

View from the Top

Thorstein Smith

1969

This column will be devoted to an exploration of Establishment thinking, as revealed primarily in power structure publications such as the *Wall Street Journal*, *Forbes*, *Fortune*, etc. The assumptions of the writer are Marxian, Marcusian, and C.W. Millsian: in brief, that there is a power structure largely centered in the economy; that the Establishment, in particular its economic wing, is still remarkably flexible; that we, as radicals, had better know a lot more about how this Establishment functions; and, on a strategy for change must try to understand the divisions within the Establishment so as to make use of them for revolutionary purposes.

Financial brains in the Establishment are busy on a balancing act between inflation on the one hand, and controls on the economy which risk running us into a recession on the other. But, as the *Wall Street Journal* points out, that issue has already been settled for the average American worker—his purchasing power is at recession level now even though his dollar income is pretty near an all-time high.

According to the Labor Department, average income of a nonsupervisory worker in private industry with three dependents—our “typical” worker—was \$112.13 per week last April; but his purchasing power was only \$77.62 after taxes and inflation, which is \$2.24 less than a year ago, and a dollar less than it was four years ago.

Top brass, on the other hand, is making more every year—G.M.’s top officers and directors got \$17,739,500 last year in salaries, fees, bonuses, and stock credits, up 19% over the previous year.

This crunch on the average worker is reflected in larger numbers of working wives (up 15 to 20% in job-seeking over last year), moonlighting, and even some shortages of jobs for college graduates.

Average clerical workers, interestingly enough, don’t do as well as industrial workers: in a survey of 6,017 companies, their average was just \$100 per week, up only \$5 over last year. Yet only 8% of these firms are unionized.

Yet in 1966 the Labor Department said it took \$9,191 for an average city family of four to maintain a “moderate” standard of living—that’s about \$2,000 more than the average skilled worker makes, and he’s the aristocrat of the working class.

That “average production worker,” of course, has no savings to earn 5-1/2% or anything else. He borrows, at about 7% if his credit is any good, to own his own home. Unfortunately this is getting harder and harder since the Establishment insists on raising interest rates, so that fewer homes are being built.

In a period of increasing housing shortages, volume of home-building has dropped one-fourth since January. Funny thing is that the guy who is least able to find housing at prices he can afford is also going to get laid off first because people aren’t building homes. You figure it out.

On the other hand, you can buy a “security package” home in Potomac, Md., for \$200,000, complete with armed guards, identity checks, electronic eyes, and chauffeuring from home to guard house school bus stops for your kids. The whole thing was planned for uptight Washingtonians by the Stanford Research Institute’s long-range planning “service,” according to WJSJ 6-19-69. Didn’t they used to have a university there?

Now let’s look at the myth that the community and state colleges are where you get to talk to the children of the working class. The average state university now costs \$2,000 a year—it follows, then, that less than one-fourth of all high school graduates who are working-class enter college. Working-class kids do their junior year abroad

as members of the armed forces. It should also be remembered that 80% of the poor are white, and most work full-time.

While it is important to remember that the proportion of blue-collar workers is going down, it's still in the factory that you see working-class kids, not at college. True, there are about 6-1/2 million college kids now, and increasing all the time. But there are 250,000 workers 30 or under in the Big Three in auto alone, and 600,000 in the whole UAW alone (about 300,000 are under 25). About 5 million trade unionists are under 30. (*Dissent*, May-June 1969).

A couple of years ago, "sensitivity training" and "encounter groups" began to be all the rage among a few of the more "progressive" American corporations. Esso, GE, IBM, etc. were sending hundreds of junior executives (and dozens of senior, even presidents, at \$1,000 per week) to "Training Groups" run by the National Training Laboratories in Bethel, Me., and other places. It was "in" at the Harvard Business School.

But now, the *Wall St. Journal* (WSJ) reports (7-14-69), some companies are having second thoughts. Some of their executives got so sensitive they quit. The trouble was that these people (1800 of them in 1968) go back to organizations that haven't changed—they're just as alienating and undemocratic as they were before, and they still make widgets, or napalm.

You know the encounter schtick is in when it makes it into *Vogue* and the *Times* Sunday Mag, and when Joy gets onto the best-seller lists, and you start to turn off, but maybe, if the corporations are beginning to drop it, we'd better have another look...One executive who went Esalen dropped out, became a dishwasher there; companies are also afraid of financial losses in case of freak-outs.

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