

How The Wealthy Plan to Finance The American Aristocracy With Middle Class Dollars

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The quest for influence, power and control at all levels of government has long played out through large political contributions and the big bucks paid to lobbyists to accomplish special interest objectives. And while the game has often been ‘rigged’ to benefit the wealthy in our society, there was always a role to be played by the nation’s unions -thanks, in no small part, to their substantial treasuries filled by the dues paying membership.

That is all about to change.

There is a new front in the war being waged by the rich to create an enduring American aristocracy to take charge of the nation- a structure the wealthy believe is the nation’s only real chance for survival. And make no mistake, they have an incredibly clever strategy that plays out in two parts -and it is working.

First – *Starve the unions of the dues that support their political clout and thereby give the decided advantage to those who back the party sympathetic to the agenda of business and the wealthy.*

That party would be the GOP. The objective of this first goal was no doubt hatched in the aftermath of the Supreme Court ruling in Citizens United v. FEC.

In the landmark case, which removed limits on what corporations and unions can contribute to support political campaigns by way of independent expenditures, the court went out of its way to point out that removing limits would not only benefit the corporations but would also serve the purposes of the unions and their own substantial treasuries. As a result, the court argued, the political balance would not be unduly shaken so long as the unions continued to have ample funds to pursue their political agenda. **Keep in mind that while individuals are limited in direct**

contributions to political campaigns, *they are permitted unlimited expenditures for indirect, independent expenditures.*

Thus, it became important to the efforts of the wealthy to see to it that the unions no longer had those ample funds to pursue their agenda.

Certainly, Wisconsin has made clear that the attack on the union treasuries is now underway in earnest.

While many have focused on Governor Scott Walker's successful effort to strip collective bargaining power from the state employee unions, it is important to note the additional provision in the law that *prohibits the state from automatically deducting dues from the paychecks of state employees to be paid over to the unions.*

This is likely to put a significant dent in the coffers of the unions – dramatically lessening the sums of money they have to spend in furthering the candidacies of those they choose to support. Without the money the unions provide to Democratic candidates, there will be nobody left with the kind of cash required to balance out the funds provided by organizations such as Karl Rove's Crossroads GPS in support of GOP candidates.

And it is not only happening in Wisconsin.

The dues stripping provisions are a part of the laws making their way through the state legislatures in Michigan, Indiana, Ohio and Florida with other states controlled by GOP governors with legislative majorities likely to follow.

As we have all come to know, Ohio and Florida are pivotal in any presidential election. When the public employee unions in these states see their coffers dry up as a result of these new laws, the Obama campaign can be expected to face a far more difficult challenge in these essential states.

I guess one has to admire when so clever a plan comes together-even if it is at the cost of our democracy.

Second. While the first part of the strategy is impressive to be sure, it is part two that really piques the imagination. This part is where the GOP controlled state houses legislate *using the funds of the middle-class and the poor to give effect to the policy changes that will benefit business and the wealthy.*

Apparently, the wealthy are tired of having to reach into their own pockets to feed the influence machine that creates the policies that benefit them. Thus, they've hit upon a state based strategy that not only saves them a few bucks, but also succeeds in weakening the opposition (the middle-class and the poor) as their own bank accounts take a pounding through state legislative action.

We are seeing the drive around the nation to force teachers and other public employees to pay a larger share of the cost of providing tax breaks and incentives to business. And while most acknowledge that everyone should share the pain of our times, there are now examples emerging that reveal that the plan goes well beyond a fair sharing of that pain.

Take, for example, the great State of Michigan where GOP Governor Rick Snyder has introduced a bill that will increase individual taxes, placing the largest burden on retirees and the poor.

*Note that the \$1.8 billion to be raised in this manner will **not** be utilized to close the state's budget deficit – the money is specifically earmarked to provide tax breaks to business.*

ITEP (Institute on Taxation and Economic Policy) crunched the numbers on the tax fairness impact of Snyder's proposed income tax hikes earlier this week, and unfortunately, the results weren't very surprising. The ITEP analysis was first [published](#) by the Michigan League for Human Services (MILHS), and was later picked up by the [Associated Press](#), among [others](#). That analysis shows that the personal income tax increases contained in Snyder's plan would require low-income families to pay 1.1 percent more of their income in tax, while requiring the state's wealthiest taxpayers to pay less than one-tenth that amount, relative to their income. The most notable components of Snyder's plan include [eliminating the state Earned Income Tax Credit \(EITC\)](#) and fully taxing pensions and other retirement income. Snyder's plan is particularly objectionable because none of the additional revenue raised via the personal income tax would be used to save vital state services from the budget axe. Rather, all of the money would be channeled into massive tax cuts for Michigan businesses. It seems odd, to say the least, that Snyder would prioritize large business tax cuts so highly despite Michigan's sizeable budget gap. But even if Snyder refuses to give up on his quest to slash business taxes, the ITEP analysis at least makes clear that he needs to find a better way of paying for those cuts.

[Via Citizens For Tax Justice](#)

I recognize that providing tax incentives to business improves the entire business climate, can attract new businesses to a state and, as a result, may create more jobs.

But how exactly do the state's retirees benefit from this? *They are retired.* And yet, they are to be expected to shoulder a large part of the burden.

There will be more proposals like what we are seeing in Michigan – and they will be completely the result of a coordinated effort by those who stand to benefit enormously.

As many of our wealthiest citizens might tell you after a couple of drinks or in their more candid moments, running a nation based on a concern for -and payouts to- the less fortunate, or the desire to encourage fair-play in the relationship between employer and employee, is just not working out. After all, our efforts to see to it that our elderly are not left to end their days in poverty and illness or allow the nation's poor to get basic health care and assistance for the purchase of food at the taxpayers' expense, has left the nation awash in red ink.

The wealthy would further suggest that we now face a significant loss of prestige in the world as we can no longer afford to enter every war that comes our way as a reminder of America's overwhelming power or throw around huge checks to buy off those upon whom we are dependent to insure our money continues making money.

They would tell you that it is time for the grown-ups to take over because our collective bleeding hearts have been bad for business – and the business of America is business.

Maybe they are right. Maybe our bleeding hearts have cost us more money than we could afford. Or maybe fighting too many wars in too many places is to blame along with our unwillingness to pay a reasonable level of taxes, based on ability, to fight these wars.

Maybe it is all of the above.

Whatever the truth, there is one thing that the most basic understanding of societies throughout the history of the world reveals- concentrating all of the power and the money in the hands of the aristocracy leads to a very unhappy ending.

And while many a society has bought into the notion that they were the one to make it work – they never do.

Why would we be any different?

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