

Hurricane Sandy and capitalist “free enterprise”

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Mass social events that impact tens of millions of people, especially those such as Hurricane Sandy that leave devastation in their wake, inevitably expose fundamental economic and social contradictions at the very heart of American society.

With eight million people across the Eastern seaboard without electricity, the New York City subway system and mass transit in much of New Jersey shut down, the country’s commercial air system in disarray, and untold thousands of homeowners and shopkeepers facing economic ruin, it is clear that what is called for is a massive and centrally coordinated social response.

The flood surge from Sandy has once again placed in sharp relief the complex and interconnected character of modern society and the need for rational and socially-driven planning.

Damage estimates range from \$50 billion to \$70 billion. US insurance companies cover only a half or less of damages from a hurricane. They do not compensate homeowners for flood damage. As was the case with Hurricane Katrina and the BP oil spill, many of those who have been financially ruined by this week’s storm will never recover.

What is required is a huge allocation of resources—in the tens and even hundreds of billions of dollars—to restore power and mass transit as quickly as possible, repair the infrastructure damage, make families that have been hit by the storm whole, and launch a comprehensive program to upgrade and modernize anti-storm and flood-control systems, mass transit, and the electrical generation and transmission system.

This, however, is made impossible by the existing, capitalist system. Private ownership of the means of production and the subordination of economic life to

corporate profit, the foundations of capitalism, at every point cut across the mobilization of social resources in the common interest.

In the teeth of the storm, the nostrums of the “free market” and “small government” were set aside as all eyes turned to Washington for aid. Thus, the hard-right Republican governor of New Jersey, Chris Christie, lavished praise on Obama—only days before the election—for quickly declaring a state of emergency in his state and freeing up federal recovery funds.

But in the storm’s aftermath, the watchword in the media and the political establishment is the existence of so-called “fiscal constraints” that supposedly preclude any large-scale, centrally organized effort to recover and rebuild from the storm, and take the steps needed to minimize both the frequency of extreme weather events and the damage they cause.

President Obama, even as he pledged to provide “all available resources,” declared, “It is not going to be easy for these communities to recover.” Similarly, New York’s billionaire mayor, Michael Bloomberg, said that the destruction wrought by Sandy “is going to be felt for quite some time.”

The *Wall Street Journal* wrote that “local, state and federal taxpayers will likely take the lead in financing repairs to subways, roads and other infrastructure.” In other words, there will be no serious national response.

In a society whose basic productive forces are owned by private interests, those interests dictate the priorities of politicians and governments. Thus, all necessary resources were deployed to get the New York Stock Exchange up and running by Wednesday, while Bloomberg warned working class residents of public housing projects and blacked out communities in Manhattan, Brooklyn and Queens that it

might take days, or even a week or more, to restore electricity to their homes.

More broadly, “fiscal constraints” did not prevent the US government from handing over trillions of dollars in taxpayer funds and subsidies to rescue the Wall Street banks and insure the fortunes of the financial speculators. Events such as Hurricane Sandy highlight the crippling consequences of a system that diverts massive social resources to maintain an utterly parasitic financial aristocracy.

Sandy was a gigantic and highly destructive storm. But the hurricane’s impact was made worse by decades of social neglect, lack of preparation for such an event, and the decay of basic infrastructure. These too are rooted in capitalist private ownership and the priorities of the profit system.

The *New York Times* reported Wednesday that scientists have for years been warning New York city and state officials of the likelihood of a weather disaster involving widespread flooding and damage to the electrical and transit systems. Climate change, they said, was producing “rising sea levels, more frequent flooding and extreme weather patterns.”

A Blue Ribbon Commission appointed in 2007 by New York’s Metropolitan Transportation Authority warned of precisely the type of flooding of subway tunnels that occurred this week. It urged the creation of “strategic storm barriers for the NYC harbor and estuary.”

The *Times* article, however, cautions that building such storm barriers would be “daunting, given fiscal realities.” Their estimated cost—\$10 billion—is, in fact, a drop in the bucket compared to the hundreds of billions in public funds handed to the banks headquartered in Manhattan by presidents Bush and Obama.

As for New York’s “fiscal realities,” Obama, Mayor Bloomberg and New York Governor Andrew Cuomo have all opposed any increase in taxes on hedge funds or banks, instead demanding ever more draconian cuts on social programs, jobs and public-sector wages.

The electrical system is another case in point. Privately owned utilities such as New York’s Consolidated Edison have for decades been scrimping on maintenance, let alone modernization, in order to bolster their bottom lines. Last summer, however, ConEd marshaled the time and money to lock out its workers for a month so as to eliminate defined

pensions for new-hires and impose higher health care costs on its employees.

The existing electrical generation system in the US is an irrational, outmoded and poorly functioning hodgepodge dominated by rival corporations. There are more than 3,100 electric utilities, with for-profit companies providing power to 73 percent of the nation’s customers.

The American Society of Civil Engineers in 2009 gave the country’s energy system a D-plus, noting that annual investment in new transmission facilities has generally declined or been stagnant for the past 30 years. It estimated that electric utility investment needed to be increased by \$1.5 trillion by 2030.

Without a radical change in course and social priorities, including a policy to contain global warming and upgrade basic infrastructure, disasters such as Hurricane Sandy are likely to become a more and more frequent fact of life in the US and internationally. Under conditions of a global economic crisis and mass unemployment, the impact on millions of working people will be ever more brutal.

To confront this threat, working people must recognize the root of the problem is the capitalist system itself and make the conscious decision to build an independent political movement fighting for socialism. The means of production must be taken out of private hands. The major corporations and banks must be nationalized under the democratic control of the working class.

This will provide the basis for a workers’ government to distribute the social wealth on an egalitarian basis and rationally plan the development of economic life to provide for the common welfare, rather than private profit and personal greed.

Man cannot abolish natural disasters, but he can limit their frequency and even their severity, and respond in such a way as to provide for the common good. To do this, he must first take control of his own society.

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