

ISSE meeting in Delaware: The financial crisis and the threat of another Great Depression

12 May 2008

The International Students for Social Equality will hold a public meeting Tuesday, May 13 at the University of Delaware to discuss the financial crisis and its implications for workers and students.

Following the March 14 bailout of investment bank Bear Stearns, former Federal Reserve Board chairman Alan Greenspan wrote that the current financial crisis is the most serious since the Second World War. While only last year the Federal Reserve projected total financial sector losses from the crisis at some \$100 billion, current estimates range up to \$3 trillion, or almost one quarter of US annual output.

This means that students will likely leave college, burdened with debt, to face a job market in worse condition than at any other time for the past 60 years. Moreover, the recession will spark a long-delayed realignment between borrowing and consumption among US households. People will have less money to spend. They will have to adjust their standard of living downward, or, in everyday language, learn to be poor.

In the words of a recent International Monetary Fund report, a significant economic crisis like the one now unfolding “would spark a substantial reduction in living standards across all countries.”

The Democratic and Republican parties are incapable of providing a solution because they and all their politicians—including Obama, Clinton and McCain—are representatives and defenders of the system that created this crisis. The two parties offer students and working people no solutions except to sit tight and watch living standards plummet.

The meeting’s speaker, Andre Damon, is a member of the ISSE and a writer for the *World Socialist Web Site* on economic issues. He will discuss the perspective of the ISSE on the crisis of capitalism.

Tuesday, May 13
Gore Hall 104
University of Delaware
Newark, Delaware



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