

# Morals in The War of America's Overclass

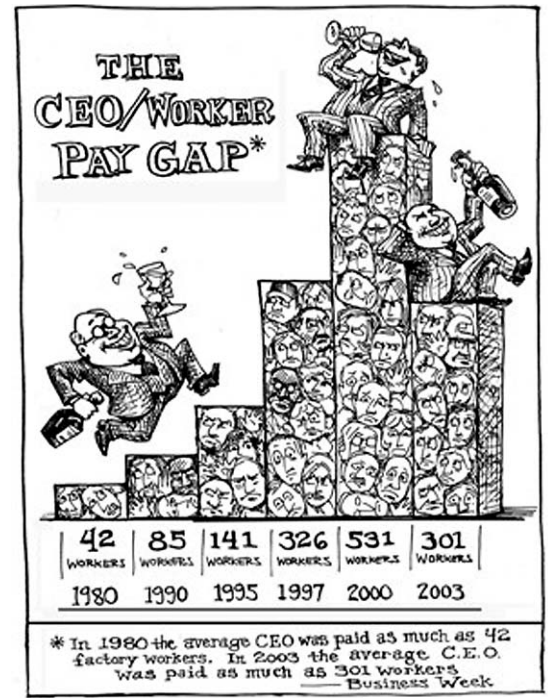
by Peter Laarman

Throughout the 19th century and up to the Reagan Revolution, anti-monopoly and antitrust sentiment drove a significant part of our politics and democratic discourse. Justice Brandeis spoke for a whole nation (minus its plutocrats) when he wrote "we can have a democracy or we can have great wealth concentrated in the hands of the few. We cannot have both."

We now know that the decline in our private pension system is partly caused by siphoning off worker pension plans to pay for lavish executive retirement benefits. Take the 430/1 ratio of current CEO/worker pay and ratchet that ratio up by several factors as the big cheese and his wage slaves enter their sunset years. The executives get pension payouts at a rate of 60 to 100 percent of their pre-retirement compensation. Meanwhile, the drones get 20 to 30 percent of their pre-retirement pay. This is all going on while companies move as one toward "cash balance" plans for their peons that have the effect of slowing the growth of older workers' pensions or stopping it altogether.

There is a theme here that the corporate media chooses to miss even when it manages to report grim realities, such as a first-quarter aggregate economic growth rate of 4.8 percent while average wage growth of 0.7 percent fails to keep up with surging costs in housing, health care, and gasoline. Meanwhile, inflation-adjusted profits since the last quarter of 2001 shot up more than 50 percent, yet real wage income rose less than seven percent over the same period. What's even worse, the likelihood of workers experiencing sudden drastic drops in household income has been as bad during these years of "recovery" as it was during the 1990-91 recession. In short, the yachts at the top of a rising tide have been bobbing along merrily, but all around them millions of tiny boats have been sinking while millions of other boats are shipwrecked.

The Labor Department says that seven of the ten occupations expected to grow most rapidly between now and 2012 pay less than \$13.25 per hour. In 2004 nearly half of America's workers earned less than \$13.25 per hour. This wage compression has not come about because American workers lack skills and education. Rather, our workers are hurting because their wages are being pushed below their actual skill and productivity level by greed at the top, by rampant outsourcing,



graphic: Matt Wuerker

and by the shocking effect of Wal-Mart's "monopsony" throughout the economy, i.e., the ability of this giant retailer to ruin suppliers and their workforces. "Always Low Prices!" masks unspeakable destruction below the surface.

Our ancestors didn't take kindly to class war from above. Protection of all people from the impact of concentrated wealth lay at the heart of the nation's original "moral values." Our Founders could have been less entranced by John Locke's notion of the sanctity of private property and contract law, but they also recognized the latent despotism in too much property in the hands of monopolists. Madison denounced any concentration of economic power that could deny Americans "the free use of their faculties, and the free choice of their occupations."

Reagan and his corporate sponsors moved immediately to dismantle antitrust law and did so with barely a murmur of congressional or press protest. Japan was supposedly eating our lunch back then. Nothing could stand in the way of efforts by "our" corporations to fight back. Never mind that completely surrendering to the global competitiveness mantra would unleash a brutal reign of terror on small businesses, on unions, and on ordinary working families.

That reign of terror has been intensifying ever since. So how long will we tolerate such violence and such gross usurpations of our American liberties and birthright by those whom trust-buster Teddy Roosevelt called "malefactors of great wealth"?

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