

The socialist answer to unemployment and poverty

Jerry White
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Wednesday's lineup of tens of thousands of people seeking housing assistance in Detroit is one of those events that suddenly reveals the social reality in America that is ignored and concealed by the media and political establishment.

The unemployed workers, young mothers with children, disabled and elderly people and jobless youth who lined up in downtown Detroit put a human face on rising jobless and poverty statistics and provided a glimpse of the staggering scale of the social crisis in the US.

The event also placed in sharp relief the huge disparity between social needs and the derisory "recovery" measures of the Obama administration. Some 80,000 people applied for help with their utility bills—representing roughly a third of all households in the city—yet the paltry \$15 million in aid provided under Obama's stimulus program was barely enough to serve 3,500 households.

After years of deindustrialization, culminating in Obama's decision to force General Motors and Chrysler into bankruptcy, the official jobless rate in Detroit has hit the Depression level of 29 percent. Nearly half of the city's children are growing up poor.

Just two weeks ago, thousands of Detroiters lined up for hours at the Michigan State Fairgrounds when the regional energy company announced it was offering help to hard-pressed renters and homeowners.

While the demand for services increases each day, the city is on the verge of bankruptcy, having received only a pittance in federal aid. On the same day that thousands lined up downtown, Detroit Mayor David Bing announced plans to cut \$500 million in spending over the next two years.

This crisis is not unique to Detroit. Nationally, unemployment has risen to 9.8 percent—the highest level in a generation—and some 15 million people are out of work, nearly double the number since the recession

started in December 2007.

Increasingly, scenes like those in Detroit are being reproduced across the nation. In California, Texas and other states tens of thousands lined up at free medical and dental clinics. With six unemployed workers for every available job, it is increasingly common to see long lines every time an employer advertises a few job openings. In working-class neighborhoods across the country, workers are losing their homes, with a new foreclosure filing occurring every 13 seconds.

In the face of this disaster, Obama can barely conceal his indifference and contempt for those being devastated by the economic crisis. "Employment," he remarked casually last week, is a "lagging economic indicator." For the White House and its coterie of Wall Street advisors, the overriding concern is extending the stock market rally and protecting the wealth of the financial aristocracy.

The White House has rejected out of hand any measures that would quickly put the unemployed to work—such as a government-funded public works program. Instead, the White House is discussing yet another windfall for big business in the form of a tax credit for companies that hire new employees. Nor has the president proposed any measures to provide emergency relief to workers facing foreclosure, the shutoff of utilities or the loss of health care.

What are the priorities of this government?

When it comes to the financial aristocracy, there is no limit to the resources the administration will provide. Trillions from the public treasury have been handed to the bankers and traders whose swindling and profiteering precipitated the economic crisis. Assured that they are "too big to fail," the major banks and investment houses have resumed their gambling, this time with taxpayer money, and are preparing to hand out record year-end bonuses.

To pay for the resulting explosion in the federal deficit,

the administration has embarked on a program of austerity and attacks on basic entitlement programs such as Medicare and Medicaid. With its attack on GM and Chrysler workers, the White House spearheaded a drive to permanently reduce the wages and benefits of workers and boost the profitability of US corporations.

While it bails out Wall Street and attacks the working class at home, the Obama administration wages imperialist war abroad to seize the energy resources of the Middle East and Central Asia.

These are not just the priorities of an individual, but of the social class that Obama and both the Democrats and Republicans represent. The financial oligarchy that rules America is intent on making the working class pay for the bankruptcy of its system—capitalism.

After years of being told by the defenders of the profit system that unemployment and poverty are essentially personal problems, events such as the lineup in Detroit are showing that these are social problems, bound up with the irrational and unequal way society is organized. Under the capitalist system, the wealthy enrich themselves by impoverishing the vast majority of the people on the planet.

The current global economic crisis is a demonstration of the failure of the capitalist system. It must be replaced by a system whose priorities are determined by social needs, not the personal enrichment of a parasitic elite—a system based on social equality and the democratic control of economic life by working people, who comprise the vast majority. It must be replaced, in other words, by socialism.

As the first anniversary of Obama's election approaches, disappointment with the Democratic president is increasingly turning into anger and bitterness towards the entire political system. There is a growing realization that workers were sold a bill of goods by the candidate of “change you can believe in,” and that this administration defends the interests of the rich and the super-rich just as ruthlessly as its Republican predecessor.

But if workers are to stop the corporate-government assault, they must take matters into their own hands. The Socialist Equality Party calls for the organization of factory, workplace and neighborhood committees to fight plant closings, layoffs and cuts in social services and oppose all evictions and foreclosures. Such struggles must be organized independently of the trade union apparatuses, such as the United Auto Workers. These junior partners of the corporations concentrate their efforts on suppressing working class struggle.

The fight to defend the most basic social needs—jobs, housing, health care, education—is above all a *political struggle*, which can be resolved only by the working class breaking with and opposing Obama and both parties of big business and advancing its own social and class interests.

If the needs of society are to take precedence over the selfish and destructive interests of the ruling elite, then the working class must take political and economic power into its own hands. Only in this way can the grip of the financial aristocracy be broken and the wealth created by working people be used to end poverty and raise the material and cultural level of society as a whole.

The Socialist Equality Party calls for the confiscation of the trillions squandered on the bonuses and pay packages of the Wall Street executives and traders and the setting up of a public fund to address the social crisis confronting working people. The money should be used to guarantee full income, medical benefits and housing to the unemployed until they resume work. We call for a ban on all foreclosures, evictions and utility shutoffs.

A multi-trillion-dollar program of public works must be launched to hire the unemployed, rebuild the cities and repair the social infrastructure. The jobless should be hired to construct new schools, hospitals, parks, museums and public transportation systems.

The major levers of the economy—basic industry, finance, telecommunications—must be taken out of private hands and placed under the public control of working people so that economic decision-making is carried out democratically in the interests of ordinary people, rather than the wealthy elite.

The events in Detroit send a signal that workers in the US, like their counterparts throughout the world, are entering a new period of class struggle. The coming battles must be prepared and provided with a new socialist perspective and leadership. We urge all those who agree with these policies and this perspective to join and help build the Socialist Equality Party.

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