Wanted: More Social Misery

Anarcho-Syndicalist Review

June 6, 2017

As Republicans were getting set to repeal Obamacare, House Speaker Paul Ryan condemned it for, among other defects, costing consumers thousands of dollars a year in premiums and co-pays and leaving 20 million Americans without coverage. So he’s pushing a bill that would double the number of uninsured, and leave tens of millions more with a choice between very expensive plans that cover almost nothing and forking over tens of thousands a year more to get something approaching decent coverage.

But TrumpCare has real benefits. The rich would see their taxes slashed by $600 billion over 10 years, and insurance companies (able to charge higher premiums while offering thinner coverage) would see profits skyrocket. Add in the $26.9 billion a year Trump wants to give the rich by slashing inheritance taxes (which hit only the very richest) and the $300 billion a year his income tax proposal would save the 1 percenters (another $300 billion would go to the other 99%, though little of it would trickle down), and proposed corporate tax cuts (several of the largest U.S. corporations already pay little or no taxes), and it becomes clear that the polytricksters are taking decisive action to address income inequality.
The average CEO of the 500 largest U.S. companies makes just 347 times ($13.1 million) the pay of the average rank-and-file worker. Inflation-adjusted wages for production workers haven’t gone up in 50 years, when the ratio was closer to 20-to-1.

When American Airlines (which is rolling in profits) decided to return some of the concessions it forced on its workers during bankruptcy, arguing that this would improve morale, stockholders rose up, hurling their champagne glasses at their Bloomberg terminals. “Labor is being paid first again,” one stock analyst wrote. “Shareholders get leftovers.” American’s stock price plummeted.

Young workers today make almost as much as they did in 1975 – the Census Bureau reports average incomes down by 5.5 percent after inflation. In 1975, workers aged 25 to 34 were paid an average of $37,000 in current dollars. In 2016, their pay was $35,000. Pay (and benefits) declined even though young workers today are better educated, and have the student loans to show for it.

The 1 percent see no reason they should endure such privation. They’re working hard to get the CEO-to-worker pay ratio to 1,000-to-1 through a mix of tax cuts, slashing health and pension benefits, outsourcing jobs, deregulation, and outright wage theft.

And the politicians are only too willing to do their share. This makes perfect sense if you realize that the purpose of government is to funnel as much of the wealth society creates to the rich as possible, and to keep the rest of us in our place.

Thus, the Trump administration is proposing to slash funding for meals to school children and senior citizens (these foster dependence, after all – when people are fed they’re still around tomorrow wanting more; it’s much cheaper to let them starve to death); education; foreign aid; and anything else that might relieve human misery. The savings would go to prisons and the military.
The New York Times’ resident liberal economics columnist, Paul Krugman, illustrated in his Jan. 23 column why Democrats have little hope of persuading Trump voters – or the tens of millions who refused to vote for either candidate – that they have any understanding of the lives of working people, let alone any ideas on how to improve them.

Listening to Mr. Trump’s inaugural address, you might have thought America was in the midst of a full-scale depression, with ‘rusted-out factories scattered like tombstones across the landscape of our nation.’ Manufacturing employment is indeed down since 2000, but overall employment is way up, and the unemployment rate is low... Rising wages and the growing number of Americans confident enough to quit their jobs suggest an economy close to full employment...

And perhaps they do, to an economist so mired in mainstream thinking that he can not look out the window.

The unemployment rate is indeed down, because the job market is so dismal that millions have given up looking for work.

Employers claim they’re having trouble finding “qualified” workers. This is partly a reflection of screening programs that reject people with too much experience, or not enough; if a resume’s language doesn’t exactly match the criteria some coder who never worked the job typed in, into the discard pile it goes. Anyone accustomed to a living wage with benefits won’t get a second look, of course. But it also reflects a shift in how employers hire. A few decades ago, they figured they’d hold onto workers for several years, and so were willing to invest a few days training them. Now workers are increasingly disposable; hired by the gig or the shift. So the bosses want them to be 100% productive the instant they start work (and to squeeze extra productivity out of them by making them work off the clock, do the work of three or four people, etc.).

The bosses constantly whine about the shortage of construction workers, to cite just one example. But the April 22 Los Angeles Times reports that carpenters there earn less today than
they did in the early 1970s (ignoring lost vacation days, health and retirement benefits, and work rules). Only a third as many construction workers are unionized today, giving bosses a free hand.

If there were jobs on offer at which one could earn a living, millions and millions of workers would jump at them.

Krugman says things are likely to get worse – much worse – before they get better, and absent a lot of organization and struggle he’s probably right. But conditions are plenty bad already, and when these pundits try and sell their Pollyanna stories about how great things are they only remind people how out of touch those at the top really are.

Things are going quite well for the rich. Not only the infamous 1 percenters, the 5 percenters are doing quite well too. But more than half the working population is struggling to hold on to the standard of living they “enjoyed” back in the mid-1970s (it wasn’t that enjoyable; there were lots of strikes by workers demanding to be treated like human beings), and a fairly large share of our fellow workers are substantially worse off than they were five decades ago. Telling them that things have never been better (for those at the top) just won’t cut it.