

The Intercept

The Corporate Right Is Giving Us Two Choices: Go Back to Work, or Starve

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The GOP and its core constituents — conservative corporations — now face two dangers, one in the short term and one in the longer term. They're currently using their standard playbook to smother both. Whether they succeed will determine our lives for decades.

The short-term danger is that Americans will resist the push from business to get us back on the job and making money for them. Their plan is simple: Starve us out. They know we can't survive indefinitely without a continuing government bailout focused on regular people's needs. So they're going to stop that bailout from happening.

The longer-term danger they face is that we'll make the government work for us in the short term — and then we will realize we could make it work for us *all the time* by removing the threat of starvation from their arsenal. This would totally change the balance of power in society. This is their deepest fear, one that's consumed them since World War II, the first time in history that everyday people gained consciousness that it was possible for them to use the government to create a world that puts them first, not their bosses.

In the short term, they will just say that America is now, sadly, out of money. At a recent press conference, Senate Majority Leader Mitch McConnell, R-Ky., still metaphorically drenched from the firehose of cash he sprayed all over Wall Street and big American business during the past month, looked mournful. Money for state and local governments so they're not forced to lay off massive numbers of teacher and firefighters? Hazard pay for doctors and nurses? Help for people paying rent? Sorry, no. "Until we can begin to open up the economy," McConnell said, "we can't spend enough money to solve the problem." The same thinking prevails in the Trump administration, particularly about money for state and local governments.

The strategy is already bearing fruit, with states such as Florida, Georgia, Texas and Tennessee easing restrictions on business — all to the approval of various presidential tweets.

To understand the depths of this depravity, watch this local news helicopter footage of hundreds of people in Rockville, Maryland — just outside of Washington, D.C. — close together in line for free food being given out by a Megamart Supermarket. The station's

correspondent said that “in this whole plan, of what we do for people during this pandemic ... these are perhaps people who are not seen.”

But this is wrong. America’s corporate right absolutely sees these people. Like any competent group of thieves robbing a bank, they see the vulnerable as hostages.



Anyone who knows the Washington, D.C., area would find the supermarket scene nauseating, shocking, and completely predictable, all at the same time.

Rockville is in Maryland’s Montgomery County, one of the richest counties in the United States, with a median income of about \$100,000. Georgetown Prep, the private school attended by Supreme Court Justice Brett Kavanaugh — current day student tuition \$38,330 — is a modest stroll from this particular Megamart. The headquarters of Lockheed Martin — which paid its CEO \$21.5 million in 2018 and gets 70 percent of its revenue from the federal government — is a 10-minute drive away. Then if you need a new ride, you’re not far from Bethesda Euromotors, where you can pick up a Mercedes SUV for \$170,000.

The people who actually make the lives of Montgomery County’s aristocrats run are generally invisible to the aristocrats themselves. But here, many were suddenly in one place: visible and desperate. The county’s princelings and princesses are a big chunk of the elites who truly control the United States. They unquestionably have the power to end the desperation. They just won’t.

Why? It's easy to conclude they simply don't care whether workers live or die; certainly President Trump's demand that meat processing plants stay open even as the people inside them get sick makes that as clear as anything could. But it's more complex than that, and in fact more dreadful.

There are two paths forward during this pandemic. The U.S. could rationally follow the science about the novel coronavirus, as complicated and incomplete as it is. This would necessitate putting much of the economy in hibernation until we have the capacity to immediately find anyone with Covid-19 and provide them with a safe place to stay in quarantine, while doing our best to keep everyone who has to work safe. For regular people to survive, we would need government action along the lines of that proposed by Sen. Bernie Sanders, I-Vt., and Rep. Pramila Jayapal, D-Wash.: guaranteeing no one goes hungry, direct emergency cash payments to everyone, Medicare covering all health costs.

Alternately, we can follow the heart's desire of the corporate right, and shove everyone back to work as soon as possible.

The problem for the corporate right is that the force-everyone-to-risk-death concept is unpopular. Recent polls show overwhelming support for the continuation of shelter-in-place policies until public health officials say it's safe to lift them.

This could easily change, however, as the Rockville scenes make clear. A \$1,200 stimulus check will pay for less than one month of the median U.S. rent for a two-bedroom apartment. GOP governors are already maneuvering to make it difficult for constituents scared that their job might kill them to access the expanded unemployment benefits of the CARES Act.

What we can expect to see on the right is ever-more ostentatious wailing and rending of garments about the suffering of the jobless. Jeanine Pirro has already explained on Fox that "for every percentage of increase in unemployment, there is an increase in deaths from suicide, alcoholism, domestic violence, and a loss, and depression." USA Today columnist Glenn Harlan Reynolds wrote about the "class divide here ... between the people in the political/managerial class on the one hand and the people in the working class on the other."

This weepy concern for the unemployed will be bogus, but the suffering will be absolutely real, because the right will make sure it is.

The corporate right's hoped-for dynamic recently was explained explicitly by Trevor Burrus of the Cato Institute, a conservative D.C. think tank: "The economic and human devastation is difficult to contemplate, and it's only getting worse. ... Many will hit a point where the trade-off will be between possibly getting COVID-19 and being able to feed their families. The disease doesn't look so bad then."

There it is: The choice being given to regular Americans will be to work or die.

In Adam Smith's "The Wealth of Nations," probably the most famous book ever written about economics, Smith explains that the "masters of mankind" (rich employers and financiers) always have known this is the choice available for most people. When workers fight back against the masters for more pay or better conditions, their efforts "generally end in nothing,

but the punishment or ruin of the ringleaders.” Much of this is due to “the necessity which the greater part of the workmen are under of submitting for the sake of present subsistence.” That is, working people just can’t withdraw their labor for long, or they’ll go hungry.

The problem, from the corporate right’s perspective, is not just that business would lose its cudgel for the moment if the U.S. government pays people to stay home. (To understand why we can afford it at unusual times like this, [read about Modern Monetary Theory](#), which is often condemned as a radical heresy but is in fact just a straightforward description of reality.) The deeper long-term peril, from the perspective of Wall Street and big business, is that normal Americans will realize they can use the government to eliminate the “necessity” of which Smith wrote — and thereby permanently alter who holds power in U.S. society.

This was famously explained in a 1943 essay by [Michal Kalecki](#), a Polish economist, titled “Political Aspects of Full Employment.” At that moment, World War II was demonstrating for everyone with eyes to see that governments could end depressions and create economic booms via the straightforward method of spending money on basic human needs. There was no *technical* reason this couldn’t continue after the war, Kalecki wrote. But there was a huge political problem: An economy in which people could live without fear of unemployment would mean employers would no longer hold the whip hand.

As Kalecki put it, in a standard capitalist economy, the level of employment depends on the “confidence” of employers, and hence they must be catered to constantly. However, “once the government learns the trick of increasing employment by its own purchases, this powerful controlling device loses its effectiveness. Hence budget deficits necessary to carry out government intervention must be regarded as perilous.”

Kalecki’s key insight was that big business cares more about power than money. “It is true that profits would be higher under a regime of full employment than they are on average under *laissez-faire*,” he said, “but ‘discipline in the factories’ and ‘political stability’ are more appreciated than profits by business leaders. Their class instinct tells them that lasting full employment is unsound from their point of view.”

This perspective — that governmental power was enormous and could be used for the many rather than the few — was obvious at the time in 1940s. But it was forgotten over the next few decades, because powerful people wanted it forgotten. At various points, it’s been rediscovered, as by the civil rights movement [during the 1970s](#). What we need now is slightly different than what Kalecki described: “full employment” with many people essentially “working” at not getting sick or infecting others. But the principle is the same, as is the terror that this possibility elicits on the right. They will do everything possible to make sure we forgot they just suspended all of their purported rules for as long as it took for them to unlock the U.S. Treasury and help themselves to trillions of dollars.

Now, with that accomplished, Republicans and the corporate right will pretend it never happened, suddenly reimpose the “rules,” and fight to the death against any genuine bailout for regular people. This will be the case even if such a bailout would probably be more profitable for business than a shambolic, disastrous reopening of the economy. From the point of view of the masters of humankind, it’s worth any number of dead Americans to stop us from asking: If

we can use the power of the government on a huge scale in a crisis like this, what else can we do?