

# Bloomberg and his fellow oligarchs lay down the law: Not a penny more in taxes

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Many of the billionaires who own America and consider it their fiefdom have rallied behind one of their own, Michael Bloomberg, who last week announced a potential run for the Democratic presidential nomination.

Bloomberg, the three-time former mayor of New York and founder of Bloomberg News, is himself worth an estimated \$53 billion, placing him ninth on the list of wealthiest Americans. He let it be known that he was taking steps to enter the race pending a final decision to run, reversing his announcement last March that he would not run because he believed former Vice President Joe Biden had a lock on the nomination.

The immediate developments that triggered his announcement were the rise in the polls of Elizabeth Warren at the expense of Biden, the right-winger favored by the Democratic Party establishment and Wall Street among the current field of candidates. Polls show Warren leading in the first two primary states, Iowa and New Hampshire, while Biden has dropped into fourth place behind Buttigieg and Sanders.

The second event was Warren's announcement November 1 of a six percent tax on wealth holdings above \$1 billion as part of her "Medicare for All" plan. That tax is on top of a previous proposal to tax holdings above \$50 million at two percent.

Neither of these taxes would be passed by either of the two big business parties, and Warren knows it. The same is true for Bernie Sanders and his similar plan to finance "Medicare for All" in part by increasing taxes on the rich. The two candidates are engaging in populist demagoguery in order to divert growing working-class resistance and anti-capitalist sentiment behind the Democratic Party, where it can be dissipated and suppressed.

But the modern-day lords and ladies who inhabit the world of the super-rich are indignant over any possibility of having to give up a part of their fortune to pay for things such as health care, education, housing and a livable environment. And they are petrified at the prospect of popular anger against the staggering levels of social inequality erupting

into revolutionary upheavals.

They do not fear Warren, a self-described "capitalist to my bones," or Sanders, a long-standing Democratic Party operative, so much as the possibility of reform proposals encouraging social opposition. They want to block their candidacies so as to exclude the issue of social inequality from the 2020 election.

The levels of wealth wasted on this parasitic elite are almost beyond comprehension. Here is how economist Branko Milanovic put it in his 2016 book *Global Inequality*:

It is very difficult to comprehend what a number such as one billion really means. A billion dollars is so far outside the usual experience of practically everybody on earth that the very quantity it implies is not easily understood—other than that it is a very large amount indeed... Suppose now that you inherited either \$1 million or \$1 billion, and that you spent \$1,000 every day. It would take you less than three years to run through your inheritance in the first case, and more than 2,700 years (that is, the time that separates us from Homer's *Iliad*) to blow your inheritance in the second case.

And yet, there are 607 people in the United States with a net worth of over a billion dollars.

Bloomberg, a liberal on so-called social issues such as abortion, gun control and the environment, is a vicious enemy of the working class. As New York mayor from 2002 to 2014, he attacked city workers, laid off thousands of teachers, cut social programs and presided over the biggest transfer of wealth from the working class to Wall Street in the history of the city. He expanded the hated "stop and frisk" policy that encouraged police to brutalize working class youth.

Last January he denounced Warren's proposal to tax wealth above \$50 million as "probably unconstitutional."

Echoing Trump's anti-socialist propaganda, he warned that seriously pursuing the plan could "wreck the country's prosperity" and pointed to Venezuela as an example of the supposed failure of "socialism."

Over the past several months, at least 16 billionaires have gone on record opposing proposals for a wealth tax. This chorus has grown more shrill since the release of Warren's Medicare plan.

JPMorgan CEO Jamie Dimon, declaring that "freedom and free enterprise are interchangeable," complained on CNBC last week that Warren "vilifies successful people."

Microsoft founder Bill Gates, whose personal fortune of \$108 billion places him second in the US behind Jeff Bezos (whose *Washington Post* has run a string of editorials denouncing wealth taxes, the Green New Deal and other proposed reforms), said last week, "I do think if you tax too much you do risk the capital formation, innovation, the US as the desirable place to do innovative companies."

Billionaire Mark Cuban tweeted that Warren was "selling shiny objects to divert attention from reality" and accused her of "misleading" voters on the cost of her program.

Hedge fund owner Leon Cooperman, worth a "mere" \$3.2 billion, appeared on CNBC and said, "I don't need Elizabeth Warren or the government giving away my money. [Warren] and Bernie Sanders are presenting a lot of ideas to the public that are morally and socially bankrupt." A few days later he announced his support for Bloomberg's potential candidacy.

The *New York Times*, the voice of the Democratic Party establishment, has run a number of op-ed pieces denouncing Warren's wealth tax proposal, including one by Wall Street financier Steven Rattner, who headed up Obama's 2009 bailout of GM and Chrysler until he was forced off of the Auto Task Force because of corruption charges laid by the Securities and Exchange Commission. While he was on the panel, he imposed a 50 percent across-the-board cut on the pay of newly hired GM and Chrysler workers.

But for fawning toward the oligarchs, viciousness toward the working class and yearning for an authoritarian savior from social unrest, it is hard to beat this week's column by the *Times*' Thomas Friedman, headlined "Why I Like Mike."

Calling for "celebrating and growing entrepreneurs and entrepreneurship," he writes: "I want a Democratic candidate who is ready to promote all these goals, not one who tries to rile up the base by demonizing our most successful entrepreneurs... Increasingly the Democratic left sound hostile to that whole constituency of job-creators. They sound like an anti-business party... The Democrats also need a candidate who can project strength. When people are stressed and frightened, they want a strong leader."

This is under conditions of record stock prices on Wall Street and ever rising levels of social inequality. A recent study by economist Gabriel Zucman showed that the richest 400 Americans now own more of the country's wealth than the 150 million adults in the bottom 60 percent of the wealth distribution. The oligarchs' share has tripled since the 1980s.

In their new book, *The Triumph of Injustice*, Zucman and Saez show that in 2018, for the first time in US history, the wealthiest households paid a lower tax rate—in federal, state and local taxes—than every other income group. Since 1980, the overall tax rate on the wealthy in America has been cut in half, dropping from 47 percent to 23 percent today.

The United States is not a democracy in any true sense. It is an oligarchic society, economically and politically dominated by a slim but fabulously wealthy elite.

The ferocious response of the oligarchs to the half-hearted proposals of Sanders and Warren to cut into their fortunes underscores the bankruptcy of their talk of enacting serious reforms within the framework of capitalism. The same goes for the pseudo-left organizations such as the Democratic Socialists of America and Socialist Alternative that have jumped with both feet onto the Sanders bandwagon, and will no doubt shift over to Warren should she win the nomination.

There is no way to address the urgent problems of health care, education, housing, the environment and war without directly attacking the stranglehold over society exercised by the corporate-financial aristocracy. Their wealth must be expropriated and put toward the satisfaction of the social needs of the working class, the vast majority of the population.

The corporations and banks must be taken out of private hands and turned into publicly owned utilities under the democratic control of the working class, so that the production and distribution of goods can be rationally and humanely organized to meet human needs, not private profit.

This is a revolutionary task. The key to its achievement lies in the growing upsurge of class struggle in the US and internationally. This movement will expand, but it needs a conscious political leadership. Those who see the need for socialism should join the Socialist Equality Party and build that leadership.



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