

The looting of America

Andre Damon
19 September 2013

Two reports issued this week—the US Census Bureau’s report on poverty and the Forbes 400 list of the wealthiest Americans—together provide a vivid exposure of a society in which the privileged few parasitically enrich themselves through the impoverishment of the great majority of the population.

While the Census report showed poverty at the highest level in decades and median household income falling sharply, the Forbes report shows an enormous growth in the wealth of the corporate and financial aristocracy.

The 400 richest people in America increased their wealth by 17 percent in 2013, with their collective hoard rising from \$1.7 trillion to just over \$2 trillion. The wealth of these 400 individuals is more than twice the amount necessary to cover the federal budget deficit, which is being used as the occasion for slashing Food Stamps, education, housing assistance, and health care programs.

The wealth of Bill Gates, once again the world’s richest man, grew by \$6 billion last year, to \$72 billion. Financier Warren Buffett’s wealth grew by \$12.5 billion, to \$58.5 billion, while New York Mayor Michael Bloomberg got another \$6 billion, hitting \$31 billion. Gambling mogul Sheldon Adelson, worth \$28.5 billion, had his fortune grow by nearly a third.

The list of new additions to the Forbes 400 includes figures such as William Erbey, who built up his net worth of \$2.3 billion by servicing subprime mortgages, and Don Hankey, worth \$1.6 billion. Forbes writes that Hankey “made his fortune the old-fashioned way—by selling auto loans (subprime ones, at that).”

Forbes sums up the pastimes of Larry Ellison, third on the list, by noting that he “collects houses on Malibu’s Carbon Beach and also owns of 98% of Hawaii’s Lanai island.” Forbes ran a separate story on the extracurricular activities of 67-year-old billionaire Stewart Rahr, in a piece entitled, “Guns, Girls And Sex

Tapes: The Unhinged, Hedonistic Saga Of Billionaire Stewart Rahr, ‘Number One King Of All Fun.’”

These individuals represent a social type. The saying of Balzac, “Behind every great fortune there is a great crime,” was never truer than for the American ruling class. The list is full of people who made their money not through any contribution to the productive process, but through various forms of financial swindling, speculation and the impoverishment of working people.

“Accumulation of wealth at one pole is at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole,” wrote Marx. And so it is. The Census Bureau report, “Income, Poverty and Health Insurance Coverage in the United States: 2012,” showed that the income of a typical household in the US has fallen to the lowest level since 1989, while poverty remains at the highest levels in decades.

The report notes that there are 48 million people in the US without health insurance, and that in four US states—Mississippi, Louisiana, New Mexico, and Arkansas—more than one in five people live in poverty. Nearly one third of the US population experienced some period of impoverishment during the years 2009-2011, according to the report.

These figures add to the earlier report from economist Emmanuel Saez, which found that between 2009 and 2012, the top 1 percent captured a staggering 95 percent of all income growth.

With every passing year, it becomes increasingly clear that the so-called economic “recovery” is nothing but the transfer of wealth upwards, from the great majority of the working population to a handful of financial oligarchs who gorge themselves at society’s expense.

The redistribution of wealth is the product of a quite deliberate class policy, undertaken at the highest levels of the state, and spearheaded by the Obama

administration. The financial elite has been given virtually unlimited sums of money, while wages and benefits for workers have been slashed and budget deficits have served as the occasion for demanding the closure of schools, mass layoffs of government workers and cuts in social services.

The government's commitment to providing cash to the financial oligarchy was once more reemphasized Wednesday with the announcement by the Federal Reserve that it would continue to pump \$85 billion into the US economy, despite widespread expectations that the Fed would slow down its asset purchases. Stock markets once again hit record highs at the news.

The trillions of dollars that have been printed by the government and handed over to the financial oligarchy have not been used for productive investments—to build roads, bridges, and schools—but have rather been used to finance the speculative activities of Wall Street. These public funds, which in any rational social order would be used to address mass unemployment and poverty through public works, are being drained away and siphoned into the coffers of the financial aristocracy.

The cancerous growth of social inequality is the greatest possible indictment of the capitalist system, in which the needs of society are subordinated to the selfish enrichment of a small handful of financial speculators. This system is irrational and incapable of meeting the needs of humanity. It must be done away with and replaced with socialism, based on production for social need, not private profit.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact