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What the rich are thankful for

For most Americans, this will be the worst Thanksgiving they can remember. A quarter-million people in America are dead from the pandemic. Tens of millions have lost their jobs, and countless others are hungry or on the verge of being evicted from their homes. For months, workers throughout the country have played a daily game of Russian roulette every time they punched into a shift at a factory, warehouse or store.

But the view from Manhattan's billionaires' row is much more pleasant. On Tuesday, the Dow Jones Industrial Average hit a record of 30,000, up nearly 70 percent since March. This, in turn, has fueled the wealth of the ultra-rich. A recent report from the Institute for Policy Studies gives a sense of the enormous upward redistribution of wealth that has occurred since the outbreak of the pandemic:

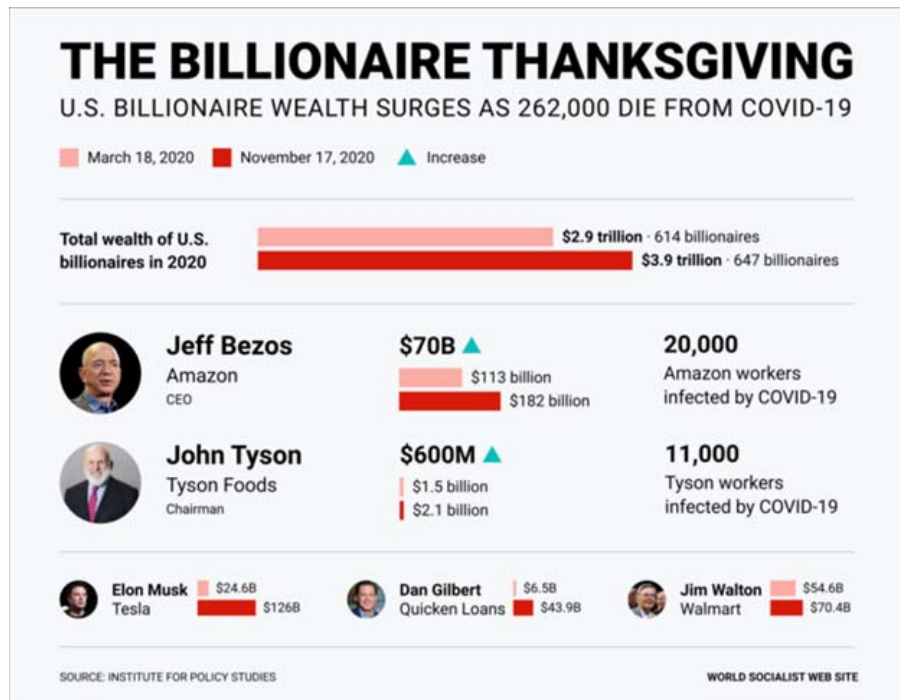
Ten billionaires have a combined wealth of \$433 billion and have seen their wealth increase \$127 billion since the beginning of the pandemic in mid-March, a 42 percent increase. These ten are Jeff Bezos (Amazon), Alice, Rob and Jim Walton (Walmart), Apoorva Mehta (Instacart), John Tyson (Tyson Foods), Stephen Schwarzman (Blackstone), Henry Kravis and George Roberts (KKR), and Steve Feinberg (Cerberus).

John H. Tyson, the billionaire owner of Tyson Foods, has seen his personal wealth increase over \$600 million since the beginning of the pandemic as an estimated 11,000 Tyson workers have been infected with COVID-19.

The wealth of Amazon's Jeff Bezos has increased over \$70 billion since mid-March while an estimated 20,000 Amazon workers have been infected with COVID-19.

To this list should be added Elon Musk, who recently eclipsed Bill Gates to become the second-richest man in the world. Musk has had his wealth surge by \$112 billion—larger than the GDP of Kenya—in a single year as the stock price of Tesla and SpaceX soared.

On May 11, Musk announced the resumption of production at Tesla's main facility in California, defying state law, with the complicity of the state's Democratic Party government. In the period since Tesla reopened production, its stock price has more than tripled, making it the largest carmaker by market capitalization. Musk's wealth is now five times what it was just two years ago.



The surge in the markets is driven by the vast and unprecedented intervention by the Federal Reserve, which has guaranteed that there will be no fall in stock prices regardless of the state of the real economy. Economists Raphaële Chappe and Mark Blyth note in the latest edition of *Foreign Affairs* that the growth in the rise in share values has almost exclusively benefited the super-rich.

“According to recent research by Goldman Sachs,” they write, “the bottom 90 percent of Americans hold a mere 12 percent of the value of stocks owned by U.S. households. The U.S. economy has failed to deliver inclusive growth for decades, as real wages for many workers have been stagnant since the mid-1970s.” They continue:

The Fed itself determined last year that the majority of American adults would not be able to cover a hypothetical unexpected expense of \$400—a scenario that for millions of Americans became a reality when the pandemic forced the country to shut down.

In short, the United States seems to have stumbled into a monetary policy regime that has untethered the fate of economic elites, who derive most of their income from state-protected financial assets, from that of ordinary people, who rely on low and precarious wages. Such a regime offers permanent protections to those with high incomes from financial assets.

In reality, US capitalism has not “stumbled” into this policy. This state of affairs is the product of a decades-long campaign to slash the living standards of the working class while enriching the financial oligarchy.

Beginning with the Reagan/Thatcher/Volcker anti-inflation policies in the early 1980s, the world’s ruling classes launched a systematic campaign to drive down workers’ wages and living standards. “Anti-inflation” policies, which originally entailed the raising of interest rates to create a manufactured recession in the early ’80s, were soon supplanted by decades of extremely low interests rates for banks and the implicit guarantee that central banks would ensure there would be no serious fall in the value of financial assets.

The ruling class responded to the economic and financial crisis of 2008 by launching, under both Bush and Obama, a massive, multi-trillion-dollar bailout, implemented over the course of years, that led the stock market to surge amid mass unemployment.

In 2020, the ruling class used the crisis conditions created by the pandemic to launch a bailout twice the scale of 2008, implemented within a matter of just a few months, leading stock markets to surge to record highs almost immediately.

Beyond the trillions of dollars that went directly to Wall Street, even the funds supposedly meant to preserve workers' jobs took the form of corporate handouts. As Chappe and Blyth noted, "An MIT team concluded that the PPP [Paycheck Protection Program] handed out \$500 billion in loans yet saved only 2.3 million jobs over roughly six months... the annualized cost of the program comes out to roughly \$500,000 per job."

The bailout was followed by the reopening of workplaces in April and May. By the end of July, the emergency federal unemployment benefits available to some workers were allowed to expire, with legislators of both parties arguing that keeping the unemployed afloat was a "disincentive" to workers getting back on the job.

In the 2020 elections, millions of workers voted against the "herd immunity" policies of the Trump administration and the single-minded subordination of the well-being of the population to the stock market.

But immediately after the election, Biden declared that there will be "no national shutdown" while reaffirming the Federal Reserve's unlimited commitment to propping up the stock market. "Our interest rates are as low as they have been in modern history. And I think that is a positive thing," Biden declared. Biden's selection of former Fed Chair Janet Yellen as his Treasury Secretary is a signal to Wall Street that the flood of free money will continue.

Neither Biden nor congressional Democrats have shown any interest in restoring emergency jobless aid, even as states close restaurants, bars and gyms to prevent hospitals from being overrun.

The year 2020 has exposed American society as an oligarchy, in which a tiny group of billionaires inflicts enormous social misery on the great majority of society for its own personal enrichment. If hundreds of thousands of people need to die to generate more wealth for the oligarchs, so be it.

The unprecedented enrichment of the financial oligarchy, in the midst of the greatest crisis since the 1930s, has exposed the arguments that have been made to justify decades of job-cutting and the destruction of social programs. If there is no money to pay jobless benefits, where on earth did society find \$112 billion to give to Elon Musk?

These events have not passed unnoticed by millions of workers. Even before the pandemic, socialist sentiment was on the rise among broad sections of the population. Now it is becoming self-evident that the basic needs of society—including the preservation of human life itself—are incompatible with the domination of a few thousand billionaires over society.

The United States is facing an emergency. The pandemic is raging, and millions are hungry and jobless. Urgent measures are necessary. Containing the pandemic requires the immediate nationwide shutdown of nonessential production. This must be accompanied by full compensation for lost wages of workers and earnings of small businesspeople.

The money to save hundreds of thousands of lives exists in the overflowing bank accounts of the oligarchs. These funds must be immediately frozen, seized, and put to use to stop the pandemic and ensure that no one goes hungry or homeless as a result of lockdowns. The demand for these urgent measures is a critical component for the struggle for socialism and the reorganization of society to meet social need, not private profit.

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