

# Who's Behind US Downward-Mobility?

President Trump blames Mexicans, Chinese and other foreigners for the plight of downwardly mobile Americans but the real culprits are his corporatist pals who grab the lion's share of the wealth from U.S. global dominance, says JP Sottile.

By JP Sottile

Donald Trump kicked-off his presidency with the bold accusation that the "wealth of our middle class has been ripped from their homes and then redistributed across the entire world." It was a logical follow-up to a campaign rooted in selling voters on a grand global conspiracy of wily Chinese, cunning Mexicans, lollygagging NATO welfare queens and nefarious "global elites" who've gotten fat and rich off of the weakness, stupidity and complicity of American leadership.

This international cabal of money-making interlopers has, according to the steroidal economic nationalism manufactured by Steve Bannon and peddled by President Trump, systematically denuded the American economy, liquidated American manufacturing, transgressed the Middle Class and wreaked a unique form of "carnage" on unwitting American workers. After he was inaugurated, Trump claimed the tentacles of this global conspiracy to deprive Americans of their economic "birthright" even reached into the world of prescription drugs.

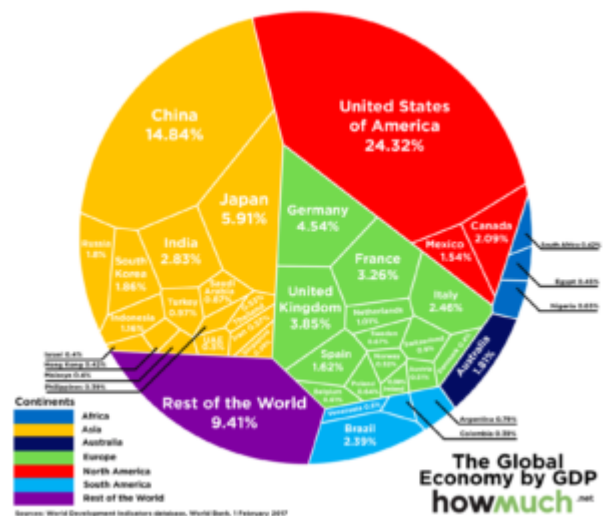
Oddly enough, before he delivered his "American Carnage" speech, Trump campaigned against Big Pharma's big profits from exorbitantly-priced drugs. He even said they were "getting away with murder." In response, he promised to impose the type of "bulk buying" that makes drugs so darn cheap in places like Canada, France and the rest of the civilized world. But now that he's got the Executive Branch under his tiny thumb, Trump now blames a "very unfair" cabal of international bulk-buying crooks who've connived to make American consumers pay high prices for drugs ... so they can pay far less.

In effect, the world's bulk buying system is a conspiracy to make Americans pay the high cost of developing the drugs they can then buy in bulk from the pharmaceutical industry at reduced cost. At least, that's what he told a group of Big Pharma executives when they came to visit him.

That new bulk-buying enemy of the people joins Trump's list of usual suspects, global gougers and assorted "enemies of the American people." Public enemy number one is, of course, the horde of job-stealing immigrants who've displaced what's left of America's depleted employment market. They've come to wrest away the cooking jobs, the cleaning jobs, the agricultural jobs, the construction jobs, the landscaping jobs and all the other jobs Americans are apparently denied because countries like Mexico are purposefully sending their people

across the border to take advantage of America's stupidity.

This is the embittered narrative of "America agonistes" that Trump keeps on selling to his supporters. It's a world in which Uncle Sam is the ultimate mark in a great global game of economic Three-card Monty. It's a world where the global system of trade deals, capital flows, currency trades, high-speed financial transactions, hydrocarbon extraction and military alliances is, in effect, a giant wealth removal mechanism that specifically targets "real" Americans and forestalls America's rightful return to greatness. But there is just one problem with Trump's grand vision. It's a funny little thing called "reality" and, thanks to this snazzy chart, we can see exactly how far from reality The Donald does not fear to tread:



That's the world's economy as tabulated by the World Bank and, thanks to howmuch.net, impressively illustrated into a starkly effective Voronoi diagram. As this breakdown clearly shows, Uncle Sam is not really getting taken to the cleaners by the rest of the world. Far from it, in fact. This World Bank data shows that America's economy is the "roughly equivalent in size to the total GDPs of #3 through #10 (that's Japan, Germany, the UK, France, India, Italy, Brazil and Canada – combined)." Although it is true that China is "catching up" with the United States, it is still well-behind America.

Could it be that Trump doesn't know that America remains the disproportionately wealthy king of the global economic hill? According to this data, "the United States (24.3%) generates almost a quarter of global GDP and is almost 10 percentage points ahead of China (14.8%), in second place, and more than 18 percentage points ahead of Japan (4.5%) on three." That means that Americans control nearly a quarter of the world's GDP despite the fact that Americans only make up 4.4% of planet Earth's total population. Sorry, Donald ... but that's a whole lot of what it takes to get along in the world.

And that total is eerily similar to the America's energy consumption. According

to the Worldwatch Institute, America's 4.4% uses about a quarter of the world's fossil fuel resources – burning up nearly 25 percent of the coal, 26 percent of the oil, and 27 percent of the world's natural gas. And how has America guaranteed access to the lion's share of the world energy and resources?

### **Military Dominance**

Surprise! It's also home to the world's largest military budget which is, not coincidentally, "almost as much as the next 14 countries put together and far larger than the rest of the world," according to a 2016 report by the International Institute for Strategic Studies. So, 4.4 percent of the world's population accounts for "more than a third of global military spending." But that's not all.

As CNNMoney reported, Uncle Sam is also "by far the world's biggest arms exporter, accounting for 33% of all weapons exports in the five years through 2016." The SIPRI report that story was based on also found that America is literally and figuratively making a killing by selling weapons to ... Mexico! That's right, those thieving Mexicans have been, as CNSNews aptly stated, on a "buying spree with transfers of weaponry and equipment into the country growing by 184 percent between the 2007-2011 period and the 2012-2016 period."

America's supermarket of military hardware is wide open for business and, like so many of the world's nations, Mexico is availing itself of the Uncle Sam's leading export – a bountiful array of weaponry.

So, to recap ... America is 4.4 percent of the world's population. It accounts for more than 33 percent of the global total of military spending and it sells 33 percent of all the world's weapons while, at the same time, it is targeting Mexico with a profitable flood of military-grade arms and materiel. That's the same Mexico the President accuses of intentionally sending bad dudes from drug cartels to infiltrate the America with drugs and ravage it with rape and murder. And, in the world according to Trump, that's what his vaunted wall is meant to stop – the gangs, the crime and the drugs.

However, a recent CNBC investigation found that like everything else, Americans have a disproportionate appetite for drugs ... but not drugs coming from Mexico. Rather, Americans consume "approximately 80 percent of the global opioid supply" of "300 million pain prescriptions" which amounts to a \$24 billion market. Opioid addiction is widely seen as the leading catalyst of the heroin crisis sweeping many rural areas and small towns as users in Trump-loving Red States seek a cheap, readily available alternative to potent prescription painkillers.

Opioid addiction numbers have spiked to two million Americans who are, quite

shockingly, often being treated by the health care system with ... more opioid prescriptions. In 2015, overdose deaths related to prescription pain relievers spiked to 20,101 and another 12,990 deaths were heroin-related, according to the Centers for Disease Control.

So, who are those biggest beneficiaries of this opioid-related carnage? Mexicans? The Chinese? Radical Islamic Terrorists, perhaps? Well, the “top five” beneficiaries are, as CNBC detailed, “Purdue Pharma, Johnson & Johnson, Insys Therapeutics, Mylan and Depomed.” And where are these companies located? Purdue is based in Stamford, Connecticut. Johnson & Johnson is based in New Brunswick, New Jersey. Insys Therapeutics is based in Chandler, Arizona. Mylan is registered in the Netherlands, but their global headquarters in Canonsburg, Pennsylvania. And Depomed is located in Newark, California. Somehow, that roster doesn’t actually look like a roadmap to uncovering a global conspiracy to stick it to American consumers or a swarthy cartel seeking to exploit an open border.

No, like so much of Trumps’ grievance-obsessed nationalism, all roads inevitably lead to home. And that’s perhaps the saddest part of this sordid tale. Because real people are really struggling in hard-hit places that used to hum along in America’s industrial heartland. But the amazing industrial engine that emerged from World War II and powered that glorious Middle Class moment in the 1950s and 1960s has long since run out of gas.

And although the unfettered capital flows of globalization hastened the decline in many places, the simple fact is that the people who benefitted the most from a global labor market were American corporate captains and Wall Street’s financial tricksters and big box retailers like Walmart. Some of those beneficiaries now populate Trump’s cabinet and many others are now riding high on the profitable wave of a trumped-up stock market.

### **To America’s Benefit**

Frankly, since the end of World War II, the entire global system – the financialized economy, the alliances, the trade deals, the global network of military bases – have all overwhelmingly benefited America and its oil companies and defense companies and financial companies and retail companies and on and on and on.

The real problem hasn’t been the world ripping off the Middle Class. The problem is that the people at the top of these industries – and hyper-financialized go-getters in Wall Street who wheel and deal and leverage their debts – have increasingly hoarded the wealth so disproportionately created by America’s global spanning power and economic dominance.

This is not about a global conspiracy hatched abroad. This is about conscious decisions by high-powered Americans here at home to keep more and more of everything. They created obscene levels of wealth and income inequality by inflating their compensation packages, by gaming the market for short-term payoffs, by gutting collective bargaining rights and, just as The Donald did with his own vast array of branded goods, by seeking higher profit margins from cheap offshore labor.

The simple fact is that Trump's scapegoating of global economic thieves is a big phony baloney that, in the end, only helps his cronies. That's why he didn't mention collective bargaining rights when he met with union leaders who, truth be told, seemed happy just to be invited to his table ... even if all he's really offering are the crumbs and scraps left over from an economic ideology rooted in the past. Sadly, that's all they'll get because, at the same time, Trump's Republican allies plan to gut what's left of unions with ever-expanding "right to work" laws.

But perhaps the worst of all is his crackdown on immigrants who, as the American Conservative's Jon Basil Utley painstakingly detailed, drive so many parts of America's economic engine – from undocumented workers on the dairy farms of Wisconsin to Indian-generated startups in California, Texas, New York and Massachusetts to "thousands of tiny lunch shops" to Asian and Latina child care workers and, most notable, to the "half of all the *Fortune* 500 largest companies in America" that were "founded by immigrants or children of immigrants."

Instead, we get a self-described "military operation" under the guise of extricating "bad dudes" in drug-dealing gangs and Mexican cartels. This histrionic plan conveniently obfuscates the perfectly legal drug dealers of Big Pharma who are the real culprits behind the "carnage" decimating America. That, along with his attack on the bulk-buying ways of health care systems around the world, is yet another dangerous, if potentially profitable distraction from the stark reality being lived every day by people who struggle to afford medication or battle to live another day with a Pharma-engineered addiction.

Really, it's no different than putting an oil industry shill in charge of the EPA, a slick oil salesman in charge of the State Department, a private school profiteer in charge of the Education Department, a health industry stock speculator in charge of Health and Human Services ... and Goldman Sachs alums in charge of Treasury and the whole economic enchilada. These folks represent that same elite movers and shakers who've benefited from America's position as the world's richest nation, while also driving policies that make it the one of the developed world's most unequal – right behind Chile and (of course) Mexico.

Even worse, the top 1 percent now takes home "more than 20% of all U.S. income"

and the “bottom 50% went from capturing over 20% of national income for much of the 1970s to earning barely 12% today,” according to CNNMoney. But The Donald doesn’t talk about making America more equal again. Instead he’s blowing a smokescreen for the crony capitalists who see big profits and big tax breaks ahead while they leave those Americans struggling to keep up with the heady pace of technological change further and further behind.

Still, they got the hat and they’ve got some hope and, as evidenced by the chart above, America still enjoys the bulk of the world’s benefits. But If America was ever truly “great,” it was that fleeting moment when the fruits of America’s global dominance were shared more broadly with the parents and grandparents of the people who voted to make it great again.

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