Executive salaries in the U.S. increased much faster than corporate revenues and corporate profits during the period 1980-1995, according to tax data reported by the NEW YORK TIMES.[1] In inflation-adjusted dollars, corporate revenues rose 129.5% during the 15-year period, while taxable corporate profits rose 127%. Executive pay during the period rose 182%. "They have all this diaphanous [insubstantial, vague] language about performance and all these committee reports on how pay was determined, but the simple truth is that executives are setting their own pay," says Robert Monks of Lens, Inc., an investment fund.

Actually, tax data understate both the actual rise in executive pay, and the higher rate at which it has risen compared to corporate revenues, profits, and taxes, the TIMES reported. This occurs because most executives are given "deferred stock options" as part of their annual pay, and these deferred options are not taxable until the executive "exercises" the option, which may occur years or decades later (usually after retirement). Thus today's tax records do not accurately reflect today's executive compensation.

For example, Roberto C. Goizueta, chief executive of Coca-Cola (who died recently), had more than $1 billion in deferred accounts, according to the federal Securities and Exchange Commission, which received as compensation over the past 17 years, thus averaging $55.8 million in deferred compensation each year for 17 years. (To add perspective here: Mr. Goizueta's $1 billion could have served a different purpose -- it could have provided 1500 good jobs, each paying $39,200 per year for 17 years.)

In the U.S., between 1972 and 1995, real wages for a full-time worker declined 19% in inflation-adjusted dollars.[2] In 1996, income for men with full-time jobs fell another 0.9%.[3]

Occupational illnesses killed an estimated 60,300 workers and made 862,200 workers sick in the U.S. in 1992 (the latest year for which figures are available), according to a study published in ARCHIVES OF INTERNAL MEDICINE in July.[4] On-the-job accidents killed 6,500 workers and injured 13.2 million others that year. There is no reason to believe that 1992 was an unusual year.

Occupational injuries cost $145 billion, and job-related illnesses cost an estimated $26 billion for a grand total of $171 billion in 1992. These cost estimates are likely to be low because they do not include costs of pain and suffering, or costs of in-home care provided by family members. Furthermore, the researchers conducting the study believe they undercounted the actual numbers of workers injured, made sick, and killed by their jobs.

This was the first study that had ever tried to tally the costs of on-the-job injuries, illnesses and deaths.

By this reckoning, the costs of job-related harms greatly exceed those of AIDS or Alzheimer's disease, and are comparable (or even somewhat exceed) the costs of the better-known major killers, heart disease and cancer. The main difference between occupational harms and the better-known major killers is that the public has been made aware of cancer and heart disease by media and government attention, whereas occupational illnesses, injuries, and deaths remain underreported, poorly studied, and largely ignored by governments, corporations, and the public.

A new psychological disorder called "road rage" is partly responsible for 28,000 highway deaths each year in the U.S., according to Ricardo Martinez, a former emergency room surgeon who now heads the National Highway Traffic Safety Administration.[5] About 42,000 people are killed each year in highway accidents in the U.S., so "road rage" plays a role in 2 out of every 3 such deaths. Road rage includes all forms of aggressive driving such as tailgating, weaving through busy lanes, passing on the righthand side, honking, gesturing, or screaming at other drivers, and occasionally shooting a gun.

Dr. Martinez says the problem has two sources: a 35% increase in traffic during the past decade with only a 1% increase in new roads; and an increase in the "me first" philosophy among Americans during the past decade.

According to a study by the American Automobile Association Foundation for Traffic Safety, "violent aggressive driving" increased 7% each year during the period 1990 to 1996.

Crime rates have dropped each year for the past five years in the U.S., but the prison and jail populations have increased 7% each year since 1990, reaching a record-breaking total of 1.7 million in 1996.[6] The cost of prisons and jails is $30 billion per year, or $17,650 per prisoner per year.

How can crimes go down and inmate populations rise? "The change in the number of inmates tells us more about our feelings about crime and criminals" and about changes in sentencing laws, than it does about crime rates, says Franklin Zimring, director of the Earl Warren Legal Institute at University of California at Berkeley.

For example, North and South Dakota are similar in their social, economic and racial characteristics and they have similar crime rates. However, North Dakota incarcerates 90 of every 100,000 citizens while South Dakota imprisons 279 per 100,000.

Federal crime statistics do not include drug offenses because there is assumed to be no victim, and drug offenses are not expected to be reported to the police. Nevertheless, drug offenses are putting enormous numbers of people in prison -- those arrested for drugs jumped 27% between 1990 and 1995. More than half the increase in inmates during the past 15 years is accounted for by drug offenses. At least 25% of new inmates today have never committed another crime besides a drug offense.

But not just anyone is going to jail. Users of crack cocaine make up the bulk of those imprisoned for drug use. Crack is a poor person's drug; powder cocaine is a recreation of the rich. Congress and 14 states have passed laws making penalties for crack up to 100 times as great as penalties for powder cocaine. As a result, African-Americans are much more likely to go to jail, and for longer periods, than whites. In 1993 African-Americans were seven times as likely to be incarcerated as whites. An estimated 1471 African-Americans per 100,000 African-American citizens vs. 207 whites per 100,000 white citizens were imprisoned at the end of 1993.[7]

California is setting the pace for the nation in imprisoning its citizens. Like Florida, California now spends more, in total, on prisons than it does on higher education. The California college system was once hailed as the world's best public university system, but in the last 20 years, California has built only one new college. Instead, it has built 21 new prisons. The state now spends $6,000 per year for each college student, but $34,000 per year for each prison inmate. In recent years, the California college system has lost 10,000 employees, including many faculty, while 10,000 new prison guards have been hired. [6]

Only one percent of American children between the ages of 2 and 19 eat a diet that includes proper amounts of all the food groups recommended by the federal government, according to a telephone survey of the diets of 3307 children conducted during 1989-1991.
Even the diet of the top 1% exceeds federal recommendations for fat content. The results appeared in PEDIATRICS in September.[8]

Federal guidelines say children should eat each day: 6 to 11 servings of grain; 3 to 5 servings of vegetables; 2 to 4 servings of fruit; 2 to 3 servings of dairy products; and 5 to 7 ounces of meat.

Sixteen percent of children eat diets that do not meet any of the federal guidelines.

Only 30% of children meet federal recommendations for fruits, grains, meat, and dairy; 36% meet the recommendations for vegetables.

Federal guidelines say no more than 10% of a child's calories should come from fat and sugar. According to the survey, the average American child receives 40% of calories from fat and sugar.

White children came closer to meeting the federal guidelines than did African-American or Hispanic children.

Pharmaceutical companies have discovered a new market for antidepressant drugs: children.[9] In 1996, nearly 600,000 children in the U.S. took antidepressant prescription drugs (Prozac, Paxil and Zoloft). Prozac prescriptions for children aged 13 to 18 increased 47% in 1996. The NEW YORK TIMES reports that the adult market for such drugs is "saturated" --Prozac sales to adults fell 5% in 1996 and 2.5% in 1995. As the TIMES put it succinctly, "Companies are looking for customers." The drugs are not authorized for use in children (and their use in children has been studied little), but neither are they specifically prohibited, so it is legal for physicians to prescribe them. An estimated 4 million American children --or 5%-- suffer from depression. The teenage suicide rate has been rising for a decade and now equals that of adults.

Surely these facts and trends are all connected. It is the job of all of us, as citizens of a self-governing republic, to see the connections, discern the common root causes, create comprehensive visions of a brighter future for everyone, then work like hell to make them real. Organize, organize! Happy New Year.

--Peter Montague (National Writers Union, UAW Local 1981/AFL-CIO)


Descriptor terms: wages; executive pay; occupational safety and health; road rage; aggressive behavior; crime; prisons; crack cocaine; california; higher education; diet; children; pharmaceutical corporations; antidepressant drugs; prozac; paxil; zoloft; suicide;