv, Atkinson, senior as inequality researches

It is true that the inequality-strategy became popular by the publication of this book. It is also true that the strategy has not been connected with policy. Also, policy as a whole organic system does not appear yet today, although there are a lot of partial policies by model and with no common assumption.

The writer, however, feels that Atkinson’s expression power is supreme: There exists no difference between strategies and policies.

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<sup>1</sup> Hiroo Yamagata. (24 Dec 2015). “Inequality in the 21<sup>st</sup> Century.” Tokyo: Toyo Keizai, 56+369p.

## **Historic Variety on the Earth**

**Title 2:** p. xiv-xv, Piketty's Capital in the 21<sup>st</sup> Century and this book

'Piketty's attractiveness, in a sense, was his bold simplification for inequality-causes,' as shown by unique equation of  $r > g$ . Atkinson, however, needs many sides and wishes to accept the importance of the causes of technological progress, even under the Piketty's simplification.

The writer here indicates that the rate of technological progress is given even in the case of Atkinson. The writer understands that measure system does not complete under partial endogenous.

**Title 3:** p. xv, Many-sided undertakings to inequality

'It is enough interesting for Atkinson to step into designing the inequality towards the direction of technological progress.'

**Title 4:** p.xvi, Technology does not move and change naturally. Technology progresses towards the direction related individuals all want to step into. This is because technological progress occurs by following actual experiences data. If it is so, then the direction should be taken so as to use government demands.'

The writer believes, however, a discovery proved by Peter Drucker, genius born once one hundred years. Drucker had advised to beloved Japan and Japanese people life-time employment system, as well-known by the name of his life-long student (see, three dozens of books, published by Diamond, Tokyo).

**Title 5:** p. xviii, For suggestions to Japan

'How should we cope with the inequality caused by technological progress? How to cope with the inevitable increase in non-regular laborers? Coping methods for these problems are efficient to Japan since these wholly work in the societies in Japan.'

p. xviii, 'Japan is behind other countries in the fields of birth, child-education, poor-children, and social security system.---- Resultantly, problems of the annual payment and productivity per capita will be sadly weakened in the long run.'

The writer definitely denies the above viewpoints. The above viewpoints assumes a common thinking in the Western societies, free from culture and civilization brought about in agri-culture society historically for the last four thousand years.

Finally, the writer adds Yamagata's interpretation of inequality. Yamagata states, in the end of Title 5, that in the 21<sup>st</sup> Piketty, inequality means Kakusa, 格差, while in Atkinson, inequality means Fubyodo, 不平等. But, Yamagata just stresses that Atkinson often compares equality with inequality and, no more meaning. By the way, Yamagata says he is ready for any correction(s), by showing

<http://cruel.org/books/atkinson/>

## **Why so many appearances of diversity by individual, organization, country, globally in the 21<sup>st</sup> century?**

### **Introduction**

The writer excitingly wants to appeal key questions: Why diversity is pursued everywhere? Why is there no solution yet? How can we solve these problems?

The diversity is now stressed in whatever aspects, whatever viewpoints, and so on, both in the actual and unseen worlds, isn't it?

The diversity is related to human history, culture, civilization and democracy, from the viewpoint of mankind, as stressed by Rogers M. Smith, researcher of constitution, political thoughts, and modern law and politics theory. Smith tells us: The diversity brings about selfish activities for one country. A typical case is America. This case is a resultant phenomenon that fundamentalism pursuing Bad continuously has fought against liberalism pursuing Good. And, in the long run, pendulum moves back and forth, as indicated by Toshiaki Miura, 22 Dec 2015, who is an editing member of Asahi Newspaper.

According to the writer's 'purely endogenous,' in the case of seen actual world, endogenous equilibrium holds so that both instantly and infinitely, seen is balanced with unseen.

### **Key essence of the diversity**

This essay proves the fact above by relying on the market principles, born with mankind and money. The market principles expresses true anywhere and anytime, strictly next to the Nature or God.

In the seen world, the balance of payment (BOP) is a better tool for social economic policies. Because, the aggregated total amount is zero over 192/7 countries globally. Then, what is a weak point of the BOP? Conclusively, if the primary balance of debts and deficits by country steps into beyond a certain limit, the BOP turns against the market principle, where the market principles robustly works for BOP phenomena.

For example, a typical is Japan's current government policies, which are artificial and neglect neutrals to politics definitely. Share prices move unstably up and down and reflect irrelevant attitude of Abe cabinet. Why is it so?

The current Abe cabinet only wants to increase government expenditures. As a result, the difference between the PB amount and cabinet target amount terribly becomes much wider, 2020, compared with 2015 one.

## **Historic Variety on the Earth**

Is it possible for the Abe cabinet to conceal this fact? No, not. The true cause of non-sustainability is deficit by year and deflation continues by year? Why deflation is connected with deflation? The key mechanism is the following, based on the writer's  $RRR=0$  or, the real rate of returns/profits = zero, under economic net investment = zero or no growth in gross investment.

Definite wrong is the higher the gross investment the more stable the economic growth is. Growth does not a better indicator in social economic science. Why people believe that growth is better than non-growth? Why do individual and people prefer inflation to deflation? Does inflation increase total returns and profits by country? It seems to be but, it remains sad illusion. Why is it sad illusion?

Government and mass media do not disclose true facts just like during the 2<sup>nd</sup> World War until 1945. The best is no inflation and no deflation, under which the real rate of returns/profits is the highest with net investment=zero. This is sustainable society and economy by country. Each worker gets highest wages and profits by country. There is no theory and no evidences in the literature so that no one has not proven this fact except for the writer's 'purely endogenous.'

Nevertheless, the market principles have proved this fact continuously over years. Therefore, the writer uses a simple sentence that the market principles are next to the Nature or God, an absolute existence like God, as the writer at first stated above in this essay.

Summing up: The diversity characteristic kept by individual cooperatively harmonizes social and economic societies and also both the seen and unseen worlds. This characteristic implies that 'think of others' and also 'given first and get last,' by individual and organization. This characteristic holds beyond space and time. We, first of all, need to perceive and realize this fact globally.

Individuals and people are required to learn that the absolute existence gives an individual free thinking to what we can learn by exercises. This implies the unity of science and thinking, open and published, as stated separately and more in detail in 28<sup>p</sup> essay, whose title include key words of symmetry and hyperbola.