

Elon Musk calls for privatization of United States Postal Service, Amtrak passenger rail

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Elon Musk, head of Trump's Department of Government Efficiency (DOGE), called for the privatization of the United States Postal Service (USPS) and Amtrak on Wednesday. "We should try to privatize everything we possibly can, and that would be my recommendation," he said.

Musk made his comments virtually during the Morgan Stanley Technology Media and Telecom conference. He singled out Amtrak, the national passenger rail service, for mockery. "Amtrak is a sad situation," he said. "If you come from another country, please don't use the national rail. It can leave you with a very bad impression of America." He concluded, "I just think we should privatize anything that can be privatized."

Musk's comments sum up the strategy of the ruling class. Through Musk and Trump, they are preparing to loot whatever is not bolted down in the federal government in order to enrich themselves.

Musk's comments underscore the urgency of rank-and-file action to save USPS and other federal public services from destruction. This requires the growth of the US Postal Workers Rank-and-File Committee and rank-and-file committees among federal workers to organize action against both Trump and the sellout union bureaucracy.

At the same time that the White House is seriously considering privatization, the National Association of Letter Carriers is putting a contract for around 200,000 city letter carriers to binding arbitration. The union is refusing to call a strike, citing laws against walkouts by federal employees, even as Trump breaks as many laws as possible in his attacks on the federal workforce.

The richest man in the world also touted the alleged superiority of privatized, profit-driven enterprises over public enterprises. Privatization ensures continuous innovation and progress, he claimed. "Basically, something's got to have some chance of going bankrupt, or there is not a good feedback loop for improvement."

The major American corporations and banks know that the government will bail them out rather than allow them to go bankrupt when their speculative ventures go belly-up. When the Treasury and capital markets froze at the beginning of the COVID-19 pandemic, nearly all of the companies listed on the Dow Jones index needed loans to survive. The US Federal Reserve responded by purchasing debt securities, supporting financial

markets and taking other measures to save the corporate and financial oligarchy. This is the real "feedback loop" for the American oligarchy.

At Trump's behest, Musk has been rampaging through the federal government, cutting jobs under the pretext of combating waste and increasing efficiency. He has eliminated an estimated 30,000 jobs so far, but this bloodletting is only the opening stage of an even greater onslaught. Musk's comments about USPS and Amtrak are a warning that the assault on the working class will broaden and deepen.

Trump is reported to have discussed privatizing USPS with Commerce Secretary Howard Lutnick in mid-December. The two agreed that Lutnick, the former CEO of leading bond-selling firm Cantor Fitzgerald, would sell USPS in an initial public offering (IPO).

IPOs richly benefit finance capital, as the sale of 60 percent of the United Kingdom's Royal Mail demonstrated in 2013. The British government selected Goldman Sachs, Barclays, Bank of America, UBS and Merrill Lynch to underwrite the IPO. All were paid handsomely. On the day of the IPO, Royal Mail's stock price rose by 38 percent.

Twelve of the priority investors that sold some or all of their holdings made a total of at least £98 million. The priority investor that sold the most Royal Mail shares after the end of its first week was Capital Group, which is one of the world's largest investment firms, with \$1.2 trillion in total under management. Capital Group was given the biggest allocation in Royal Mail before the IPO. It reduced its 22.6 million share allocation to just 3 million. As a result, Capital Group made a profit of as much as £39 million.

The second highest net profit on the sale of Royal Mail shares was made by another US investment manager, BlackRock. This firm, the largest asset manager in the world, made a profit of as much as £27.3 million.

In February, the White House denied a *Washington Post* report that President Trump was planning to dissolve the USPS board and take control of the Post Office, according to news website *Axios*. Nevertheless, Trump stated that he wanted some kind of Commerce Department "merger" that would ensure that USPS "doesn't lose massive amounts of money."

USPS faces a dire financial crisis that was engineered by Congress as part of a bipartisan drive to privatize the agency. Its pension and healthcare fund obligations amount to \$409 billion, according to a USPS Inspector General report from the end of

fiscal 2022, but USPS has only \$290 billion in assets to cover these obligations.

This enormous shortfall raises the question of who would seek to buy USPS. In addition, the money in the USPS pension system is invested very conservatively, exclusively in Treasury bonds, as *Axios* reported. For this reason, the fund lost money in real terms during fiscal years 2021 and 2022. The Inspector General reported a \$155 billion deficit in the USPS retirement funds at the end of fiscal 2021, noting that this loss would have been a \$963 billion surplus if the money had been invested in a standard portfolio (60 percent stocks and 40 percent bonds) since it began.

But potential purchasers of USPS (or of its profitable portions) do not see the partially unfunded retirement system as a dealbreaker. The Dow Jones and NASDAQ indices are hitting record highs, and potential purchasers are tempted by the prospect of access to USPS retirement funds, which could be reinvested to bring fabulous returns. Lutnick would know this best of all and likely has associates who are eager to take advantage of this opportunity. The fate of healthcare and pension funds for 700,000 postal retirees and of the retirement benefits for 500,000 active postal workers would suddenly be in the hands of powerful stock market speculators.

Again, the experience of Royal Mail provides a warning to USPS workers. The second-generation buyer of Royal Mail, the private equity CEO Daniel Kretinsky, recently seized half of the the postal workers' pension fund surplus for himself — with the full support of Keir Starmer's Labour government and the Communication Workers Union.

Republican Congressman James Comer of Kentucky has proposed another idea for privatizing USPS. It would involve selling off the agency's profitable parts to companies such as FedEx and UPS. "This is something that every American utilizes every day," he said during the discussion of the Postal Reform Act of 2022. "And in rural America, it has an overweighted influence, because we depend on the Post Office a lot more. And if you if you look at the Post Office over the past 10 years, two things jump out at you. First of all, they've lost tens of millions of dollars, probably hundreds of millions of dollars. And secondly, the performance has deteriorated in how long it takes to get your mail.

"So, a lot of people complain about the Post Office and say, 'Well, we should privatize the Post Office.' Well, the truth of the matter is, nobody wants the Post Office. If you had a company like FedEx or UPS, they might want the package delivery business in the cities, but they don't want to deliver mail six days a week in the rural areas and they don't want to do general delivery mail."

Workers must organize themselves now, in alliance with postal workers in Britain and around the world, to save USPS. At a recent public meeting sponsored by the US Postal Workers Rank-and-File Committee, 150 people in attendance voted in favor of a resolution which laid a strategy for this fight:

1. The International Workers Alliance of Rank-and-File Committees condemns the mass purge of federal workers by the Trump administration and Elon Musk's Department of Government Efficiency (DOGE) and calls for the mass

mobilization of federal employees, including mass meetings, demonstrations and collective strike action, to stop it. Hundreds of thousands of workers across federal agencies face immediate termination, in flagrant violation of contracts and civil service protections. The destruction of federal jobs is part of a broader corporate drive to gut public services and strip workers of all protections, including the assault on postal workers and the plans for privatization of the postal service.

2. This attack goes beyond Reagan's 1981 PATCO firings, which destroyed 11,000 jobs and marked the beginning of decades of union-busting. Now, the scale is even greater. Any federal agencies that provide social services or regulate corporations are being hollowed out or destroyed. The USPS, already targeted for privatization, is next. If these firings proceed, it will mean the elimination of social programs and mass job losses across the public sector. This will encourage state and local officials and private employers to escalate their attack on jobs and rights of workers.

3. This meeting condemns the cowardice and complicity of the trade union bureaucracy, which has proposed no action to oppose this historic assault on the working class. The AFL-CIO has limited itself to appeals to the media and the Democrats. AFGC merely promises to challenge "unlawful terminations." This is not a legal issue—it is a political war on the working class. If the union leadership will not fight this, they will fight nothing.

4. The time for empty statements is over. The International Workers Alliance of Rank-and-File Committees and Postal Workers Rank-and-File Committee call for immediate preparations for mass resistance, up to and including strike action. Postal workers must join with federal workers, logistics workers, and all workers to stop this purge. We reject the dismantling of public services and demand workers' control over critical sectors like the USPS. The only way forward is through the independent organization of the working class, in opposition to both corporate-backed parties and their enforcers in the trade union apparatus.



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