

IT'S A SCREAM
BUFFALO'S THIRD ANNUAL
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NEWS | ANALYSIS

OLD GUARD VS. THE NEW ELITE

How the new plutocracy is alienating old-line conservatives like Albie Michaels, along with the rest of the 99 percent

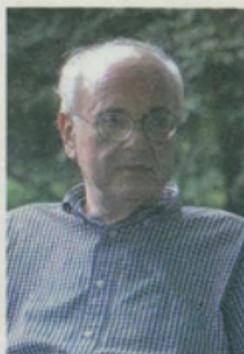
BY BRUCE FISHER

He is a conservative from an old and prosperous and distinguished Buffalo family, an intellectual with impeccable Ivy credentials who is as proud of the uncle who wrote movie scripts for the Marx brothers as he is of the granddaddy who built the Allendale theatre where those movies were shown.

Now a professor of history at Buffalo State College, he spent more than 40 years teaching, writing books, fencing with liberals, and occasionally advising Republican candidates for governor, even winning his own "election" a few years ago when students voted him the best teacher at the University at Buffalo. He collects art, curates museum exhibitions, and to visit his home is to be overwhelmed by both the volume and the quality of his holdings in an apartment building you and I could never afford. He often wears silk bow ties, and occasionally some of his Art Deco jewelry, and though he isn't a member of any of the

clubs in town, many of his social peers are. He has lived among some of America's wealthiest families all his life, being educated with them in Philadelphia, summering with them on Martha's Vineyard, vacationing with them in Park, Palm Beach, and in many other of the addresses in that archipelago that is a map of privilege.

Mention the name of Latin America specialist Professor Albert Michaels among American progressives who opposed the sometimes brutal, mostly autocratic regimes that used to control much of Central and South America,



and you will get frosty looks and maybe a lecture about his horrifying stance as a defender of the CIA-funded opposition to the Sandinistas in Nicaragua.

But something has changed for Michaels.

He is making some of his old friends and social peers very uncomfortable these days. One would expect a true Milton Friedman economic conservative to denounce greedy and amoral Wall Street bankers; Michaels is hardly alone when he criticizes President Barack Obama for leaving the villains of the 2008 crash unprosecuted. Michaels, however,

is taking the case much further. He now denigrates public dinner conversation in some of the most luxurious saloons in town as vigorously defended unions. He doesn't curb his contempt for the new finance elite, reserving his most potent verbal acid for real-estate developers and bankers who mouth anti-government tropes but grab public funds with both hands after leaving tips for their politicians who bring it up. He has had it with plutocrats who brag about how many houses they own.

On his Facebook page, he even names local names, posting pithy critiques of self-styled philanthropists who "strut," he says, on the avenue, acting as if they are utter-day Knowes, Good-years, Hamlins, or Abrights, who bespokened antiquaries to the community, and who never did as today's elites do—speculating in the work of artists shown at the Albright-Knox and then dumping Buffalo for Florida rather than sticking around, paying their taxes, and selling rather than adding to the community's wealth.

To hear him talk is to learn to a conservative intellectual who now has more in common with the Occupy movement than with the moneyed elites who snuff it.

A lot changed in 2008, when the iconic Wall Street investment house Lehman Brothers went bust and triggered the global financial crisis that cost millions of Americans their jobs, their pensions their houses, and their faith in the American system of relatively fair play for all. Long before the Lehman crisis in September 2008, Albie Michaels told friends that Barack Obama would triumph over Hillary Clinton and then win the White House because Obama was restoring Americans' sense that something new needed to happen.

But when asked whether it was 2008 that changed him, the professor demurs.

"For me," he said, "the process began earlier. It was basically a reaction to what was happening around me in my own community, as we shifted from manufacturing. From an era that created jobs and cared about its community, to a financial elite that appears to me to care very little about this community, goes to Florida to avoid paying taxes, and doesn't create jobs."

LOCAL, NATIONAL SERVICE

Albert Michaels is about as "old Buffalo" as it gets. On his mother's side, he is descended from Dutch Jews who came here in the 1840s. His father's family came over from Germany in the 1860s, and the extended family has lived more or less continuously in this community. His father built what used to be the Studio Arena. His grandfather built the Allendale and was a pioneer in the moviehouse business. Some of the clan left town and did well: Uncle Al Rosenberg wrote *A Day at the Races* and *A Night at the Opera* for the Marx Brothers, and big brother James Michaels became editor of *Fables* magazine. Before he died in 2007, James came home and made a major gift to Cassini College.

And for Michaels, that's the rub. This reliable conservative wandered out of that fold when he started noticing the migration of affluent Buffalo-kians to Florida. Many of the people who most benefit from this community, he says, really don't live here anymore.

"If they live here, they live here part-time. It's something you can't help but notice," he said in a recent conversation. "People make their money in Western New York, and then they go to Florida because they don't want to pay New York State taxes. And some of these very same people—this angers me—have made their money by exploiting opportunities provided by the public sector."

He notes, without amusement, that one of the area's most prominent Republican politicians has made a fortune exploiting contacts with the public sector, and yet like many of his kind, he rants and raves against the public sector and all the things from which he has personally benefited. When asked whether the rant against the public sector hasn't always been the life-way of the moneyed class, old and new, Michaels speaks like the historian he is, reminding the class that the New York State Republican Party was for decades dominated by people like Nelson Rockefeller, Thomas Dewey, Jacob Lavis, and others who understood the critical economic role of the public sector. By today's standards, they were almost left-wing.

On a more personal level, he says, there was a belief that one owed something to the community and to the country.

"My great-grandmother's brother died at the Battle of the Wilderness during the Civil War. My father served in France in World War I. My brother was a volunteer with the British Army in the American Field Service [in World War II]," he said. "I wasn't just my family. You were expected to serve your country. And if you didn't serve your country, you were looked down upon—much more so than if you didn't have money."

"But let's be clear here. I'm not bemoaning the disappearance of that class," he added, describing the old elite as racist, anti-scientific, and sexist. And his problem with the new elite goes beyond the fact that they seem to

have no loyalty to community or, he suspects, to country.

"What we are watching," he said, "is our imperfect democracy becoming a plutocracy. Unless they are stopped, this country in 20 years will be unrecognizable. The gap between the haves and the have-nots is becoming unacceptable. Even conservatives like myself are becoming increasingly frustrated, and feel like exiles in our own country."

CLASS CONSCIOUSNESS 101

A sense of cognitive dissonance may be setting in at this point. A conservative decrying income polarization? An art collector worried about the have-nots? Idiomatic though he may be, in a vocal and politically involved conservative all his adult life, Michaels sees the 30-year trend toward political control by financial elites as a great threat to American democracy.

That threat is most visible, he says, in what looks like a bipartisan critique of public-sector workers—especially teachers. "I think," Michaels said bluntly, "that there is a class war underway."

It took him a while to understand that he himself is middle-class—prosperous, to be sure, but still a middle-class, not a one-percent, and a union member to boot. He is intensely aware that his academic tenure is exactly what allows the plutocracy because tenure frees him to speak out. And he is convinced that the plutocracy is united, Democrat and Republic alike, in going after teachers and their unions because they represent the last bastion of economic independence for the middle class. Teachers are being scapegoated for problems created by the maldistribution of income and wealth.

"And because they are relatively well-paid, they make a tempting target for the plutocracy as it tries to turn the rest of us against each other," he said.

"The middle class is under attack right across the board," he said. "The plutocracy wants to create a situation where they keep their wealth and keep everybody unprotected and terrified of losing their job at their whim. To do that they have to smash both the public and the private-sector unions. People had better wake up to that. What they have been successful in doing is undermining the unions to such an extent that many people feel they have no stake in the survival of the unions. If you can turn a person against a school teacher or against a General Motors worker or a government bureaucrat, instead of where their anger should be directed, the crooked banker, the real-estate developer, the lobbyist, you've won a big victory. As long as the new elites can turn the justified anger of the angst-ridden American middle class against the public sector and divert them from those who are really causing the trouble, they can maintain the system indefinitely."

Albert Michaels remains a conservative. "You can't change human nature," he said, "so you just have to work with it." He thinks, though, that the current system of plutocratic control won't go on forever. "The pain is going to become so great that something will happen."

Bruce Fisher is director of the Center for Economic and Policy Studies at Buffalo State College. His new book is *Borderland: Essays from the US-Canada Divide*, available at booksurge or at www.campress.com.

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