

# The Forbes 200 list: billions for the privileged few

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Last week *Forbes* magazine published its annual list of 200 of the world's wealthiest people, a collection of billionaires whose combined assets topped \$1 trillion. As it did last year, the magazine begged pardon for being unable to list every billionaire on the planet, since these now number 465. The full list, it explained, was available on its web site. *Forbes* noted that the soaring American stock market and a financial rebound in Asia and Latin America produced the latest surge in the holdings of the world's richest, which rose from \$879 billion in 1998.

Of the 200 billionaires, the largest single group is American, with 49; second are the 21 ethnic Chinese, in five Asian countries, and an equal number of Germans; there were 17 Japanese, 12 Frenchmen, nine from the Arab countries of the Middle East, eight from Mexico.

The *Forbes* report gave laudatory summaries of the background and careers of the 200 billionaires, as well as tidbits of gossip about their deal-making, internecine squabbles and lifestyles.

One section of the report, entitled "Where you learn to be a billionaire," examined an exclusive school, Le Rosey in Switzerland, annual tuition \$40,000. There the pampered children of the ultra-rich enjoy maid and butler service, three months of skiing each year at the resort of Gstaad, and "according to a longstanding student tradition, referred to the cleaning staff as 'les esclaves' (the slaves); the local townspeople were termed 'les paysans' (the peasants)."

The magazine's breathless celebration of wealth was generally echoed in the accounts of the 200-richest list which appeared in the newspapers and on television. There was no serious reflection or commentary on the social meaning of the staggering accumulation of so much wealth in such few hands, a phenomenon which characterizes not only the United States, but virtually every country in the world.

The "American model" of capitalism is now taken by ruling elites around the world as the economic example *par excellence*. And no wonder: in no other system do the ruling elites fare so well! But what does it say about the nature of

modern society that such a huge proportion of the wealth which society creates is monopolized by such a small, and to be perfectly frank, self-interested and short-sighted, segment of the population?

There are no genuine pioneers of science and technology, no Einsteins or Edisons, on the list of billionaires. Genius there may be, of a kind, but it is largely genius in self-promotion, in seizing commercial advantage, combined with the single-minded ruthlessness required to hold onto monopoly profits as long as possible.

Take a look at the Americans on the list—some 49 of the 200 richest. The majority of these come from four industries: computers, the Internet, telecommunications and the media—although, for many purposes, these could all be considered a single industry based on the processing of digital information.

It is significant that the largest group of multi-billionaires in any single industry are the ten who dominate the American media. These include John Kluge of Multimedia (\$10.5 billion); Sumner Redstone of Viacom and Blockbuster (\$8.7 billion); CNN founder Ted Turner (\$7.8 billion); Fox television proprietor Rupert Murdoch (\$7.2 billion); publishing heirs S. I. Newhouse and Donald Newhouse (\$4.5 billion each); Amos Hostetter, founder of MediaOne (\$4.4 billion); John Malone of TCI, the largest US cable-TV operator (\$4.4 billion); Charles Dolan of Cablevision (\$3.6 billion); and Jerrold Perenchio, owner of the Spanish-language Univision (\$3.5 billion).

Can it be considered an accident, in the light of such a list, that nowhere in the world is the media so hostile to any hint of social reform, to any criticism, no matter how restrained, of the existing social order, as in the United States? Of course, it is not simply a matter of commands handed down directly from the billionaires to their well-paid servants, the Tom Brokaws and Bernard Shaws, who read each day's news from their teleprompters. The social interaction is more complex, but no less effective in its results: nothing which challenges the legitimacy or viability of the profit system can appear in the corporate-controlled media.

Besides the inevitable Bill Gates—of which more later—with a personal fortune of \$90 billion, the computer moguls include two more from Microsoft: Paul Allen, with \$30 billion, and Steven Balmer, with \$19.5 billion. Michael Dell of Dell Computer was worth \$16.5 billion and Larry Ellison of Oracle, \$9.5 billion. Theodore Waitt of Gateway trailed with \$4.6 billion. The telecommunications group includes Philip Anschutz of Qwest Communications (\$16.5 billion); Gary Winnick of Global Crossing (\$5.1 billion); Walter Scott of MCI-WorldCom (\$4.8 billion); and Craig McCaw of Nextel (\$4.2 billion).

The speculative binge in Internet-related stocks has added eight new multi-billionaires to the *Forbes* list. Jay Walker's stock in Priceline.com was worth an estimated \$10.2 billion when the magazine compiled its figures last month. In 1997 the entire company was worth only \$100 million. The 5,600 percent rise in the stock of Amazon.com drove CEO Jeffrey Bezos' wealth to the \$10.1 billion mark. The Internet bookseller has never made a profit.

Pierre Omidyar and Jeffrey Skoll of the Internet auction company Ebay were worth \$7.8 billion and \$4.8 billion respectively, while David Filo and Jerry Yang, co-founders of the Internet portal Yahoo!, were worth \$4 billion each. Online stock trading quadrupled the value of Charles Schwab, making the company's founder and namesake worth \$8.7 billion. J. Joe Ricketts, founder of online stock trader Ameritrade, saw his net worth soar to \$4.7 billion.

Other American multi-billionaires include speculators Warren Buffett (\$36 billion), Kirk Kerkorian (\$7.3 billion) and George Soros (\$4 billion); Nike owner Philip Knight, master of a thousand sweatshops (\$5.8 billion); and S. Robson Walton, the oldest son of the Wal-Mart founder, worth \$15.8 billion.

To return to Bill Gates, the Microsoft chairman's net worth briefly topped the \$100 billion mark in April, when the company's stock hit its recent peak. The three Microsoft billionaires combined have assets estimated at nearly \$140 billion. The company's stock has been largely unaffected by the antitrust suit filed by the Clinton administration. Wall Street recognizes that the suit, backed by Microsoft rivals like IBM and Sun Microsystems, is only an episode in the ongoing struggle among giant corporations to strengthen their position in the divvying up of markets and profits.

The combined wealth of the three Microsoft billionaires is more than the entire amount which the federal government presently budgets for discretionary social spending—i.e., spending not already required by programs such as Social Security and Medicare which provide guaranteed benefits to broad layers of the population. It is five times the amount of money spent on Food Stamps, ten times the amount spent on research to fight cancer and other deadly diseases.

To get a sense of the unbridgeable chasm separating the world of the *Forbes* 200 from the world of ordinary working people, take three examples which appeared on the front page of the *New York Times* in recent weeks:

\* On June 16, the newspaper examined the explosive growth in payday loan companies, which provide hard-pressed workers with advances on their upcoming paychecks, at exorbitant interest rates. Nearly 8,000 such companies now exist, up from only 300 in 1992. In one case profiled, in Kokomo, Indiana, a partly disabled woman facing a hospital bill borrowed \$100 from the check-cashing company, paying it back two weeks later with a \$30 fee, for an annual interest rate of 780 percent.

\* On June 22, the newspaper reported that a growing number of working people without health insurance were becoming “drug-trial nomads” to get access to medical care. Unable to afford a doctor otherwise, they volunteer to participate in drug trials for major pharmaceutical companies. The number of such human guinea pigs is uncertain, but believed to be in the thousands. Because of the experimental nature of the trials, many of these patients receive placebos instead of actual medication. Even if they receive medicine and it works, when the trial is over they lose access to it.

\* On June 26, the *Times* described the plight of poor children with little access to dental care, because of cutbacks in Medicaid funding and lack of knowledge on the part of the parents. Eighty percent of cavities are concentrated in a subgroup of 25 percent of all children, generally from poor and immigrant families. Dental disease is the leading preventable childhood disease in America, and poor oral health contributes to malnutrition, lack of concentration, sleeplessness and poor school performance.

These social ills, and a myriad of others, could be wiped out easily with the expenditure of only a fraction of the wealth amassed by the handful of billionaire monopolists and speculators. But even to broach such a solution to the deepening social crisis in America requires a rejection of the reactionary, media-policed “consensus” that bars any opposition to the unrestrained operation of the capitalist market.



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