

Re: Wal-Mart and Wages?

Source: <http://sci.tech-archive.net/Archive/sci.econ/2004-07/1660.html>

From: The Trucker (mikcob_at_verizon.net)

Date: 07/23/04

Date: Fri, 23 Jul 2004 10:58:47 -0700

Dez Akin wrote:

> *The Trucker <mikcob@verizon.net> wrote in message*
> *news:<cdmbs60sr2@news4.newsguy.com>...*
>> *Dez Akin wrote:*
>> >> *In recent years the U.S. has been drifting in that direction, the god*
>> >> *king*
>> >> *and friends being the growing aristocracy. (come visit here and I'll*
>> >> *take you on a tour of the palaces).*
>> >
>> > *Erm, sounds like the beginning of a marxist manifesto.*
>> > *----snip----*
>>
>> *Looks like the typical neocon sound bite rebuttal of anything that might*
>> *contradict the religious position of the neocon. So we use the word*
>> *neocon just like the neocon uses the word Marx. It is the conjuring of*
>> *the devil, of evil, of the bogeyman.*
>
> *How wonderfully ignorant of my political views, and the term 'neocon'*
> *as well. Neocons are often referred to in reference to foreign policy*
> *rather than economic models, and you'll never see a post from me*
> *defending Israel or the rather foolish US support of a state that no*
> *longer serves (and indeed jeopardizes) US interest.*
>
>> >> *An important equity mechanism is -- or was -- the labor union. Unions*
>> >> *provided some balance between the power of employers and workers.*
>> >> *In the U.S. in recent decades unions have become largely ineffective*
>> >> *or*
>> >> *non-existent. (It would be worth your job if not your life to be a*
>> >> *Wal- Mart union organizer.)*
>> >
>> > *Instead of attending the very affordable colleges and trade schools?*
>>
>> *The HIB system destroyed all of that. It is not cost effective to*
>> *waste one's time learning anythin other than how to use government*
>> *and monopoly rights to fleece everyone else.*
>
> *HIB visas are useless for lawyers, doctors, and other locally credited*

> *trades.*

The AMA is very strong indeed and has much political clout. The lawyer trade is totally dependent upon LOCAL law and it would be very difficult to get outsiders to fill the bill. I am agreeing with you on this because I want to show that I recognize validity when I see it.

> *Introducing skilled labor into the economy increases
> productivity of the entire economy, raising everyones wages.*

But now you sail off into never never land by implying that skilled labor was no present in adequate amount BEFORE the visas. As a matter of fact, the lower wages paid to H1B people destroyed the wages of the technologically competent people in this country and placed these people in competition with unskilled workers here in the USA thus lowering wages across the board.

> *The only
> ones that have been forced out of their job because of H1B visas
> couldn't do it very well to begin with, and would have been forced out
> by other more competant, less expensive Americans eventually.*

There is a grain of truth in what you posit but only a grain. The competency and productivity of the displaced American technicians was and is not now a real factor. The H1B visa people were LESS effective than those they replaced when degree level was considered. But if you measure productivity then three H1B's are more productive than 2 Americans based on cost of labor. The problem is that the temp then goes back to his native land and is quite wealthy bu local standards. And after a while he returns for another load.

>
> *If you really believe that it isn't cost effective to get an
> education, then in your case its probably true. But for those that
> pursue an education there are many rewards in the US.*

For MANY of us a formal education is not worth the time. We are able to learn what we need through self education much faster than we could in a formal setting. But that simply dodges the issue. As wages in the technology sector erode there is simply no reason to apply one's self to that area. And the H1B system becomes a self fulfilling prophecy. The sham of "not enough technically competent labor" becomes the truth.

>> *> Historically, unions have done little except ration out jobs for
>> > non-professional labor as cartels, reduce business competitiveness and
>> > foster organized crime.
>>
>> The typical rewrite of history that graces most right winged positions:
>> Just leave out the data you don't like.
>*

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- > *Everyone seems to editorialize, certainly. But the economics of labor*
- > *unions revolve around rationing jobs to workers and labor to industry*
- > *to maximize labor price, typical of cartels. Obviously there are union*
- > *members who believe they are doing a greater social service by calling*
- > *attention to worker grievances. But they are also enriching themselves*
- > *at the expense of the shareholders, consumers, and unhired employees*
- > *not afforded due to high labor costs.*
- >
- > *One can make an argument that Standard Oil did good for the oil*
- > *development by regulating the price of oil and preventing the price*
- > *spikes and crashes through market manipulation as well, but the*
- > *economics of it are the same.*

What you say is fair enough. But these unions historically rose up against the monopoly power of the corporations. It was not a case of the unions sprouting out of the void. It is all "economic rent" on either side.

http://greatertoice.org/econ/glossary/Economic_Rent.php -----

In using a "soccer star" to demonstrate rent the trained seal economist seeks to confuse rent so as to avert one's eyes from both the need of force and the "unearned" nature of the "owned" resource. The star's skills are inalienable. Unlike the land owner and the land, the star can't be disposed of and the skills then used by an invader. Once the star is gone, the skills are also gone. Ergo, there is no need for defensive force in securing the rights of the owner of the skills – a personal asset . The other rather marked difference is, of course, that the skills were naturally endowed and then perfected by the labor of the soccer star. He didn't just stumble into the land of milk and honey and plant a flag on a prime piece of real estate that existed before man ever came into existence.

But there are some similarities: We must concede that to the extent that there is unwarranted control of the entry into the field of "soccer" as controlled by the union known as the "soccer union" then to that extent is there a rent. And again we see that force is necessary to the expropriation. To what extent are the actions of the "soccer union" a mechanism to reduce the exploitation of soccer players by the owners of political power and to what extent is the soccer union employing force (government backed force of law) to limit competition and increase the reward to the current players? value is being expropriated (rent taken) only to the extent that the soccer union is operating in the latter capacity. What is also missing here is the "essential" nature of access to the resource. One does seek out soccer matches for sustenance but for entertainment value. In the case of the sports star there is absolutely no force involved because the decision to consume the entertainment offered by the sports star is strictly voluntary. Yet we see this used as an example of rent by many of the trained seal latter day economists.

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>> > *Far better 'equity mechanisms' would be punishing estate taxes,
>> > simplification of income tax, and comprehensive public education
>> > programs that turns the poor into professionals.*

>>

>> *Not a bad conclusion, however. But then there is that One World
>> stuff that insists that Americans must be impoverished so as to
>> raise the poor of other nations.*

>

> *I'm sorry, but I really don't understand where this statement comes
> from. Where do you read in my comments impoverishing Americans to
> subsidize the foreign poor?*

American consumers pay for technological development through expropriation based on IP rights (patents, trade marks, brand names, copyrights, etc.). Pharmaceuticals are a good example, but software is more in tune with our current discussion. The people in India and China pay about one penny on the dollar for software. Let us suppose that the software is created in India at a very low cost in American dollars. What should be happening is that those savings should be passed to American consumers and all should pay the same. That is NOT what happens. In India and in China the government cares not about the IP rights and the stuff is copied and sold ALMOST openly. Indians can't afford to pay the American prices and so the owners of the IP rights may even legitimize this lower price by offering the IP backed product at a very reduced price. What is happening in this deal is that the monopoly owners are expropriating rent from the common people of the USA (ONLY) thus exacerbating the lopsided distribution of wealth in this nation.

Most of the "rage" that the American worker feels toward the foreign worker is misplaced. That "rage" should be directed at a government that allows and even encourages this rent seeking behavior on the part of monopolists.

>> >> *>I sense a theological belief in salvation through higher wages in
>> >> >your posts.*

>> >> >

>> >> *God forbid we descend into a French Revolution. We're a long way
>> >> from it now but the trend is in that direction -- if you squint when
>> >> you look at the horizon.*

>> >

>> > *Revolution that you are implying comes when the vast poor majority
>> > have nothing to lose, when people are really suffering. The trend
>> > isn't even pointed in that direction. Everyone in the US is getting
>> > wealthier, and has been for the entirety of the existence of the US
>> > history, and starvation is the last concern of the poor.*

>>

>> *(snicker) Talk about smoking your own dope! Wealth is not measured
>> in food. It is measured in freedom.*

>

> *Wealth with respect to revolution is measured in food; People revolt
> when their survival, not luxuries, are threatened. As for wealth in*

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- > *other respects, the median income has been steadily rising in the US*
- > *year on year for the past two centuries. What the average person could*
- > *afford in 1964 in terms of goods and services is far less than in*
- > *2004.*

Wages have declined in the USA since the rise of the Bush Regime as the peak in wages occurred at the end of the "Clinton Era". More importantly the freedom from toil and drudgery and the freedom from prancing moralizing fascist pigs has been greatly reduced.

<http://GreaterVoice.org/econ/glossary/aristocracy.php>

The "goodness" of the economy depends on what you want to maximize.

- >> > *You might be able to convince yourself that the rich are getting*
- >> > *richer and the poor aren't getting rich as fast (or even getting*
- >> > *poorer), that the inequity is growing, but that doesn't breed*
- >> > *revolution of the French variety. That comes from more than envy,*
- >>
- >> *Ah, yes. The envy pony. The Republican favorite.*
- >
- > *I'm afraid you're again miscalculating my political affiliations.*
- > *Attack the argument rather than the misconstrued affiliation. The*
- > *argument had nothing to do with 'The envy pony' anyways, but with the*
- > *conditions necessary to foment violent revolution.*

Ok. You are right! I have a real REACTION to that word. And the point is well made that a continuing loss of freedom is not the cause of violent revolution. It seems to always work that way. The aristocracy will never listen and the people must get truly desperate before they act. It builds and builds until the only answer is the guillotine.

- >> > *but*
- >> > *inflicted misery in a state that has no concept of democratic veto and*
- >> > *hereditary privilege enshrined by law. If you honestly believe that the*
- >> > *US is moving _closer_ to such a state of affairs, your living in a*
- >> > *willfully ignorant fantasyland.*
- >>
- >> *And if you believe anything OTHER than the facts of growing wealth*
- >> *disparity then you are blind as a bat.*
- >
- > *Really? When its been remarked by one minor aristocrat growing up in a*
- > *bygone era: "I never thought myself so rich to be able to afford a*
- > *motor car, yet to poor to afford personal servants."*

Here again you are leaving out the essential ingredients of freedom and liberty. If I am having to work 80 hrs a week to get the basics as opposed to only 60 hrs a week then my freedom and liberty have been taken by the aristocrat.

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- > *Wealth disparity has been dropping. I certainly am in favor of*
- > *policies which cripple the aristocracy such as tax free inheritances,*
- > *broad based education spending and other policies that ensure equality*
- > *of opportunity (if not outcome) but the economy is growing less*
- > *aristocratic (in spite of the efforts of our _ahem_ brilliant*
- > *executive branch) than in previous centuries.*

But it isn't just our current executive branch (though they are the most obvious and unabashed example). It is the fact that the entire government is controlled by the rent seeking monopoly loving Republican party. Wealth disparity IN THE USA has not been dropping but growing and increasing ever since the Reagan Era. And the Republicans have been the orchestrators of this attack on freedom and liberty.

- >> > *It may be pleasant to believe that such naive approaches as 'pay them*
- >> > *more and the economy will grow' apply, and its certainly appropriate*
- >> > *to be skeptical of the market finding optimal solutions in all*
- >> > *scenarios. Markets tend degenerate into monopolies and cartels (see*
- >> > *the rise of Standard Oil, De Beers, and ironically the rise of labor*
- >> > *unions) and occasionally markets allocate resources less than*
- >> > *optimally. But in the absence of an omniscient oracle, markets usually*
- >> > *work better than fiat dictated by a central planner driven by a single*
- >> > *economic theory, or even worse, naive idealism.*

>>

>> *Thank you very much for your confirmation of the current problem:*

>>

>> *"markets usually work better than fiat dictated by a central planner*

>> *driven by a single economic theory".*

>>

>> *The Republicans seek to maximize rent at all times. To therefore*

>> *maximize wealth disparity on the premise that a caste system is necessary*

>> *to the moral guidance of the ignorant masses.*

>

> *While I don't have a direct insight into what 'The Republicans' think,*

> *I don't believe there is a vast conspiracy to enforce an aristocracy,*

> *but rather slavish adherence to an ideology that isn't revolted nor*

> *apologetic about its existence.*

>

>> <http://GreaterVoice.org/econ/glossary/aristocracy.php>

>>

>> *Of course it helps to employ Faux news and controlled "statistics"*

>> *to keep the masses as ignorant as possible.*

>

> *Oh sure. Just verify the source, such as GDP, median income, and so*

> *forth, these can be verified from the department of commerce, and*

> *various economic journals and then be spun as you like.*

>

> *Be skeptical of subscribing to any ideology from Ayn Rand to Karl*

> *Marx, or adhering to strongly with any ideological tribe. Especially*

> *those that use terms in usenet such as Faux News, Klinton, Amerikkka,*

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- > *and so on. Although it certainly I imagine is relaxing to turn ones*
- > *brain off and follow the tribe in word and deed.*

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