

## **America's Descent from Democracy to Oligarchy**

By <u>Chaitanya Davé</u> Global Research, April 10, 2023 Region: <u>USA</u> Theme: <u>Law and Justice</u>

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During the Great Depression of 1933, President Franklin Roosevelt became the President. In his first 100 days in office, he rolled out a program called the New Deal. He embraced Keynesian economic policies and fought to expand the role of the government in the nation's economy. He implemented a series of programs called the New Deal to stabilize the economy and give jobs to millions of Americans who had lost their jobs. New federal agencies were created including the Social Security Board, the Securities and Exchange Commission and the Federal Deposit Insurance Corporation. He created the Tennessee Valley Authority that enabled the federal government to build dams and hydroelectric projects creating thousands of jobs. The Congress passed the Social Security Act which provided a safety Net for the elderly, the unemployed, and the disabled. A decent minimum wage was established. The Glass-Steagall Act was passed to protect people with their savings and deposits in the banks. He raised taxes on the rich to pay for all these programs.

During these difficult times, labor unions were a critical part of the New Deal. Both the National Industrial Recovery Act of 1933 and the Fair Labor Standards Act of 1938 included protections for unions and required corporations to negotiate with unions. Unions were decimated during the 1920s, but now they had started growing rapidly. Millions of workers joined the unions. Unions felt empowered to fight for better wages and hours with the government on their side. These were all democratic moves. Union membership was at its peak in the 1950s. It was at 35% in 1954. From then onwards, its decline started. By 2021, it had declined to just 10.3%. That means corporate power has drastically increased. Millions of workers in America have no power, no say. Today, big corporations have become so powerful in America that they control every aspect of our lives. They directly or indirectly control not only our politicians but also where we live, what we eat, what we buy, how much we earn, and what we read, see on TV, or listen to on radio and ultimately what we think.

During his term, President Clinton signed the Telecommunication Act of 1996 into law. The act dramatically reduced important Federal Communications Commission (FCC) regulations on cross ownership, and allowed giant corporations to gobble up thousands of media outlets across the country, increasing their monopoly on the flow of information in the United States

and around the world. Thus, all of us across this country and around the world get the same news and the same narrative on the TV, radio and even main stream printed media networks. Using Noam Chomsky's famous phrase, they 'Manufacture the Consent' across America and the world. "Never have so many been held incommunicado by so few", said Eduardo Galeano, the Latin American journalist, in response to the act. In 1983, some 50 corporations owned 90 percent of the media. That number dwindled after this Communication Act just in few years and today, five mega corporations own and control 90 percent of the media in America. The same thing happened in the radio as well as in the printed media network. No wonder democracy's decline in America has accelerated further ever since.

Today, what do we hear on the radio or watch on the TV news? Mainly Weather, murders, shooting, rapes etc. No issue of major importance for the citizens is discussed in these media. People are intentionally kept ignorant and ill informed. This is what these oligarchs want. They want –as per their thinking—'dumb millions' to keep serving them. Because they know, if people are well informed about how corrupt our politicians are, they may unite, create a revolution and take away their power in this country. They also know that to keep Americans divided into democrats, republicans, independents, liberals, progressives, conservatives etc., they can never unite and threaten the powers of the oligarchs or threaten their tight grip on the economy and the government.

The greatest tragedy is that we Americans think that we are 'free'. But, in reality, most of us are slaves of these giant corporations. America has descended from a democracy of 1950s to an oligarchy today.

For last fifty years and more, we Americans have been indoctrinated with the massive propaganda that America is 'the greatest democracy' in the world. This propaganda is carried out by the mainstream news-media which is controlled by a handful of mega-corporations which are in turn controlled by billionaire oligarchs...super rich individuals.

So, let's find out how democratic America is. As we all know, genuine democracy means a majority rule. In a democracy, the government acts according to the will of the majority of its people. Hence, here are the numbers of what majority of Americans want:

- Medicare for all: According to Kaiser Family Foundation (KFF) poll of April 3, 2020, this hot button issue gets majority support at 56%.
- Tuition Free State and Public College: As per Hill-HarrisX poll of September, 2019, majority of Americans support free college and wiping out the student debt.
- Paid Maternity Leave-American Enterprise Institute and Brookings Institutionsurvey found that a majority of 84% want this. This also includes government funding for childcare.
- Minimum Wage: According to *Pew Research Center* survey conducted between April 29, 2019, and May 13, 2019, 67% of Americans want minimum wage to be raised from \$7.25 per hour—federal and little higher in private jobs-to \$15 per hour.
- Higher Taxes for the Wealthy: Survey after survey, majority of Americans support higher taxes for the wealthy. The concept has gained more support since the passage of the Tax Cuts and Jobs Act of 2017 that has disproportionately benefited the richest Americans and the world's biggest corporations. As per

*Reuters/lpsos* recent poll, two-thirds of Americans strongly agree that the very rich should pay higher taxes.

- Wealth Tax: According to a recent *Reuters/Ipsos* poll, 64%–77% Democrats and 53% Republicans– strongly agree that the very rich should contribute an extra share of their total wealth each year to support public programs. A 2019 *CNBC*poll, some 60% of millionaires said that they would support an Elizabeth Warren-style wealth tax of 2% on assets over \$50 million and 3% on assets over \$1 billion.
- Election of the President/Electoral College: A *Pew Research* survey found that as of 2020, 81% of Democrats and 32% of Republicans—so a majority of Americans want the president elected by a majority of votes. They want the Electoral College removed by amending the constitution.
- Hate Speech: A majority of 51% want fines or jail time for hate speech. Nearly 60% of millennials support this. Some 60% of respondents support a crackdown on TV stations and Newspapers that publish content that is biased, inflammatory or false.
- Capitalism vs Socialism: Half of Democrats (Democrats are in majority in America) and two-thirds of Progressives see socialism favorably while 23% of independents and 7% of Republicans viewed socialism favorably.
- Gun-Control: Majority of us Americans—60%- want stricter gun-control according to the *Pew Research*. As per *com*, as of March 27, 2023, there have been four mass shootings this year. Compared to that, there was only one mass shooting in 1982, one in 2000 and 12 in 2022. As per *ABV News*, more than 9800 people were killed by gun violence so far in 2023. America today has become the 21st century 'Wild Wild West'.
- Foreign Wars: America goes to war every few years as its history confirms. As James Carden writes in the Nation Magazine of January 9, 2018,-according to Walling Opinion Research undertaken in November of 2017-that majority of Americans—78% of Democrats, 64.5% of Republicans and 68.8% of independents- supported restraining military actions overseas.

In the 1950s and early 1960s, the top marginal tax rate was 91%. Today, the highest income earners pay a 39.6% marginal tax rate. The rich mega corporations pay the tax rate of 21%. But many giant corporations pay 0\$ taxes using various loopholes. Like Ralph Nader once said, "Average worker at General Electric Co., pays more taxes than General Electric"! Warren Buffett once said that his secretary pays more taxes than himself! What kind of a democracy is that? That means, in America, the rich are getting richer while the poor or the middle class remain poor. The rich are amassing so much wealth in America today—at the expense of the poor-that, as pointed out by Bernie Sanders and Elizabeth Warren not long ago, the top 0.1% of rich Americans have more wealth than bottom 90%. Is that democracy?

As per the *Institute on Taxation and Economic Policy*, 55 major corporations paid \$0 in Federal Taxes on 2020 profits while netting \$3.5 billion in aggregate tax rebates. For decades, the biggest and most profitable American corporations have found ways to avoid paying federal income taxes on their profits. Large US firms generally pay effective tax rates far below 21 percent. In June 2021, the nonprofit ProPublica pointed out that over a five-year period, the 25 richest Americans paid a combined \$13.6 billion in federal income taxes though their profits were huge. This amounted to a true tax rate of only 3.4 percent! How do they do this? They use all the loopholes kept in place by our corrupt politicians. The wealthiest Americans may be avoiding \$163 billion in income taxes every year according to

a report from the U.S. Department of the Treasury. They hire top accountants and lawyers to achieve this. They spend millions-on accountants and lawyers-to save billions.

Thus, most of us Americans want above mentioned items but are we getting them? No. Because the American oligarchs, the billionaires, the superrich do not want them. And they control our politicians by their billions of dollars' worth of political donations. As per *Statista Research Department*, in 2022, there were 12,098 lobbyists in the country bribing our elected politicians. They spent \$4.09 billion on lobbying. Our politicians'—from the President down to the Senators and the Congressmen—political careers depend on these donations or these legal bribes. For our politicians, their careers are more important than their country.



In a nationally syndicated radio show the *Thom Hartmann Program* on July 30, 2015, the former President Jimmy Carter said that the United States is now an "oligarchy" in which "unlimited political bribery" has created "a complete subversion of our political system as a payoff to major contributors." Both Democrats and Republicans, Carter said, "look upon this unlimited money as a great benefit to themselves."

An April 16, 2014 study (report) by *Princeton and Northwestern Universities* concluded that "The U.S. government does not represent the interests of the majority of the country's citizens but is instead ruled by the rich and the powerful."

As you can see from above, majority of Americans want these items passed by the U.S. Congress, for a long time. But are our Congressmen and Senators following the majority opinion? No. They are not obeying the 'majority will' because their paymasters, which are the billionaires and mega-corporations-through their lobbyists—do not want these laws to pass. In other words, most laws are passed or not passed for the benefits of these paymasters. Our Congressmen and Senators do the bidding of their paymasters. They are not working for their constituents...the American people.

Thus, it is obvious that after 1950s, American democracy has surreptitiously and systematically been replaced by an oligarchy. Simply put, the U.S. Government today is of the rich, by the rich and for the rich.

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