

Amid poverty wages and tax cuts for the rich

JPMorgan Chase records the biggest profit of any bank in US history

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JPMorgan Chase, the most valuable private bank in the world, made \$36.4 billion in 2019, the biggest annual profit of any bank in American history. The news, reported Tuesday, sent the company's stock up by 2 percent. In the fourth quarter of 2019, the company took in \$8.5 billion, also a record, making it the tenth largest publicly traded company in the world, with a market cap of \$437 billion.

JPMorgan Chase's record profits were joined by Morgan Stanley, which also reported both record profits and record revenues for 2019, sending its stock price surging 6.6 percent on Thursday.

News of these record gains came as the six largest US banks revealed that they saved a combined \$32 billion last year from President Donald Trump's 2017 corporate tax cut. The tax windfall was up from 2018 for all but one of the banks. JPMorgan's tax cut went from \$3.7 billion in 2018 to \$5 billion last year.

At Wednesday's signing ceremony for the phase one trade deal with China, attended by an array of corporate executives, Trump turned to Mary Erdoes, a top executive at JPMorgan Chase. Calling the bank's earnings report "incredible," he joked, "Will you say, 'Thank you, Mr. President,' at least?"

The tax cuts for the corporations and the rich, enacted with only token opposition from the Democrats, are only one factor in the surge in profits over the past year. When stocks plunged at the end of 2018, Trump stepped up his demand that the Federal Reserve reverse its policy of gradually raising interest rates to more normal levels, following years of near-zero rates in the aftermath of the 2008 financial crisis. Acting as the mouthpiece of Wall Street, he demanded that the Fed begin cutting rates once again in order to pump more cash into the financial markets.

Fed Chairman Jerome Powell dutifully complied, cutting interest rates three times in 2018 and assuring the markets that he had no intention of raising them again any time soon. Then, beginning in the late fall, the Fed began pumping tens of billions of dollars a week into the so-called "repo" overnight loan market, resuming the money-printing operation known as "quantitative easing."

This de facto guarantee of unlimited public funds to backstop stock prices has produced record highs on all of the major US indexes, sending billions more into the private coffers of the rich and the super-rich.

These measures are a continuation and intensification of policies carried out on a bipartisan basis for four decades to redistribute wealth from the working class to the corporations and the financial elite. They have effected a fundamental restructuring of class relations in America, drastically lowering the social position of the working class. Decent-paying, secure jobs have been wiped out and largely replaced by poverty-wage, part-time, temporary and contingent employment—the so-called "gig" economy exemplified by corporations such as Amazon and Uber.

This decades-long ruling class offensive was accelerated in response to the 2008 financial crisis. President Barack Obama oversaw the channeling of trillions of dollars to the banks and financial markets in order to pay off the debts of the bankers and speculators, whose reckless and criminal activities had led to the crisis, and make them richer than ever. At the same time, he imposed a restructuring of the auto industry based on a 50 percent across-the-board pay cut for new-hires and an expansion of temporary and part-time labor.

The United Auto Workers (UAW) has actively participated in this process, enshrining the new "flexible" labor system in sellout contracts in 2015 and 2019. This

template of expendable, benefits-free labor has become the new norm for labor relations across the country and throughout the world.

Meanwhile, state, local and federal government programs have been dramatically slashed. Education, housing, Medicaid and food stamps have been particularly hard hit. This process has been accelerated under Trump, along with the removal of occupational safety and environmental regulations, with no opposition from the Democrats, who represent sections of the financial elite and wealthy upper-middle class.

The devastating human cost of the plundering of society by the corporate-financial oligarchy is registered in declining life expectancy, rising mortality and record suicide and drug addiction rates. A recent study by the Brookings Institution found that 53 million people in the US—44 percent of all workers—“earn barely enough to live on.” The study found that the median pay of this group was \$10.22 per hour, around \$18,000 a year. Thirty seven percent of those making \$10 an hour have children. More than half are the primary earners or “contribute substantially” to family income.

Similarly, a Reuters report from 2018 found that the average income of the bottom 40 percent of workers in the United States was \$11,600.

A recent study by Trust for America’s Health found that in 2017 “more than 152,000 Americans died from alcohol- and drug-induced fatalities and suicide.” This was highest number ever recorded and more than double the figure for 1999. Among those in their 20s and early 30s, the prime working life age, drug deaths have increased more than 400 percent in the last 20 years.

At the other pole of society, the Dow Jones Industrial index is now double what it was at its peak in 2007, prior to the implosion of the financial system. Between March 2009 and today, the Dow has risen from 6,500 to over 29,000. The stock market, buttressed by central bank and government policy, has become the central instrument for funneling wealth from the bottom of society to the top. As a result, the top 10 percent of society now owns about 70 percent of all wealth, whereas the bottom 50 percent has, effectively, nothing.

In the midst of this orgy of wealth accumulation at the very top of society, every demand of workers for jobs, decent pay, education, housing, health care and pensions is met with the universal response: “There is no money.” Hundreds of thousands of teachers have struck over the past two years to demand the restoration of funds cut from the public schools and substantial increases in pay and

benefits. None of their demands have been met. The same applies to auto workers who struck for 40 days last fall to demand an end to two-tier pay systems and the defense of jobs.

JPMorgan’s \$36.4 billion profit in 2019 is more than half the education budget of the US federal government.

Meanwhile, Americans are deeper in debt to JPMorgan and the other banks than at any time in history. Collective consumer debt in the United States approached \$14 trillion last year. Credit card debt has surpassed \$1 trillion for the first time. Auto debt is at \$1.3 trillion and mortgage debt is now \$9.4 trillion. Student loan debt has increased the fastest, surging from \$500 billion in 2006 to \$1.6 trillion today.

These are the conditions, rooted in the historical bankruptcy and crisis of the capitalist system, that have sparked a global upsurge in the class struggle and the growth of anti-capitalist and pro-socialist sentiment. The past year has seen a dramatic expansion of working class struggle that is only a glimpse of what is to come. India, Hong Kong, Mexico, the United States, Puerto Rico, Lebanon, Iraq, France, Chile and Brazil are only some of the places where mass struggles have erupted.

What is becoming increasingly clear to hundreds of millions of people around the world is that the social problems confronting humanity in the 21st century—poverty, debt, disease, global warming, war, fascism, the assault on democratic rights—cannot be solved so long as this parasitic and oligarchical financial elite continues to rule. The turn is to the American and international working class—to unite, take power and seize control of the wealth which it produces to ensure peace, prosperity and equality for all people.



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