

“Socialism” intrudes on the 2008 elections

23 October 2008

For the past month, a long-demonized word has been increasingly injected into political discussion in the United States—socialism. The Treasury bailout of Wall Street was initially defeated in the House of Representatives, largely through the votes of the ultra-right faction of the Republican Party, which declared the massive government intervention into the financial markets to be ... "socialism."

This language was reflected in the media, with descriptions of the bailout, by both opponents and defenders, as "socialism for the rich," or "Wall Street socialism." ABC News commentator Sam Donaldson declared, "Socialism has now washed over free-market capitalism." The *Washington Post's* financial columnist, Steven Pearlstein, commented sarcastically, "A little bit of well-timed, well-crafted socialism is just the thing to save capitalism from itself."

Over the past week, denunciations of socialism have become a staple of the presidential campaign, with Republican John McCain engaging in right-wing diatribes against the Democratic frontrunner, Barack Obama, claiming that his support for modest tax increases on the wealthy is an example of "class warfare."

In the minds of the McCain campaign strategists, this may be nothing more than the thousand and first instance of McCarthy-style red-baiting, a staple of the Republican right for more than half a century. But there are deeper factors at work.

The financial crisis which has swept the globe over the past month, centered in the US banking system, has dealt an enormous blow to the official ideology of the American ruling class, which more than any other has elevated worship of the "free market" to the status of a state religion.

The Bush administration and the Federal Reserve, with the backing of the Democratic-controlled Congress, have mounted an unprecedented series of government interventions into the financial

markets--the \$700 billion bailout of mortgage-backed securities, a \$250 billion government purchase of shares in private banks, sweeping federal guarantees of commercial paper, interbank loans and money-market mutual funds—pledging trillions of dollars.

Bush, Treasury Secretary Henry Paulson, Fed chief Ben Bernanke and other spokesmen have acknowledged that the financial markets have failed, and warned that without this government intervention the United States would plunge into a deep recession, and the rest of the world with it. They admit that the profit system faces its greatest crisis since the 1930s.

The federal bailout of Wall Street—despite the hysteria of the House Republicans—has nothing to do with socialism. The measures could be more correctly characterized, not as nationalization of the banks, but as privatization of the US Treasury, turning over its vast resources to billionaires and speculators.

The charges of "socialism" demonstrate the degree to which the eruption of financial crisis has confused and frightened the political representatives of the ruling elite. They recognize that the near-breakdown of the credit markets has discredited the capitalist system in the eyes of the working people, the vast majority of the population, and they react nervously to anything that might provide an opening for the expression of anti-capitalist sentiment.

This political disorientation underlies the latest denunciations of Obama for his endorsement of marginally higher taxes on the rich to "spread the wealth around." In his radio address Saturday, McCain quoted this comment and then declared that it "sounded a lot like socialism." Obama has replied defensively, citing his support from paragons of big business like billionaire Warren Buffett, the richest man in America, former Federal Reserve Board chairman Paul Volcker, and a host of corporate chieftains.

Obama's denial of any connection to socialism is the truest statement he has made in the course of the

campaign. He is, like McCain, a defender of the profit system and, if anything, the preferred candidate of Wall Street and finance capital. According to a report Wednesday in the *Washington Post*, some three quarters of the record \$600 million raised by the Obama campaign has come from the wealthy and corporate interests.

It is remarkable that a presidential candidate should stand so brazenly in favor of maintaining the vastly unequal distribution of wealth in America—a country characterized by growing poverty, enormous unmet social needs, declining wages, and rising unemployment. It is equally noteworthy that Obama has sought to dispute the charge that he favors any significant redistribution of the wealth, as though that were a political sin.

Since it has been given such a prominent place in political discourse over the past week, it is incumbent on the actual proponents of socialism, whose voice is the *World Socialist Web Site*, to address the question.

All the campaign talk and media chatter about "socialism" obscures the most fundamental issue: Socialism is not merely a set of technical measures involving state intervention into the economy. All capitalist nations engage in this to one degree or another, depending on circumstances. State ownership does not in any sense define a society as socialist, when the state itself is an organ of class rule controlled by the financial aristocracy.

Socialism means the reorganization of economic life under the democratic control of the actual producers, the working people whose labor creates all wealth. It can come about only through the independent political mobilization of the working class, led by a revolutionary party, which establishes a new and far more democratic form of state, a workers' state, which exercises ownership and control over the means of production. Socialism cannot be engineered through backroom deals between Wall Street bankers and Washington politicians, or through the policies of any Democratic or Republican politician.

Some 160 years ago, Karl Marx wrote, "A specter is haunting Europe, the specter of communism." He was describing the mood of fear and trepidation in the European ruling classes on the eve of the great revolutionary wave of 1848, even though the number of conscious revolutionary socialists was still a relative

handful. If the specter of socialism today haunts the American ruling class, despite decades in which socialism has been subjected to an unrelenting campaign of slander and vilification, it is likewise because the profit system faces a new period of revolutionary upheaval.

Patrick Martin



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact