Stimulus Packages Always Hurt Working People

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Recently, the county commission decided to dismiss action on a proposed impact fee stimulus package. Charitably, it was not a good policy. A number of factors clearly illustrated that it would have jeopardized the local economy rather than stimulated it.

That concept energized the following brief history of how such concepts affected working people in this country. Over a hundred years ago, President Teddy Roosevelt busted the robber barons. They had a stranglehold on workingmen. They dictated the price they paid for labor. Men worked 12 hour days, seven days a week for low wages with no vacations or sick leave. They worked till they dropped, 365 days a year.

In the next 100 years, through bloody wars, goon squads and sheer persistence, working conditions improved. The '30s and '40s were pivotal decades in that slow process of working people earning a "piece of the pie," but they had to struggle to maintain the progress so bitterly fought for. The idea of "helping" the developers and construction industry "stimulate" the economy triggered recall of that history.

Unions were formed to help workers collectively demand and earn better wages and work conditions. They gained those rights, but had to fight to keep them. In the '50s, the U.S. Congress passed laws to correct a flaw "discovered" in the wages and pension package.

Tens of thousands of workers had "lost" earned pensions with each layoff, no accrued benefits. The new laws guaranteed vested time after five years. They also required corporations to set aside separate pension fund reserves for the work force. Thousands still lost out because they were retired.

Do low wages and no benefits sound familiar in 2008?

In the '50s, bankers loaned Latin American countries millions at high interest rates. Those countries defaulted on those loans. The bankers didn't lose; the American taxpayers, us, did. After that the savings and loan scandal cost $500 million. Business people had borrowed a million dollars or so each with no collateral, and they defaulted. Again the government, us, made up the loss. Almost nobody was held accountable.

In the '80s, corporate leaders went to President Ronald Reagan claiming that those pension reserves were too large. They wanted to invest some of those funds, etc. By that time the funds had grown to tens of millions of dollars. Reagan accepted their demands. At the same time, Reagan was outsourcing American jobs and subsidizing the transfer of those jobs and factories offshore with those workers' taxes. In addition, those corporations were permitted to take their profits offshore to avoid paying taxes and allowed to compete for new offshore contracts with companies that stayed in the U.S.

The reader may recall when Chrysler was in trouble. Our government bailed them out, but workers had to take pay cuts to keep Chrysler afloat. When it recovered, the first thing they did was to give executive officials $900,000 bonuses, but the workers never regained their previous wage levels. Does the reader begin to see a pattern here?

Then corporate raiders came along to raid corporations holding those pension fund reserves to use them to pay off the worthless junk bonds created to buy controlling interest. More pension funds lost! Remember Mr. Boeski and Mr. Mulligan? The latter had fraudulently gained $900 million, was fined $600 million and spent five years in jail. After jail time, he "earned" $25,000 per lecture on that subject. The workers who lost pensions? Those pensions were earned in place of wage increases.

We all should remember the 2000 corporate scandal, symbolized by Enron and Mr. Lay. That cost $7 trillion of our economy. Remember when Enron employees were not allowed to sell their stock, but the executives, etc. did? Again, tens of millions of working people lost their jobs, pensions, insurance and health benefits. And Mr. Lay's estate is safe because he died! Go figure.

Under Gov. Jeb Bush, the teachers and police/firemen pension funds bought $300 million each of Enron stock about three weeks before it folded. That's $600 million lost! No one has been held accountable. Then city and county governments began to pull out of the state pension fund because of questionable investments, still being investigated.

After each one of those "incidents," federal laws were passed to preclude such outrages again. Yet, each decade a new one occurs. Still the corporate world suffers little, but working people suffer much. Some history!

Then Congress exempted corporations from more of their obligations to guarantee the pensions that workers had earned. Congress had lied about the Medicare prescription bill. Instead of costing $400 billion, it now costs $1.2 trillion, and rising. Health care has increased 10-15 percent a year since. Today, 100 years later? People are earning minimum wages with no benefits!

Now with the sub-prime scandal, the first act of the Federal Reserve last October was to buy $20 billion of those bad mortgages and reduce the interest rate. Then it bought $200 billion and reduced the interest rate again, in all about 2 percent. It also bailed out Bears and Stearns. The homeowners? Still pending. Just a few factors why bailing out developers (corporations) was not a good idea. In summary: In the last 30 years — 100 to 150 million victims of corporate manipulation and corruption.

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