

Class War: A Labour Day Greeting Card!

by Stephen Elliott-Buckley - Monday, September 04, 2006

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[Last year at Labour Day I wrote about](#) how I began reading Mark Steyn's pearls of shit.

He was waxing on about how the world is so great and technology will save us and humans can trump an instant karma planet that may not endure us much longer. We should all stop whining and have faith in the Fortune 500 R&D divisions to conjure up the next fuel for global pillaging.

But class war is on my mind this year. And since it's Labour Day, it's important to point out that your labour is worth more shit and less value than ever before in recent generations. AND IT'S OUR FAULT because we are letting "them" do it to "us."

And I know that it sounds like the "typical" bleeding heart anti-establishment tone to blame some "them" but there is a "them", and Greg Palast has defined "them" quite neatly [see his whole piece below]. And as much as all this data relates to the USA, Canada is a syncophantic replica of this economic beast.

Just a few timbits of a sense of "them":

50.4% = amount of US income earned by the richest quintile

5.9% = the amount the US median income dropped since Bush's election-rigging machine stole the White House

83% = the amount of stock market shares owned by the richest US quintile

53% = the amount of stock market shares owned by the richest 1% of the US

3% = the amount of all US private assets owned by the poorest 50% of Americans

As a country's economy grows and wealth increases, the Gini Index measures the income disparity within that nation. One of the things that demonstrates who gets the benefit from economic increases is to examine the relationship between wages and productivity. When a nation's productivity increases, you would think that the wages of the workers who are producing more effectively would reflect that improvement.

[Since 2003, the reverse has happened in the US. Productivity increased while median wages declined 2% after adjusting for inflation. In the first half of the decade, worker compensation \[wage plus benefits\] has been half of US productivity increases. However, the share of wage income earned by the richest 1% of Americans nearly doubled to 11.2% in the last 30 years.](#)

["As a result, wages and salaries now make up the lowest share of the \[US's\] gross domestic product since](#)

[the government began recording the data in 1947, while corporate profits have climbed to their highest share since the 1960's." Wages 6 months ago reflected just 45% of the US GDP, while 36 years ago wages represented 53.6% of their GDP. In fact, a Goldman Sachs report concluded, "the most important contributor to higher profit margins over the past five years has been a decline in labor's share of national income."](#)

Corporate profits are predominantly earned by the richest quintile of Americans these days. They are "them".

["Since last summer, however, the value of workers' benefits has also failed to keep pace with inflation, according to government data."](#)

Dividends per share rise when large and small corporations cut benefits to workers. Dividends are largely distributed to the top income quintile of Americans.

But maybe "them" have been hurting by this as well. ["At the very top of the income spectrum, many workers have continued to receive raises that outpace inflation, and the gains have been large enough to keep average income and consumer spending rising."](#) OK, maybe not.

But why is it so easy to blame "us" for "them" screwing us out of living or just wages?

If you think people deserve a share in the value or wealth they create, you understand the [Labour Theory of Value](#), and you are in good company with two of the fathers of capitalism: Adam Smith and David Ricardo. Sadly, though, neoliberal free trade economics of global corporate neofeudal rape and pillage reject such quaint notions and liken you--in your support of the Labour Theory of Value--to Karl Marx: not so much a fan of classical or neoliberal economics.

And when I say that it's our fault that we continue to allow ourselves to be abused by the richest quintile or 1% of Americans [or Canadians or OECD world], it is because of how Marx connected the Labour Theory of Value to social order. More egalitarianism comes when more people are able to share in the fruit of their labour. This is not happening so much anymore. During the communism scares of the early 20th century, labour was able to make great gains in wages, benefits and social welfare as capital feared Red Revolutions across the industrial world. With the Evil Empire gone, and only a few marginalized "Red" nations remaining, there is less incentive to buy off labour.

["Polls show that Americans are less dissatisfied with the economy than they were in the early 1980's or early 90's. Rising house and stock values have lifted the net worth of many families over the last few years, and interest rates remain fairly low." Plus, "global trade, immigration, layoffs and technology — as well as the insecurity caused by them — appear to have eroded workers' bargaining power. Trade unions are much weaker than they once were."](#)

And then there's Wheel of Fortune, reality television and the other elements of what make up today's religion as the opiate of the masses. Class warfare belongs to another time and place. We see Hummers driving down our street and we think we're in the blessed world of economic birthrights. "We" are "them" so warfare is against ourselves. Except the economic statistics show we're being bled like the frog in the pot on a slow heat.

But then again, in a global sense, the OECD world **is** the world's top economic quintile. If the workers of the industrialized world unite against our oppressors, that's just us in the top 2-19% income group going after the top 1%. Is that really a class war?

Horatio Alger, Jr, 19th century American pulp novelist, championed the great American rags to riches dream. As long as the poorest four quintiles of North American population continue to think that we're just one raise away from getting our Hummer, we will refuse to recognize that class politics that allow the irony-free American "president" to chuckle while claiming to be the president of the "haves" and the "have-mores".

And if the Irish saved western civilization after the fall of Rome and through the Dark Ages, perhaps the ascendent political movements of Latin and South America with their focus on human over corporate centred economic development will save the myopic greed of the class rulers of North America.

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[TODAY'S PIG IS TOMORROW'S BACON \(a Labor Day recipe\)](#)

By Greg Palast

September, 3 2006

Some years from now, in an economic refugee relocation "Enterprise Zone," your kids will ask you, "What did you do in the Class War, Daddy?"

The trick of class war is not to let the victims know they're under attack. That's how, little by little, the owners of the planet take away what little we have.

This week, Dupont, the chemical giant, slashed employee pension benefits by two-thirds. Furthermore, new Dupont workers won't get a guaranteed pension at all -- and no health care after retirement. It's part of Dupont's new "Die Young" program, I hear. Dupont is not in financial straits. Rather, the slash attack on its workers' pensions was aimed at adding a crucial three cents a share to company earnings, from \$3.11 per share to \$3.14.

So Happy Labor Day.

And this week, the government made it official: For the first time since the Labor Department began measuring how the American pie is sliced, those in the top fifth of the wealth scale are now gobbling up over half (50.4%) of our nation's annual income.

So Happy Labor Day.

We don't even get to lick the plates. While 15.9% of us don't have health insurance (a record, Mr. President!), even those of us who have it, don't have it: we're spending 36% more per family out of pocket on medical costs since the new regime took power in Washington. If you've actually tried to collect from your insurance company, you know what I mean.

So Happy Labor Day.

But if you think I have nothing nice to say about George W. Bush, let me report that the USA now has more millionaires than ever -- 7.4 million! And over the past decade, the number of billionaires has more than tripled, 341 of them!

If that doesn't make you feel like you're missing out, this should: You, Mr. Median, are earning, after inflation, a little less than you earned when Richard Nixon reigned. Median household income -- and most of us are "median" -- is down. Way down.

Since the Bush Putsch in 2000, median income has fallen 5.9%.

Mr. Bush and friends are offering us an "ownership" society. But he didn't mention who already owns it. The richest fifth of America owns 83% of all shares in the stock market. But that's a bit misleading because most of that, 53% of all the stock, is owned by just one percent of American households.

And what does the Wealthy One Percent want? Answer: more wealth. Where will they get it? As with a tube of toothpaste, they're squeezing it from the bottom. Median paychecks have gone down by 5.9% during the current regime, but Americans in the bottom fifth have seen their incomes sliced by 20%.

At the other end, CEO pay at the Fortune 500 has bloated by 51% during the first four years of the Bush regime to an average of \$8.1 million per annum.

So who's winning? It's a crude indicator, but let's take a peek at the Class War body count.

When Reagan took power in 1980, the One Percent possessed 33% of America's wealth as measured by capital income. By 2006, the One Percent has swallowed over half of all America's assets, from sea to shining sea. One hundred fifty million Americans altogether own less than 3% of all private assets.

Yes, American middle-class house values are up, but we're blowing that gain to stay alive. Edward Wolff, the New York University expert on income, explained to me that, "The middle class is mortgaging itself to death." As a result of mortgaging our new equity, 60% of all households have seen a decline in net worth.

Is America getting poorer? No, just its people, We the Median. In fact, we are producing an astonishing amount of new wealth in the USA. We are a lean, mean production machine. Output per worker in BushAmerica zoomed by 15% over four years through 2004. Problem is, although worker productivity keeps rising, the producers are getting less and less of it.

The gap between what we produce and what we get is widening like an alligator's jaw. The more you work, the less you get. It used to be that as the economic pie got bigger, everyone's slice got bigger too. No more.

The One Percent have swallowed your share before you can get your fork in.

The loot Dupont sucked from its employees' retirement funds will be put to good use. It will more than

cover the cost of the company directors' decision to hike the pension set aside for CEO Charles Holliday to \$2.1 million a year. And that's fair, I suppose: Holliday's a winning general in the class war. And shouldn't the winners of war get the spoils?

Of course, there are killjoys who cling to that Calvinist-Marxist belief that a system forever fattening the richest cannot continue without end. Professor Michael Zweig, Director of the State University of New York's Center for Study of Working Class Life, put it in culinary terms: "Today's pig is tomorrow's bacon."