

# The Breakdown of Capitalism and the fight for Socialism in the United States

## Program of the Socialist Equality Party

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### **The Social Rights of Workers vs. Corporate Power and the Capitalist State**

85. The social rights enumerated above represent the essential needs of the working class. But it would be utopian to believe that they can be achieved without a fundamental reorganization of economic power and the redistribution of wealth within the United States. The Socialist Equality Party states openly that the realization of these rights requires a frontal assault on the hitherto unchallenged prerogatives of the corporations and the rich. The vast wealth created by the labor of generations of workers must be taken out of the hands of a privileged few and put at the disposal of the people as a whole. Workers will achieve nothing if they seek to avoid such a direct attack on the economic and political power of the capitalist class. Accordingly, the SEP raises a series of additional demands that arise logically from the fight for the social rights of working people. These demands include:

#### *For the expropriation of the banks and financial institutions*

86. All the basic needs of the working class come into immediate and direct conflict with the dictatorship of the giant banks and financial institutions over every aspect of political and economic life. These corporations, the commanding heights of the economy, control vast social resources, the product of the collective labor of billions of people all over the world. These immense sums are employed not to benefit society, but to increase the wealth of a tiny layer, buy off governments and dictate policies.

87. Over the past 40 years, the power of the banks in the US has grown enormously. A wave of finance-driven corporate consolidation during this period has been used to slash wages, downsize companies and raid pension and health care funds. The stock market boom of the 1990s was

accompanied by an ever more obsessive focus on the immediate return on investment for Wall Street. This often proceeded alongside, and was in fact dependent upon, the destruction of the real productive forces, the shutting down of factories and the elimination of jobs.

88. This parasitism of the financial aristocracy, whose wealth is increasingly divorced from the production of real value, was a principal factor behind the financial meltdown of 2008. In some cases, as in Goldman Sachs' bets on the collapse of the housing market, the crisis was deliberately provoked in order to transfer wealth into the hands of Wall Street speculators. The gospel of the "free market" did not prevent the banks and their political representatives from looting the public treasury to guarantee the bad debts of the financial aristocracy. These debts, transferred to government balance sheets, are now to be paid through cuts in critical social programs.

89. The actions taken by the financial elite and its political representatives in response to the crisis have vastly expanded the power of the banks. Thanks to a series of bank failures, the top four commercial banks in the US—Citigroup, JPMorgan Chase, Bank of America and Wells Fargo—now control about 70 percent of the country's bank assets, up from less than 50 percent at the end of 2000.

90. There is not a single social need that can be met so long as these institutions remain under private control. The banks and other big financial institutions must be expropriated, with full protection for small depositors, placed under public ownership, and operated under the democratic control of the working class. This will make available enormous resources for a public works program to eliminate poverty and meet social needs in the US and internationally.

#### *For the nationalization of major corporations*

91. Next to the banks stand the giant corporations. The extent of monopolization in the US is greater than at any point in history. Decades of deregulation and corporate consolidation have created conditions in which a few massive businesses—such as ExxonMobil and ChevronTexaco in energy, Archer Daniels Midland and Monsanto in agribusiness, Johnson & Johnson and Pfizer in pharmaceuticals, and Microsoft, Apple, Google and Intel in computer technology—dominate markets, dictate government policy, and exploit hundreds of thousands of workers around the world.

92. The claim that these giant corporations are most efficiently run when under private control is a fraud. These corporations work tirelessly to defend their own narrow interests at the expense of society as a whole—from preventing the development of alternative sources of energy and public transportation, to maintaining monopolies in computer

operating systems.

93. All privately owned industrial, manufacturing and information technology corporations valued at \$10 billion or more must be transformed into publicly owned enterprises, with full compensation for small shareholders and guarantees for all pension and health care fund investments. Industries critical to the basic functioning of society—including telecommunications, agriculture, education, health care and transportation—must also be subject to public ownership and democratic control.

94. This does not mean the nationalization of everything. Small and medium-sized businesses, which employ millions of workers, are themselves in desperate need of reliable sources of credit and relief from the unfair monopolistic practices of the large corporations.

### ***For workers control***

95. The expropriation of the banks and corporations must be accompanied by the establishment of genuine democratic control over production. This is the necessary basis for the development of a rational plan of global production and distribution to replace the anarchy of the capitalist market and ensure that all decisions are based on social need.

96. The aim of socialist policy is not to replace capitalist financiers with unaccountable bureaucrats. Industrial democracy means real control by working people over their working lives. What is democratic about a system in which the place where most people spend the bulk of their time—the work place—is run as a dictatorship? Decisions affecting conditions of work, safety, salaries, hiring and hours must be subject to the democratic voice of the workforce. This presupposes the opening of the books of all corporations for inspection by the workers and the broader public, and the ratification of corporate leadership by a democratic vote of all employees.

### ***For social equality***

97. One of the basic tests of whether a society is moving forward or backward is whether it is becoming more equal or less equal. The levels of inequality that exist in the US are virtually without precedent in history. The past four decades have seen a shocking growth of inequality. In the 1970s, the top 1 percent of the population took in about 8 to 9 percent of annual income. By 2007, its share had soared to 23.5 percent, a level not seen since the 1920s, on the eve of the Great Depression. During this same period, 58 percent of all income growth has gone to the top one percent of the population, and 35 percent to the top one-tenth of one percent. Income for the bottom 60 percent of the population declined by about 5 percent.

98. On a world scale, there are now more than one thousand billionaires, including more than 400 in the US. Collectively, this layer of the super-rich saw their wealth grow by 50 percent in 2009, to \$3.6 trillion. The wealth of this layer has grown amidst the greatest economic crisis in generations due to the policies of governments throughout the world, above all the Obama administration. The multi-trillion-dollar bailout of the financial system was accompanied by the rejection of any measures that would curb compensation for corporate executives and hedge fund managers.

99. The apologists for capitalism claim that inequality is not related to the economic crisis, as if the withdrawal of trillions of dollars from productive use has no economic impact. The continual and insatiable drive

of the financial aristocracy for more and more money has bankrupted the country and fueled one speculative binge after another. The same corporate CEOs who say they have no money to pay decent wages and who carry out massive job cuts somehow manage to pay themselves and their top executives millions or even tens of millions of dollars every year.

100. Immediate measures must be taken to promote social equality and a radical redistribution of wealth, including a progressive income tax that places the burden of taxation on the rich, while lowering taxes for the vast majority of the population. Taxes on the profits of all major corporations must also be sharply increased.

101. The expropriation of the rich is justified not only economically and politically, but also morally and legally. Balzac's adage that behind every great fortune stands a great crime is certainly true of today's aristocracy. From Enron to the subprime mortgage racket, so much of this wealth has been garnered through methods that have been thoroughly destructive and outright criminal. Yet only an insignificant handful of these corporate criminals have been held accountable, and those most culpable get off scot-free. The SEP advocates the investigation and prosecution of those involved in speculative activities and criminal misappropriation of social and corporate resources.

102. The fight for social equality includes opposition to all forms of discrimination based on race, gender, ethnicity, religion, national origin and sexual orientation. However, genuine equality does not mean the rationing out of limited education and job opportunities on the basis of race or other categories. Such affirmative action policies benefit only a privileged few, while pitting white and minority workers and students against one another in a divisive struggle for jobs and college admission. We insist on full equality, within the framework of a massive social investment to guarantee all social needs, including free and open admission to universities. Only such a policy, based on the unity in struggle of all sections of working people, can create the conditions for a society in which all people can enjoy economic security and realize their full potential.

### **Political and Democratic Demands**

103. There are, finally, a series of democratic and political demands that are of critical importance to the future of the working class. Its struggle cannot be confined to demands of an economic character, however important they are in themselves. Working people must be continuously mindful of the broader political and international context in which the fight against "their" ruling class unfolds. The SEP includes in its program demands that address themselves to crucial political issues:

#### ***Defend democratic rights***

104. The growth of social inequality is incompatible with democracy. The new aristocracy brings with it the aristocratic principle of government, in which the state functions ever more openly as an instrument of class rule. From ancient Rome to pre-revolutionary France and Russia and up to the present, those who have accumulated great wealth will use any means to keep it. Basic democratic rights in the US established by the American Revolution and Civil War—including the rights of free speech and political association, the right to vote, the right to due process safeguards in criminal proceedings, and protections against illegal searches and seizures—are today under relentless assault.

105. The attacks of September 11 have been used as a pretext to massively expand domestic spying, restrict freedom of speech and association, and increase the powers of the executive branch. The American ruling class has erected a vast “national security state,” including the Department of Homeland Security, backed by hundreds of separate government agencies and private companies. The powers of the FBI and the National Security Agency to spy on the population have been expanded through the Patriot Act and executive orders. The US government has declared the power to hold anyone, including US citizens, indefinitely without charge.

106. The attack on democratic rights is deeply rooted in the structure of American society, particularly its extreme levels of social inequality, and is not the product of one administration. This is proven by the actions of the Obama White House, which has deepened the anti-democratic policies of Bush. It has opposed the investigation of Bush administration officials for violations of the Constitution, continues to support the Patriot Act and other anti-democratic legislation, has suppressed the publication of photos depicting torture and other evidence of criminality, and has invoked the state secrets privilege to block lawsuits by victims of torture. Obama has also sharply expanded the persecution of government whistleblowers and is leading a campaign against WikiLeaks for publishing documents that reveal the criminality of US military operations.

107. Lacking any solution to the crisis besetting American society, the American ruling elite and its government resort to locking up a greater portion of the population than any other country on earth. The self-proclaimed leader of the “free world” holds 2.3 million people behind bars under conditions of extreme brutality, while more than 5 million are on supervised parole or probation. The US remains one of the few advanced countries to employ the death penalty, executing 1,216 individuals since the Supreme Court sanctioned the resumption of judicial killings in 1977.

108. The defense of democratic rights requires shutting down the national security state apparatus and its multiple agencies—the Department of Homeland Security, the CIA, FBI, NSA—and the repeal of the Patriot Act and other police-state measures imposed in the name of the “war on terror.” The working class must launch a counteroffensive against the attempts by the ruling elite to whip up reactionary social and political forces in support of its attacks on basic rights. It must strive not only to defend the democratic and social gains of the past, but to democratize American society. This must include the repeal of the death penalty and the dismantling of the domestic police and prison complex.

### *Oppose militarism and war*

109. The growth of militarism poses the starkest threat to democratic rights. Half a century ago, President and former World War II commander Dwight D. Eisenhower warned against the emergence of a “military industrial complex” with the “potential for the disastrous rise of misplaced power.” The American people, he cautioned, “should take nothing for granted.” The military’s power has grown uninterruptedly in the intervening decades, while its transformation into an “all-volunteer” force has isolated it increasingly from the democratic sentiments of the population.

110. Today’s soldiers, largely drawn from among working class youth, are subjected to continuous deployments. Tens of thousands suffer post-traumatic stress, horrific injuries or death in Washington’s neo-colonial wars. They are taught that they are “warriors” in an attempt to create what amounts to a separate military caste. The officer corps has become increasingly politicized and right-wing, with its senior members openly

challenging the civilian government on matters of policy. In its social position and ideology, the American military has become more and more like its counterparts throughout the world that have carried out armed coups and imposed bloody dictatorships.

111. The military plays an ever more direct role in American political life. The Posse Comitatus Act, which prohibits the use of the military within the US, has been undermined through the open use of the military in domestic settings. The creation of the Northern Command has established for the first time a military command structure overseeing the US. All of these measures are the embryonic foundation for military-police rule in the United States.

112. The world economy is integrated as never before in a single system of production, and yet this has only exacerbated the conflicts between nation-states and heightened the danger of war. Bush’s “wars of the Twenty-First Century” began with the US invasion of Afghanistan in October 2001, now the longest military engagement in the country’s history. This was followed by the invasion of Iraq in March 2003. These two wars have been accompanied by a series of smaller engagements and the growing threat of a much broader conflict between the major powers.

113. Hundreds of thousands of Iraqis and Afghans have been killed by US aggression, and millions more turned into refugees. About 7,000 US and other foreign occupation troops have lost their lives. All over the world, atrocities carried out by the American military against civilians have become routine, while the US openly upholds the right to assassinate its perceived opponents—including US citizens.

114. The Obama administration has expanded these wars, including a massive surge of US soldiers in Afghanistan. Bombing campaigns in Pakistan have increased, and the administration is expanding threats and sanctions against Iran.

115. Enormous resources are expended by the American state in producing the most advanced means of destruction imaginable. Adding together the military budget and direct spending for US war abroad (over \$700 billion total) to military-related spending outside of the Department of Defense, total annual military spending exceeds \$1 trillion.

116. Both Republican and Democratic administrations invoke the strange and unexplained events of September 11, 2001 as justification for an unending global “war on terror.” In reality, this is merely a pretext for wars of aggression that are being fought to secure US hegemony over regions that are of vital geo-strategic importance and contain much of the world’s oil, gas and other natural resources.

117. The economic crisis has sharply increased global tensions, which threaten at any point to break out into war. The US is actively preparing for a military conflict with China, while the old divisions in Europe that led to two world wars are reemerging. American imperialism’s attempts to exploit the collapse of the Soviet Union to expand its influence in Eastern Europe and the former Soviet republics is leading to increasing tensions with Russia, which poses the threat of direct military conflict, as seen in the US-backed Georgian assault on South Ossetia in August 2008. And, just as in the 1930s, economic and trade conflicts exacerbated by the global capitalist crisis must inevitably lead to military tensions between the US and its erstwhile capitalist allies in Europe and Japan. With the major powers now armed with nuclear weapons, a new world war will threaten the future of civilization.

118. The SEP calls for an immediate and unconditional withdrawal of all US, British and other foreign troops from Iraq and Afghanistan. Those responsible for planning and waging aggressive war must be held accountable. The vast US military and intelligence apparatus must be dismantled, with the shutting down of the hundreds of US overseas military bases and the disbanding of the standing army. This will free up immense resources to pay reparations to countries ravaged by US militarism, as well as meet critical social needs at home.

119. The only progressive alternative to militarism is socialist

internationalism—the struggle to unite the working class internationally in the fight for a socialist future in which the world’s resources can be utilized and developed cooperatively to eliminate the scourges of poverty, disease and ignorance and to raise the living standards and cultural level of all mankind.

### ***Defend the rights of immigrant workers***

120. The working class as a whole must take up the defense of the rights of immigrant workers against the super-exploitation of the capitalist employers and the repression of the police and immigration authorities.

121. The corporate-controlled politicians and media scapegoat immigrants and whip up racist and chauvinist sentiments. They promote the contemptible lie that this oppressed section of the working class is to blame for rising unemployment, falling wages and attacks on social conditions—the product of the corporate-driven attack on the entire working class. Their aim is to divert rising popular anger and frustration away from the capitalist system and divide and weaken the working class as a whole.

122. Sections of the political establishment are proposing blatantly racist and anti-democratic measures that would facilitate the mass roundup of immigrants. There are also growing calls to modify the 14th Amendment of the Constitution to eliminate the guarantee of citizenship for all those born in the US. The attack on this basic democratic right—established after the Civil War not only to guarantee citizenship for freed slaves, but to guarantee equal protection before the law and due process for all citizens—is a threat to the entire working class.

123. The Obama administration, with the help of its liberal and supposedly “left” supporters, has exploited popular anger over these policies to push for its reactionary measures, under the banner of “comprehensive immigration reform.” Obama is now leading the drive to increase the militarization of the border (including the use of unmanned Predator drones), expand workplace raids, and deport immigrant workers. Stepped-up policing along the border has led to a sharp increase in the number of workers who have died in the desperate attempt to cross into the US in search of employment. Among the proposals advanced by the administration is the introduction of a biometric ID card, a first step toward a national ID card that would facilitate government monitoring of the entire population.

124. The SEP fights for the repeal of all anti-immigrant laws and the disbanding of Immigration and Customs Enforcement (ICE) and the US Border Patrol. It calls for all undocumented workers to be guaranteed full legal rights, including the right to work and the right to travel to their home countries without the threat of being barred from returning and torn from their families. Against the attempt to militarize borders and persecute immigrants, not only in the US but all over the globe, the working class must uphold the principle of open borders—the right of workers to live and work in whatever country they choose with full citizenship rights.

### **The Political Independence of the Working Class**

125. The fight for this program—for the social needs of the working class, for the defense of democratic rights, for an end to war—raises at every point the necessity for the independent political organization of the working class. It is impossible for the working class to advance its interests within the framework of the Democratic Party and the capitalist

two-party system in the US.

126. The experience of the Obama administration has once again demonstrated the right-wing, pro-corporate nature of the Democratic Party. Every aspect of the administration’s policy—the expansion of war, the bailout of the banks, the wholesale attack on the working class and the persistent calls for cutting social programs—has been dictated by the corporate and financial elite that controls the political system in the US. To the extent that differences exist between the two parties, they are of a tactical character—over how best to defend profits and prevent the development of an independent opposition in the working class.

127. The fight for the political independence of the working class means a struggle against all those middle-class organizations, including nominally “socialist” groups, which claim that the Democratic Party can be pushed to the left through mass pressure. This position is aimed at preventing the working class from establishing its own independent political party.

128. In fact, the Democratic Party long ago abandoned even a nominal commitment to social reform. The rightward movement of the Democratic Party has been accompanied by attempts on the part of its middle-class supporters to promote all manner of lifestyle issues and identity politics as a means of obscuring the question of class and social equality.

### ***For new organizations of working class struggle***

129. The interests of the working class can be secured only through mass struggle. All history demonstrates that nothing is handed down from above. Democratic rights, social reforms, the eight-hour day, the prohibition against child labor—even these gains won under capitalism were the byproduct of revolutionary upheavals.

130. New popular organizations of the working class must be built in opposition to the existing trade unions. The AFL-CIO and the Change to Win Coalition are not working class organizations, but auxiliary arms of corporate management. They work actively to increase the exploitation of the working class and to isolate and demoralize any opposition from among the workers themselves. They encourage nationalist sentiments, dividing different sections of the working class against each other. Politically, the unions work to channel the working class behind the Democratic Party and thereby subordinate it to the politics of the capitalist class.

131. Over the past four decades there has been a collapse in the number of strikes, the elementary form of class militancy—from 35 million lost man-days due to strikes in 1968, to 16 million in 1972, to less than two million today. This is due not to a decline in social tensions—social inequality has soared during this same period—but to the betrayals of the trade union bureaucracy. At the same time, the wealth of the union bureaucracy has become increasingly disconnected from the conditions of the membership, or even the number of unionized workers. From 2001 to 2008, the membership of the United Auto Workers fell from 701,000 to 431,000—a decline of about 40 percent—but the UAW’s billion-dollar assets increased. This was a period that saw repeated concessions contracts imposed on auto workers, reducing wages and benefits and introducing multiple-tier wage systems.

132. To advance its interests, the working class must build genuine mass organizations—rank-and-file workplace, factory and neighborhood democratic action committees—animated by the spirit of revolutionary intransigence and opposition to the two parties of big business. These organizations must begin with the needs of the working class and must be democratically controlled by the working class. They must take ever greater responsibility for unifying the working class—employed and

unemployed, skilled and unskilled, native-born and immigrant, across different industries and workplaces—and organizing their common struggles against the capitalist class.

### ***For a workers government***

133. These independent organizations of workers' power must be instruments for the revolutionary mobilization of the working class to take political power into its own hands, breaking the dictatorship of Wall Street and the corporate elite over political, economic and social life. This can be realized only through the establishment of a workers' government—that is, a government of the working class, by the working class and for the working class, which will implement the socialist policies that are required to meet the needs of working people.

134. Socialism cannot be achieved simply through the election of socialist candidates to the existing state institutions. The state and its institutions are democratic only in the most formal sense. In reality, they are instruments of corporate domination created by capitalism, in which the Democratic and Republican parties, the twin parties of the ruling class, exercise a monopoly.

135. Those who populate Congress, the White House and the major courts are representatives of one or another corporate interest and the financial aristocracy as a whole. Through various means—including egregious ballot access restrictions, the domineering influence of money in the electoral process, and the corporate control of the media—the ruling class seeks to exclude any genuine expression of the interests of the working class.

136. A workers' state must be based on new forms and structures of participatory democracy—arising in the course of revolutionary mass struggles and representative of the working class majority of the population. This will ensure that such a government is truly popular and democratic, based on bodies elected directly from the factories, offices and other workplaces as well as the working class neighborhoods.

137. The policy of such a government, as it introduces those measures essential for the socialist transformation of economic life, will be to encourage and actively promote a vast expansion of democratic working class participation in, and control over, decision-making processes.

### **The International Unity of the Working Class**

138. The Socialist Equality Party is the only party whose program is based on the common interests of the international working class. It is aimed at forging a united movement of workers of every country.

139. The problems workers confront in the United States are, in essence, the same as those confronting workers in every other part of the world. War, attacks on democratic rights, exploitation, unemployment, poverty and environmental destruction are not merely American problems. They are world problems that require global solutions.

140. Capitalism is a global economic system. Vast transnational corporations scour the world for the cheapest labor and for raw materials, producing for a world market. The same banks and financial markets dictate policy in every country. Because production is global, the problems of mass society can be resolved only on the basis of an international socialist program.

141. The SEP rejects the position that globalization is itself the problem, and that the task is to reestablish a national economic framework and

strengthen the nation-state. The immense growth of technology and communications associated with globalization provides the basis for a dramatic improvement in the living standard of every human being. The problem is not globalization as such, but the subordination of the global economy to private profit and the interests of the wealthy.

142. When big business and its political representatives use low wages outside the US to justify the continual assault on wages and benefits in the US, this only underscores the need for American workers to unite politically with workers internationally in a worldwide struggle for socialism against the economic tyranny of the transnational corporations.

143. The SEP rejects all forms of nationalism, ethnic and religious chauvinism, and racism. This includes the deliberate promotion of anti-Arab and anti-Islamic sentiment to justify criminal US-led wars in the Middle East and Central Asia.

### **Build the Socialist Equality Party! Build the Fourth International!**

144. The Socialist Equality Party bases itself on the great traditions of the international socialist movement. Socialism stands for equality, human solidarity and cooperation, the material and spiritual liberation of mankind from oppression and want. The theoretical labors of Karl Marx and Friedrich Engels established the historical necessity for socialism and laid the foundations for the creation of the modern revolutionary workers movement. With the 1917 October Revolution, socialism became the program of a mass popular movement that overthrew capitalism and established the first workers state—the Soviet Union. The Russian Revolution was part of a broader international struggle of the working class for social equality. Every major advance of American workers was associated with socialism and spearheaded by socialist-minded militants—from the eight-hour day, to child labor laws, to universal public education, to the formation of mass industrial unions, to the end of Jim Crow segregation in the South.

145. Like many great ideals, socialism has been abused and betrayed. In the Soviet Union, it was betrayed by a counter-revolutionary bureaucracy led by Joseph Stalin. Stalinism was not the continuation of the egalitarian and internationalist legacy of the Russian Revolution. It was a conservative, bureaucratic reaction against the revolution, based on the nationalist program of “socialism in a single country.” The Stalinist bureaucracy crushed workers' democracy, imposed dictatorial rule, executed the genuine Marxists and subverted revolutionary struggles of the working class around the world—all in the name of “socialism.” This betrayal of the Russian Revolution and socialism culminated in the direct collaboration of the Kremlin bureaucracy with international imperialism in the breakup of the Soviet Union and restoration of capitalism at the beginning of the 1990s.

146. The SEP bases itself on the legacy of the best, most courageous and far-sighted representatives of the working class, who fought for socialism in opposition to bureaucracy. The greatest embodiment of this tradition was Leon Trotsky, co-leader with Lenin of the Russian Revolution. Trotsky led the struggle against the betrayals of Stalinism, dating back to the founding of the Left Opposition in 1923, and laid the basis for the rebirth of the international workers movement through the founding in 1938 of the Fourth International—the World Party of Socialist Revolution. The Fourth International, led by the International Committee, is today the only genuinely revolutionary party of the working class on the planet.

147. America has also produced great fighters for socialism—men and women who battled the labor bureaucrats and devoted their lives to the liberation of the working class. Among them are such figures as Big Bill Haywood, Eugene Debs and James Cannon. American workers must re-

appropriate this rich socialist heritage in order to organize the struggle today to transform society in the interests of the people and put an end to poverty, exploitation and oppression in the United States and throughout the world.

148. We call on all those who agree with this program, support the fight for social equality, and oppose war and the assault on democratic rights to join the Socialist Equality Party and take up the fight for socialism.



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Socialist Equality Party visit:

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