

# The American Nightmare: US Economic Elite Wages War on the American People

## Part II

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*This is the second-part of a six-part report. Part one can be [viewed here](#).*

*"The war against working people should be understood to be a real war.... Specifically in the U.S., which happens to have a highly class-conscious business class.... And they have long seen themselves as fighting a bitter class war, except they don't want anybody else to know about it." — [Noam Chomsky](#)*

As a record number of US citizens are struggling to get by, many of the largest corporations are experiencing record-breaking profits, and CEOs are receiving [record-breaking bonuses](#). How could this be happening; how did we get to this point?

The Economic Elite have escalated their attack on US workers over the past few years; however, this attack began to build intensity in the 1970s. In 1970, CEOs made [\\$25 for every \\$1](#) the average worker made. Due to technological advancements, production and profit levels exploded from 1970 - 2000. With the lion's share of increased profits going to the CEOs, this pay ratio dramatically rose to [\\$90 for CEOs to \\$1](#) for the average worker.

As ridiculous as that seems, an [in-depth study](#) in 2004 on the explosion of CEO pay revealed that, including stock options and other benefits, CEO pay is more accurately [\\$500 to \\$1](#).

Paul Buchheit, from DePaul University, revealed, "From 1980 to 2006 the [richest 1% of America tripled](#) their after-tax percentage of our nation's total income, while the bottom 90% have seen their share drop over 20%." Robert Freeman added, "Between 2002 and 2006, it was even worse: an astounding three quarters of all the economy's growth was [captured by the top 1%](#)."

Due to this, the United States already had the highest inequality of wealth in the industrialized world prior to the financial crisis. Since the crisis, which has hit the average worker much harder than CEOs, the gap between the top one percent and the remaining 99% of the US population has grown to a [record high](#). The economic top one percent of the population now owns over [70% of all financial assets](#), an all-time record.

As mentioned before, just look at the first full year of the crisis when workers lost an average of [25 percent off their 401k](#). During the same time period, the wealth of the 400 richest Americans increased by \$30 billion, bringing their [total combined wealth to \\$1.57 trillion](#), which is more than the combined net worth of 50% of the US population. Just to make this point clear, 400 people have more wealth than [155 million people combined](#).

Meanwhile, 2009 was a record-breaking year for Wall Street bonuses, as firms issued [\\$150 billion](#) to their executives. 100% of these bonuses are a direct result of our tax dollars, so if we used this money to create jobs, instead of giving it to a handful of top executives, we could have paid an annual salary of \$30,000 to 5 million people.

So while US workers are now working more hours and have become dramatically more productive and profitable, our pay is actually declining and all the dramatic increases in wealth are going straight into the pockets of the Economic Elite.

If our income had kept pace with compensation distribution rates established in the early 1970s, we would all be making at least three times as much as we are currently making. How different would your life be if you were making \$120,000 a year, instead of \$40,000?

So it should come as no surprise to see that we now have the highest inequality of wealth in the industrialized world and the highest inequality of wealth in our nation's history. The backbone of America, a hard-working middle class that has made our country a world leader, has been devastated.

Now that we have a better understanding of how our income has been suppressed over the past forty years, let's take a look at how the economy has been designed to take the limited money we receive and put it into the hands of the Economic Elite as well.

### **Costs of Living**

Outside of the workplace, in almost all our costs of living the system is now blatantly rigged against us. Let's take a look at it, starting with our tax system.

In total, the average US citizen is forced to give up approximately 30% of our income in taxes. This tax system is now strategically designed to flow straight into the hands of the Economic Elite. A huge percentage of our tax dollars ultimately ends up in their pockets. The past decade proves that — whether it's the Republicans or the Democrats running the government — our tax money is not going into our community; it is going into the pockets of the billionaires who have bought off both parties - it is obscene.

For an example of how this system flows to the Economic Elite, just look at the Wall Street "bailout." The real size of the bailout is estimated to be [\\$14 trillion](#) - and could end up costing trillions more than that. By now you are probably also sick of hearing about the bailout, but stop and think about this for a moment... Do you comprehend how much \$14 trillion is?

What could be accomplished with this money is almost beyond common comprehension.

And this is just the tip of the iceberg that has hit us. On top of the trillions given to the Wall Street elite, we already have a record [\\$12.3 trillion](#) in national debt - and we now have to pay \$500 billion in interest to the Economic Elite on this debt every year, yet another way they are milking us dry. When you add in unfunded liabilities owed, like social security payments, we actually owe a stunning [\\$74 trillion](#). That adds up to a debt of \$242,000 for every man, woman and child in America.

Trillions more, [25% of taxpayer dollars](#) allocated to military spending goes [unaccounted for every year](#), not to mention the billions spent on [overcharging and outright fraud](#). During the

War on Terror, the Economic Elite have used our tax money to build a private army that has more soldiers deployed than the US military – a congressional study revealed that [69% of the “US” fighting forces](#) deployed throughout the world in our name are in fact private mercenaries, [80% of them are foreign nationals](#). Private contractors regularly get paid [three to five times more](#) than our soldiers, and have been repeatedly caught overcharging and committing [fraud on a massive scale](#). A congressional investigation revealed this and strongly recommended that we seize [wasting tax dollars](#) on these private military contractors. However, under Obama, there has actually been a [drastic increase](#) in total tax dollars spent on them.

In 2009, just over [\\$1 trillion tax dollars](#) were spent on the military. It’s safe to say that at least \$350 billion of that was needlessly wasted.

When you research our tax system you see an unprecedented level of waste and fraud rampant throughout most expenditures. Our tax system is a national disaster of epic proportions. It is literally an organized criminal operation that continues to rob us in broad daylight, with zero accountability.

Politicians and mainstream “news” outlets will not tell you this, but most every serious economist knows that due to so much theft and debt created in the tax system, the only way to fix things, other than stopping the theft and seizing the trillions that have been stolen, will be for the government to cut [important social funding](#) and drastically raise our taxes. Other than the record national debt, many [states are running record deficits](#) and [“barreling toward economic disaster](#), raising the likelihood of higher taxes, more government layoffs and deep cuts in services.” Our nation’s [biggest state economies](#), like California and New York, are the ones in most trouble.

To merely say that things will not be improving economically is to be a delusional optimist. The truth that you will not hear: we have been hit by an [economic deathblow](#) and the United States lays in ruins.

It’s not just this criminal tax system; the theft is now built into all our costs of living.

Trillions more in our spending on food and fuel have been stolen due to fraudulent stock transactions and overcharging. Just ten years ago, in 2000, American families paid 7% of our income on food and fuel. [We now pay 20%](#). This drastic increase is primarily driven by fraudulent market manipulation that drives up stock prices. Congress [uncovered this in 2006](#), as part of the Enron investigation. They found that companies manipulated the oil market to create major spikes in stock values, but then Congress didn’t do anything about it. Nothing to see here, just move on.

As mentioned before, we have the most expensive health care system in the world and we are forced to pay [twice as much as other countries](#), and the overall care we get in return [ranks 37th](#) in the world. On average, US citizens are now paying a record high [8% of their income](#) on medical care.

One of the reasons why foreclosure rates are so high is because the percentage of income Americans pay on their housing has risen to 34%.

So for these basic necessities – taxes, food, fuel, shelter and medical bills – we have already lost 92% of our limited income. Then factor in ever-increasing interest rates on credit cards,

student loans, rising prices for cable, internet, phone, bank fees, etc., etc., etc.... We are being robbed and gouged in all costs of living, in every aspect of our life. No wonder bankruptcies are skyrocketing and the number of people suffering from [psychological depression](#) has reached an epidemic level.

The American worker is screwed over every step of the way, and it all starts with the explosion in the [cost of a college education](#). This is one of the Economic Elite's most devastating weapons. To have any chance of succeeding in this economy, it is commonly believed that you must attend the best college possible. With the rising costs involved, today's students are graduating with [record levels of debt from student loans](#). At the same time, the unemployment rate among recent college graduates has risen [higher than the national average](#), and those who do find work are making significantly less than they expected to make. This combination of extreme debt and reduced pay has [crippled an entire generation](#) right from the start and has put them in a vicious cycle of spiraling debt that they will struggle with for the rest of their lives. The most recent college graduates are now known as a "[lost generation](#)."

The American dream has turned into a nightmare. The economic system is a sophisticated prison cell; the indentured servant is now an indebted wage slave; whips and chains have evolved into debts.

"There are two ways to conquer and enslave a nation. One is by sword. The other is by debt."

- [John Adams](#)

### **Concealing National Wealth**

"Liberty in the concrete signifies release from the impact of particular oppressive forces; emancipation from something once taken as a normal part of human life but now experienced as bondage.... Today, it signifies liberation from material insecurity and from the coercions and repressions that prevent multitudes from participation in the vast cultural resources that are at hand."

— [John Dewey](#)

When you take the time to research and analyze the wealth that has gone to the economic top one percent, you begin to realize just how much we have been robbed. Trillions upon trillions of dollars that could make the lives of all hard-working Americans much easier have been strategically funneled into the coffers of the Economic Elite. The denial of wealth is the key to the Economic Elite's power. An entire generation of massive wealth creation has been strategically withheld from 99% of the US population.

The US public doesn't have any understanding of how much wealth has been generated and concentrated into the hands of the Economic Elite over the past 40 years; there is no historical frame of reference. This withholding of wealth is truly the greatest crime against humanity in the history of civilization.

What could be done with all the money that has been hoarded by the Economic Elite is extraordinary!

Let's consider what we could do with the money that has been stolen from us. On top of

what should be our average six-figure yearly income, we could have:

- \* Free health care for every American,
- \* A free 4 bedroom home for every American family,
- \* 5% tax rate for 99% of Americans,
- \* Drastically improved public education and free college for all,
- \* Significantly improved public transportation and infrastructure,

The list goes on...

This is not some far-fetched fantasy. These are all things that [Franklin D. Roosevelt](#) talked about doing in the 1940s, long before the explosion of wealth creation in our technologically advanced global economy. The money for all this is already there, stashed into the claws of the Economic Elite. The denial of wealth to the masses is the key to the Economic Elite's power. Outside of outdated and obsolete economic models and theories — and incredibly short-sighted greed — there is no reason why all this money should be kept in the hands of a few, at the immense suffering and expense of the many.

If Americans could just understand how much wealth is being withheld from us, we would have a massive uprising and the Economic Elite would be swept away, into the history books alongside the evil despots of the past.

“For if leisure and security were enjoyed by all alike, the great mass of human beings who are normally stupefied by poverty would become literate and would learn to think for themselves; and when once they had done this, they would sooner or later realize that the privileged minority had no function, and they would sweep it away. In the long run, a hierarchical society was only possible on a basis of poverty and ignorance.” — [George Orwell](#)

Now that we have a better understanding of how the Economic Elite dominate our lives, let's take a look at exactly who they are....

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