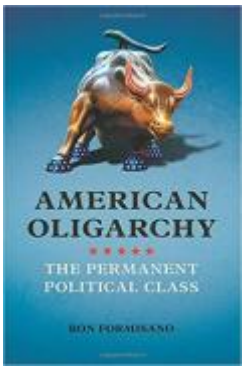
The American Oligarchy: A Review

written by Chris Wright | July 24, 2018



Ron Formisano. *American Oligarchy: The Permanent Political Class.* Urbana, Illinois: University of Illinois Press, 2017. Notes. Index. $19.95

Consumers of left-wing media are well aware that America is an oligarchy, not a democracy. Everyone with a functioning cerebrum, in fact, should be aware of it by now: even mainstream political scientists recognize it, as shown by a famous 2014 study by Martin Gilens and Benjamin I. Page. Nevertheless, it is important to continue to publicize the oligarchical character of the United States, in order to delegitimize the institutions that have destroyed democracy (insofar as it ever existed) and inspire people to take action to restore it. Ron Formisano's book *American Oligarchy: The Permanent Political Class* (2017) is a valuable contribution to this collective project.

"*American Oligarchy* has been written," Formisano says, "not to propose a path out of the New Gilded Age, but to discredit the political class by raking its muck between covers in black and white." Formisano certainly achieves his goal: the "political class" comes out stinking of, yes, a swamp, a putrid moral bog. This "networked layer of high-income people and those striving for wealth including many politicians in and out of office, lobbyists, consultants, appointed bureaucrats, pollsters, television celebrity journalists (but not investigative reporters), and the politically connected in the nation's capital and in the states" calls to mind in its hedonism, corruption, money-worship, and giddy myopia the decadent Senate-attached aristocracy of the late Roman Republic, greedy beyond the dreams of avarice.

The term 'aristocracy' is apt, for Formisano argues convincingly that the U.S. is headed beyond oligarchy to an aristocracy of inherited wealth, complete with all the ideological and cultural trappings of aristocracy. Our exalted rentiers and their service-providers have the usual attitudes of aristocratic entitlement to all good things in this world (and exclusion of the non-rich), sputtering rage at the occasional prospect of losing a particle of their preferential tax treatment, and the valorization of nepotism as first among the virtues. "The rampant nepotism of the political class fuels the galloping socioeconomic inequality of the twenty-first century." The main differences between the American aristocracy of today and, say, the French aristocracy of the eighteenth century seem to be that the former has incomparably lower cultural (and architectural) tastes than the latter and is incomparably more destructive of society and the natural environment.

The circles in which the nation's political leaders and their thousands of well-heeled minions travel are indeed reminiscent of some enormous eighteenth-century court. Over half the members of Congress are millionaires, with a total worth in 2013 of $4.3 billion; but even the ones whose income is of a mere six figures are able to live like millionaires. The reason is that the gears of Washington

are greased by a "gift economy," which, to quote ex-lobbyist Jack Abramoff, amounts to "a system of legalized bribery. All of it is bribery, every bit of it."

In 2007 Congress passed a law prohibiting lobbyists from giving gifts to representatives, but, as Abramoff says, in effect "they just reshuffled the deck… They're still playing the same game." Campaign committees and "Leadership PACs" pay for the many luxurious trips legislators take around the world, as do lobbyists and donors. Golf outings, lavish "conferences," fishing in the Florida Keys, skiing in Colorado, trips to Paris or Vienna or Hawaii, innumerable expensive parties and receptions and breakfasts with lobbyists and donors—all are paid for by either tax dollars or various committees, lobbying firms, corporate interests, etc. Aside from the obviously corrupting influence of all this legalized bribery, it matters a great deal that "politicians have no experience of poverty." In fact, from 1998 to 2008 only 13 members of Congress came from blue-collar backgrounds, and they had long ago left behind that experience. No wonder policy almost never favors the working class.

Meanwhile, while in 1970 only 3 percent of members leaving Congress moved into lobbying, now well over half do. As do thousands of congressional aides. In addition to reinforcing the insularity and chumminess of the Beltway culture, this "accelerating exodus of staffers to K Street…has had the effect of increasing the power of lobbyists by shortening the overall tenure of staffers." As the latter group becomes younger and less experienced, lobbyists take on an ever-greater role in crafting legislation—increasingly byzantine legislation that is difficult even for staffers to understand, which further enhances the power of lobbyists.

Formisano documents with admirable thoroughness the fact that the foremost concern of politicians and the politically connected in both the nation's capital and the states is to look out "for me and mine." The most obvious and common means of doing so is to monetize one's public service, but almost as common is the practice of nepotism. "[T]he political class practices nepotism routinely, brazenly, and shamelessly, giving their 'nephews' plum jobs, promotions, a place at the head of the line." Donald Trump may (unsurprisingly) be even more shameless than most, with his political use of his daughter, his son-in-law, and his sons—one of whom has remarked candidly that nepotism "is a beautiful thing." But the second Bush administration took nepotism to a high art, given, for example, the important roles of Liz Cheney, her husband, and her son-in-law; the Mehlman brothers, the McLellans, the Powells, and Ted Cruz and his wife; the Martins, the Ackerlys, and the Ullmans, etc. The Obama administration was hardly innocent either, though it didn't go to quite the extremes of its predecessor. Children of governors and members of Congress fare well too, whether serving in politics, in law firms, in businesses that benefit from political connections, or as lobbyists.

The media are almost as riddled with nepotism as politics. When her mother was Secretary of State, Chelsea Clinton was hired by NBC as a television journalist, making $600,000 a year ($26,724 for every minute she was televised). CNN's Andrea Koppel, Anderson Cooper, Jeffrey Toobin, and Chris Cuomo are beneficiaries of nepotism, as are (at other channels and publications) Douglas Kennedy, Chris Wallace, Mark Halperin, Mika Brzezinski, Bill Kristol, Ronan Farrow, Luke Russert, Meghan McCain, Jenna Bush, Jackie Kucinich, and others. Formisano concludes, "Whether the field is literature, television, entertainment, or politics, the hallmark of this New Gilded Age of Inequality is 'naked, unabashed favoritism,' and the shameless effrontery of those who give and receive it."

American Oligarchy also contains long discussions of the nonprofit world, specifically of its contributions to rising income inequality. The nonprofit sector employs 10 percent of the U.S. workforce, and in 2010 corporations, government, and individuals donated $300 billion to charitable enterprises. At least $40 billion every year is lost to "fraud, theft, personal enrichment of executives, and misappropriation." In general, the culture of large nonprofits is approximately that of the permanent political class in Washington.

University presidents and hospital CEOs, for instance, can make millions of dollars a year, and that doesn't include such perks as bonuses, deferred compensation, auto allowances, and financial planning. In the same years as student debt has soared and state funding has declined, university foundations have been used as slush funds for big payouts and personal expenses for presidents and other administrators. Even more egregiously, nonprofit hospitals have initiated hundreds of lawsuits against patients who couldn't pay and have routinely had arrest warrants issued and jailed debtors. Conversely, lawsuits have been filed against hundreds of hospitals in seventeen states for gouging the poor.

In other cases, nonprofits have in effect become allies of the forces they're supposed to be challenging. A particularly outrageous instance is that of The Nature Conservancy, "by far the wealthiest green group with well over $6 billion in assets." On its governing board and advisory committees sit executives of oil and chemical companies, mining and logging businesses, auto manufacturers, and coal-burning electric utilities, who have influence over the group's policies. Even while preserving millions of acres, The Nature Conservancy has logged forests, drilled for natural gas under the last breeding ground of an endangered bird species, invested millions in energy companies, cultivated relationships with such polluters as ExxonMobil and BP, and sold its name and logo to companies that then claim undeserved credit for being green. Similarly, the World Wildlife Federation has close relationships with both Monsanto and the rainforest-destroying palm oil company Wilmer.

At any rate, the evidence Formisano amasses proves that the moral corruption of the American aristocracy has utterly polluted the ostensibly selfless and charitable world of nonprofits. From museums, public libraries, and human rights organizations to symphony orchestras, veterans' groups, and environmental organizations, excessive executive compensation, corporate ties, and outright corruption have perverted the public mission of nonprofits.

American Oligarchy is not an uplifting read. Its chapter on Kentucky, a case-study of political corruption in a poor state, is, despite the detached analytical tone, at times wrenching, in particular when you reflect on all the human suffering that is the corollary of the aristocracy's venality and greed. On the one hand are profits for Purdue Pharma in the billions of dollars, and power and money for a complicit political class; on the other hand are numberless opioid deaths and lives ruined by addiction.

But books such as this are indispensable in their bleakness, since we live in bleak times that call for unstinting exposés. Perhaps as the backlash against Donald Trump grows, *American Oligarchy* and books like it will acquire a wide readership and so contribute to the radicalization of a generation.

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