

# Bernie Sanders Asks Fed Chair Whether the US Is an Oligarchy

Friday 9 May 2014, by [NICHOLS John](#) (Date first published: 7 May 2014).

If the US Senate really is the world's greatest deliberative body, it ought to consider consequential questions. That does not happen often in a Senate where trivia tends too frequently to triumph over issues of substance. But Senator Bernie Sanders, I-Vermont, raised what might just be the most substantial issue of all Wednesday, at a Joint Economic Committee hearing where Federal Reserve board chair Janet Yellen was testifying.

The senator began with the facts: "In the US today, the top 1 percent own about 38 percent of the financial wealth of America. The bottom 60 percent own 2.3 percent. One family, the Walton family, is worth over \$140 billion; that's more wealth than the bottom 40 percent of the American people. In recent years, we have seen a huge increase in the number of millionaires and billionaires, while we continue to have the highest rate of childhood poverty in the industrialized world. Despite, as many of my Republican friends talk about 'the oppressive Obama economic policies,' in the last year Charles and David Koch struggled under these policies and their wealth increased by \$12 billion in one year. In terms of income, 95 percent of new income generated in this country in the last year went to the top 1 percent."

Sanders then introduced an academic study, by Martin Gilens and Benjamin Page, that concludes, "The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on US government policy, while mass-based interest groups and average citizens have little or no independent influence."

That sounds like an oligarchy.

So Sanders asked Yellen: "In your judgment, given the enormous power held by the billionaire class and their political representatives, are we still a capitalist democracy or have we gone over to an oligarchic form of society in which incredible enormous economic and political power now rests with the billionaire class?"

Yellen did not answer "yes." But she did say, "There's no question that we've had a trend toward growing inequality and I personally find it a very worrisome trend that deserves the attention of policy makers."

She also expressed concern that trends toward growing inequality "can shape [and] determine the ability of different groups to participate equally in a democracy and have grave effects on social stability over time."

Sanders asked another question, as well: "There comes a point where the billionaire class has so much political power, where the Koch brothers are now because of Citizens United able to buy and sell politicians; they have so much political power, at what point is that reversible?"

The senator did not press Yellen for an answer to that question. And her responses to inquiries about Republican proposals to cut the estate tax and otherwise steer wealth upward suggested that the

Fed chair believes Congress has policymaking duties in this regard.

Ultimately, questions about oligarchy come back to politics, something Sanders well understands. He's been arguing that core question regarding the concentration of economic and political power need to be addressed not just by politicians but by voters—with choices made in 2014 and 2016. As he explained recently, "[This] country faces more serious problems than at any time since the Great Depression, and there is a horrendous lack of serious political discourse or ideas out there that can address these crises, and that somebody has got to represent the working-class and the middle-class of this country in standing up to the big-money interests who have so much power over the economic and political life of this country."

The issues are so consequential, Sanders says, that he is thinking about mounting a presidential campaign that would ask the American people whether they want to live in an oligarchic form of society.

**John Nichols**

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\* The Nation, May 7, 2014 - 2:52 PM ET:

[http://www.thenation.com/blog/179739/bernie-sanders-asks-fed-chair-whether-us-oligarchy?utm\\_source=Sailthru&utm\\_medium=email&utm\\_term=email\\_nation&utm\\_campaign=Email%20Nation%20%28NEW%29%2020140508&newsletter=email\\_nation\\_tuesday#](http://www.thenation.com/blog/179739/bernie-sanders-asks-fed-chair-whether-us-oligarchy?utm_source=Sailthru&utm_medium=email&utm_term=email_nation&utm_campaign=Email%20Nation%20%28NEW%29%2020140508&newsletter=email_nation_tuesday#)

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\* Bernie Sanders will join John Nichols is a conversation about economic policy and politics Friday, May 9, at 7 pm, at the Free Churches of Northampton in Northampton, Massachusetts. The event is free and open to the public.