

The American oligarchy

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18 October 2014

There is an unspoken rule in American politics, expressed ever more clearly in each election cycle, that the more important an issue is, the less it can be discussed—much less decided—by the election. The US military has embarked on a new war in the Middle East, democratic rights have been eviscerated, millions are without jobs, household incomes are falling, and a record number of people are being deported from the country. Yet, with the 2014 midterm election just 17 days away, none of these issues are being discussed.

What accounts for this hollowing-out of American politics and the transformation of elections into empty biennial rituals? As with all significant political transformations, these changes are rooted in deeper social processes. One does not have to look all too far to identify them.

Over the past several weeks, report after report has been released documenting the extraordinary growth of social inequality in the United States and throughout the world.

Late last month, *Forbes* magazine reported that the 400 richest people in the United States saw their wealth grow 14 percent over the past year. The following week, the Organization for Economic Cooperation and Development reported that global social inequality has eclipsed the pre-Great Depression highs of the 1920s.

This week, Credit Suisse reported that the top one percent of the world's population control nearly half of all wealth, with the ultra-rich concentrated in the United States.

This was followed by the release of a paper by economists Emmanuel Saez and Gabriel Zucman showing that wealth in the US is increasingly monopolized not merely by the wealthiest 10 percent or even the top 1 percent, but by the top 0.1 percent. They concluded, "Virtually all the increase in the top 10 percent and top 1 percent shares over the last three decades is due to the rise in the top 0.1 percent share,

from 7 percent in the late 1970s to 22 percent in 2012."

Even US Federal Reserve Chair Janet Yellen, who is overseeing the continued handout of oceans of cash to the financial markets, felt compelled to warn of the "extent of and continuing increase in inequality in the United States." She noted in remarks Friday, "By some estimates, income and wealth inequality are near their highest levels in the past hundred years, much higher than the average during that time span and probably higher than for much of American history before then."

How can these vast changes in economic relationships not have had a profound and transformative impact on political life?

The historian Edward Gibbon once summed up the political form of the Roman Empire as "an absolute monarchy disguised by the forms of a commonwealth." Taking our cue from his definition, we can say that the United States has become an oligarchy disguised by the outward, increasingly threadbare trappings of a democracy.

Whatever the pretense of "one person, one vote," the fact is that the top 0.1 percent dictates policy and essentially selects the personnel tasked with carrying it out. A somewhat broader, still highly privileged and small, section of the population has some influence—the top 5 or 10 percent. The interests and concerns of the bottom 90 percent have absolutely no impact on government actions.

Money buys elections. The 2012 election, the most expensive election cycle in history, was decided by some \$6.3 billion in campaign cash. An analysis of elections to the House of Representatives found that 93 percent were decided by which candidate raised the most money. In the 2004 elections, a stunning 98 percent of victorious candidates out-spent their opponents.

2014 is set to be the most expensive non-presidential election in US history, despite widespread popular

indifference.

Not only do the politicians do the bidding of the wealthy, they are themselves increasingly numbered among the rich and super-rich. Earlier this year, the Center for Responsive Politics reported that, for the first time in history, most members of the US Congress are millionaires.

Not content with the power it already has, the US ruling class is moving to remove all remaining restraints on money in politics. In April, the United States Supreme Court issued a ruling removing the cap on the total amount of money individuals can contribute to political campaigns.

The financial oligarchy has used its unlimited political power and influence to divert an ever-greater share of the US economy to financial speculation and fraud. The Obama administration and the Federal Reserve, after bailing out the banks, have kept interest rates at zero for nearly six years, fueling a raging financial bubble.

The dictatorship of the wealthy is inextricably tied to the basic structure of the capitalist system. Economic life is totally subordinated to the insatiable profit demands of the giant banks and corporations, whose top executives account for a growing portion of America's ultra-rich. As the Socialist Equality Party program states, "All the basic needs of the working class come into immediate and direct conflict with the dictatorship of the giant banks and financial institutions over every aspect of political and economic life."

No progressive change—ending social inequality, guaranteeing the social and economic rights of working people, halting the drive to dictatorship, preventing a new world war—can be achieved without expropriating the vast fortunes of the financial aristocracy and nationalizing the banks and corporations under the democratic control of the working class, i.e., initiating the socialist restructuring of the US and world economy.



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