

The filthy rich: Forbes lists America's top 400 for 2007

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Forbes magazine has published its 2007 list of the 400 richest people in America. This marks the 25th anniversary of the list first begun in 1982. The richest person in America then was Daniel Ludwig, a shipping tycoon worth \$2 billion—\$4.3 billion today, when adjusted for inflation. His fortune is today dwarfed by the obscene levels of wealth maintained by the current *Forbes* 400. Number one in 1982, Ludwig's fortune would just barely earn him a spot as one of the top 80 richest Americans today.

The year 2006 marked the first time that \$1 billion was a prerequisite for placement on the *Forbes* list. Now, only a year later, this is no longer adequate. \$1.3 billion is the current "price of admission." Most shamefully, the combined net worth of the individuals on the list is now an astonishing \$1.54 trillion dollars, up \$290 billion since last year's list.

Microsoft's Bill Gates tops the list once again with an estimated \$59 billion to his name. Second on the list, with \$52 billion, is Warren Buffett, the founder of the Berkshire Hathaway investment firm. It was Buffett who recently caused a stir by pointing out—much to the dismay of his fellow billionaires—that he and his fellow elite on the 400 list "pay a lower part of our income in taxes than our receptionists do, or our cleaning ladies for that matter."

Others in the *Forbes* top 10 include Las Vegas resort and casino tycoons Sheldon Adelson and Kirk Kerkorian, with \$28 billion and \$18 billion, respectively, and Sergey Brin and Larry Page of Google, with \$18.5 billion each. Oracle CEO Larry Ellison—fresh from an insider trading scandal—has \$26 billion, and Michael Dell, the CEO of Dell Computer, who serves on President Bush's Council of Advisors on Science and Technology, has amassed \$17.2 billion. Mr. Dell recorded these incredible earnings in the same year that he eliminated 10 percent of his workforce—wiping out some 8,000 jobs.

Charles Koch, a founder of the right-wing Cato Institute, and his brother David, the heirs of the fanatical anticommunist Fred Koch and chief beneficiaries of the Koch Industries oil company, round out the top 10 with \$17

billion each. Koch Industries is the country's largest private company and is infamous for its pollution record. The company was indicted in 2000 on 97 counts of environmental crimes, including the violation of hazardous waste and air pollution laws at one of its refineries in Texas. In 2001, after the Bush administration assumed power in Washington, most of the charges were dropped and a plea deal worked out in which the company paid a very affordable \$20 million settlement.

While they may be the wealthiest, the Koch brothers are certainly not alone in the category of billionaire oilmen. *Forbes* cites oil and gas as the source of no fewer than 30 fortunes on this year's list. The energy needs and resources of some 300 million Americans are subordinated to the profit interests of this tiny minority of 30, and it has proven to be a booming business. Thanks to market manipulation, the strategic shutting down of refineries and the resulting high gas prices that have placed enormous pressure on working class families, the oil industry has maintained record profits in recent years.

Continuing another trend in recent *Forbes* lists, a large number of individuals here made their riches outside the productive sector. There are but a few instances where "manufacturing" or "mining" are listed as sources of wealth. Instead, we see "real estate," "inheritance," "hedge funds," and "leveraged buyouts" declared as the source of wealth for a great many of the *Forbes* 400.

Henry Kravis, who has close ties to the Republican Party and was involved with the first President Bush's reelection campaign in 1992, is someone who made his fortune in just such a way. In discussing his incredibly profitable "leveraged buyouts," *Forbes* describes the formula of Kravis's "winning strategy" as follows: "use junk bonds to buy underperforming companies, rework balance sheets, sell for profit." This formula, a kind of three commandments for the modern entrepreneur, reaps unfathomable wealth for a few and destitution for many. In the "reworking" and restructuring involved with such "leveraged buyouts" come the slashing of jobs and an all-out assault on the living

standards of the working class.

That so many of this parasitic sort have found their way into this most exclusive club of the super-rich is a powerful testament to the decaying, crisis-ridden state of American capitalism. But while the *Forbes* list focuses solely on the American elite, the swift and seemingly limitless accumulation of wealth, particularly where it has been culled through parasitic maneuvering, is an international phenomenon.

The title of richest man in the world, according to *Fortune* magazine, is currently held by Mexico's Carlos Slim Helú, who narrowly beats out Bill Gates for the title. Slim's father, Julián Slim, who would serve as his son's business role model, made his money in real estate after buying up a number of properties in downtown Mexico City during the 1910 Revolution. Later, Slim made his own vast fortune when he took possession of Teléfonos de México, the formerly state-owned telephone company, which is now a monopoly in Slim's hands. He controls 92 percent of the country's phone lines.

Martin Wolf, describing the enormity of Slim's fortune in a recent *Financial Times* article, wrote that the income of the Slim family "equals the current incomes of 3 million of Mexico's poorest people" and that Slim's wealth is "equal to 6.6 per cent of Mexico's gross domestic product."

This year also marked the first time that the *Forbes* list of India's richest has been composed solely of billionaires. The 40 billionaires on the Indian list have a combined wealth of \$351 billion, up from the previous year's \$170 billion. China has also seen a sharp and sudden rise in billionaires, thanks in particular to the same sort of speculative, non-productive enterprises that have driven the American elite to such heights on their own list. As the *World Socialist Web Site* reported in a November 14 article: "Last year China had just 15 billionaires and none in 2002. Now China has the second largest group of billionaires after America, which has over 410 billionaires, and nearly twice as many as the previous second placeholder, Germany with about 55."

As the *Forbes* 400 billionaires and other oligarchs throughout the world have been amassing their fortunes, another story has been unfolding with its own disturbing statistics.

Recent data from the US Census Bureau showed there were 36.5 million people living in poverty in the United States in 2006, including 12.8 million children. This number, which is based on a thoroughly inadequate poverty threshold—\$16,079 for a family of three—is disturbing, but undoubtedly grossly underestimates the actual number of people living in poverty.

A continuing crisis in the housing market has produced record foreclosures, thanks in large part to predatory

subprime lenders victimizing working class families who, in the context of stagnant or declining wages and the high price of homes, are compelled to take on high-risk subprime mortgages. A report released in October by the Joint Economics Committee of the US Congress states, "For the period beginning in the first quarter of 2007 and extending through the final quarter of 2009, if housing prices continue to decline, we estimate that subprime foreclosures alone will total approximately 2 million."

The American Society of Civil Engineers (ASCE), in its 2005 report card on the infrastructure of the US, in which the infrastructure nationwide received a "D," stated, "It will cost \$9.4 billion a year for 20 years to eliminate all deficiencies in the nation's 590,750 bridges." The total investment needs of the infrastructure are estimated at \$1.6 trillion.

The Human Development Report for 2006, published by the United Nations Development Program, states that "[A]t the start of the 21st century one in five people living in the developing world—some 1.1 billion people in all—lacks access to clean water. Some 2.6 billion people, almost half the total population of developing countries, do not have access to adequate sanitation."

In the opening sentences of a report by the International Food Policy Research Institute entitled "The Challenge of Hunger 2007," we read this horrifying statistic: "One in seven people go to bed hungry every day. That's 854 million people worldwide." In addition to this, *Forbes*, in its own magazine heralding the 25th anniversary of the richest Americans list, was itself compelled to report that 1 billion people in the world live on \$1 per day or less.

These reports and the *Forbes* 400 provide us with a damning portrait of a capitalist system in which the majority of the world's population is exploited by an increasingly criminal elite. As more and more wealth is concentrated with alarming speed and with more predatory methods into the hands of the smallest minority, the living conditions of poor and working class people throughout the world are driven further and further into the ground. The eventual destruction of such a system as this is as unavoidable as it is necessary.



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