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Winning the Class War

By **BOB HERBERT**

The class war that no one wants to talk about continues unabated.

Even as millions of out-of-work and otherwise struggling Americans are tightening their belts for the holidays, the nation's elite are lacing up their dancing shoes and partying like royalty as the millions and billions keep rolling in.

Recessions are for the little people, not for the corporate chiefs and the titans of Wall Street who are at the heart of the American aristocracy. They have waged economic warfare against everybody else and are winning big time.

The ranks of the poor may be swelling and families forced out of their foreclosed homes may be enduring a nightmarish holiday season, but American companies have just experienced their most profitable quarter ever. As [The Times reported this week](#), U.S. firms earned profits at an annual rate of \$1.659 trillion in the third quarter — the highest total since the government began keeping track more than six decades ago.

The corporate fat cats are becoming alarmingly rotund. Their profits have surged over the past seven quarters at a pace that is among the fastest ever seen, and they can barely contain their glee. On the same day that [The Times](#) ran its article about the third-quarter surge in profits, it [ran a piece](#) on the front page that carried the headline: "With a Swagger, Wallets Out, Wall Street Dares to Celebrate."

Anyone who thinks there is something beneficial in this vast disconnect between the fortunes of the American elite and those of the struggling masses is just silly. It's not even good for the elite.

There is no way to bring America's consumer economy back to robust health if unemployment is chronically high, wages remain stagnant and the jobs that are created are poor ones. Without ordinary Americans spending their earnings from good jobs, any hope of a meaningful, long-term recovery is doomed.

Beyond that, extreme economic inequality is a recipe for social instability. Families on the wrong side of the divide find themselves under increasing pressure to just hold things together: to find the money to pay rent or the mortgage, to fend off bill collectors, to cope with illness and emergencies, and deal with the daily doses of extreme anxiety.

Societal conflicts metastasize as resentments fester and scapegoats are sought. Demagogues inevitably emerge to feast on the poisonous stew of such an environment. The rich may think that the public won't ever turn against them. But to hold that belief, you have to ignore the turbulent history of the 1930s.

A stark example of the potential for real conflict is being played out in New York City, where the multibillionaire mayor, Michael Bloomberg, has selected a glittering example of the American aristocracy to be the city's schools chancellor. Cathleen Black, chairwoman of Hearst Magazines, has a reputation as a crackerjack corporate executive but absolutely no background in education.

Ms. Black travels in the rarefied environs of the very rich. Her own children went to private boarding schools. She owns a penthouse on Park Avenue and a \$4 million home in Southampton. She was able to loan a \$47,600 Bulgari bracelet to a museum for an exhibit showing off the baubles of the city's most successful women.

Ms. Black will be peering across an almost unbridgeable gap between her and the largely poor and working-class parents

and students she will be expected to serve. Worse, Mr. Bloomberg, heralding Ms. Black as a “superstar manager,” has made it clear that because of budget shortfalls she will be focused on managing cutbacks to the school system.

So here we have the billionaire and the millionaire telling the poor and the struggling — the little people — that they will just have to make do with less. You can almost feel the bitterness rising.

Extreme inequality is already contributing mightily to political and other forms of polarization in the U.S. And it is a major force undermining the idea that as citizens we should try to face the nation’s problems, economic and otherwise, in a reasonably united fashion. When so many people are tumbling toward the bottom, the tendency is to fight among each other for increasingly scarce resources.

What’s really needed is for working Americans to form alliances and try, in a spirit of good will, to work out equitable solutions to the myriad problems facing so many ordinary individuals and families. Strong leaders are needed to develop such alliances and fight back against the forces that nearly destroyed the economy and have left working Americans in the lurch.

Aristocrats were supposed to be anathema to Americans. Now, while much of the rest of the nation is suffering, they are the only ones who can afford to smile.