“A nine-figure fortune won’t get you much mention these days”

Forbes publishes list of 400 richest Americans

Tom Mackaman
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For the first time in the history of its compilation, the *Forbes* magazine list of the 400 richest Americans includes only individuals who hold a net worth estimated at over one billion dollars.

That personal wealth valued at one billion dollars has become rather humdrum in the US stands testament to the staggering accumulation of riches in the hands of the few. As *Forbes* itself put it, “a nine-figure fortune won’t get you much mention these days, at least not here.”

The total combined wealth of the 400 richest Americans now stands at $1.25 trillion. This figure has expanded by $120 billion in only one year.

The figure $1.25 trillion is practically unfathomable. But to give some indication of its magnitude, consider that if it were divvied up among the entire US population of 300 million, every man, woman and child could be cut checks of well over $4,000. Or contemplate that the net worth of the 400 wealthiest Americans now far surpasses the value of the *entire* Canadian economy, as measured by GDP, and is nearly twice the GDP of Australia. Perhaps most strikingly, the personal wealth of the Forbes 400 now stands at over 10 percent of the total American GDP.

Where is all this money coming from? For each individual, *Forbes* specifies a “source” for their enormous wealth. Analysis demonstrates that although the US is generating obscene levels of personal wealth, few of the oligarchs owe their fortune to productive sectors of the economy.

In the entire Forbes 400 list, only 19 members are to be found in the category of “manufacturing.” The richest of these—Eli Broad, who with $5.8 billion is number 42 on the list—in fact earned his fortune in real estate development and life insurance. Eight in the category are inheritors of fortunes that were first built up decades earlier or even in the nineteenth century. One specialized in the manufacture of “leisure craft.” Another, H. Ty Warner—at $4.5 billion number 52 on the list—manufactured the “Beanie Baby” toy. Two, Mitchell and Steven Rales—worth $2.6 billion and $2.5 billion, respectively—are in fact industrial raiders responsible for buying up and closing down factories. Their original fortune, inherited from their father, was in real estate.

Seven billionaires are located in *Forbes’* “agricultural” category, but six of these seven are members of the MacMillan family—inheritors of the Cargill agricultural processing empire, which dates to the nineteenth century. Only two billionaires’ fortunes are derived from the “transportation” and “distribution” categories, and only one is to be found under “mining/lumber”—and this individual made his fortune in overseas mineral exploration.

Meanwhile, 52 billionaires fall in the category of “finance,” and 46 more owe their financial empires to “investments.” Among the latter group is America’s second wealthiest man, Warren Buffett, whose net worth is estimated at $46 billion. Thirty-three oligarchs acquired their wealth from real estate, one of the most rapid growing categories according to *Forbes*. “Entertainment” has also made 33 Americans billionaires.

“Retailing” accounts for 19, 8 of whom have collectively gained more than $80 billion in wealth from Wal-Mart—including five members of one family, the Waltons. The vague “service” group includes 42 billionaire members who have profited from such shady-sounding ventures as “outsourcing” and “lawsuits.” Five are to be found in the “gambling/leisure” category, among them America’s third wealthiest man, Stephen Adelson, whose casino-derived wealth is valued at $20.5 billion.

Only four individuals make the list for “Software”—a group that includes, however, 4 of the richest 15 individuals. They are Bill Gates (who with $53 billion from Microsoft remains the world’s richest man), Larry Ellison ($19.5 billion, Oracle) Paul Allen ($16 billion, Microsoft), Steven Ballmer ($13.6 billion, Microsoft).

Thirty-four individuals owe their billions to “technology” according to *Forbes*. Sergey Brin and Larry Page each have over $14 billion for the development of Google. Pierre Omidyar is valued at $7.7 billion for his ownership of E-Bay. David Filo of Yahoo! stands further down, at $2.5 billion. These moguls of the computer world either made their fortunes in the Clinton years during the wild overcapitalization of the “dot com” bubble, or through the monopolization of computer technology and services, or both.

Thirty billionaires have acquired their wealth from “oil/gas.” These oligarchs, 16 of whom reside in Texas, play a powerful role behind the Bush administration. In the first years of Bush’s

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administration, representatives of the major oil companies essentially authored US energy policy through Vice President Dick Cheney's so-called Energy Task Force. Among the topics oil executives discussed, well prior to the US invasion of Iraq, was their Russian and French rivals' interests in Iraqi oil production. (See: Did Big Oil participate in planning invasion of Iraq?) "Surging" oil prices, according to *Forbes*, have paved the way for a number of the barons of Big Oil to enter the Forbes 400 for the first time.

In short, the Forbes 400 list paints a portrait not only of staggering wealth, but of wealth derived from financial wheeling and dealing, rampant speculation, highly overcapitalized computer ventures, and oil. This stands in stark contrast to the promethean period of American capitalism, when despite their brutality, the "robber barons" and industrialists of old—such as Vanderbilt, Carnegie, Rockefeller, Edison, Wagoner, Ford, and so on—were associated with the building up of the real productive capacity of the nation as a whole through the construction of industrial empires.

Yet it is no paradox that the US should create more and more billionaires even as industrial production declines precipitously, the balance of payments deficit and federal government indebtedness set new records, and the symptoms of looming economic crises are everywhere to be seen. The ruling elite's ravenous appetite for wealth is itself a manifestation of the long-term decline of American capitalism.

The Forbes 400 wealthiest Americans have gained their money precisely through this decline—the chopping up and selling off of industry, rampant stock market, real estate, and monetary speculation, and more broadly through the class-war governmental policies carried out by both the Democrats and Republicans against the working masses.

The stratospheric moneymaking among the billionaires has its flip-side in the gutting of industry, the looting and bankrupting of government programs, and the impoverishment of the middles and lower classes. Just as the assets of the oligarchy mushroom, so the working masses sink further into debt. In 2005, the savings rate for American consumers spent the entire year in the red—that is, the total of all American consumer spending surpassed saving—for the first time since 1932 and 1933, the very trough of the Great Depression.

The Forbes 400 list was published for the first time in 1982 in the second year of the Reagan administration, and at the beginning of what has turned out to be a two-and-one-half decade long orgy of wealth accumulation. The differences between the 1982 and 2006 lists are therefore worth considering.

The wealthiest individual in 1982, shipbuilding tycoon Daniel Ludwig, had personal wealth estimated at $2 billion, which adjusted for inflation would be valued at just over $4 billion today. That would not even place the late Mr. Ludwig in today's top 60 richest Americans. While in 2006 being a billionaire is prerequisite to appearing on the Forbes 400, in 1982, there were "only" 12 billionaires. And while 10 of those 12 would scarcely have made today's list—having had wealth valued at $1 billion or just above—the list in 1982 actually included numerous members with $100 million or less.

Some individuals who have appeared on both lists have seen their fortunes skyrocket. Kirk Kekorian was worth $133 million in 1982. Today, he is worth $9 billion—a nearly 70-fold increase in wealth derived from "investments/casinos". Among his new "investments" is General Motors, which he is threatening to demolish. Warren Buffett has seen his wealth increase by nearly 200-fold since 1982, when he was worth as estimated $250 million.

Disappearing from today's list, but prominent in 1982, are a number of family names indelibly associated with the period with the earlier period of American capitalism: Ford, Du Pont, Whitney, Duke, and Harriman, to name a few. Also missing are fortunes associated with the production of particular commodities, such as "bakeries," "oranges," "liquor," "grain," "wines," "Ford Motor Co.," and "timber."

In first publishing its list in 1982, *Forbes*—a magazine that seeks to articulate the interests of the wealthy elite—lamented that many of its subjects did not cooperate with the rich-list investigation. "During the Age of the Moguls," the magazine wrote in 1982, "roughly from the Civil War to the Great Depression, the very rich came out of the closet and visibly enjoyed their wealth. But now, by and large, they have gone underground with it." To *Forbes*, the wealthy elite feared being exposed from "political paranoia ... by politicians hunting more tax dollars to spend," a problem peculiar to the previous "40 years of such malign myth-making." In other words, *Forbes* hoped to turn the clock back to before the period of social reform associated with the New Deal and the Great Society, to an age when obscene wealth could be flaunted and workers were exploited to the hilt.

Needless to say, no such climate of fear exists today. Today's super-rich—who have generated wealth far beyond what could have been imagined in 1982—proudly flaunt their riches for all to see. (See "The very rich in America: 'The kind of money you cannot comprehend'")

And far from billionaires hiding from tax-hunting politicians, the Democrats vie with Republicans over who can cut taxes the most, "hold the line on spending," and create the most "business-friendly environment." They likewise faithfully execute the foreign policy diktats of the wealthy elite, who, as a class, deem the subjugation of the rest of the world to American corporate interests as a matter of life and death.

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