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Where'D The Money Go? And, Where'D It Come From?

Solidarity America

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Most Americans have heard of the "bridge to nowhere" and its \$390 million price tag.

And, most Americans have heard of the \$750 billion of working peoples' tax money that went to the "big bailout" of the no-product money manipulators of Wall Street. Probably, though, not many Americans can tell you where their money went.

The peoples' representative government—the Congress—doesn't know where it went, either. But that didn't stop them from handing it over.

If there was a question in anyone's mind about why those same representatives didn't go for the \$25 billion bailout of the American auto industry (even with strings attached, such as getting rid of incompetent management), it must be pretty clear by now that they want the arguably last big manufacturing industry in America to be union-free.

When they discussed a possible Big Three bailout, Senator Richard Shelby, an Alabama Republican, and Senator Mitch McConnell, a Republican from Kentucky, they said loudly and clearly from the floor of their house and in press interviews that the auto makers could get the money they needed from their workers, who are paid too much.

The workers, members of the United Auto Workers (UAW), needed to get their pay and benefits back down to where they were years ago, to conform with those of non-union workers who make cars like Toyota, Honda, Mercedes, and other brands.

There are many other politicians who hold the same view, but what they never pointed out was that plenty of money was given to those foreign companies to get them to

locate their car plants in their states—and they usually were states with so-called right-to-work laws. People who know what the laws do call them right-to-work-for-less laws.

See if we can get this straight. They took taxpayer money in states like Alabama and Kentucky and paid the foreign car companies to put their factories there. Then, the companies came in, built their factories, and immediately began paying wages and providing benefits at a scale considerably below the standard set by UAW contracts.

Where does some of that money come from? There are several states, mostly southern, but which include states like Alaska, where they receive more money from the federal government than they pay to the national treasury.

In the years when statistics were compiled, states such as these received between one or two dollars from the federal government for every dollar they sent to Washington in taxes. In some years, Mississippi received about \$2 for every dollar sent.

So, one could consider that some of the money they gave to the foreign car companies came from the “richer” states—the Northeast, Upper Midwest, and the West Coast—all states that are still fairly unionized. In effect, then, union wages and the higher standard of living of those parts of the country tended to give a boost to the economies of the non-union states. Whether that’s a form of welfare is up for debate.

How does this happen? Well, back to the “bridge to nowhere” in Alaska, where a bridge that was pushing the Golden Gate Bridge for length would have connected the mainland to an island that would have allowed its 50 persons to drive, rather than take the ferry, which runs every 30 minutes (in the busy season, every 15 minutes).

Ted Stevens, a Republican, late of the U.S. Senate, spent nearly 40 years in Congress, so he accumulated lots of seniority and lots of power and was able to direct much money back to Alaska, in public works projects. It was a contractor’s work on his house that got him indicted and convicted on felony charges, but he almost got himself re-elected last month, even with seven felony convictions to his credit. That’s how grateful the people were for his ability to pull money from the federal treasury and put it into Alaska’s.

So it goes with other states in similar circumstances—like Senator Shelby’s state and Senator McConnell’s. If the people keep sending them back to Washington enough times, they’ll accumulate seniority and power and will get chairmanships that will allow them to direct billions of dollars back to their own states and communities.

That’s what gets their states defense plants, military bases, and foreign car companies, to mention a few of the perks of long tenure.

The money for this type of benefit comes from the states that have a standard high enough to provide it to the national treasury—the Northeast, the Midwest, and the West Coast. Some of those states are lucky to get back a dollar for every dollar sent to Washington, while the others get back much more than what they paid into the treasury. For example, New York never did get a dollar back for each dollar sent, from 1981 to 2005.

It’s a bit disingenuous of Shelby and McConnell to say that unionized workers in the American auto industry should give up even more than they have given over the past two decades, as they do their stand-up interviews and say on national television that their (foreign) auto plants are “doing fine” and, if the unions would hang themselves,

the Big Three might make it back on their own.

The flow of money has remained constant over the years. It still goes from the more well-off states to the more needy.

The funny thing about national economies, though: When the institution—organized labor—that sets the living standard for the nation is destroyed, it won't be long before the rest of the nation follows.


That shouldn't be too hard a concept for the senators and their cohorts to understand.


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BlackCommentator.com Columnist, John Funciello, is a labor organizer and former union organizer. His union work started when he became a local president of The Newspaper Guild in the early 1970s. He was a reporter for 14 years for newspapers in New York State. In addition to labor work, he is organizing family farmers as they struggle to stay on the land under enormous pressure from factory food producers and land developers. Click [here](#) to contact Mr. Funciello.

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