

Labor Day 2011: The failure of capitalism and the Obama administration

Socialist Equality Party
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On Labor Day 2011, the American working class faces a social disaster.

As many as 25 million workers are either unemployed or underemployed. Working-class living standards are falling sharply. Employers are cutting back or eliminating benefits like health insurance and pensions. The public social services on which tens of millions depend, like education, Medicare, Medicaid and Social Security, are targeted for massive budget cuts.

There is a growing realization among tens of millions of working people that talk of an economic “recovery” is a lie. Trillions have been handed to the banks to safeguard the wealth of corporate executives and Wall Street speculators. Meanwhile, the economic situation facing the vast majority of the population is only getting worse. The present world crisis is the most serious since the Great Depression.

There is one striking difference between now and the 1930s. In the 1930s, a section of the ruling class in the United States, under conditions of social upheaval, was compelled to advance an agenda of social reforms. The government oversaw significant federal works programs as well as the introduction of Social Security.

Nothing of the sort is being offered today. Instead, under the leadership of the Obama administration, the economic crisis is being used as an opportunity to reverse all these previous gains. The Democrats and Republicans confine their “debate” to how many trillions of dollars to slash from federal spending on Medicare, Medicaid, food stamps and Social Security. The watchword from all the big business politicians is that there is “no money” to meet the social needs created by the economic crisis and mass unemployment.

One fact shows the claims of “no money” to be a lie. Giant corporations and banks are sitting on a cash hoard now estimated at more than \$2 trillion—an amount sufficient to wipe out the combined deficits of federal,

state and local governments overnight, and enough money to hire every unemployed worker in America at a decent salary and benefits.

The capitalists are now engaging in an investment strike, refusing to invest in new production or to hire new workers because it is more profitable to speculate in the financial markets. The weight of long-term mass unemployment helps the bosses drive down wages, benefits and working conditions.

Both Obama and the Republicans agree that only the private sector can create jobs, and they offer variations on the same policy of tax cuts, deregulation and other favors to corporate interests.

The universal agreement within the ruling class on the program of social counterrevolution is a product of 1) the long-term decline of American capitalism; and 2) the rise of a financial aristocracy that controls the political system and has an essentially parasitic relationship to society as a whole.

The working class needs a program to fight the economic disaster we now confront. The Socialist Equality Party insists that there can be no solution to the economic and social crisis, in the United States and internationally, that does not attack the capitalist system and the profit interests of the giant corporations and banks.

The Socialist Equality Party demands:

A multi-trillion dollar public works program! A job at a decent wage is a social right!

We call for an emergency public works program to put 20 million people to work in high-paying, productive jobs. This would include rebuilding crumbling

infrastructure (public facilities, highways, mass transportation, water and sewage systems, hospitals and clinics), restoring the damage from hurricanes, tornadoes and other natural disasters, and providing needed social services like education, health care and recreation.

Stop evictions and foreclosures!

The SEP calls for a one-year moratorium on mortgage payments for working-class homeowners. All evictions and foreclosures must be ended. Homeowners must be allowed to refinance their mortgages at the lower rates now available to the banks, but not passed on to homeowners. The principal on mortgages must be reduced sharply to reflect the decline in housing prices.

Rescind all budget cuts and expand public services!

All state and local government workers laid off over the past four years must be rehired and the cuts in vital social programs and services rescinded. Hundreds of thousands of new public school teachers must be hired to reduce class sizes and guarantee a decent education for all youth, regardless of income and class background. Quality health care must be guaranteed as a social right.

Make the capitalists pay for the crisis!

The resources exist in abundance to carry out such an emergency program, but they are being monopolized by the super-rich. The 400 richest individuals in America saw their wealth soar to \$3.6 trillion in 2009, while the vast majority of the American people saw their own financial resources dwindle. The top one percent of the US population has seen its share of national income grow from 9 percent in 1970 to 24 percent in 2007.

Immediate measures must be taken to establish social equality, including a 90 percent tax on all incomes over \$500,000, along with a similar wealth tax on multimillionaires and billionaires.

A socialist program

The implementation of even the most minimal demands is impossible without a direct attack on the power of the capitalist class, which exercises a stranglehold over the economy and the entire political system.

There is not a single social right that can be met so long as the banks and giant corporations remain under private control. The nationalization of these institutions, under the public ownership and democratic control of the working class, is the essential prerequisite to a program of wealth distribution and economic planning to meet social need, not private profit. This is the necessary basis for the socialist transformation of the economy, in the United States and internationally.

To fight for this program, the working class must break out of the straitjacket of the trade unions and all those organizations that seek to maintain the political control of the Democratic Party.

Labor Day in Detroit, where UAW President Bob King and AFL-CIO President Richard Trumka join President Obama on the platform, personifies this reactionary lineup. Obama has continued and even escalated the Bush administration's program of imperialist war abroad and attacks on democratic rights at home. Obama expanded the bailout of Wall Street and successfully imposed a 50 percent cut in wages on auto workers. Yet the unions are preparing to mobilize their full resources to back the reelection of this right-wing pro-corporate president.

The urgent task is the building of a new political leadership and perspective. The Socialist Equality Party is spearheading the fight for the independent industrial and political mobilization of the working class in a struggle against the two-party capitalist system. We urge all workers and young people who agree with this program to join the SEP and take up the fight for socialism.

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