

Social banditry: Oligarch Elon Musk takes record \$45 billion payout

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On Thursday, Tesla announced its shareholders had reapproved an unprecedented pay package for CEO Elon Musk, which is currently valued at more than \$45 billion. As noted by the Delaware judge who previously blocked the payout for “unjustly enriching the billionaire,” the sum is “the largest potential compensation opportunity ever observed in public markets by multiple orders of magnitude.”

The payout is a form of social robbery, equivalent to every single household in America being forced to send the world’s richest man a check for \$350 at a time when most can barely pay their bills. The aristocratic “robber barons” of the Middle Ages stole from travelers one by one on the side of the road. But through the workings of the capitalist “free market,” Musk and his fellow oligarchs are swindling and defrauding all of humanity.

Musk’s payout is larger than what is estimated it would cost to eliminate homelessness (\$20 billion) and hunger (\$25 billion) in the US. It is equivalent to what is made, before taxes, by 1.2 million workers who earn the median income in the US (\$37,500) in an entire year.

According to the latest *Forbes* list of the top 10 richest people, Elon Musk is already the wealthiest individual on the planet, with a net worth of \$208.4 billion. Along with others in this group, including Jeff Bezos (Amazon), Mark Zuckerberg (Meta/Facebook) and Bernard Arnault (LVMH), Musk’s wealth is greater than the gross domestic product (GDP) of three-quarters of the world’s countries (156 out of 212).

The decision by Tesla shareholders to award the package to Musk takes place within the context of an accelerating growth of social inequality, financialization of the economy, imperialist war and the collapse of democratic government.

According to figures published by the *Financial Times* on Saturday, trends in executive compensation are increasing at the fastest rate for at least the last 14 years, bringing the separation of the ultra-wealthy from the rest of the population to record levels.

The FT report says:

So far in 2024, median chief executive pay at S&P 500 companies has risen by 12 per cent, according to ISS Corporate, part of proxy adviser Institutional Shareholder Services. That compares with a 4.1 per cent year-on-year increase in US wage growth, according to official figures.

The FT quotes William George, former compensation committee chair on Exxon’s board and former chief executive of Medtronic, who said executive pay “has gotten out of control.” He added that the Musk pay package sent the message that “the sky’s the limit here . . . you can earn as much as you want to.”

Expressing concern over the growth of social anger and opposition, George warned:

This is going to cause a further split in our country between the haves and the have nots. This is a grave concern to me because I think there will be a loss of trust [in companies].

The wealth controlled by Musk and other oligarchs is directly related to the extreme social crisis facing millions of workers and young people in the US and around the world.

Officially, there are 582,500 homeless people in the United States, which is known to be a significant undercount. While tens of billions are being handed over to Musk, workers and their families are confronting soaring prices and working multiple jobs just to get by while the government is cutting funds for social programs, education, healthcare and infrastructure.

Both the Democrats and Republicans at every level of government claim there is no money for basic social programs, while the rich pay little or no taxes, and countless billions are provided for the US-NATO war against Russia in Ukraine and for the genocide of Palestinians in Gaza by

the Israeli government.

The wealth accumulated by the billionaire elites is bound up with the decades-long rise of the stock market, a mechanism for funneling society's wealth into the hands of the corporate and financial oligarchy. The \$45 billion going to Musk is in the form of Tesla stock options, a reward for the rapid increase of the company's share values since 2018 from \$50 billion to \$558 billion today.

The rise in share values is the result of unrestrained speculation on Wall Street, fueled by a Federal Reserve policy of printing money for the rich. The transfer of assets from the central bank to the extremely wealthy reached a high point during the response of Democrats and Republicans to the coronavirus pandemic, when \$3 trillion was handed over to the financial oligarchy between February and June 2020.

After the CARES Act was passed in March 2020, the ruling class launched a campaign to force workers back to work, leading to more than 1.5 million "excess deaths" in the US and more than 27 million globally. Musk was a leading proponent of mass infection with COVID-19, even defying California state law and reopening Tesla plants, a criminal policy that was accepted by the Democrats, who controlled the state government.

In its statement published at the beginning of the year, the *World Socialist Web Site* explained:

The accumulation of personal wealth, while immensely significant in its own right, is secondary to and connected with the immense concentration of economic power in a small number of mega conglomerates owned by the capitalist ruling elites.

The WSWS statement noted, in particular, the massive influence of a handful of technology companies, which "exercise enormous power over the internet and social media," citing Musk's ownership of Twitter/X. The multi-billionaire has used his control of the company to promote far-right conspiracy theories and fascistic political organizations and individuals such as Donald Trump, the presumptive nominee of the Republican Party in the 2024 presidential election.

The statement explained the relationship between the extreme concentration of economic power and the growth of authoritarianism and dictatorship throughout the world. It stated:

These are the forces sucking the oxygen out of

democracy all over the world. The idea that basic democratic rights can be preserved without addressing the underlying economic forces and interests at work is mere wishful thinking.

Responding to the announcement by Tesla, Socialist Equality Party candidate for US President Joseph Kishore issued a statement, which said in part:

The necessity for the expropriation of the expropriators, for the abolition of capitalism and its replacement with socialism in the US and throughout the world has only become more pressing over the past four years. The oligarchs, engorged on wealth, have normalized mass death in the pandemic, normalized genocide in Gaza and are driving humanity to the abyss of nuclear war.

There is not a single social problem confronting masses of workers throughout the world that can be addressed outside of a fundamental restructuring of social and economic life. The obscene wealth accumulated by the corporate and financial oligarchy must be seized and redirected to meet pressing social needs. The gigantic corporations and financial institutions must be placed under democratic control and run on the basis of social need, not private profit.

This program is the only rational response to the extreme growth of social inequality. Its realization is possible only through class struggle in opposition to the entire ruling class and its state apparatus. This means the development of a movement of working class that has as its aim the conquest of power and the socialist reorganization of economic life in the US and throughout the world.



To contact the WSWS and the Socialist Equality Party visit:

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