

U.S. senator says stock market is a 'playground for billionaires'



Boston, February 2 (RHC)-- Democratic Senator Elizabeth Warren, a former law professor at Harvard University, has said that the U.S. stock market has become a "playground for the billionaires." The Massachusetts senator said the stock market is like a "casino" and is not reflective of the state of the economy during an interview on CNBC.

"But the stock market, which has become the giant casino and playground for the billionaires, just keep spinning upward," Warren said. "That means that our real economy has ...really become detached from where the stock market is and the real economy right now is suffering. Stimulus checks are a way to deal with that." She suggested a wealth tax to counter wealth inequality in the United States.

The senator made the remarks in the wake of the GameStop trade that shook the stock market in the last two weeks. GameStop shares jumped, awarding retail investors the advantage in the latest round of their battle against major financial institutions that had shorted the video game retailer. Hedge funds and other short sellers had a bruising week.

Senator Warren urged the Securities and Exchange Commission (SEC) to explain how it will solve the issue of the wild swings in stock prices and whether recent rallies US stocks were the result of market manipulation. She called on the SEC to crack down on dangerously speculative stock trades and investigate this week's surge in stocks targeted by online traders.

"These wild fluctuations are just the latest indication that many private equity firms, hedge funds, and other investors, big and small, are treating the stock market like a casino, giving little consideration to the companies, communities, workers, and consumers that may be affected by these risky bets," she wrote.

"The recent chaos reveals a clear distortion in securities markets, with benefits accruing to investors that do not clearly benefit the company's workers, consumers, or the broader economy." "The Commission must review recent market activity affecting GameStop and other companies, and act to ensure that markets reflect real value, rather than the highly leveraged bets of wealthy traders or those who seek to inflict financial damage on those traders," she wrote.

"To protect and restore public trust in sound securities regulation and enforcement, the Commission must identify gaps in existing securities laws and rules and ways in which the Commission can improve its enforcement capabilities."

The widening income gap in the U.S. is helping the rich lead longer lives, while cutting short the lives of those who are struggling financially, according to a new study. A recent report has showed that income inequality in the United States is at its highest point this year since data started being collected over half a century ago.

That report also showed that the 400 richest people in the U.S. owned more than the 150 million people in the bottom 60% of the United States. Those 400 richest people had also tripled their wealth since the early 1980s. The widening income gap in the US is helping the rich lead longer lives, while cutting short the lives of those who are struggling financially, according to another study.

The massive income inequality in the U.S. has triggered anxiety among Americans and politicians for years, energizing right-wing populism and the emergence of nationalist leaders like former President Donald Trump, and pushing the Democratic Party towards the left.

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