

The Real Takers

Written by Bruce Enberg
Monday, 26 November 2012 22:00

Selected numbers appear to show consumer spending is way up, thanks to the 'black' days, cyber day, and on and on with the hype. A closer look suggests it's really more like a one or two percent increase for the quarter; it's really all about building up a shopping frenzy. Are consumers really spending more at all? Or are they simply desperate to stretch their ever declining incomes to meet pent up demand to replace worn out consumer goods?

Then there is the gnawing need to provide the American dream for yourself and your family. It's not that people really feel the need to buy more junk from China, it's that they know deep down that they're in trouble. And they want so badly to kid themselves that they are still middle class. The evidence for this is that consumer debt is way up. The business channel folks actually point to this increase in debt as proof that the economy is turning around, and there is a certain amount of truth to that, in the same way a soap bubble is a new house.

Down at the Big Box Store the Typical Fox Viewer is pushing through the doors chasing a bargain that isn't really there. Like 'trickle down economics,' the super low price prize the right-wing shopper is expecting to receive is just a lie. The Wall Street Journal surveyed the 'bargains' that were advertised and found that fully a third had been advertised previously at lower prices. These were just the ones they could track. Big ticket items are often given unique model numbers to disguise their true worth, which always is less than what they are being sold for. The practice of manufacturing stripped down models using inferior parts that closely resemble the item shoppers think they are getting results in what are called 'derivative' models. These are much like the Wall Street 'derivatives' that resemble something of value, but have none.

Facing the mob of low information 'voters' (I mean shoppers) are the people who are the end result of this business model. Wearing thrift store clothes and a cheap vest is the big box

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employee, - he/she can't even afford to shop there, and frequents the dollar stores, thrift stores, and food pantries. These people aren't even referred to by name by the company. The computerized tracking system requires them to enter their 'social' at every turn. That's their Social Security number, how ironic, since they have no security. They are dependent on food stamps, medicaid, state child care, public housing assistance, Earned Income Tax Credits, their own family's support and charity to survive. They are seldom full time workers since that isn't company policy, but constant schedule changes make having GW Bush's uniquely American second and third jobs difficult. No matter how long they work they will never get a significant enough raise to make a living.

The right is chortling that the Black Friday worker walkout had little effect on Walmart. After all, creating more and more poor people is the American way. Mitt Romney may not have won the election, but by God, the Billionaires will keep the 47% in it's place. Indeed of the 47%, the 'takers' Willard derided, 60% are in the 'working poor with children' group. Another 25% are low income elderly of which the majority voted for Mittens anyway. The remaining 15% are unemployed, because everything in the Big Box Store is made in China.

The fact is that Walmart only makes \$9000 per employee. Well, that's what's on paper. Their accountants are well paid. Even so, if Walmart were required to pay decent wages and benefits they wouldn't be profitable. The small businesses that they drove under were profitable. How does that work? For one thing 'economy of scale' is largely a myth. Like a battleship, it's not cheap to run, but destroys the competition with ease.

For another thing, the Big Box model is self defeating. When you cut wages you destroy the very economy you need to operate your business. This matters not to the Walmart Billionaires, the five Walton heirs have more personal wealth than the bottom 40% and climbing. It's not about making a profit, it's about taking wealth. These are the real takers.

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