



Big Business as Big Brother

Saturday, 25 September 2010

They are still at it. The Three Stooges of think tanks -- The Heritage Foundation, The Cato Institute and the American Enterprise Institute -- continue to beat the drum on lowering Federal salaries.

Federal pay called into question -- again

"During a panel discussion hosted by the right-leaning Heritage Foundation, analysts said federal workers' pay and benefits are more generous than those available in the private sector and should be brought in line with industry compensation. Government employees haven't felt the impact of the recession like the rest of the workforce, they said."

What they didn't say is that Federal employees haven't suffered (as much as private industry workers) at the hands of the the Big Business Brothers and Republican Party that have engineered a decade of declining wages for most Americans.

The American dream is still alive, but in peril

"Most media outlets reporting on the U.S. Census incomes report last week focused on the deplorable fact that one in seven Americans - 43 million - lived below the poverty line in 2009.

But the Wall Street Journal had the right headline to explain the generalized experience of average Americans: "Lost Decade for Family Income."

The median income of American families in 2009 was \$49,777, below what it was in 1997."

Need I point out that it's pretty bad out there when I can shoot down the Heritage Foundation's argument using a quote from the *Wall Street Journal*?

The Heritage Foundation and it's buddies aren't the least bit concerned about taxpayers, the Federal government or anybody else except the guys that pay their salaries -- Big Business. Right now, the Federal government is getting to where it is the employer it should be. The employer that sets the bar that others have to meet. Good salaries, good benefits and a good pension. What these Free

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Marketeers are really bellyaching about is the thing they have always told you was good for business -- competition. Big Business is having to compete with the Federal Government for skilled workers and they don't like it. They only like competition when they can put their employees in competition with Chinese or Guatemalan peasants.

Workers need to take a pay cut to compete with **the guys in China making \$130 a month**. And once they get American private industry worker's wages down below Federal wages, Federal wages will need to come down. Once that is accomplished, private industry wages will need to go down to get below Federal wages. You get the picture. The only thing that ever needs to go up in their twisted world in management pay.

CEO Salaries: What is the Average Salary of a CEO?

"In 1970, CEO salary and bonus packages were typically about \$700,000 - 25 times the average production worker salary; by 2000, CEO salaries had jumped to almost \$2.2 million on average, 90 times the average salary of a worker, according to a 2004 study on CEO pay by Kevin J. Murphy and Jan Zabochnik. Toss in stock options and other benefits, and the salary of a CEO is nearly 500 times the average worker salary, the study says."

Keep in mind, these are the guys that gave us The Great Recession. This is the cream of the crop. The smart guys. The ones that society rewards so richly because they are so talented. Remember how they told us it'd be nice to see a businessman -- George W. Bush -- in the White House? **Enron. WorldCom**. I don't even have to insert another link for Lehman Brothers and Washington Mutual because they're on the same page. **AIG. Goldman Sachs**. It all worked out pretty well for them. Even the **"losers"**.

Are you really going to vote for these guys in November? This is nothing new. Nothing -- absolutely nothing -- has changed. The Republican Party stands for big business. If they have to toss in **a little racism**, a little **xenophobia** or **a little culture war** to drum up the votes needed to win -- well, that's just the price of doing business. Watch this.

Back to the original article.

"Federal workers likely weren't overpaid 20 years ago, said Chris Edwards, director of tax policy studies at the libertarian Cato Institute. Government always has employed lawyers, scientists and other highly paid professionals, yet trends show a dramatic rise in federal compensation in the last 10 years compared with the private sector, Edwards said. For example, federal pay has risen nearly 60 percent in the last decade, while private sector wages have increased 30 percent."

Who the heck is Chris Edwards? It's easy to find these things out with the internet.

*"Chris Edwards is the director of tax policy studies at the Cato Institute and a top expert on federal and state tax and budget issues. Before joining Cato in 2001, Edwards was senior economist on the congressional Joint Economic Committee examining tax, budget, and entrepreneurship issues. Previously, he was a consultant and manager with PricewaterhouseCoopers and an economist with the Tax Foundation. Edwards' articles on tax and budget policies have appeared in the Washington Post, the Wall Street Journal, the Los Angeles Times, Investor's Business Daily, and other newspapers. He is the author of **Downsizing the Federal Government** and co-author of **Global Tax Revolution**. He holds a B.A. and M.A. in economics."*

Did you catch the blurb about the "Tax Foundation"? Let's check it out.

"The Tax Foundation is a Washington, D.C.-based think tank founded in 1937 that collects data and publishes research studies on tax policies at the federal and state levels. The group is most famous for its annual calculation of Tax Freedom Day for the United States, which it has produced since the early 1970s."

Admit it, you always thought that "Tax Freedom Day" thing was cute, didn't you? It's okay, they're paid to be cute. They are paid to make you think favorably of their agenda. Don't be distracted. Look at the date. 1937. Do you remember what was happening in 1937? The Great Depression? Roosevelt was President?

Tax Foundation History

"The Tax Foundation was organized on December 5, 1937 in New York City by Alfred P. Sloan, Jr., Chairman of the General Motors Corporation; Donaldson Brown, GM Financial Vice President; William S. Farish, President of Standard Oil Company of New Jersey; and Lewis H. Brown, President of Johns-Manville Corporation, who later became the first Chairman of the Board of the Foundation. The stated goal of the organization was "to monitor the tax and spending policies of government agencies"."

Here's the last Wikipedia entry I'll give you today. I think you'll be able to piece it all together for yourself.

UAW Growth in the 1930s

"The UAW rapidly found success in organizing with the sit-down strike - first in a General Motors plant in Atlanta, Georgia in 1936, and more famously in the Flint sit-down strike that began on December 29, 1936. That strike ended in February 1937 after Michigan's governor Frank Murphy played the role of mediator, negotiating recognition of the UAW by General Motors. The next month, auto workers at Chrysler won recognition of the UAW as their representative in a sit-down strike."

Don Brown
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