Forbes 400 list of richest Americans: snapshot of a financial oligarchy

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The current issue of *Forbes Magazine* contains the publication's annual list of the wealthiest Americans, ranked by net worth. While one's first instinct might be to turn away in disgust from such a flaunting of individual wealth and greed, it is instructive to consider the figures, for they provide an important indication of the nature of American society.

According to *Forbes*, "The economy's recovery may be a little shaky, but you wouldn't know it from looking at this year's Forbes 400. The combined net worth of the nation's wealthiest climbed to $1 trillion, up $45 billion in 12 months. With a $750 million admission price, 9-digit fortunes are an endangered species here: 78 percent of the people on this year's list are billionaires."

The richest individual remains Microsoft's Bill Gates, who has a net worth of $48 billion. Other notables include Warren Buffet, who is number two with $41 billion; the Walton family, which controls Wal-Mart, with five individuals on the list, each of whom has a net worth of $18 billion; Lawrence Ellison of Oracle, who ranks tenth with $13.7 billion; media tycoon Rupert Murdoch, 27th with $6.9 billion; and New York Mayor Michael Bloomberg, who comes in at 24th with $5 billion.

The figure of $1 trillion marks something of a milestone, not only because the 400 richest Americans have a combined net worth that requires 13 digits to write out, but also because it is a return to the sort of numbers that were last seen during the stock market boom of 1999-2000. It was in 1999 that the $1 trillion figure was first reached, then climbing to $1.2 trillion at the height of the boom in 2000. The figure dropped in 2001 and 2002 before climbing again in 2003 and 2004.

The number of billionaires in the country has followed a similar pattern. In 1996, before the stock market really took off in the late 1990s, there were 79 individuals with a net worth of at least $1 billion. Bill Gates, who topped the list then as now, had a relatively paltry $18 billion. By 2000, the number of billionaires had shot up to 298, before falling to 266 in 2001 and 228 in 2002. The super-rich have experienced a comeback in recent years, however, with the number of billionaires rising to 262 in 2003 and 313 in 2004.

The figure of $1 trillion, because of its enormity, is somewhat difficult to comprehend. To put it in perspective, if the wealth were divided into sums of $10,000, there would be 100 million portions—enough to hand out $10,000 checks to approximately one in three people living in the United States.

One trillion dollars is also approximately equal to the gross domestic product of Canada ($957 billion).

California's budget deficit, which has wreaked havoc across the state and prompted massive spending cuts affecting millions of people, is $40 billion. But this is less than one-twentieth the net worth of the 400 richest individuals in the country.

State budget shortfalls that have prompted similar cuts in social programs and education throughout the country total about $100 billion—one tenth of $1 trillion held by those on the *Forbes* list. Earlier this month, the Congressional Budget Office projected a record budget deficit for the United States in 2004 of $422 billion—an unprecedented sum, but still less than half of the wealth of America's most fortunate sons and daughters.

One trillion dollars is approximately the amount spent on the military throughout the world, about half of which is spent in the United States.

The *Forbes* list provides a snapshot of what can only be called an economic oligarchy. Such staggering sums of wealth concentrated in the hands of a tiny percentage of the population coincides with growing poverty for tens of millions of Americans, declining living standards and worsening economic insecurity for tens of millions more, an intensified assault on social services, and an ongoing decline in the basic infrastructure of the country.

The Census Bureau released figures last month reporting that poverty rose for the third straight year in 2003. In 2003, nearly 36 million people, or 12.5 percent of the population, lived at or below the official (and patently unrealistic) poverty level of $18,660 for a family of four. In 2000, the number of individuals living in poverty was 31.6 million, and the figure has consistently risen over the past four years. The Bureau also reported that the number of people without medical insurance in the United States rose to 45 million in 2003.

The same week that *Forbes* released its list, Citizens for Tax Justice issued a report entitled “Corporate Income Taxes in the Bush Years.” The study looked at taxes paid by the 275 companies listed on the Fortune 500 list of America’s largest corporations from 2001 to 2003 that reported profits in each of the three years.

According to the report, “Eighty-two of the 275 companies, almost a third of the total, paid zero or less in federal income taxes in at least one year from 2001 to 2003. In the years they paid no income tax, these companies reported $102 billion in pretax US profits.” Instead of paying taxes, they received tax rebates of a combined $12.6 billion. The nominal tax rate on profits for large corporations is 35 percent, however the 275 companies combined paid an effective tax rate of only 18.4 percent over the three years.

Corporate taxation has declined over the past three years, with the help of legislation passed by the Bush administration. According to the report, “corporate income taxes in fiscal 2002 and 2003 fell to their lowest sustained share of the economy since World War II. (Only a single year during the early Reagan administration was lower.) From 2001 to 2003, the Commerce Department reports that pretax corporate profits grew by 26 percent. But over that same period, corporate income tax payments to the federal government fell by 21 percent.”

Taken together, the Forbes 400 list, the Census report on poverty, and the Citizens for Tax Justice study on corporate taxation reveal a stark trend. The stock market crisis of 2001 evoked a response within the ruling elite to escalate the attack on working people and secure the staggering wealth controlled by the top 1 percent of the population.

The war in Iraq and the growing assault on democratic rights must be understood in this context: they are actions taken by a ruling elite determined to safeguard, by whatever means necessary, its social position.

The *Detroit News*, in a front-page article on the results of the newspaper’s own investigation, headlined “Working Poor Suffer Under Bush Tax Cuts,” reported Sunday: “The Bush administration and Congress have scaled back programs that aid the poor to help pay for $600 billion in tax breaks that went primarily to those who earn more than $288,800 a year.... The affected programs—job training, housing, higher education and an array of social services—provide safety nets for the poor.”

These statistics serve as a stark indictment of the irrationality and anti-social character of a system based on the accumulation of personal wealth and profit.

There will be no letup in this assault. The economic position of American capitalism grows increasingly precarious, with a burgeoning debt and intensifying internal social contradictions.

The response will be a continued attack on working people. Already, nearly all of the major airlines are demanding massive pay and benefits cuts while continuing to slash jobs.

The November election will do nothing to address these issues. Politicians of all stripes repeat the refrain that “there is no money” to seriously deal with the crisis in medical care, education, housing and employment. But as the Fortune 400 list shows, there are abundant resources. They are, however, systematically diverted into the coffers of a tiny elite.

The Bush campaign openly speaks for the most rapacious sections of the ruling elite. But the policies of the Bush administration represent a continuation—compounded and intensified—of the policies carried out by the preceding Democratic administration of Bill Clinton, who sponsored and signed into law the measure ending the federal welfare entitlement for the poor.

Democratic presidential candidate John Kerry’s campaign proposals for health care and other social services hardly rise to the level of token reforms, and even these would be quickly shelved in a Kerry administration. The main plank of the Democratic Party on domestic issues is “fiscal conservatism,” which means the further gutting of social services in order to place the burden of deficit reduction on the working class.

No significant piece of social reform legislation has been introduced by either party for 40 years. The Democratic Party long ago abandoned any suggestion of wealth redistribution or economic equality.

No problem confronting the American people today can be resolved without tackling the problem of social inequality and the subordination of the needs of the people to the financial interests of an economic oligarchy. This, in turn, cannot be resolved without building an independent political movement of the working class, breaking the monopoly of the two parties of big business, and setting out to dislodge the financial aristocracy and carry through a revolutionary transformation of society on the basis of socialist principles.