

Socialist Equality Party (US) 2016 Congress Resolutions

Perspectives and Tasks of the Socialist Equality Party

24 August 2016

The Socialist Equality Party (US) held its Fourth National Congress from July 31-August 5 in Detroit, Michigan.

The Congress unanimously endorsed the statement of the International Committee of the Fourth International, "Socialism and the Fight Against War," and adopted three additional resolutions, "Perspectives and Tasks of the Socialist Equality Party," "For the Unity of the Working Class in the United States and Latin America" and "The Fight for Socialism and the Tasks of the International Youth and Students for Social Equality."

1. Twenty-five years after the fall of the Soviet Union, the world capitalist system is wracked by economic, social and political crises. The dissolution of the USSR in December 1991 was hailed as the decisive triumph of capitalism and the "end of history." Yet, a quarter century later, the world economy is riven by contradictions, the imperialist powers are leading mankind into the abyss of a new world war, democratic forms of rule are under attack in every major capitalist country, right-wing nationalist and fascistic forces are on the rise, and class struggle is resurgent throughout the globe.

2. Eight years have passed since the financial meltdown of 2008, which triggered the worst global economic crisis since the Great Depression of the 1930s. Desperate to avoid a collapse of the banking system and the liquidation of the vast private fortunes invested in Wall Street, the US Federal Reserve adopted the program of "quantitative easing," i.e., an historically unprecedented lowering of interest rates, combined with the infusion of trillions of dollars into financial markets. Government policies have driven share prices to new record levels, but the "real" economy, beyond the realm of the finance industry, is stagnating, and the living standards of the broad mass of the working population continue to fall.

3. Geopolitical tensions resemble the conditions preceding the First and Second World Wars. A quarter century of war, which began in 1990-91 with the first US invasion of Iraq, has metastasized into a drive by Washington for global hegemony that threatens to erupt into a Third World War fought with nuclear weapons. The consequences of Washington's "War on Terror" have been catastrophic. The destruction of entire societies in the Middle East and North Africa has generated the worst global refugee crisis since the Second World War. NATO is engaged in a massive militarization of Eastern Europe, even as it denounces "Russian aggression." The Obama administration's "pivot to Asia" is embroiling the entire region, from India to Australia to Japan, in the growing conflict between the United States and China. Germany is remilitarizing and asserting its role as the dominant European power.

4. The political structures of the nation-state system, through which the ruling class has advanced its interests and regulated the global economy, are confronting a profound crisis of legitimacy. The vote in the UK to exit the European Union and the possible disintegration of the UK itself; elections in Australia that failed to produce a framework for a majority

government by either of the major parties; the rise of far-right forces throughout the world; the deep political crises in Brazil and Venezuela; and the failed military coup in Turkey, a member of NATO—all testify to the breakdown of bourgeois democratic institutions and forms of rule.

5. The global crisis of bourgeois rule is expressed, with exceptional sharpness, in the United States presidential election of 2016. The two main parties of the ruling class exhibit advanced symptoms of political dementia. The Republican Party has nominated a fascistic demagogue, Donald Trump, who promises to "Make America Great Again" by employing the same fabled entrepreneurial skills with which he bankrupted several casinos. The Democratic Party offers Hillary Clinton, whose main qualification for the presidency is that she has survived more scandals than almost any other figure in American political history. After a political career spanning more than four decades, which has made her a multi-millionaire, Hillary Clinton personifies the alliance of the military-intelligence establishment and Wall Street financial interests. Whatever the outcome of the election, it will produce a reactionary government, presiding over a deepening economic and social crisis, and pursuing policies for which there is no popular mandate, including a sharp escalation of war abroad.

6. The mass support for Vermont Senator Bernie Sanders, a self-described socialist who based his campaign on calls for a "political revolution" against the "billionaire class," was the initial expression of a left-wing, anti-capitalist political radicalization of workers and youth, which, despite the efforts of Sanders himself, cannot be contained within the framework of the two-party system. The United States is entering a period of intense class struggle. This will, in turn, lead the American working class onto the path of conscious political struggle against the capitalist class and its state machinery.

7. There is no peaceful way out of the historic crisis of the capitalist system. It will be resolved in one of two ways. Either the ruling class will seek to create a new equilibrium through war, dictatorship and a vast impoverishment of the world's population, or the working class, united internationally and mobilized as an independent political force, will overthrow capitalism and establish a global socialist society based on rational planning and social equality.

8. The same crisis that produces imperialist war and authoritarianism also creates the impulse for social revolution. Popular opposition to American militarism, the attacks on jobs and wages, the destruction of public education, the collapse of infrastructure, student debt and soaring tuition, and police violence must be united in a common political struggle of the entire working class for socialism. In opposition to all forms of middle-class, pseudo-left politics, the Socialist Equality Party unequivocally upholds the central and leading role of the working class in defense of democratic rights, against militarism and for socialism. The building of the revolutionary leadership, in the United States and

internationally, is the decisive strategic question upon which the fate of mankind depends.

The crisis of world capitalism and the restructuring of class relations in the US

9. The main consequence of the policies pursued by the US Federal Reserve and world central banks has been to expand the scope of financial speculation, while enormously increasing the wealth of the corporate and financial elite and creating the highest levels of social inequality in history. Stock markets in the US are at record highs, while the vast supply of money poured into debt markets has sent bond yields in Europe to record lows. Buoyed by rising asset prices, 62 billionaires now control as much wealth as half of the world's population, or 3.5 billion people.

10. Meanwhile, the world economy remains mired in slump. Leading economists are warning of a period of global "synchronized slowdown" and "secular stagnation." World trade has slowed sharply in comparison to the period prior to 2008, amidst a return of the type of economic nationalism—including currency wars and the erection of trade barriers—that characterized the decade preceding the Second World War.

11. For a period of time, the rapid growth of China masked the extent of global deterioration. That has run its course. Economic growth in China has fallen to 4.1 percent, as the property bubble, financed by government spending and debt in the aftermath of 2008, collapses. The slowdown in China has global implications. It has contributed to the collapse of commodity prices, producing economic crisis in export-dependent countries. Brazil is in the midst of the worst economic crisis since the Great Depression, and Venezuela is going through a period of soaring inflation and mass impoverishment. The Russian economy shrank by 3.7 percent in 2015, Indian exports have fallen sharply, and South Africa's economy contracted by 1.2 percent in the first three months of 2016.

12. In Europe, the withdrawal from the European Union by Britain, its second largest economy, is part of a broader crisis of the entire project of European "unity." For the eurozone, the countries using the euro as their currency, economic growth this year is expected to reach just 1.6 percent, followed by an estimated 1.4 percent next year. The Brexit vote has raised fears of financial contagion, a collapse of the housing market bubble in Britain and a generalized banking crisis throughout the continent. The Brexit vote comes amid a general, continent-wide economic malaise. Greece, Portugal and Spain are in the midst of deep recession, the product of brutal austerity measures enforced by the banks. In Italy, state debt has soared and GDP has contracted by 8 percent since 2008.

13. In the United States, Obama's claim that the situation is "pretty darn great" is delusional. The American economy is plagued by stagnation, persistent mass unemployment and worsening living conditions for the vast majority of the population. Economic growth for the remainder of this year and next is estimated to be at 2 percent, far lower than after previous recessions. And this is assuming that the US economy is not significantly affected by the growing economic instability all over the world. Median income in the US has fallen by 7 percent since 2000, and labor's share of income has fallen from 66 to 61 percent.

14. The present state of the world economy confirms the analysis of the International Committee of the Fourth International (ICFI), the world Trotskyist movement, that the crisis that began in 2007-08 was not a conjunctural downturn, but rather, marked the breakdown of the global structure of world capitalism. The 2008 crisis, which was sparked by the collapse of the market in toxic assets, linked to subprime mortgages in the US, laid bare the corrupt and parasitic character of the capitalist system, particularly American capitalism.

15. The preceding three decades saw an unprecedented growth of social inequality, linked to financialization. The accumulation of fantastic sums of wealth by the corporate and financial elite in the United States was increasingly divorced from the process of production. It was tied, instead, to the endless rise of asset markets, speculation and outright criminality.

16. The phenomenon of financialization has had significant consequences for social and political relations within the United States. The American ruling class bears all the hallmarks of an aristocracy, with its brazen contempt for public opinion, and for democratic forms of rule and legality, at home and abroad. The financial aristocracy controls the political system and the media. Not only do politicians represent the ruling class; increasingly they are millionaires and billionaires in their own right. The ruling elite has built up police-state mechanisms and a vast domestic spying apparatus to protect this wealth and defend its interests.

17. The turn to financialization, however, is rooted in a deeper and longer-term crisis of the American and world economy. As far back as the 1960s, there were signs that the framework of the economic boom of the post-World War II period was breaking down. The economic revival of Europe and Japan eroded the dominant position of the United States, upon which the post-war system was based. In the mid-1960s, the rate of profit in major US manufacturing industries began to fall significantly, and by the 1970s, economic growth in all the major capitalist countries had begun to stagnate. The period between 1967 and 1975 also saw the eruption of working class militancy throughout the world.

18. The American ruling class responded to these tendencies by launching a counter-offensive against the working class, beginning with the appointment, by Jimmy Carter's Democratic Party administration, of Paul Volcker to head the Federal Reserve in 1979. Volcker sharply raised interest rates, provoking a severe recession and driving up unemployment. With the collaboration of the AFL-CIO trade unions, the Reagan administration, which came to power in 1981, launched a wave of government and corporate strike breaking. Entire industries were virtually shut down, and hundreds of thousands of jobs wiped out. The rate of growth of industrial production fell from between 7 and 9 percent in the 1950s to between 2 and 3 percent in the 1980s.

19. The erosion of industrial production in the United States was directly associated with the rise of the finance industry. Financial speculation became the principal means through which the ruling class enriched itself. The proportion of corporate profits realized by the finance industry rose from 6 percent in 1980 to 40 percent in 2005. The share of GDP generated by finance, insurance and real estate (FIRE), as a percentage of the goods-producing industry, rose from just over 30 percent in the 1970s to more than 70 percent by the 2000s and over 90 percent in 2010. A stock market boom that began in the 1990s was facilitated by a Federal Reserve policy that encouraged the massive accumulation of debt through low interest rates.

20. These economic transformations have been connected to global processes. In search of higher rates of profit, corporations have scoured the globe for access to cheap raw materials and labor markets. The globalization of production and the rise of giant transnational corporations have been facilitated by revolutionary advances in transportation and communication, which have enabled companies to develop a global division of labor and sell directly to a global market. The dissolution of the Soviet Union and the restoration of capitalist relations in China have added some 2 billion workers to the global labor pool.

21. Atop this increasingly globalized economy lies a massive market in financial speculation. The 2008 crisis itself was the third time in a decade that the world economy had been shaken by the collapse of a finance bubble. It was preceded by the East Asian financial crisis of 1997-98, which engulfed Thailand, Malaysia, Indonesia, South Korea and the Philippines, and nearly triggered a global financial meltdown. This was followed in 2000 by the collapse of the dot.com boom and the wave of

corruption scandals tied to market speculation, including the bankruptcy of Enron. As in these earlier crises, the response of the Federal Reserve and world central banks to the 2008 crash has been to lower interest rates and flood the markets with cash. This has only created new asset bubbles and set the stage for a new and more catastrophic financial collapse.

22. In 1921, in the aftermath of the First World War and the Russian Revolution, Leon Trotsky pointed to the existence of a massive accumulation of debt that parallels conditions today. While the countries of post-war Europe were impoverished, there was a proliferation of banknotes and government bonds that represented, in the final analysis, a claim on profit—"a memory of what has been destroyed and... a hope of what can be earned." This money capital "distorts the shape of the entire society, the entire economy. The poorer the society grows, the richer it appears, regarding itself in the mirror of this fictitious capital." [Trotsky, Speech to the Third Congress of the Comintern, in *To the Masses: Proceedings of the Third Congress of the Communist International*, pp. 108-109]

23. So, too, today, the gigantic surplus of fictitious capital must be paid or destroyed, through the extraction of ever greater profit from the working class, the liquidation of public and state assets and imperialist plunder.

American imperialism and the drive to World War III

24. The efforts of the American ruling class to find a way out of the crisis propels it, on the one hand, to intensify its assault on the working class in order to extract a greater share of the product of labor and, on the other hand, to engage in ever more reckless militarist violence abroad. The globalization of production, far from diminishing international conflict, has raised to new heights the basic contradiction between world economy and the nation-state system.

25. The dissolution of the Soviet Union, 25 years ago, was interpreted by the strategists of US imperialism as an opportunity to restructure the entire globe in the interests of the American capitalist class, unencumbered by either the countervailing military power of the USSR or the specter of socialist revolution. The first Bush administration proclaimed a "New World Order," and the Pentagon outlined plans to prevent the emergence of any regional or global challenger to US interests. The Gulf War of 1990-91 was followed, under the Clinton administration, by a decade of sanctions and intermittent bombings of Iraq, military interventions in Somalia, Haiti, Sudan and Afghanistan, and the brutal "human rights" war against Serbia in 1999.

26. Following the September 11, 2001 terrorist attacks, the second Bush administration launched what Bush called the "wars of the 21st century," with the invasion of Afghanistan in the autumn of 2001. Under the framework of the "war on terror," the Bush administration followed the Afghan war by launching the second invasion of Iraq in 2003. Obama—the first president in US history to complete two full terms with the nation continuously at war—added the bombings of Libya, Yemen and Pakistan, and the CIA-backed civil war in Syria, to the list of military operations.

27. Throughout this period, the American ruling class has pursued a definite strategy of increasingly bloody warfare. As the Preface to *A Quarter Century of War: The US Drive for Global Hegemony, 1990-2016*, states:

The last quarter century of US-instigated wars must be studied as a chain of interconnected events. The strategic logic of the US drive for global hegemony extends beyond the neocolonial

operations in the Middle East and Africa. The ongoing regional wars are component elements of the rapidly escalating confrontation of the United States with Russia and China.

It is through the prism of America's efforts to assert control of the strategically critical Eurasian landmass, that the essential significance of the events of 1990-91 is being revealed. But this latest stage in the ongoing struggle for world hegemony, which lies at the heart of the conflict with Russia and China, is bringing to the forefront latent and potentially explosive tensions between the United States and its present-day imperialist allies, including—to name the most significant potential adversary—Germany. The two world wars of the twentieth century were not the product of misunderstandings. The past is prologue. As the International Committee foresaw in 1990-91, the American bid for global hegemony has rekindled interimperialist rivalries simmering beneath the surface of world politics.

28. A third world war involving nuclear weapons is not simply a theoretical possibility; it is an immediate practical danger, arising from intensifying conflicts between the major powers, all of which possess nuclear arsenals. In May, the Union of Concerned Scientists published a report under the headline, "The risk of nuclear war with China: A troubling lack of urgency". It warned:

Twenty-four hours a day, 365 days a year, the governments of the United States and the People's Republic of China are a few poor decisions away from starting a war that could escalate rapidly and end in a nuclear exchange. Mismatched perceptions increase both the possibility of war and the likelihood it will result in the use of nuclear weapons. Miscommunication or misunderstanding could spark a conflict that both governments may find difficult to stop.

29. Military planners are actively strategizing for the use of nuclear weapons in war. The Obama administration has launched a \$1 trillion nuclear weapons modernization program that includes producing a new generation of lower-yield munitions designed for use in combat. A report published last year by the Center for Strategic and International Studies, a leading think tank for the US State Department, Pentagon and intelligence agencies, argued that "the scenarios for nuclear employment have changed greatly since the 'balance of terror' between the two global superpowers." As a result, the "second nuclear age" involved "thinking through how they might actually employ a nuclear weapon, both early in a conflict and in a discriminate manner."

30. All the imperialist powers—from the UK, Germany, France, Italy and Japan, to Canada, Australia and New Zealand—are seeking their place in a new carve-up of the world. The historic antagonism between Germany and the United States (which fears any single power coming to dominate Europe), a major factor in the two world wars of the 20th century, is again asserting itself. In June, German Foreign Minister Frank-Walter Steinmeier outlined a policy of returning Germany to the status of a "major European power," which would be forced "to reinterpret the principles that have guided its foreign policy for over half a century." In a direct challenge to the United States, Steinmeier insisted that "the illusion of a unipolar world [has] faded" and that "our historical experience has destroyed any belief in national exceptionalism—for any nation."

31. The drive to war is inextricably connected to the growth of authoritarianism. Under the framework of the "war on terror," the American ruling class, followed by the ruling classes of all the major

capitalist countries, has erected a vast military-intelligence apparatus that illegally spies on the population of the entire world. In the United States, local police have been equipped with billions of dollars in advanced military hardware and have been transformed into a paramilitary force that kills more than 1,000 people every year. Plans for a vast expansion of war after the 2016 elections will be inevitably accompanied by domestic repression against all opposition to the policies of the financial aristocracy.

The global resurgence of class struggle

32. The globalization of production has not only intensified the conflicts between nation-states; it has also led to an enormous increase in the size of the international working class. According to a recent report by the McKinsey Global Institute, between 1980 and 2010, the world's workforce grew by 1.2 billion to approximately 2.9 billion. In "developing economies," there has been a massive shift from farm to factory employment, with non-farm jobs now accounting for 70 percent of total global employment, up from 54 percent in 1980.

33. Globally, the impact of the economic crisis on the working class has been disastrous—declining wages, the destruction of social programs and mass unemployment. According to the International Labor Organization, global unemployment in 2015 reached 197.1 million, 25 million more than before the crisis. It is expected to rise by another 2.3 million this year and 1.1 million next year. The number of working-age individuals not looking for work has also increased sharply, by 26 million in 2015 to more than 2 billion people. Nearly 75 million young people are unemployed, with the rate of joblessness for youth about three times higher than in the adult population. These factors, combined with a worsening economic outlook, led the ILO to warn about the "renewed risks of social unrest."

34. One of the most significant features of the world situation is the resurgence of class struggle internationally. This year, mass demonstrations have taken place in France and Belgium against reactionary labor laws and anti-democratic legislation, enacted under the framework of the "war on terror," but aimed at suppressing all opposition to the policies of the ruling class. Food riots and other protests against the Maduro government have rocked Venezuela. Teachers in Mexico have launched strike action against attacks on public education. Workers in Greece have staged general strikes against the austerity measures imposed by the pseudo-left Syriza party.

35. In China, the number of strikes and protests by workers has soared over the past two years. According to the China Labor Bulletin, there were 1,200 strikes and protests between 2011 and 2013. In 2014, there were more than 1,300 and in 2015, more than 2,700. By February 2016, there were nearly 800—an annual rate of 4,800.

36. In the United States, this year's strike by 39,000 Verizon workers followed the eruption of opposition to sell-out contracts by US autoworkers last fall, and a strike by oil refinery workers at the beginning of 2015. Also this year, teachers in Detroit, Atlanta, Compton, California and other areas have launched protests against the decay of schools, charterization and attacks on their pay and benefits; and protests by Flint residents have brought the poisoning of the city's water supply to national attention.

37. Figures on man-days lost to strikes and lockouts in the United States underscore the rising curve of the class struggle. From 200,000 man-days lost in 2013 and 290,000 in 2014, the number jumped to 740,000 in 2015, mainly due to the oil workers' strike and the protracted lockout of steelworkers at Allegheny Technologies Inc. (ATI). In the first half of

2016 alone, days lost to strikes soared to nearly 2 million, mainly due to the 54-day walkout at Verizon.

38. Even more disturbing to the ruling class are mounting signs that the trade unions—which function as labor contractors and arms of corporate management and the state—are losing their grip on the working class. These signs include the mass opposition among autoworkers to concessions contracts last year, and wildcat actions by Detroit teachers, East Coast longshoremen and Uber drivers. Moreover, the mass support among workers, and especially among youth, for the campaign of Bernie Sanders, has revealed, to the horror of the ruling elite, the widespread growth of anti-capitalist sentiment.

39. The class struggle is becoming increasingly global in both content and form. In 1988, the IC wrote, "It has long been an elementary proposition of Marxism that the class struggle is national only as to form, but that it is, in essence, an international struggle. However, given the new features of capitalist development, even the form of the class struggle must assume an international character. Even the most elemental struggles of the working class pose the necessity of coordinating its actions on an international scale." This appraisal, which was bound up with the IC's analysis of the transformation of the national-based parties and trade unions, is being confirmed. The development of the class struggle in every country poses the necessity for the unification of workers internationally.

40. The ruling class has responded to the globalization of production and the resurgence of the class struggle by reviving the most extreme forms of nationalism. "The breeding places of nationalism are also the laboratories of terrific conflicts in the future; like a hungry tiger, imperialism has withdrawn into its own national lair to gather itself for a new terrific leap." [Leon Trotsky, *Nationalism and Economic Life*]. It is precisely at the point where the contradictions besetting globally integrated capitalism attain extraordinary acuteness that the capitalist class, striving to rally the masses in support of imperialist war, does all in its power to whip up nationalist frenzy.

41. The neo-fascist Freedom Party in Austria, Marine Le Pen in France, the UK Independence Party in Britain, the Alternative for Germany and Donald Trump in the US—are all seeking to exploit the fact that the traditional "left" is deeply compromised. The turn to these forces is not an expression of strength, but of weakness. The ruling elites feel themselves under siege from all sides. They are attempting to preempt the political radicalization of the working class through the mobilization of far-right forces, while creating the conditions for ever more violent and brutal repression of social opposition.

The social crisis in the United States

42. The task of the Socialist Equality Party is to bring into the working class in the United States the strategy of international socialist revolution, in opposition to imperialist war and all forms of nationalism. Throughout its history, the International Committee has been unique in insisting on the revolutionary role of the American working class. This "sleeping giant of world politics" is beginning to awaken.

43. The crisis of American capitalism and the decades-long social counter-revolution carried out by the American ruling class have produced levels of social inequality rivaled only by the years preceding the Great Depression of the 1930s. When the Workers League in the US began the process of forming the Socialist Equality Party in 1995-96, it pointed to "the dominant feature" in political life: "the widening gap between a small percentage of the population that enjoys unprecedented wealth and the broad mass of the working population that lives in varying degrees of economic uncertainty and distress." [David North, *The Workers League*

and the Founding of the Socialist Equality Party, 1996]. Recognition of the revolutionary significance of the fight for equality was embodied in the name chosen, which was followed by the formation of Socialist Equality Parties in all the sections of the International Committee.

44. This decision, taken two decades ago, has proven immensely prescient. Social inequality is the defining feature of social and political life in the United States. As a result of eight years, during which unlimited sums of money have been pumped into financial markets, the wealth of the 400 richest individuals in the country has surged from \$1.27 trillion in 2009 to \$2.34 trillion last year. During the same period, the number of full-time jobs has actually declined: the entire increase in employment since 2009 is accounted for by temporary, contract, part-time and other forms of contingent labor.

45. Low wages, poverty, debt and economic insecurity: this is the reality for the vast majority of the American population. One in seven fall below the official poverty line, including one in five children. The official fall in the unemployment rate masks the real state of joblessness and job insecurity. As a result of millions of people giving up hope of finding work, the labor force participation rate—a more accurate measure of the state of the economy—at 63 percent, is near a 38-year low.

46. Wages have continued to fall throughout the “recovery,” by 4 percent in real terms between 2009 and 2014. Those in the lowest-earning quintile saw their wages decline by 5.7 percent during this period. Wages for manufacturing workers—who once set the benchmark for other sections of the working class—now average \$15.66 per hour, 7.7 percent below the median wage for all occupations.

47. Perhaps the clearest expression of the decline in the conditions of life for the vast majority of the population is the fall in life expectancy, due to a surge in drug overdoses, liver disease and suicide—all products of social decay and desperation. The gap in life expectancy between the richest 1 percent and the poorest 1 percent of the population now averages 14.6 years for men and 10.1 years for women. The fall in life expectancy has particularly affected white working class men: the mortality rate for whites aged 45 to 54, with no more than a high school education, increased by 134 per 100,000 between 1999 and 2014. This explodes the claims by pseudo-left forces about the prevalence of “white privilege” and “male privilege.”

48. Strategists for the ruling class see a decline in life expectancy as necessary to reduce the costs of providing health care to the elderly. The assault on health care, including the Obama administration’s principal domestic initiative, Obamacare, is intended to speed up this process. The central purpose of the so-called Affordable Care Act has been to shift the costs of health care from corporations and the government onto the backs of working people, by encouraging companies to slash health care programs; rationing drugs, tests and medical procedures; and forcing individuals to buy overpriced and inadequate coverage from private companies on government-run insurance exchanges.

49. Conditions for young people are particularly dire. As a result of skyrocketing tuition costs, declining wages and cuts in state assistance, student loan debt has soared to a staggering \$1.3 trillion. About 40 million Americans have student loan debt, and nearly 7 million of these were in default on their federal student loans in 2015, up 6 percent from 2014. The number of homeless students in the US is now 1.7 million, double what it was a decade ago. Amidst soaring housing prices and rent, declining wages and mass unemployment, a whole generation of Americans is unable to buy a home or start a family. For the first time in American history, the younger generation is worse off than their parents and grandparents.

50. Meanwhile, older workers are seeing their pension and health care plans looted, making it impossible to retire. Nearly 30 percent of Americans aged 55 and older do not have any retirement funds or a traditional pension plan. For those between the ages of 55 and 64 who do

have money saved, the average amount is equivalent to only \$310 a month. One study put the “retirement savings deficit” for those aged 25 to 64 at between \$6.8 and \$14 trillion. As a result, poverty among older workers is on the rise, while many workers are forced to continue working to get by.

51. Beyond such indices of social crisis lies a broader decay and collapse of infrastructure, which has been laid waste by corporate plunder and budget cuts. The exposure of the poisoning of thousands of working class families and their children in Flint by lead-tainted water sheds light on the decrepit state of water systems throughout the country. Public schools have been starved of funds, as both Democrats and Republicans, with the assistance of the trade unions, divert money into for-profit, charter operations.

The 2016 US elections

52. The explosion of American imperialism abroad and the assault on the working class within the United States form the background to the extreme volatility of the 2016 elections. In a primary process that was characterized, above all, by social anger and opposition, the Democrats and Republicans have selected as their nominees two candidates who personify, in different ways, the corruption and criminality of the American ruling class. Whoever is elected in November, he or she will be incapable of resolving any of the contradictions that are leading to either world war or socialist revolution.

53. Underlying the crisis of bourgeois rule is a broad-based radicalization of workers and youth, and hostility to the entire political system. One poll, carried out during the primaries, found that 58 percent of the population said they were dissatisfied with the Republican and Democratic candidates, with 55 percent in favor of an independent presidential campaign. This included a staggering 91 percent of voters under the age of 29. In the center of world capitalism, polls show that more young people now consider themselves socialist than capitalist. A growing percentage of the population believes that basic necessities like health care, food and shelter should be social rights guaranteed by the government. There is overwhelming support for increasing taxes on the wealthy.

54. The support for Sanders demonstrated that, in a country where socialist ideas have been suppressed for decades, millions of people are beginning to look for an alternative to capitalism. From the beginning of his campaign, however, the Socialist Equality Party and the *World Socialist Web Site* (WSWS) warned that Sanders offered no way forward for workers and young people. In February 2016, following Sanders’ landslide victory in the New Hampshire primary contest, we wrote, “Sanders does not speak for the working class, but for a section of the ruling class and political establishment that views the growth of social opposition with fear and is seeking some way of containing it.”

55. Throughout his campaign, Sanders avoided any discussion of war and militarism, while proclaiming his support for the foreign policy of the Obama administration, including the wars in Afghanistan and the Middle East, drone bombings and the aggressive confrontation with Russia. His domestic program was limited to mild reformist proposals, and he rejected any measures that would challenge the capitalist system, including the nationalization of the banks and major corporations. Even before Donald Trump, Sanders was advancing an economic nationalist program, denouncing trade deals with China and other countries as the source of the social crisis within the United States.

56. The culmination of the Sanders campaign, in his endorsement of Clinton, has been a critical political experience for millions of workers

and youth. It was yet another demonstration of the futility of seeking to transform the Democratic Party. The social and political grievances that found expression in mass support for the Sanders campaign will not, however, go away. They will emerge again in more explosive and radical forms.

57. As Sanders backs Clinton, efforts are also underway to develop a new political framework for channeling opposition behind the Democratic Party. Some of those organizations that enthusiastically backed Sanders are now supporting the Green Party and its nominee, Jill Stein. Stein had previously said that she would step aside if Sanders agreed to run at the head of the Green Party ticket. The Green Party is a capitalist party that has long functioned as a political prop for the Democrats, claiming that by running formally independent candidates, it would be better able to push the Democrats to the left. Internationally, when Green Parties have come to power, particularly in Germany, they have backed policies of austerity and war.

58. The US Green Party program is an eclectic combination of mild reforms, economic nationalism and reactionary proposals to reduce consumption and promote “responsible” corporations. It does not oppose the private ownership of production or propose anything that would significantly challenge the interests of the corporate and financial elite.

59. The Socialist Equality Party presidential election campaign of Jerry White and Niles Niemuth is aimed at building a revolutionary leadership among workers and youth to prepare the foundations for the struggles that are emerging, in the United States and around the world. The SEP insists that the fight against war, social inequality and dictatorship requires the independent mobilization of the working class in opposition to the capitalist system. Our campaign will educate workers and fight for genuine socialist policies, including the nationalization of the banks and major corporations; the expropriation of the wealth of the corporate and financial elite; and the dismantling of the military and the police-state spying apparatus. The SEP will fight to mobilize the working class against imperialist war. It will explain to workers and youth that none of the historic problems they confront can be resolved outside of the working class taking political power and transforming the entire world economy on the basis of social need and rational planning, not private profit.

The right-wing politics of race and gender identity

60. The extent of support for Sanders frightened the ruling class—not because of Sanders himself, but because it expressed the fact that class issues are increasingly coming to the fore. As Francis Fukuyama, commenting in a recent issue of *Foreign Affairs*, remarked, “The real story of this election is that after several decades, American democracy is finally responding to the rise of inequality and the economic stagnation experienced by most of the population. Social class is now back at the heart of American politics, trumping other cleavages—race, ethnicity, gender, sexual orientation, geography—that dominated discussion in recent elections.”

61. As far as the political representatives of the ruling class are concerned, this tendency must be reversed. The subject must be changed, away from social inequality and back to race, gender and sexual identity. It is for this reason that the media and Democratic Party have relentlessly focused on issues such as transgender access to bathrooms and participation in the military, an alleged epidemic of sexual violence on campuses, and the supposed resurgence of racial animosity and conflict in the United States.

62. Particularly cynical is the treatment, by the media and the Democratic Party, of the epidemic of homicidal police violence in the

United States. This is not presented as an expression of the nature of the police as an instrument of class rule, but rather as a manifestation of the hatred of whites for African-Americans. Media pundits assert the vast gulf between “white America” and “black America,” two separate nations incapable of understanding each other. White workers are presented as reactionary and racist, with all their social and economic grievances motivated by a desire to return to a past period of “privilege” and power.

63. The Socialist Equality Party rejects claims that the United States is separated into a “white America” and a “black America,” or that all “whites” and “males” enjoy special privileges. We reject the narrative that the country is seething with race hatred. There has been an enormous development in the general consciousness of the population since the period of Jim Crow segregation in the south and widespread racial discrimination in the north. Workers of all races live and interact with each other on a daily basis and face a common struggle against poverty, unemployment and the corporate attack on wages and benefits.

64. In relation to the specific issue of police violence, while a disproportionate percentage of police killings are of African-Americans, the largest number of those killed are white. Yet the murder of white youth by police generally receives no media coverage, because it fails to conform to the racist narrative. According to data compiled by the *Guardian* newspaper, of the 587 people killed by police through mid-July, 145 were black, 94 Hispanic and 292 white. In terms of the number killed as a percentage of the overall population, police have targeted Native Americans at nearly the same rate as African-Americans.

65. Moreover, the claim that police violence and the social catastrophe in cities like Detroit and Flint are primarily the product of racism, is belied by the proliferation of African-American mayors, city councilmen and police chiefs. For the past seven-and-a-half years, the United States has been headed by an African-American president, who has overseen a vast deterioration in the living standards of workers of all races, while police violence is greater today than ever before. Racism, no doubt, plays a role in particular police killings. However, to the extent that racism exists, it is bound up with the social and political function of the police as an instrument for defending the wealth of the ruling class. The fight against racism and police murder, therefore, requires a united movement of all workers on the basis of their common class interests.

66. The promotion of racist politics is the form taken within the United States of the global strategy of pitting one section of the working class against another. The Democratic Party’s identity politics and Trump’s economic nationalism (paralleled by the nationalist program of Sanders) are both efforts to block the working class from becoming conscious of the objective unity of its interests across all national, gender and racial lines. The fight against racial and identity politics is thus a component part of the SEP’s fight to unify the international working class in a common struggle against the global capitalist system, the source of inequality, war and dictatorship.

Marxism vs. the pseudo-left

67. The politics of race and identity, now central to the stability of bourgeois rule, have been developed over decades by anti-Marxist organizations and theoretical tendencies that the ICFI has defined as “pseudo-left.” During the past several years, the international working class has gone through a number of critical experiences demonstrating the pro-imperialist and anti-working class character of the pseudo-left. These include their role in derailing the revolutionary movement against the dictatorship of Hosni Mubarak in Egypt; their support for the NATO-led war in Libya and the CIA-backed civil war in Syria; their backing of the

right-wing coup in Ukraine; and, above all, the actions of the Coalition of the Radical Left (Syriza) in Greece.

68. In January 2015, Syriza came to power on the basis of its pledges to oppose EU-backed austerity measures. This was hailed by every pseudo-left organization as a transformative event that would change the trajectory of European politics. After signing an agreement to extend EU austerity measures in February, only weeks after coming to power, the Syriza government trampled the landslide “no” vote in its July referendum on austerity, and rammed a massive new austerity bailout through parliament. It is currently serving as a front-line police force in the erection of a “Fortress Europe” to keep out refugees fleeing the disaster created by imperialism in the Middle East and Africa. The actions of Syriza definitively demonstrated the role of the pseudo-left as a faction of bourgeois politics, repeated in different forms by the International Socialist Organization, Socialist Alternative and the various remnants of the Occupy movement in the US; Podemos in Spain; Die Linke in Germany; the New Anti-capitalist Party in France.

69. The politics of the pseudo-left is closely connected to the irrationalist, idealist and anti-Marxist theories associated with existentialism, the Frankfurt School, postmodernism, “post-Marxism” and neo-anarchism. One contemporary representative of this tradition summed up its outlook:

Instead of the essentially rational human subject who was to be emancipated from power and ideology, we have a subject who is dispersed amongst a multiplicity of desires and intensities, and whose identity is deeply interwoven into discursive and power structures. Related to this also is the displacement of the category of class from the summit of radical politics: the proletariat is no longer the essential radical subject, and political struggles are no longer overdetermined by ‘class struggles’ as they were in the Marxist schema. Instead, many have pointed to the emergence over the past few decades of new radical political subjectivities and forms of activism—black and ethnic minorities against racism, feminists against patriarchy, gays against homophobia, and so on. These are the ‘new social movements’ that have colored the postmodern political landscape. [Saul Newman, *Unstable Universalities: Poststructuralism and radical politics*, 2007, p. 3]

70. The ICFI has defined the pseudo-left as denoting “political parties, organizations and theoretical/ideological tendencies which utilize populist slogans and democratic phrases to promote the socioeconomic interests of privileged and affluent strata of the middle class.” The pseudo-left “is anti-socialist, opposes class struggle, and denies the central role of the working class and the necessity of revolution in the progressive transformation of society.” It “promotes ‘identity politics,’ fixating on issues relating to nationality, ethnicity, race, gender and sexuality in order to acquire greater influence in corporations, the colleges and universities, the higher-paying professions, the trade unions and in government and state institutions, to effect a more favorable distribution of wealth among the richest 10 percent of the population.” It is “pro-imperialist, and utilizes the slogans of ‘human rights’ to legitimize, and even directly support, neo-colonialist military operations.” [David North, Foreword to *The Frankfurt School, Postmodernism and the Politics of the Pseudo-Left: A Marxist Critique*]

The Socialist Equality Party and the turn to the working class

71. The central strategic task of the Socialist Equality Party in the United States is to build a political leadership in the working class and its key sections. The objective tendencies of world capitalism create the conditions for innumerable struggles against the attacks on wages and benefits, the growth of social inequality and mass unemployment, police violence and imperialist war. The SEP must unite these struggles of workers and youth in a political movement to take power and establish a workers state in the United States, as part of an international socialist movement of the working class.

72. The political independence of the working class can only be established through the struggle to define its independent interests in opposition to every political organization of the capitalist class, from the pseudo-left to the far right. This requires a fight to bring into the radicalization of workers and young people the historical experiences of the international working class movement, which are embodied in the history of the Trotskyist movement and its struggle against all forms of Stalinism, reformism, revisionism and nationalism. It is only on the basis of this political struggle that the party can elaborate the necessary tactical and organizational initiatives.

73. This Congress is being held a half-century after the founding of the Workers League, the predecessor of the Socialist Equality Party, in 1966. The Workers League was formed during the early stages of the political radicalization of the 1960s, on the basis of the struggle of the International Committee against Pabloite revisionism. The development of the Marxist movement could only proceed based on the recognition of the revolutionary role of the American working class, through an irreconcilable struggle against the myriad petty-bourgeois tendencies, including the revisionists in the Socialist Workers Party, who promoted various forms of racial, ethnic, sexual and gender politics.

74. In his greetings to the Workers League, Socialist Labour League leader Gerry Healy stated:

The working class in the United States is the most powerful in the world, and it is within this class that you must build your party. This is a basic principle of Marxism and one which applies with particular urgency to the conditions existing inside the United States. It is not Black Power or the dozens of peace and civil rights movements which extend throughout the country which will resolve the basic questions of our time, but the working class led by a revolutionary party. It is at this point that we separate ourselves completely from the revisionists. We emphatically reject their idea that the Negroes by themselves as well as middle-class movements can settle accounts with American imperialism. Whatever critical support we are called upon from time to time to extend to such movements, the essence of our support must be based on making clear our criticisms of their shortcomings.

75. A half-century later, the crisis of American capitalism is far more advanced, and the nationalist politics of race and identity far more reactionary. In 1966, when the Workers League was founded, there were numerous political organizations in the United States claiming to be socialist, communist or Trotskyist, and professing to speak for the working class. Today, few of these organizations remain, and those that do have openly substituted an orientation to race, gender and sexual orientation for any effort to unite the working class and fight for its political independence.

76. The past year has seen a number of developments showing the possibility for a very significant and rapid growth of the political influence of the SEP and the *World Socialist Web Site*. During the struggle of autoworkers in the fall of 2015, the WSWP emerged at the center of

opposition to the imposition of sell-out contracts imposed by the Big Three and the United Auto Workers. Thousands of autoworkers read the WSWs *Autoworker Newsletter*, and its call for the formation of independent factory committees won widespread support. This was followed by the party's intervention in the strike by 39,000 Verizon workers, during which thousands of workers followed the WSWs. Hundreds participated in online discussions organized by the SEP and supported a petition, initiated by the party, to demand the rescinding of a back-to-work order pending the release of the full contract and a democratic vote by the membership.

77. The party's tactical initiatives in relation to the struggles of auto and telecommunications workers were rooted in the movement's analysis of the crisis of world capitalism, our decades-long fight against Pabloism and opportunism, and our protracted struggle to penetrate the working class and win the best elements to a Marxist perspective. In particular, the ICFI's analysis of the degeneration of the trade unions and their transformation into anti-working class organizations is intersecting with the experiences of millions of workers with these reactionary organizations.

78. The orientation of the SEP to the working class must be developed and deepened. The significant advances in the political influence of the movement must be translated into the recruitment of workers into the party. The SEP must carry out systematic political work in key sections of the working class: auto, steel, oil and other manufacturing workers; teachers and government workers; healthcare workers; telecommunication workers; technology workers; service workers; the unemployed and retirees. The working class in the United States is a massive social force with a long tradition of bitter struggle. It must be transformed into a conscious political force.

79. A particular focus must be made on building the International Youth and Students for Social Equality on college campuses, high schools and among young workers throughout the country. The overwhelming support for Sanders among younger voters reflected a broad political radicalization among an entire generation of workers. The conscious life of younger workers has been lived in a period of economic crisis, unending war and the destruction of democratic rights. For the first time in a century, the younger generation today is growing up under conditions that are worse than those of their parents. The growth of the IYSSE will be a critical foundation for the building of the SEP and the expansion of its political influence. Our ability to build a socialist political movement among young people, however, will depend upon the struggle against the post-modernist and pseudo-left politics systematically promoted on college campuses.

80. The future of humanity depends upon the development of a socialist movement of the international working class and the resolution of the crisis of revolutionary leadership. This task can only be carried forward by the International Committee of the Fourth International and the Socialist Equality Party.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact