Resolution of the SEP (US) Fifth National Congress

The Resurgence of Class Struggle and the Tasks of the Socialist Equality Party: Part Two

9 August 2018

This resolution was unanimously adopted by the Fifth National Congress *of the Socialist Equality Party in the US, which was held July 22–27, 2018. The Congress was introduced with a* report *by David North, national chairperson of the Socialist Equality Party and of the International Editorial Board of the* World Socialist Web Site. *The Congress also passed the resolution, "Free Julian Assange!"*

The resolution was initially published in parts. The entire document is available here.

The social crisis and the radicalization of the working class

21. The basic contradictions of capitalism—between international economy and the nation-state system, and between socialized production and private appropriation of profit—are expressed in the intensification of geopolitical conflict and the danger of a third world war, the growth of social inequality, the breakdown of democratic forms of rule internationally, and, above all, the political radicalization of the working class.

22. It is now ten years since the financial collapse of 2008, which represented not a conjunctural downturn, but a systemic crisis of the capitalist system. In January 2009, the SEP warned that there could be no "socially neutral" response to the crisis, and that "all of the measures taken were aimed at securing the interests of the most powerful sections of the financial elite." The response of the ruling class to the crisis, we predicted, would be an intensification of the assault on the working class and an expansion of militarist violence internationally, exacerbating tensions between the major imperialist and capitalist powers.

23. This analysis has proven correct. Over the past ten years, the ruling classes of the world, led by the Obama administration in the US, have funneled trillions of dollars into the markets to reflate asset bubbles, to be paid for through the imposition of austerity measures, wage cuts and a relentless assault on social programs. The consequences are evident in the state of social relations and the levels of social inequality that prevail throughout the world.

24. The concentration of wealth in the hands of the financial elite is greater than at any point in modern history. According to the June 2018 "World Wealth Report" by consulting firm Capgemini, the wealth of the world's millionaires (18.1 million people) surpassed $70 trillion for the first time ever in 2017, increasing by more than 10 percent from the year before. Another report, the "Billionaire Census" put out in May by Wealth-X, found that the global billionaire population grew by 15 percent, to 2,754 people, between 2016 and 2017, and that the wealth of these billionaires surged by 24 percent to a record level of $9.2 trillion, equivalent to 12 percent of the gross domestic product of the entire planet. The central factor in this wealth increase has been the rise of the stock market, with global market capitalization growing 21.8 percent in 2017, while the Dow Jones Industrial Average has risen fourfold over the past decade.

25. The accumulation of extreme wealth has been, to an extraordinary extent, fueled by financial speculation, which has been supported by the government, exemplified by its long-running program of "quantitative easing." But there are growing indications that market speculation has reached unsustainable levels. Total margin debt (that is, borrowed money used to buy stock) now stands at approximately $670 billion. This accounts for 3 percent of the gross domestic product, which is higher than at any time since the crash of 1929. Just five stocks—Facebook, Apple, Amazon, Google and Netflix—account for 10.6 percent of all stock market wealth.

26. While government-sanctioned market gambling has enriched the financial oligarchy, conditions for the broad mass of the population are deteriorating at a shocking pace. According to a report published by Credit Suisse at the end of last year, "The world's 3.5 billion poorest adults each have assets of less than $10,000 (£7,600). Collectively, these people, who account for 70 percent of the world's working age population, account for just 2.7 percent of global wealth." In the United States, three people—Jeff Bezos, Bill Gates and Warren Buffett—have more money than the bottom half of the population. The income share of the top 1 percent of US income earners rose from 10 percent in 1980 to 20 percent in 2016, while the income share of the bottom 50 percent fell from 20 percent to 13 percent over the same period.

27. The extreme growth of social inequality is expressed in innumerable forms. An opioid crisis is ravaging large parts of the country. A sharp rise in mortality from the drug epidemic, alcohol abuse and suicides produced a fall in life expectancy for the second year in a row in 2016. Nearly half the population has less than $10,000 in savings and will be unable to retire. Health care costs are rising under the impact of Obamacare, and college graduates have an aggregate debt of more than $1 trillion. The Obama administration's restructuring of the auto industry was the spearhead for the proliferation of part-time and low-wage work. The criminal consequences of the looting of public infrastructure has been exposed in the Flint water crisis and the devastation of Puerto Rico from Hurricane Maria, which killed 5,000 people or more.

28. The "land of unlimited opportunity," which always had a mythical character, has given way to the land of low wages, debt, permanent economic insecurity and social inequality. During the past half-century,

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the chance that a child will earn more than his or her parents has fallen from 90 percent to 50 percent. The United States now has the highest infant mortality and the lowest life expectancy of any major capitalist country.

29. These facts have the most far-reaching political implications. As the SEP stated in its program, adopted in 2010, “In the final analysis, the vast wealth and power of American capitalism was the most significant objective cause of the subordination of the working class to the corporate-controlled two-party system. … The change in objective conditions, however, will lead American workers to change their minds. The reality of capitalism will provide workers with many reasons to fight for a fundamental and revolutionary change in the economic organization of society.”

30. These changes in consciousness are already well underway. In no other country has there been such a relentless campaign to block even the most elemental expression of socialist consciousness. However, numerous polls show that among young people more than 50 percent have a favorable view of socialism, and more would prefer to live in a socialist society than a capitalist one. This is a remarkable change that verifies the conceptions of Marxism and refutes all petty-bourgeois theories about the end of the class struggle and the end of the working class.

The eruption of American imperialism and the danger of world war

31. Social counterrevolution is the domestic response of the American ruling class to the long-term decline of American capitalism. Its international response is the explosion of imperialist violence. Analyzing US imperialist policy in 1928, the year before the eruption of the Great Depression, Leon Trotsky warned: “In the period of crisis, the hegemony of the United States will operate more completely, more openly, and more ruthlessly than in the period of boom. The United States will seek to overcome and extricate herself from her difficulties and maladies primarily at the expense of Europe, regardless of whether this occurs in Asia, Canada, South America, Australia or Europe itself, whether this takes place peacefully or through war.”

32. War has become a permanent feature of American policy. Following the Stalinist dissolution of the Soviet Union in 1991, the strategists of American imperialism proclaimed a “unipolar moment.” The disappearance of its main competitor during the Cold War period was interpreted by the American ruling class as an opportunity to utilize its military force without restraint as the central mechanism for counteracting the decline of American capitalism and the erosion of the foundations for its global hegemony.

33. A quarter-century later, this policy has manifestly failed. The terrorist attacks of September 11, 2001 provided the “war on terror” pretext for a vast escalation of militarist violence, spelled out in the doctrine of “preemptive war” adopted by the administration of George W. Bush in its 2002 National Security Strategy. A series of wars and invasions, led or backed by the United States, has devastated Iraq, Yugoslavia, Afghanistan, Libya, Syria, Ukraine, Yemen and many other countries. While leading to the deaths of more than one million people, destroying entire societies and creating the greatest refugee crisis since World War II, these wars have failed to resolve the crisis of American imperialism. They are now developing into a conflict with major powers, including China, Russia and Washington’s traditional imperialist allies in Europe.

34. The United States is actively planning for world war. The Trump administration’s National Security Strategy, unveiled in December 2017, for the first time makes explicit that the center of US military planning is preparation for a major war involving large powers. Such a war, the first conflict in world history in which both sides would be armed with nuclear weapons, would threaten the physical survival of humanity. “Great power competition, not terrorism, is now the primary focus of US national security,” Defense Secretary James Mattis declared, singling out Russia and China as “revisionist powers.” The strategy document laments the “strategic complacency” of the US over the past period, the failure to build “military capacity” and acquire “new weapons systems,” and, most significantly, the idea that war can be “won quickly, from stand-off distances with minimal casualties.”

35. There is an inherent connection between the quarter-century of US-instigated wars and the emergence of great power conflict and the threat of world war. As David North, chairman of the SEP, wrote in July 2016:

> 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. 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 inter-imperialist rivalries simmering beneath the surface of world politics. [*A Quarter Century of War*, Preface]

36. The historic breakdown of the G7 summit in June, amidst mutual denunciations from the Trump administration and the governments of Europe and Canada, is the latest and most extreme expression of the growing transatlantic divide. The immediate cause of the conflict is the “America First” economic nationalism of the Trump administration and threats to impose tariff barriers on billions of dollars of imports from the European Union, Canada and Mexico. US-EU divisions are growing not only over trade, but also over EU opposition to the US policy of threatening Iran with war by ending the Iranian nuclear deal. The growing conflicts between the major imperialist powers, however, cannot be attributed to the particular personality of Donald Trump. They are the expression of the growing struggle between these powers over access to markets, resources and labor.

37. The response of the imperialist powers in Europe is to rearm and assert their interests independently of the United States. “We, as Europeans, have to take our fate more into our hands,” German Chancellor Angela Merkel declared in June. Europe can “no longer hope as we did somewhat carelessly for decades that the US is already taking care of it.” Germany and Europe “must promote our principles and values in Europe, potentially in alliance with Canada or Japan.” Under Merkel, Germany has thrown its support behind an independent European military interventionist force under German-French leadership.

Palace coup or class struggle

38. The impact of unsustainable levels of social inequality and permanent and expanding war finds political expression in the breakdown

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of democratic forms of rule within the United States.

39. The inauguration of Trump has brought far-right, fascistic and extreme nationalist politics into the highest levels of the state apparatus. During the 2016 elections, Trump pitched his rhetoric to social discontent and frustration, employing lying and empty demagogy about the "forgotten man." The true social constituency of the administration, however, is expressed in its massive tax cuts for the rich, a sharp expansion in the military budget and an intensification of the assault on public education, government regulations, social programs and the working class as a whole.

40. At the center of the Trump administration's policy is the vilification of immigrants, who have been terrorized by Gestapo-style raids, imprisonment and deportation. The scenes of children being ripped from their parents at the border, imprisoned in cages and then physically and sexually abused, have produced shock and revulsion throughout the United States and around the world. Trump's response to the conflicts within the ruling class is to redouble his fascistic appeal, seeking to mobilize far-right forces on the basis of extreme nationalism and populist demagogy. The aim is to scapegoat the already hyper-exploited layer of immigrant workers for the grotesque levels of social inequality that characterize American society.

41. The Immigration and Customs Enforcement and the Customs and Border Protection agencies are the training ground for the future wars against the working class. The immigration police have been given far-reaching authority to violate the democratic rights of everyone, carrying out unlawful searches and seizures, demanding proof of citizenship and detaining people at schools and workplaces en masse. Prison centers erected under the Obama administration are being expanded into modern-day concentration camps. This apparatus of repression will be utilized by the ruling class against all social and political opposition.

42. With the Trump administration, the American ruling class has passed a line from which there is no going back. It is now 18 years since the theft of the 2000 election and the handing of the presidency to George W. Bush through a 5-4 decision of the US Supreme Court. As the WSWS stressed at the time, the outcome of the election and its acceptance by the entire political establishment demonstrated that there no longer existed a constituency for basic democratic rights within the ruling class. The election was followed by the "war on terror," forever associated with the Patriot Act, domestic spying, "extraordinary rendition," state-sponsored torture and Guantanamo Bay. The Obama administration escalated the attack on democratic rights with the assertion of the right of the US president to assassinate anyone, including US citizens, without due process.

43. The Trump administration's greatest asset is the spineless and reactionary character of his critics within the political establishment. In the United States, as in Europe, the far-right is benefiting from the absence of any progressive outlet for social anger and discontent.

44. In its statement, "Palace Coup or class struggle: The political crisis in Washington and the strategy of the working class," the Political Committee of the SEP explained:

> Trump's opponents within the political establishment, including both Democrats and Republicans, speak for a faction of the corporate and financial elite. The methods they are using in their campaign against Trump are fundamentally antidemocratic, involving behind-the-scenes plotting with elements within the military/intelligence establishment and corporate-financial elite. These are the methods of a palace coup.

45. Trump's election in 2016 was possible only due to the character of the Democratic Party. Hillary Clinton ran as the candidate of Wall Street, the military-intelligence apparatus and privileged sections of the upper-middle class through the promotion of identity politics. The decision of Bernie Sanders to back Clinton—the culmination of a campaign aimed at channeling social opposition behind the Democratic Party—opened the way for Trump to make an appeal to social discontent.

46. In the aftermath of the election, the Democrats have worked to direct all opposition to Trump behind the conspiracies and intrigues of powerful factions of the intelligence apparatus, centered on the anti-Russia campaign and the investigation headed by former FBI chief Robert Mueller. While the Democrats have denounced the Trump administration for seeking an accommodation with the government of Vladimir Putin in Russia, they have ignored, covered up and facilitated its attack on the working class and immigrants, its tax cuts for the wealthy and its systematic preparations for world war.

47. The purpose of the anti-Russia campaign of the Democrats is threefold: (1) to enforce a more aggressive foreign policy against Russia, which is seen by dominant factions within the military and intelligence agencies as a principal obstacle to US hegemony in the Middle East, which must be confronted as a prerequisite to taking on China; (2) to create the framework for an attack on democratic rights and the imposition of a regime of Internet censorship, under the guise of combating "fake news" and "Russian meddling"; and (3) to divert the anger of millions of workers and youth away from any challenge to the capitalist system.

48. In addition to the anti-Russia campaign, the other major preoccupation of the Democrats has been the promotion of the #MeToo movement, which has, under the cover of opposing sexual assault and violence, served to create a witch-hunt atmosphere to undermine and eradicate basic democratic rights, including the right to due process. The #MeToo campaign has entirely ignored the issues facing the working class, including working class women. While the relentless preoccupation with sex has played well with the Democratic Party's affluent upper-middle class constituency, it has fallen flat with the great mass of working people, whose main concerns relate to problems arising from their class position in capitalist society, rather than their gender, ethnicity or sexual orientation.

49. A year-and-a-half after his inauguration, the Democrats' strategy for opposing Trump is in shambles. The administration feels emboldened and is pressing forward with its efforts to establish far-right control over all the institutions of the state, including the Supreme Court. The Democrats, on the other hand, are redoubling their efforts to divert and suppress social and political discontent. Nothing frightens them more than the emergence of a mass popular movement against the billionaire thug in the White House. They do not want to do anything to weaken the institutions of the capitalist state in advance of a growth of the class struggle.

The CIA Democrats and the pseudo-left

50. The response of the Democratic Party to the election of Trump is determined by its class character and political physiognomy. It is a party of finance capital and the military-intelligence apparatus, supported by a broader layer of the affluent upper-middle class, whose total annual income places it within the wealthiest 10 percent of American society. While the income of this wealthy social stratum is far greater than that of the vast majority of Americans, those who fall within this privileged 90-99 percentile are, nevertheless, keenly aware of the vast difference in the scale of their wealth compared to that of the richest 1, 0.1 or 0.01 percentile of the population. They are far more dissatisfied with what they view as an unfavorable distribution of wealth among the richest 10 percent

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than they are with the existence of mass poverty. And even if they cannot effect a reduction in the vast sums allocated to the very richest Americans, the members of the upper-middle class wage a ferocious struggle among themselves for more of the money sloshing around at the apex of American capitalism.

51. The politics of racial, gender and sexual identity promoted by the Democratic Party is bound up with sordid conflicts within the upper-middle class over access to positions within corporations, universities, the trade unions and the state apparatus. The now routine denunciations of one or another individual for alleged "microaggressions," racism and, most dangerous of all, sexual harassment, represent nothing other than the weaponization of identity politics.

52. Sections of the pseudo-left have taken to calling for a new "party of the 99 percent." This slogan implies that there is a commonality of interests between those who are paid $25,000 a year (the annual income for a $12 per hour job) and those who receive annual compensation (aside from earnings on investments) of $250,000 to $1,000,000. This slogan, sociologically absurd and politically reactionary, is aimed at subordinating the working class to the upper-middle class and the Democratic Party.

53. As the WSWS has documented, in the 2018 midterm elections, the Democrats have fielded an unprecedented number of former intelligence agents and military veterans. The politics of the "CIA Democrats" is not in conflict with, but rather corresponds to, the pseudo-left politics of the upper-middle class, as expressed in organizations such as the Democratic Socialists of America (DSA) and the International Socialist Organization (ISO). In "Palace coup or class struggle," the WSWS stated:

> The characteristic feature of middle class politics is its lack of independence from the ruling class. It seeks to influence the Democratic Party and win its support for marginal reforms of the capitalist system. While the more left-liberal elements within this political milieu refer to issues of social inequality, they combine, in the most unprincipled manner, semi-reformist appeals with support for the Democratic Party and the aims of American imperialism. This is bound up with the fact that their own privileged economic position is based on the record rise in corporate profits and stock prices. Their primary political function is to maintain the domination of the ruling class over the working class.

54. The DSA is playing an increasingly central role in attempting to buttress the political authority of the Democratic Party. Since the 2016 election, the membership of the DSA has increased from 7,000 to 37,000. It is winning the support of a layer of young people looking for a socialist opposition to capitalism and is seeking to direct this sentiment back behind the Democrats. The campaign of DSA member Alexandria Ocasio-Cortez, who defeated the incumbent Congressman Joseph Crowley in a New York congressional primary election in June, demonstrates its role. While tapping into social discontent to defeat Crowley, the fourth highest Democrat in the House of Representatives, Ocasio-Cortez has moved quickly to burnish her establishment credentials, while being lauded by the corporate media. The DSA and Ocasio-Cortez's call to "abolish ICE"—in reality, rebrand it with a new name while retaining all its vicious capabilities—is being taken up by a faction of the Democratic Party leadership.

55. Both the fear of the growing interest in socialism and the function of groups like the DSA were given expression in an article in the *New York Times* following Ocasio-Cortez's primary victory ("The Millennial Socialists Are Coming," by Michelle Goldberg). Goldberg writes, "Talk of popular control of the means of production is anathema to many older Democrats, even very liberal ones. It plays a lot better with the young; one recent survey shows that 61 percent of Democrats between 18 and 34 view socialism positively. The combination of the Great Recession, the rising cost of education, the unreliability of health insurance and the growing precariousness of the workplace has left young people with gnawing material insecurity. They have no memory of the widespread failure of Communism, but the failures of capitalism are all around them."

56. Goldberg's conclusion is that the Democratic Party should open its doors to the DSA and its candidates as a means of rebranding the party:

> There are more candidates like Ocasio-Cortez out there, and the Democrats should welcome them. It needs their youth and zeal and willingness to do the work of rebuilding the party as a neighborhood institution. And they're coming, whether the party's leadership likes it or not.

57. In fact, there are no traces of genuine socialism in the program of the DSA and similar pseudo-left parties. Their proposals for limited social reforms are connected to support for the Democratic Party and the defense of the organizational domination of the corporatist trade unions over the working class. That is, they provide a pseudo-left cover for institutions that are waging a war on the working class.

58. The pseudo-left groups either abstain from the fight against imperialist militarism or offer dishonest rationalizations for endorsing US military operations. The particular role of the ISO in the US is to most clearly articulate the policy of the US State Department and the CIA within the milieu of pseudo-left politics. It is the most fervent supporter of the US-backed campaign for regime-change in Syria and has developed close ties with factions of the state openly calling for a more aggressive military intervention in Syria and against Russia.

59. The most damning expression of the pseudo-left's support for imperialism is its silence on the escalating threats against WikiLeaks founder and journalist Julian Assange, who remains trapped in the Ecuadorian embassy in London and faces the danger of being pushed out, arrested and extradited to the US, where he would face criminal charges of espionage.

60. The treacherous role of the pseudo-left organizations of the upper-middle class is an international phenomenon. In Greece, the "Coalition of the Radical Left," Syriza, has led a coalition government for three-and-a-half years, during which time it has dutifully implemented the demands of the European banks and acted as a front-line perpetrator of the European Union's anti-refugee policy. In Germany, the Left Party is supporting and implementing austerity measures and attacks on immigrants, largely adopting the program of the fascistic AfD.

61. The promotion of the DSA, the ISO and other pseudo-left groups by factions of the political establishment is paralleled by the systematic efforts to suppress the *World Socialist Web Site*. While the DSA-affiliated *Jacobin* magazine is regularly cited in the *New York Times* and featured prominently in Google searches, the WSWS has been the principal target of censorship mechanisms implemented by Google, Facebook and other Internet companies, in close alliance with the intelligence agencies and the state. As masses of workers and youth are seeking a way to oppose capitalism and fight for socialism, they are being directed to organizations that serve as auxiliary arms of the state and the bourgeois political apparatus.

To be continued

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