

US media demands Greek-style austerity for American workers

Jerry White
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In recent days, the US media—led by the standard bearer of American liberalism, the *New York Times*—has insisted that workers in the US, like their brethren in Greece, have been living the good life for far too long and must accept a drastic and permanent reduction in their living standards.

In a May 9 piece, *Times* columnist Thomas Friedman denounces workers in the US and Western Europe for believing in the “tooth fairy” and expecting government services without paying for them. In America, Friedman says, the baby-boom generation, which supposedly had inherited the prosperity of the post-war years, had “eaten through all that abundance like hungry locusts.”

“After 65 years in which politics in the West was, mostly, about giving things away to voters, it’s now going to be, mostly, about taking things away. Goodbye Tooth Fairy politics, hello Root Canal politics.”

Describing what he has in mind, two days later Friedman wrote about his meeting with Greek Prime Minister George Papandreou in a rooftop restaurant in Athens. Praising Papandreou for defying mass protests, the *Times* columnist hails the government for carrying out a “revolution,” including raising the retirement age and slashing wages and pensions for public sector workers, imposing regressive consumption taxes and wiping out two-thirds of the country’s publicly owned companies.

Another May 11 article, appearing on the front page of the *Times*, is entitled, “In Greek Debt Crisis, Some See Parallels to U.S.” Its author, David Leonhardt, led the newspaper’s campaign to promote Obama’s health care overhaul, explicitly supporting limits on medical treatments ordinary people could receive. (“In truth, rationing is an inescapable part of economic life”).

“It’s easy to look at the protesters and the politicians

in Greece—and at the other European countries with huge debts—and wonder why they don’t get it,” Leonhardt writes. “They have been enjoying more generous government benefits than they can afford...”

“Yet in the back of your mind comes a nagging question: how different, really, is the United States?... Both countries have a bigger government than they’re paying for. And politicians, spendthrift as some may be, are not the main source of the problem.

We, the people, are.”

It is rich to hear demands for sacrifices and lectures about “the people” living beyond their means, particularly from the likes of Leonhardt and Friedman. The latter, who is paid \$50,000 per speaking engagement, is married to the heir of a multi-billion dollar real estate fortune. According to the *Washingtonian* magazine, the couple owns “a palatial 11,400-square-foot house” in suburban Washington, DC, valued in 2006 at \$9.3 million.

In these circles it is taken for granted that massive cuts must be imposed on the living standards of the working class, but not a word is said about the hundreds of billions that are funneled into the personal fortunes of the financial aristocracy and the subordination of the entire economy to increasing their piles of wealth.

The events of the last several years have revealed to the world that the greatest burden on society is not ordinary working people but the anti-social activities of an unproductive and parasitic financial elite. The grotesque consumption and appropriation of social wealth by this oligarchy is not a minor factor in the crisis of the global capitalist system itself.

The bankrupting of whole countries—chiefly through the transferring of the bad debts of the financial speculators onto the books of various governments—is

being used to demand austerity from workers and ever-greater riches for the elite.

The four biggest US financial firms—Bank of America, Citigroup, Goldman Sachs and JPMorgan Chase—made money from trading every single day during the first quarter of the year, according to their financial filings. The banks, which all benefited from the Wall Street bailout, reaped hundreds of millions in profits from betting on the movement of currency, commodity and sovereign debt markets, including in relation to Greece.

At the same time, the value of corporate shares has risen, chiefly through a campaign of job cutting, wage and benefit concessions and a staggering 3.8 percent increase in worker productivity in 2009. As a result, corporate CEOs, who took stock options in lieu of pay increases when profits were down, are now cashing in, according to an Associated Press report, entitled, “America’s top CEOs are set for a once-in-a-lifetime pay bonanza.” Yahoo’s Carol Bartz, for example, received a \$47.2 million package during her first year on the job, 90 percent of which came from stock awards and options.

While these vast personal fortunes have been made, there has been no recovery in the wages and benefits workers have lost during the recession. The Organization for Economic Co-operation and Development (OECD) reported that real wages fell last year by 2.7 percent in Japan and Ireland, 1.1 per cent in Germany and 0.8 percent in the US.

The unbridled greed of America’s ruling elite—and the complete subservience of the political establishment, from Obama on down, to its needs—can only be compared to the ancien régime in France. The parasitism and extravagance of the aristocracy became a major factor in the country’s breakdown, and ultimately the eruption of the French Revolution in 1789.

Workers must reject the demand for austerity. The working class did not create this crisis and must not pay for it. Instead, the ill-gotten gains of the ruling elite must be confiscated and used to meet the interests of society as a whole, instead of gutting social programs and destroying jobs.

This must include a multi-trillion dollar program of public works to put the unemployed to work—at decent

wages and full medical care—to rebuild the cities and suburbs, repair the nation’s infrastructure and provide high quality housing, medical care and education for all.

In the midst of the Great Depression, the founder of the Fourth International, Leon Trotsky, argued in the Transitional Program that it is “impossible to take a single serious step in the struggle against monopolistic despotism and capitalistic anarchy—which supplement one another in their work of destruction—if the commanding posts of the banks are left in the hands of predatory capitalists. In order to create a unified system of investment and credits, along a rational plan corresponding to the interests of the entire people, it is necessary to merge all the banks into a single national institution. Only the expropriation of the private banks and the concentration of the entire credit system in the hands of the state will provide the latter with the necessary actual, i.e., material, resources—and not merely paper and bureaucratic resources—for economic planning.”

The nationalization of the banks, however, will produce positive results, Trotsky explained, “only if the state power itself passes completely from the hands of the exploiters into the hands of the toilers.”

For this to be realized the working class must build its own mass political party, independent of and irreconcilably opposed to the two parties of big business, and dedicated to the fight for a workers’ government to replace capitalism with socialism.

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