Wealth and poverty in America

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Five years after the financial crash of 2008, in the midst of growing poverty and social misery, the US ruling class is amassing unparalleled levels of wealth.

The top ten highest-paid CEOs in the United States each received over $100 million last year, according to a survey released Tuesday by GMI Ratings. Two chief executives alone took in over $1 billion apiece, and the combined pay of the top ten was $4.7 billion—*in one year* .

To put these figures in perspective, the CEOs' combined payout is 50 percent larger than next year's federal budget for home heating assistance. It is 12 times larger than the entire budget deficit of Detroit, which is being used as the justification for slashing the pensions and health benefits of city workers and selling off art treasures from one of the world's great museums, the Detroit Institute of Arts.

The 2012 income of the highest-paid of the CEO's, Facebook's Mark Zuckerburg ($2.27 billion), would be enough to pay the salaries of all 2,300 transit workers in the Bay Area (where Zuckerberg lives) for more than 16 years. Yet in the midst of the four-day strike that just ended, it was the transit workers who were denounced by the media and politicians as selfish and overpaid!

The CEO pay report followed the release last month of the Forbes 400 list, which showed that the combined wealth of the 400 richest people in the US increased by 17 percent over last year's figure, rising from $1.7 trillion to over $2 trillion. The wealth of these 400 individuals is more than twice the amount necessary to cover the federal budget deficit, which is being used as the pretext for slashing food stamps, education, housing assistance and retirement and health care programs.

Side by side with the obscene self-enrichment of the financial aristocracy, poverty continues to swell. A study released earlier this month by the Southern Education Foundation found that nearly half of all public school children in the United States were in poverty in the school year that ended in 2011. Of the world's 45 wealthiest countries, the United States has the second-highest level of child poverty, exceeded only by Romania.

A report that came out yesterday, based on figures provided by the US Department of Education, found that over 1.1 million children enrolled in public schools were homeless at some point in 2011-2012, up 10 percent from 2010-2011 and 72 percent higher than before the onset of the economic crisis. Even these figures underestimate the actual number of school children without a home.

By every measure—household income, poverty, unemployment—the conditions of life for a large majority of the population have suffered a historic decline, the impact of which will be felt for decades. Older workers are finding it impossible to retire, with pensions and health care under attack. The future held out for youth is one of permanent economic dislocation, poverty, indebtedness and unemployment.

Far from being chastened by disaster it has unleashed and the monstrous growth of poverty and inequality, the US ruling class is intensifying its plunder of society and its war against the working class. With the Obama administration's nomination of Janet Yellen to head the Federal Reserve, the White House is making clear that the Fed's more than $1 trillion yearly cash handout to the financial markets will continue. Meanwhile, in the aftermath of the government shutdown, the administration and Congress are conspiring to slash hundreds of billions of dollars from Medicare and Social Security.

Growing inequality is the overriding and omnipresent social reality in America, but it is not unique to the United States. Since 2008, the plutocracy that controls the mechanisms of economic and political power has engineered an unprecedented global transfer of wealth

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from the bottom to the top. In countries such as Greece and Spain, poverty and unemployment have become the norm, as the banks dictate austerity measures to extract from working people every possible penny for the repayment of debts. The rest of the world is not far behind.

Society cannot afford a decent standard of living for workers, it is claimed. It cannot afford to provide young people with an education, or provide health care to the sick and elderly. There are discussions in ruling circles about the great problem of people living too long and draining resources that could otherwise go into the vaults of the richest 1 percent.

Two points must be made about the claims that "there is no money" to meet basic social needs. First is their obvious absurdity amidst the accumulation of personal wealth on a scale never before seen in human history. The lie that there are no resources is not rendered more believable by being endlessly repeated.

Second, in implicitly acknowledging that the preservation of capitalism requires that the broad mass of the population give up everything that has been gained in the past, the representatives of the ruling class render a devastating judgment on their own economic system. The relentless drive to slash workers' wages, benefits, social services and public infrastructure constitutes a de facto admission that capitalism is a failed system that has long outlived any historical justification.

In reality, it is the rich that society cannot afford. Society cannot afford their voracious appetites and the appalling and irrational squandering of resources to satisfy their insatiable greed. The working class cannot afford to have all its rights and interests subordinated to their ever-greater accumulation of personal wealth.

It is not a matter of appealing to the ruling class and its political representatives for reforms. The fact that the looting of society is an international phenomenon that continues despite its catastrophic consequences for the human race reflects the fact that it is objectively embedded in the nature of the capitalist system.

The historic task is to put an end to this system. The only way to end the social inequality, poverty and social misery that dominate American society is to expropriate the massive wealth commanded by the financial oligarchy and use these resources to meet social needs.

The very crisis of the capitalist system is creating the conditions for its overthrow. Millions of people view the current state of affairs with mounting anger. They are looking for an alternative. But the anger of working people must assume a political form. It must be organized and given conscious articulation and direction. For this, a party is required—a leadership based on a historically grounded revolutionary and socialist perspective.

We call on workers and young people to study the program of the Socialist Equality Party and join the fight to build a socialist movement of the working class.

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