

US election campaign ends amid deepening economic crisis

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The campaign for the midterm US election Tuesday is coming to an end under the shadow of an intractable and deepening economic crisis and the evident inability of the Obama administration to develop any policies to overcome it.

All 435 seats in the House of Representatives, 36 of the 100 seats in the Senate and governorships in 39 of the 50 states are at stake. The Democratic Party, which holds a 59-41 edge in the Senate and a 255-178 edge in the House, is expected to lose a significant number of seats in both houses, with media projections of a Republican takeover of the House but not the Senate.

These predictions are highly uncertain, however, since the exact scale of a Democratic Party defeat depends on the turnout, particularly among those groups, such as youth and minorities, who voted in huge numbers for Barack Obama in 2008.

Moreover, there is an enormous degree of manipulation in the media speculation about an impending “wave” election that would return the Republicans to power after two elections, in 2006 and 2008, in which they were repudiated massively by the American people and lost control first of Congress and then the White House.

The media coverage, particularly the incessant promotion of Tea Party elements as the supposed harbingers of a major shift in public opinion to the right, seems to be directed towards producing the desired result: a Republican takeover of at least the House of Representatives.

Careful examination of the opinion polls suggests a more cautious projection, with some 20 to 25 House Democratic incumbents significantly trailing their Republican opponents, little over half the 39 seats required to deliver a majority to the Republican Party.

The outcome for both House and Senate could come down to the counting and recounting of ballots for dozens of closely contested seats, with the inevitable appeals for court intervention to include or exclude ballots.

This is an increasing trend in American politics. The vote on November 2 comes ten years after the stolen election of

2000, when right-wing elements in the Republican Party, the military, the media and the US Supreme Court stepped in to suppress the counting of ballots in Florida and award the White House to George W. Bush.

If the Democratic Party does contrive to lose control of the House and/or Senate, it is fundamentally because of the widespread and justified sense of betrayal among working-class voters. The greatest disillusionment comes over the refusal of Obama and the Democrats to take any serious action to deal with the growth of mass unemployment, the explosive increase in foreclosures and evictions, and the spread of poverty on a scale not seen since the Great Depression.

In the election campaign that is concluding, the Democrats and Republicans have sought to conceal the objective realities of the capitalist crisis amid a barrage of media manipulation, distortion and mudslinging, fueled by an unprecedented outpouring of corporate cash.

More than \$4 billion have been expended for and against the candidates of both parties, with the population bombarded with attack ads, smears and diversions whose effect is to deepen the alienation of the people from both parties and the entire electoral charade.

The election campaigns of the two big business parties have entirely avoided such critical issues as the war in Afghanistan, the continued US occupation of Iraq, the environmental catastrophe in the Gulf of Mexico brought about by BP, and the intensified assault on the democratic rights of the American people carried out in the name of fighting “terrorism.”

If the Republican Party is expected to make political gains, it is not because of any growth in popular support for its right-wing program of tax cuts for the wealthy, the slashing of spending on Social Security and Medicare, deregulation of business and increased militarism.

Pre-election polls have consistently shown that the Republican Party is even more despised than the Democrats, and that increasing numbers want an alternative to the existing political system. Nor is there any great upsurge of

support for the Tea Party, an ersatz “movement” largely bankrolled by a handful of ultra-right billionaires.

The Republicans will profit from the failure of the Obama administration because the two-party system keeps the working class effectively disenfranchised, with official politics limited to the alternation in office of two right-wing, pro-Wall Street parties.

The Republican candidates have denounced the Obama administration for its failure to address the rising tide of joblessness. Obama and the Democrats have responded that their opponents want to turn the clock back to the policies of the Bush administration, which created the conditions for the Wall Street crash of September-October 2008.

The truth is that neither party has any solution to the crisis of American and world capitalism. The trillion-dollar bailout of Wall Street, begun under Bush and continued by Obama, temporarily stabilized the financial system and enabled the banks and hedge funds to reap huge profits and restore their outlandish CEO salaries and bonuses, but did not resolve the crisis.

Capitalist governments all over the world have followed the same course, borrowing huge sums to prop up the banks and investment houses. Now they are all engaged in efforts to make the working class pay for the bailout through wage cutting, the elimination of jobs, and drastic austerity policies aimed at dismantling what remains of the welfare state.

These austerity policies do not and cannot offer a way out of the crisis, since they are predicated on slashing domestic consumption, and consumer spending generates the bulk of economic activity. Nor can all the countries engaged in world trade simultaneously increase their exports and reduce their imports.

Instead, the slashing of labor costs to gain a competitive advantage for export industries results in a race to the bottom and the driving down of wage levels to the lowest common denominator.

Even the United States, the largest national economy, is subject to the dictates of the world market. This subordination to global forces is expressed in the steady decline in the value of the American dollar, which threatens to trigger a global crisis of confidence in the US currency and in US financial assets generally.

In the past month, the American dollar has for the first time in history fallen to below par against both the Canadian and Australian dollars, and to well below a 1-1 ratio with the Swiss franc. The dollar’s value against the yen has fallen to a 15-year low, and it now requires \$1.40 to buy a single euro.

Under these conditions, the next US Congress, whether controlled by the Democrats or Republicans, or shared between them, will be compelled to embark on radical

austerity policies. This is likely to be accompanied by a rise in interest rates at the hands of the Federal Reserve, carried out to defend the value of the dollar. Such a move will have a drastic impact on economic activity.

The stage has been set for austerity measures by Obama’s appointment of a bipartisan panel on the federal deficit, which is to report back to the White House and Congress December 1. The panel is expected to recommend some combination of increased consumption taxes, such as a national sales tax, and major cuts in benefit programs like Social Security, Medicare and Medicaid.

In his final appeals to the electorate, President Obama again signaled a turn to the right by his administration following Tuesday’s vote. He pledged in his Saturday radio address to “seek out common ground” with his Republican opponents. “There are some practical steps we can take right away,” he said, “not Democratic or Republican ideas, but proposals that have traditionally been supported by both parties.”

Under conditions where the US ruling class and both its parties are moving ever further to the right, and the American working people are moving to the left, a political break with the existing structure is the only way forward. The working class must make a decisive break with the two-party system and build an independent mass socialist party of its own.

In the struggles of the working class that erupt after the elections—against the destruction of jobs, living standards and democratic rights, and against imperialist war—the necessity for an independent political alternative will be directly posed before millions. The critical question is the building of the Socialist Equality Party to provide the necessary program and leadership.



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