

The Power Elite and Disparity in America

The Power Elite and Disparity in America:

Cause and Correction

By

K. R. Blawatt

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The book is dedicated to the hopeful
people of America

“It is about inequality, and about how flawed economic policies – based on flawed economic theories and ideology – have managed to exacerbate inequality on both sides of the Atlantic.”

—Joseph E. Stiglitz, *The Price of Inequality*, 2013



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PROLOGUE

Why are there homeless families in America? Why are there hungry children in the richest nation on earth? Why does this disparity exist? These questions have taken on some importance in the last few years and there are many books and papers on the subject. Leaders and learned people across the globe have raised the inquiry. Why? What has happened to the American Dream? The answer is slowly coming into focus; it has been taken away by a small group of people in high places. They are the power elite and they have quietly changed the system and redirected the flow of wealth from the ninety-nine percent to those in the top 0.01 percent. And as they drained the wealth from the system the country became poorer and unsettled.

The book is a search for those who caused that disparity and discontent. It reflects on the economic change that has occurred over the last few decades. It explores the role of the rich in America but finds they are not the problem. It is the elite, more specifically the power elite in the financial world, aided by right wing political conservatives who have bent the system to suit their purpose.

In 1956 C. Wright Mills, a noted American sociologist identified a group he labelled as the power elite. What made them important was their ability to exert great influence over others with formidable effect on the system. Decades after Mills' discovery a new power elite, represented by a small group of people from the investing community, corporate executives and the Republican party have taken command of the system. They have persuaded governments to change the rules to such a degree they were able to create a system that drained economic capital from the nation, money that more properly would have been shared with the people. In this they used as their justification an economic philosophy that declared the wealthy are best able to build an economy, that free markets best serve society and that only profits count in gauging the value of performance.

Unfortunately, the disparity that emerged has given rise to a new statistic, hunger in the America as well as abroad. In the United States more than 54 million people experience food insecurity, including 18 million children. Because a large minority are forced to live on suppressed incomes, they are unable to feed their families and so eighteen million children go hungry in the richest nation in the world! To all this is added another statistic, homelessness. And yet another statistic; drug abuse. The bottom

tier of society with all its pain and suffering continues to grow large as wealth is pulled from the system and their lives.

The text builds a well referenced case that concludes the power elite, and their economic belief system have led society to a tipping point and the effect needs to be corrected. The book offers a new approach to understanding and creating an equitable economy. It introduces the application of social science principles that develop a new standard to define economic activity. And the book proposes a positive economic philosophy that embraces the triple bottom line as a guide for financial performance. This new paradigm leads to a more humane post covid-19 world and a transition to a conscious capitalistic society. It proposes the building of an economy that demobs the power elite and begins the process of closing the rift between people. If America and others are to survive and grow, they must return to a more equitable system. Mark Carney former governor of the Bank of England sets the theme for the text.¹

“More equal societies are more resilient, they are more likely to invest for the many not the few, and to have robust political institutions and consistent policies. And few would disagree that a society that provides opportunity for all its citizens is more likely to thrive than one that favors an elite, however defined.”

CHAPTER ONE

THE SYSTEM DOESN'T WORK ANYMORE

'Here's the system; it sucks'.
—Jeff Stein - 2019

There was no better example of weakness in a democracy than the election of Donald J. Trump to the presidency of the United States. Millions of Americans were so upset with the system they felt compelled to vote for a person they believed would shake things up; someone who would put a new perspective on government and maybe, just maybe improve things. They did not care that he was a compulsive liar, a bigot, a misogynist, dishonest, faithless to his wife and somehow beholden to despots. That was completely inconsequential to the profound need to see things change. It was time for a revolution because as it was, the system was badly in need of repair.

Obama failed in his bid to bring about needed change even though he was an able and compassionate President. He failed in his attempt to resolve the Middle East problem. In some ways he contributed to it with his “red line” over Syria. He did little to brace government for the extreme position of the Republican party and its supporters, particularly the powerful Koch brothers. There is some justification in the fact he was denied support of the House and the Senate. Then too there was an almost manic dislike for his presidency by a narrow band of right-wing leaders and white supremacists who railed against him whenever they could in local newspapers, online blogs and private meetings. Many of the country's conservative lawmakers were heavily influenced by those who opposed Obama and the social changes he sought and rather than embrace the values they once held high they caved to the elite forces who financed them; all of which is part of a system that has to change. Yet Obama was one of the best Presidents the country ever had, and he did initiate a universal Medicare plan.

And so, a large minority of the electorate voted for the only candidate who promised change and looked like he could make things happen! He was going to drain the swamp, restore justice, build a wall, bring jobs back home and make America great again. Unfortunately, Mr. Trump reneged on most

of what he promised and ultimately brought about his own downfall. What is more incredulous is that leading up to his 2016 election one hundred and one million Americans did nothing. They did not protest; they did not question the behaviour of a man who proclaimed his invincibility, and they did not vote. And so, a minority elected one of the most incompetent presidents the United States has ever known.

Regrettably, having had the agonies of a chaotic White House and the unstable management of a leader who promised great things, the system remains uncertain. It does not work so well anymore. If anything, it has become worse. The free enterprise, capitalist system that was supposed to deliver a better standard of living, one that allowed people to pursue happiness and enjoy the good life, no longer does that. It has quit delivering especially for those in the shrinking middle class and the working class too.

Yet not too long ago it worked just fine. Not too long ago a single household wage earner could support a family of five; Mom, Dad, three kids and even a dog or two. The family could buy a house and if they scrimped a bit, they could buy a late model car. They went on holidays, perhaps camping beside some pristine lake or fishing from a wooden dock. It was a time when America enjoyed a good life filled with hope for the future. College graduates went on to good jobs and prosperity. Unlike today where only the children of the elite are debt free, unburdened by loans that promise penury for decades to come. What happened to that life? Where did it go? What happened to the system? How did it stop delivering the American Dream?

It is a common wisdom that if one wants to understand a problem one should go to the back end of the system and take measurement there. Whether it is a machine, a procedure, or an organization, go to the output side and examine the results. That is where the best clues on what needs to be fixed will be found. The beginning of my research was with a young lady who has one of the most challenging jobs in the country; she manages a safe injection site in the seedy downtown east side of a large west coast city. Catherine's clients are the disenfranchised and the oppressed, the broken shards of humanity. They're prostitutes and young people who have been abused at home and turned to drugs for relief or they're just broken homeless people on a downward spiral. Her group sees hundreds of people a day along with a dozen ODs and as many fatalities each week. Catherine spends her days working with the bottom tier of our modern society where the degradation of human life is a daily regimen expressed over and over again.¹

We were sitting in one of the more respectable Dim Sum eateries in the city; the kind of place where business professionals go for lunch, where young people meet to explore relationships and make plans with friends and

lovers. It was an up-market place and far removed from Catherine's world. I wanted to get her away from the rough part of the city and solicit her view on the new book I was planning.

I asked her if she had an opinion as to how her clients became entrenched in substance abuse? She had worked with these people for several years and I was sure she had wondered many times how or why they had fallen. We kicked around a few issues, social problems, dysfunctional families, and mental illness as factors that may have played a role. In the end, however it was her view that the powers-that-be were somehow responsible, those people at the top. She believed they had no time or understanding for what was going on with the poor, the needy, or the middle class for that matter and certainly not society's marginalized humans. Most of the people her group worked with were not lazy slackers and trash; she was very firm about that. She argued that, in most cases the people she aided were afflicted with a disease every bit as real as depression or cancer. They were good and worthy people who had fallen through the cracks and needed compassion, support and treatment, not condemnation.

I shook my head, unfamiliar with the idea of addiction or substance abuse as Catherine knew it to be. She sipped her tea and looked at me.

"Let me read something to you." She flipped open her iPhone and googled a site.²

"Did you know that one in three people suffer from addiction? It may be a slight addiction to wine or cigarettes or pills and if you aren't the one directly suffering, you likely know someone close to you that is suffering—why? Well,' she went on, "addiction is very democratic. It affects the young and the old, the rich and the poor, the mothers and fathers, sisters and brothers, the faithful and the atheists, it doesn't matter who you are or what you do, there's a great chance that you either will suffer from addiction at some point in life, you are suffering from addiction right now or you know someone who's suffering from addiction and trying to make sense of their life." She put down her phone, her eyes flipped to the people in the restaurant then peered intently at me.

"We're all different, and for some of us, everyday challenges are too much to bear. Drugs and alcohol take the pressure off, they numb the pain and anxiety for awhile, but eventually the desire for numbness becomes a drive for survival. Eventually, addiction and satisfying the compelling urge becomes the only way of life."

I was not convinced. In my mind I laid the blame on lack of direction. Like many of my contemporaries, I felt these people had simply taken the easy road in life without thinking about consequences or outcomes. It was

after all, I reckoned, their choice; they made a conscious decision to take drugs, to steal to maintain the habit or to sell their bodies.

"Ah," she smiled, shaking her head, "you've bought into the mythos. These people are messed up, not evil! They need social help, not censure. Yes, it is likely many did start out making foolish decisions, but when they finally realized what they'd come to, it was too late. Some may have had a rough recovery from a medical condition and became hooked on prescription drugs, then on to the hard stuff. Some experienced horrific trauma and turned to drugs for relief. In most cases they didn't realize the danger they courted until it was too late. Nobody becomes homeless and addicted because they choose to. It's the system that has turned against them. It's the system!"

"Well, I know many people who've quit their bad habits. So, why don't they just quit?" I asked.

"Sure, tobacco and booze." She waved her hand dismissing my opinion. "When it comes to drug addiction, we know the underlying causes, there are hundreds of studies that tell us why addicts are incapable of quitting.³ After you've been on drugs for a while your brain is chemically altered to such a degree you no longer have control; you can't quit even if you desperately want to. Drugs physically change key parts of the brain. They interfere and hinder processes that are critical for life-sustaining functions. The result is the addict is driven to her or his compulsive drug abuse. It's a chronic sickness that, like diabetes or cancer needs continuous treatment. The officials know it. The bureaucrats know it. But they don't care because the system doesn't care!"

"Why don't your people lobby government and the politicians to convince them....."

Catherine kicked back in her chair, shaking her head, breaking into a loud, rough laugh. People in the restaurant turned in their seats to look at the source of noise. I smiled at them, and they went back to their imported drinks and delicate food.

"Professor, you're so innocent." She exclaimed, ignoring my senior years and long experience as a teacher, consultant, and author.

"We've tried and tried, but no one wants to know. They nod and agree, but in the end, they shrug their shoulders and close the discussion. We've made presentations to senior officials, to elected officials, to city councilsto anyone who would listen hopeful that maybe for just a brief moment they might acknowledge the problem. But in the end, they do nothing because in the back of their minds they think these people are all to blame and we're doing enough so why should we spend more good money on them!"

There were tears in her eyes, tears of anger, frustration, and hopelessness, I thought.

"No one wants to know anything other than what they want for themselves! They don't care about others! The world has gone to hell," she said. "It's full of crooked politicians who are in bed with slimy corporations that gouge you for the crap they sell. No one cares about people or society anymore. Look at the wonders of President Trump!" she exclaimed, wiping away a tear and sipping her green tea. She was quiet for a moment, then she said, "If you need more proof all is not well with America, look no further. People actually embraced a leader who lied incessantly, didn't know his bottom from a tea kettle when it came to running a country, didn't or couldn't read and was as dishonest as you can imagine. What happened to morality, honesty, integrity and caring for your neighbor in the great land of freedom and promise? It's gone, along with your American dream! I don't believe there ever was an American dream and if there was, it has long gone the way of American democracy."

We sat for a few moments, each working on our food, quietly taking in the words we had spoken. Then Catherine looked up from her dish of Char Siu, a roast pork filled dumpling.

"This is the system, professor," she said, shaking her head slowly, "This is the system, and it sucks."

Some years earlier Catherine had told me about her first experience with a tragic drug overdose victim. She was fresh out of college working at a homeless shelter. He was an older man, somewhere in his fifties. He was an addict and alcoholic who on his last injection used a bad grade of fentanyl that left him twitching violently, foaming at the mouth and crying out to someone named Mary. He'd once been a supervisor in a small plant making electric appliances but had been laid off when the competition from Chinese products drove the business into bankruptcy. Over a couple of years, he lost his home, then his family and finally himself. He became homeless and eventually took to drugs to offset the failure to reclaim his life. Catherine had come to know the man who, during his brief periods of clarity would share fleeting memories of his past with her. He had a degree in engineering and had hoped one day to retire to Florida with his wife. Catherine cried for a week, shaken by the terrible social failure.

I sipped my wine, a light chardonnay from California, looking over the rim of the glass at her slightly bowed head and she reminded me of that experience.

"No one cared for that man." She said softly. "He died alone wondering what the hell happened to his life, and to what he had loved in life. Where was his society when he needed it? He'd built a life for himself, and his

family and it all went to hell in a basket and there was no one there to help him.”

My meeting with Catherine was unsettling. I wanted to explore the merits of economic creativity and how that might contribute to the well-being of people. I wanted to know her perspective on the trickle-down effect that politicians insist would improve things with tax cuts. I wanted her take on how the benefits of growth could affect, if not help the lower ranks of society. In other words, what might be the result of good economic policy on society? Catherine’s a bright lady and her experience is rich with the flavor of life and humanity. But instead of affirmation that good economics could make a difference, her experience faulted the system.

“The world has changed, professor. For the worse. The system has changed. The elite of the world have slanted it to favor themselves and now they’re milking it, grabbing all the gold!”

For a moment I held the image of Larry Gatlin singing his memorable tune-‘All the gold in California, is in the bank in the middle of Beverly Hills in somebody else’s name.....’ I wondered about her words, about those she sees as the elite who have turned the system into a place of inequity and lost hope. There is unhappiness at the bottom rung and a disdain, if not complete dislike for the upper levels and for any and all officialdom. There is a simmering, helpless rage down there and it came to me that here was why, in their search for some small promise in life that things might change, people were willing to turn to the disruptive administration of an undisciplined politician.

If professionals who work to help people in the lower level of society have lost their faith in the system, what can we say of others? What might be the attitude of everyday workers; those who do not belong to the ranks of the rich one percent? What about the middle class? What are the thoughts and desires of the rest of humanity? Yes, the bottom ranks are not happy, but are we not still living the good life? Perhaps not. Things have changed from what once they were. Here at the bottom level of the social strata we catch a glimpse of the tragedy caused by the shift of wealth to the top. The bottom level where hope and sustenance have been removed by the power elite that now sheds unfortunate souls and families who’ve become homeless, addicted and socially demeaned people. And bad as that is, many have experienced a change to their persons. They have taken to resenting the system. They have given up on their values and have accepted without question icons and representations that in earlier times they would have rejected out of hand. Richard Wilkinson, a British social epidemiologist offers a very succinct and emphatic point of view.⁴

“You can predict a country’s performance on one outcome from a knowledge of others. If-for instance-a country does badly on health, you can predict with some confidence that it will also imprison a larger proportion of its population, have more teenage pregnancies, lower literacy scores, more obesity, worse mental health, and so on. Inequality seems to make countries socially dysfunctional across a wide range of outcomes.”

CHAPTER TWO

UNHAPPINESS IN AMERICA AND THE WORLD

I once said, 'We will bury you' and I got into trouble with it. Of course, we will not bury you with a shovel. Your own working class will bury you. —
Nikita Khrushchev, 1963

It happened a few years ago, in shouting distance of the moneyed towers of Wall Street, when another kind of social stirring told us of trouble in the system. September 17th, 2011, was a bright sunny day and during the lunch hour in Zuccotti Park in lower Manhattan, New York, employees from the surrounding towers along with out-of-town visitors lounged about in the three quarters of an acre setting. Starlings flitted among the branches of the red maples that were scattered within the stone tiled area. Monk parakeets perched on long branches hanging down from the few Ginkgo biloba trees spread around the square added their chirps to the soft rumble of the city. The privately owned park is just off Liberty Plaza, between Broadway, Trinity Place and Cedar Street; its northwest corner is across the street from the former World Trade Center.

Shortly after the noon hour the quiet plaza was disturbed by a small band of activists who moved into the park. Soon a few hundred arrived, then more than a thousand chanting, noisy protesters took over the site. They waved placards and board signs demanding action. A dominant large yellow banner demanded anyone viewing it to "Occupy Wall Street!" A bearded youth in glasses danced and skipped through the crowd holding a cardboard billboard over his head that asked, "Do you feel it trickle down yet?" One activist in a Guy Fawkes mask held his statement high over his head advising one and all that "We are the 99%." They were the "Occupy Wall Street" movement who claimed they were speaking for all the people who struggled to make the system work. They were there to denounce the inequalities and disparity in wealth between them and the rich "one percent."

As the towers emptied their offices and evening settled in, some of the crowd began setting up tents and tying tarpaulins between the trees. The more experienced campers brought out small cooking stoves and coolers

loaded with food. Blankets were passed around and while many went home, a large contingent bedded down for a long stay. Remarkably, their action initiated a world-wide awareness that cried out against social and economic inequality in America and abroad. It also singled out corporate greed and the heavy hand of lobbyists who promoted their own interests without concern for the needs of common folk.

What did they want? What was their purpose? Was this just another flareup that would soon be forgotten? Was it just another anti-establishment attack that would fizzle out in a few days?? Apparently not. As the days passed with continued occupancy, the Zuccotti Park protest inspired a response from people round the world and by the end of October people in more than 951 cities in 82 countries, as well as over 600 communities within the United States embraced the movement; a lot of citizens were very unhappy with those in the upper tiers of society.¹ The Occupy Wall Street demonstration inspired protests that erupted in cities world-wide where Madrid for example turned out a large crowd of 60,000, and in Rome hundreds of demonstrators burned cars and trashed civic offices. The movement claimed to speak for the 99 percent and declared they were the new democratic awakening. Protesters targeted the elite and argued a need to balance inequity in society; pointing to Wall Street and its propensity to serve the rich. Many were students, but almost as many were older professional workers. They cut across the demographic with a mix of generation Xers, Millennials and Boomers. But most were young and only a third were older than thirty-five years old. In Zuccotti Park they settled in with their protest. Each day was a story about the abuse and profit-taking by the 'one percent' and how they were hurting people of the nation. But it could not last. They occupied the Park for one month and 29 days. They held the stage for all that time reminding the world of the inequality at the hands of the elite, but enough was enough and On November 15th Mayor Bloomberg called in the police and evicted the occupiers of Wall Street.

What made the event so important was it caught on so quickly. True enough, people complain about things, but to have the same human concern for a social problem take on the momentum of a global pandemic was truly remarkable. The movement began innocently enough and with little pretense. Earlier that year Kalle Lasn, a deeply thoughtful man and publisher of a nouveau online magazine, called the Adbusters became aware of the anger of young people around the world.² They were unhappy with the imposing disparity between rich and poor, but more powerfully they felt a deep despondency about the "black hole future" ahead of them. Yes, the economy had grown over the years and the marvelous advances in technology added hugely to an improved lifestyle but offsetting all that were

the increases in pollution and human depression. It seemed that everywhere you turned there was one bad scene or another. Students were being mowed down in Tiananmen Square like carnival targets with no meaningful response from the politicians. Migrants were fleeing horrible conditions in Syria only to drown in the Mediterranean Sea or have their families torn apart at the U.S.-Mexican border. Women and children were being enslaved and subjected to the terrors of sexual predators and through it all the rich kept getting richer and richer.

To the protesters the visceral and burning issue was the behavior and arrogance of incompetent, self indulgent politicians and the greedy corporate executives who pushed the buttons that directed the flow of wealth to the top of the system. With all that in mind, Lasn used Adbusters to begin an assault against Wall Street; the institution that, by most accounts served as the beacon of national unfairness. Where, in an earlier time this venerable icon of capitalism served a greater purpose in financing the growth of industry and commerce; a veritable engine of free enterprise that created companies and jobs for the nation, it no longer did. It had changed dramatically and now Wall Street was not much more than a casino for the rich. He started a hashtag #OccupyWallStreet and before he knew it the protest had taken on a life of its own.

The protesters at Zuccotti Park raised their voices against Wall Street. It no longer served as an engine for economic growth. In a remarkable Forbes magazine article Steve Denning brought the issue front and center when he wrote that Wall Street was back from the 2008 crash, but at a high cost to society.³ The excessive financialization of that establishment, (the very behavior that brought on the crisis in the first place), was hindering the economy and reducing GDP growth by 2% every year. Were it not for the application of billions of dollars for investments into derivatives and high-risk instruments, Denning argued, these sums if properly applied would contribute to an economy that would grow at three to four percent each year rather than one to two percent. That's over a third of a trillion dollars a year taken up by the wealthy and not going into growth or helping the middle class. That's more than half the US Defence budget or enough money to give every household a raise of \$3,125, every year.

But America's protesters were not alone in their awareness of unfairness in the system. The Europeans carried out their own protests a few years later. In France in October of 2018 there was grassroots disapproval by a new movement that identified themselves as "Yellow Jackets," because of the yellow safety apparel they wore. It added to the growing pattern of global resistance to the governments and institutions who did not seem to care about people. This was France, where we have to ask the question, *how*

is it that a country with one of the most generous welfare systems in the world has produced so much popular fury? France has a very comprehensive social security system.⁴ It includes universal healthcare, compensation for injuries that occur at work, family allowances for single parents, a generous unemployment insurance, and old age pension and death benefits. France spends more on 'welfare' than almost any other EU country: over 30 per cent of its GDP. This is a country so well infused with concern for its labor force that a 35 hour-work week is mandatory by law. They have eleven national holidays every year in addition to a required six to eight-week vacation for every employee, usually during the summer when many cities virtually shut down for July and August. Why would a country with so much social coverage for its people be subject to this kind of dissent?

Their protesters came from the same generation that carried the Occupy Wallstreet banner a few years earlier. In America they were and continue to be the 20 to 35-year-olds who feel betrayed by a system that caters to the wealthy and who believe their leaders have restricted their opportunity to pursue the good life and happiness for themselves and their families. More importantly, it is a revolution of those who feel they have been betrayed by their government. In the United States that accounts for 44 million young people, over half of all college attendees burdened by a \$ 1.6 trillion student loan debt load, with many still living with their parents.⁵ On average each of these students owe more than \$37,000.⁶ Their future is murky at best and going forward the system is not as buoyant as once it was. Other countries do not have the problem, education in Europe is virtually free or very affordable. The Canadian student debt burden is \$28 billion over 1.7 million graduates, about \$16,700 each. Comparatively speaking the Canadian system is less stressful because the government assumes responsibility for the debt whereas much of the U.S. student debt is in the private sector with high interest rates that profit the banks and their investors. The problem is that debt places a brake on positive development for the economy. On the one hand it reduces long term demand by forcing young people to hold off establishing families or starting new businesses. It also reduces the entrepreneurial and creative capacity of young people who are likely to hesitate in taking risk because of the debt burden they must deal with firstly.

There is a world-wide rising against the elite and their seeming desire to master global affairs. Many people are convinced there is more than a hint of a macro-conspiracy by those who want to create a one-world-order. From the grinding life of the inner city to the golden towers of the money market, to the once respected halls of government the system sucks. The wondrous mechanism of capitalism that gave the world a productive, prosperous, and comfortable existence is now cast over with unhappiness

and disdain for the system. Where at one time great entrepreneurs were admired and held in esteem there is less admiration and more discussion of luck and high favoritism. Where once upon a time, political leaders were well regarded and given much respect there is only suspicion and contempt.

Perhaps even more urgent than disparity of incomes and wealth in the world, is the agonizing disrespect for human rights, especially those of people in the lower ranks of society. The biased attitude runs from the cold-blooded murder of George Floyd caught on video to the “justifiable” shooting of people, especially those of color, by over-zealous police officers. To this can be added such episodes as Florida’s Fourth amendment that charges large fees for felons, even after they have done their time in prison, so they might seek employment or recover their rights to vote. Lawmakers in that state are in a tussle with the amendment that ties the completion of a sentence to the paying of hundreds of dollars in fees. According to one civil rights advocate, “The ability to vote should never be conditioned on your ability to pay a court cost,”⁷

As to felons, America has created a whole new class of criminals with its war on drugs. At the local level individuals, mostly African Americans are tossed into jail for extended periods of time for having a few grams of marijuana. Other civilised nations look on this more as a misdemeanor, but in America these young folks are cast into prisons or the ‘college of crime pays’ where they learn a new trade. Millions of young people have been exposed to criminal behavior and their exposure can only harm society in the long run. Unlike other developed nations, the U. S. does not seem to exhibit much care or regard for those who are disenfranchised, poor or are military veterans who have fought in the many wars and incursions the country has chosen initiate.

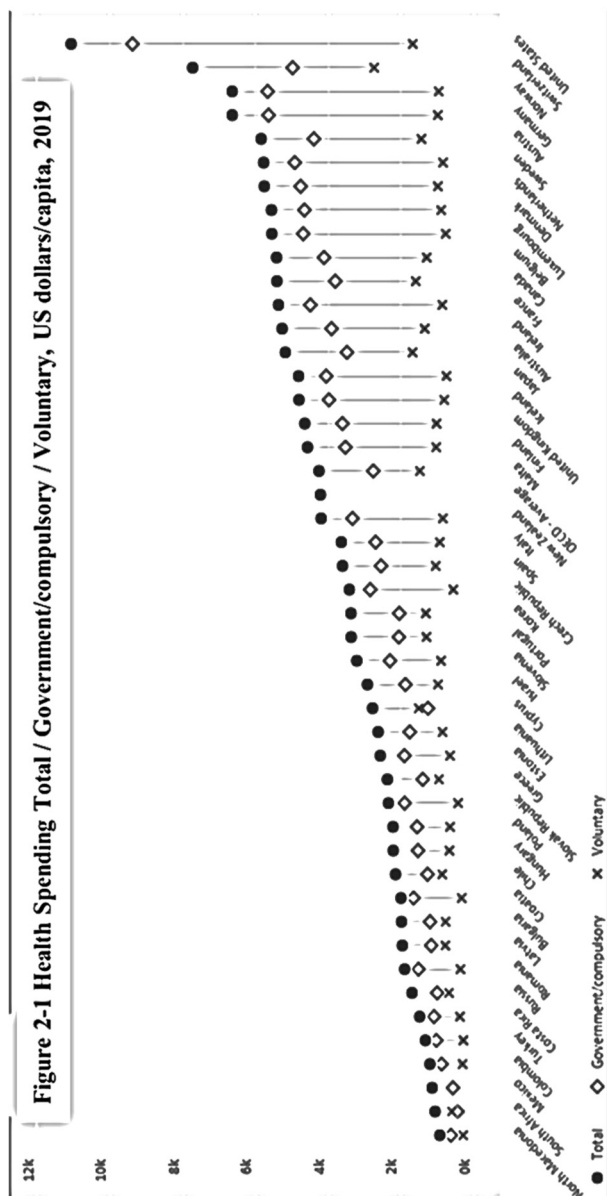
A painful example of bureaucratic regard is the United States Department of Veterans Affairs (VA) with a budget of \$180 billion and 380,000 employees; a federal Cabinet-level agency that presumably provides comprehensive healthcare services to eligible veterans.⁸ In 2016 approximately 4 million veterans had a “service-connected disability,” defined as disease or injury (mental or physical) incurred or aggravated during active military service. The VA ranks the severity of a veteran's disability from 0 to 100 percent, which determines eligibility for compensation and 1.3 million veterans have a rating of 70 percent or higher. Yet despite the enormity of its size and funding the system does not provide enough to assist its needy veterans. Dozens of charitable agencies have been created to fill the gap and help veterans realize a minimal lifestyle. These groups raise funds that provide a range of services from prosthetics for those who have lost limbs in action to mental health care and counselling. Even so, despite the

spending of billions by the VA and millions by social groups, America's veterans are not well treated. Many live where there is no access to VA hospitals or clinics and more than 60,000 veterans remain homeless on the streets of cities across the nation.

Then there is the harsh reality that despite spending twice as much on health care as other nations, America has millions of citizens in bankruptcy because they have gone broke trying to cover ruinous medical expenses. A recent article tells of a citizen who was billed over one million dollars to pay for his recovery from the coronavirus.⁹ Had he not been insured through his employer he would have had to declare bankruptcy. Of all the developed nations in the world, the United States lags far behind in providing what many authorities regard as a basic human right, free medical coverage. Figure 2-1 illustrates the gap between the U. S. and other nations.¹⁰ Canada, for example with comprehensive medical coverage for all its citizens, spends about 8 percent of its GDP and \$6,100 per capita to provide the service to its citizens. However, the United States pays twice as much for its privately-run health care facilities. Why twice as much in comparison to what its northern neighbour pays? Canadians have a lower per capita GDP than the US, (\$52,000 USD vs \$67,000 USD¹¹). The answer is that the American industry is left alone to conduct its affairs according to the "free market" philosophy of maximizing profits. Thus, the difference in health spending goes to the shareholders of big pharma and HMOs in the American private health care system.

But the free enterprise system does not work all that well in the medical world. Politicians and economists insist that if governments allow the free market to prevail, allowing the economy to be driven by the forces of supply and demand, of equilibrium and the application of Adam Smith's "invisible hand" the country would have the best and the most efficient output possible. Clearly there is something wrong with that theory, at least when it comes to medical services; Americans pay more by far than anyone else in the world. Before 'Obamacare' about 44 million people in the country had no health insurance, and another 38 million had inadequate health insurance. This meant that nearly one-quarter of all Americans faced each day without the security of knowing, if and when they needed it, medical care was available for them and their families.¹² Worse yet, these millions were forced to suffer ill health and pain because they could not afford coverage, or they had been put into bankruptcy by the efficiency of the "free market." While things have improved, there is much to be done in bringing equity into health care. With Obamacare those not covered or inadequately covered decreased to 28 million not covered and 20 – 30 million inadequately

covered, still a long way from an acceptable national standard compared to other civilized nations.



Source : <https://data.oecd.org/healthres/health-spending.htm>

And what can be said about globalization and its effect on employment and the future? Corporations used the argument they needed to cut costs where possible to remain competitive in the international market. But rather than focus on improved productivity or the application of new technologies to keep costs in line they chose to reduce labor costs with outsourcing. By some estimates the United States corporate sector gave 5 million jobs to China and others between 2000 and 2014.¹³ The total outsourcing loss when a multiplier effect is applied more likely exceeds 15 million jobs, or almost 10% of the labor force. The use of outsourcing was first encouraged by the Mexican government who established ready made manufacturing plants complete with cheap labor along the U.S. border in the 1960s. They were called the *maquiladoras* and the strategy was to attract American manufacturing to the *maquiladoras*, thus improving employment in that country.¹⁴ In the early 1980s, following the NAFTA agreement there were 2000 plants with half a million employees and today over one million Mexicans have replaced American workers in the auto industry and other manufacturing companies. The second wave of outsourcing began when China's supreme leader, Deng Xiaoping opened up the four eastern provinces of China to foreign investment and global manufacturers who were promised low wages and good quality production.

So it is that America has fallen back from hopeful and prosperous times. Why are people less happy than one would expect with a society that is presumably better off in material terms than in years before? Why are people unhappy and distressed with living? Where is the zest for life people once enjoyed? Why has the drug and opioid epidemic grown large in the last few years? Why so many homeless? Is it the system? Is it the gridlock in government? Is it the disparity between rich and poor? Or is it the uncertainty people feel of the nation's place in the universe, the uncertainty of an unknown if not bleak future?

Perhaps it is all of those. Perhaps America is slowly realizing it no longer is the important nation it once was. The United States is not great anymore. The 'Newsroom,' a 2012-2014 HBO series had a great summary of America's diminished place in the world. In the opening scene of the show the lead actor, Jeff Daniels performing as the station's anchor Will McAvoy was cast as a speaker at a university forum.¹⁵ In a brief and provoking exchange with the moderator he was pressed into responding to a question from a student in the audience who asked, "Why is America the greatest nation in the world?" His response shocked the audience. The other two members on the panel had glibly declared America's greatness was due to "freedom" and "diversity." But Daniels rebuffed them, "We're not the greatest nation in the world!" he replied.

“There is absolutely no evidence to support the statement that we are the greatest country in the world. We are seventh in literacy, twenty-seventh in Math, twenty-second in Science, forty-ninth in life expectancy, one-hundred and seventy-eighth in infant mortality and third in median incomes. We lead the world in only three categories; the number of incarcerated citizens per capita, the number of adults who believe angels are real and defence spending where we spend more than the next twenty-six countries combined, twenty-five of whom are allies.”

The audience was stunned. Americans hold to the belief they live in the greatest country in the world, but does a great country have a lower educational standard? Does it allow babies to die needlessly or deliver a declining life expectancy? Does it ignore a pandemic as it did in 2020 that claimed the lives of hundreds of thousands of Americans? We can only hope no one really wants those things. So, who has changed the system and caused the decline? Who are they who have moved America from its once enviable place in the world? A Brookings study expands on the general malaise of America’s unhappy state.¹⁶

“The American Dream of prosperity, equal opportunity, and stable democracy is challenged by increasing income inequality, the hollowing out of the middle class, decreasing wages and increased insecurity for low-skilled workers, and rising mortality rates,”

The U. S. is 18th on the happiness scale.¹⁷ The Nordic nations including Finland, Norway, Denmark, Iceland, Switzerland, and Canada take the lead. Not only are Americans less happy but they need prescription drugs to offset their unhappiness. The U. S. has the highest per capita consumption of antidepressants in the world; 11 percent of the population compared to Finland at 7 percent. Could it be because these democratic and capitalistic nations have good social programs including medical coverage for all citizens?

And speaking of treating mood disorders, the use of opioids and addiction rates has increased dramatically. More than 100,000 people of all ages died from drug overdoses, including opioids in 2021, which might be compared to the Coronavirus with over three hundred thousand deaths that year. Since 1999 the National Institute on Drug Abuse records show that drug abuse has taken more than half a million lives.¹⁸ Hundreds of thousands of people, most of them under 35 years of age have chosen to give up on life perhaps because of abuses but equally so because of the lesser prospect they have for a chance at a meaningful life. The parents are poor at disciplining their children or caring for them, possibly because of their own problems and conflicts. They may also have had behavioral issues; aggression,

depression and sense of inadequacy that led them to start taking drugs at an early age. Yet while these are obvious symptoms, the question remains: What is causing the change to society that is promoting so bad an effect on families and their children? And what can be done about it?

The nation is not a happy place. There have always been wars and disruptions, floods and cyclones, shootings, and sickness, but somehow, America has been able to set these aside with the hope, perhaps it was the expectation they would overcome those events and continue to a better life. But things have changed, or at least there is a new awareness of critical change, and things are now at a place that brings to mind the H.G. Wells quote telling us that, "History becomes more and more a race between education and catastrophe."¹⁹ In effect even though we are aware of a problem or major issue, we tend to ignore it and the specialists who bring it to our attention. We continue to march down the road to upheaval. Or perhaps we belong to that category of insecure individuals who are so threatened by the scope and variation of these social issues as to avoid thinking about them and we seek refuge in denial.

Without resolution in a period of disruption we are likely to incur more turmoil if not revolution. It won't come from the population at large, but rather from the younger generations who feel more urgently the pressure of disparity and the loss of hope. When one is at that point, there is not much else to lose.

CHAPTER THREE

THE GOOD LIFE IN DECLINE

“The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement.”

—James Truslow Adams

A hundred years ago life was not so good as in the nineteen fifties and sixties or for that matter today. If we want a reality check on where we are and what life is about it's interesting to view a slice from the past. Human survival at the entry to the 20th century was difficult. The Library of Congress estimates that back in 1904, one in three people living in the cities was close to starvation¹. Poor urban workers experienced overcrowded living conditions, dirty and poorly lit working conditions, insufficient clean water supply, poor sewage methods and disease. The lower working class resided in slums and were paid minimum wages that provided a very basic existence. Elizabeth Cady Stanton², an early suffragette had this to say at the time.

“I am weary seeing our laboring classes so wretchedly housed, fed, and clothed, while thousands of dollars are wasted every year over unsightly statues. If these great men must have outdoor memorials, let them be in the form of handsome blocks of buildings for the poor.”

It may have been a glorious time for the robber barons and the exciting promise of success in the new land, but for the working stiff life was rough. Back then the average life expectancy for men was 47 years; it's almost double that today.³ Imagine! Back in those ‘good old days’ your father would not have lived long enough to play ball with his grand kids! Working conditions were appalling with little regard for safety or health. It was not unusual to meet people who'd lost a few digits or even a limb or two from working in an industrial plant. The workplace was thirty times more dangerous than it is today.

And employers paid the lowest wage possible. In those days, the average worker in the US made between \$200 to \$400 per year. That's about ten