

US corporations shatter profit records

Tom Eley
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US corporations took in \$1.659 trillion in the third quarter, breaking records going back 60 years, according to a Commerce Department report released Tuesday. It was the seventh consecutive quarter of profit growth at “some of the fastest rates in history” according to the *New York Times*.

If any more proof were needed, the third quarter profit record exposes the lie promoted by Democrats and Republicans alike that only the “free market” and private businesses can reverse the nation’s 9.6 percent unemployment rate. The corporations and banks are sitting on a cash hoard in the trillions of dollars. This money is not being used to hire workers, but to line the pockets of the executives and top shareholders.

The profit bonanza that lasted from July through September eclipsed the old record of \$1.655 trillion established in the third quarter of 2006—just as the money-mad speculation of the financial elite was hurtling the US and world economy toward the precipice of its worst economic crisis since the Great Depression.

The resulting financial crisis, which erupted in the autumn of 2008, threatened a total collapse of the global financial system. In response, the governments of the world, led by the US, used the disaster to hand over tens of trillions in public wealth to the very finance houses that triggered the crisis. This process continues, as demonstrated by the International Monetary Fund/European Union-dictated rescue of the Irish banks this week.

The enormous profit realized by US corporations in the third quarter are only the latest indication that the Bush-Obama bailout of the financial and corporate elite has achieved its desired aim of protecting the personal fortunes of the rich:

*Annual bonuses rose by 11 percent for executives at the 450 largest US corporations last fiscal year, according to a recent survey published by the *Wall*

Street Journal. Overall, median compensation—including salaries, bonuses, stocks, options and other incentives—rose by three percent to \$7.3 million in 2009. Shareholder returns increased by 29 percent.

*An October survey by the *Wall Street Journal* found that employees at 35 of the biggest banks, investment banks, hedge funds, money management firms, and securities exchanges will be paid a record \$144 billion in 2010.

*According to *Forbes* magazine, the net worth of the 400 richest Americans increased by 8 percent in 2010, to \$1.37 trillion, more than the GDP of India, population 1.2 billion.

These vast fortunes have been made possible through the impoverishment of the working class, the vast majority of the population that must work in order to maintain itself.

*In 2009, 15 percent of all US households, about 50 million people, went part or all of the year without enough food to eat, according to a recent report from the US Department of Agriculture (USDA). More than a third of these households, home to one million children, went without meals on a regular basis.

*A record 49.9 million US adults went without health insurance for at least part of the past year, up from 46 million in 2008, according to a recent report from the Centers for Disease Control and Prevention (CDC). The uninsured now constitute 26.2 percent of the total adult population, more than one in four, up from 24.5 percent two years ago.

*Average annual wages for US workers fell by \$457 in 2009, and the median annual wage fell by \$247 to \$26,261, according to recently updated data from the Social Security Administration (SSA).

*The US Census Bureau found that about 44 million Americans were living in poverty in 2009, the highest number on record and an increase of 3.8 million in one

year. Nearly 19 million Americans were living in extreme poverty in 2009, defined as half of the official poverty level, an increase of 11 percent in one year.

This sampling—many similar statistics could be cited—paints a portrait of a financial oligarchy literally gorging itself at the expense of the population. Yet this reality, which permeates every aspect of life in the US, has only whetted the appetite of the elite and its political servants.

The holiday season finds the lame duck 111th Congress putting the finishing touches on two years of wealth redistribution to the rich. It is almost certain to extend Bush-era income tax cuts for the richest Americans.

On November 30, five days after the Thanksgiving holiday, unemployment benefits will expire for 1.2 million workers due to Congressional inaction. By Christmas and the New Year, this figure will swell to 2 million. The fate of these workers and the several million children who depend on them, tossed out without cash income into the worst job market in seven decades, is of little consequence to the millionaires and multi-millionaires who populate Congress.

One result of these policies is that more people than ever, including those with jobs, are forced to turn to soup kitchens, even on a day when families traditionally gather for a holiday associated with the “bountiful harvest.” Charities across the country are reporting record demand for help on Thanksgiving—a holiday established at a national level by Abraham Lincoln in 1863 to honor the material abundance of the Republic, even in the midst of the Civil War.

On the other side of the social divide is an uninhibited orgy of greed, documented most recently by a Wednesday story in the *New York Times* (“Signs of Swagger, Wallets out, Wall Street Celebrates.”) From cosmetic plastic surgery to high-priced art auctions, from rental properties in the Hamptons to bachelor parties that cost tens of thousands of dollars, “Wall Street’s moneyed elite are breathing easier again,” the article states.

The stranglehold over society and the economy exercised by this parasitic social layer, this modern-day aristocracy, must be broken once and for all.

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