

Resolutions of the SEP (US) National Congress

Perspectives of the Socialist Equality Party

4 September 2012

The following is the first resolution adopted by the Second National Congress of the Socialist Equality Party (US), held July 8-12, 2012.

1. The economic crisis triggered by the collapse of Lehman Brothers in September 2008 has far-reaching social, political and historical implications. Terms such as “downturn,” “recession” and even “depression” hardly convey the full magnitude of the situation. Hopeful references by professional economists and media commentators to a future “recovery” are becoming increasingly hard to find. *The Economist*, an arch-conservative publication, recently acknowledged that “something is very wrong with the world economy.” It then bluntly stated: “That something is a combination of faltering growth and a rising risk of financial catastrophe.” [1]

2. Little more than 20 years ago, the dissolution of the Soviet Union in December 1991 was proclaimed by bourgeois ideologists to be irrefutable proof of the failure of socialism and the impossibility of an alternative to a historically triumphant capitalism. The entire revolutionary experience of the twentieth century—which had witnessed worldwide struggles involving hundreds of millions of people against capitalism—was declared to be a futile, and even irrational, search for an unattainable utopia. These assertions required both the deceitfully simplistic identification of the Soviet Union with socialism and the denial of the struggle waged by the Marxist opposition, led by Leon Trotsky, against the Stalinist betrayal of the principles that inspired the October Revolution of 1917.

3. But while insisting that the economic crisis that preceded the dissolution of the Soviet Union demonstrated the failure of socialism, the apologists of the ruling class draw no such conclusions whatever from the present global economic crisis in terms of its significance for the future of capitalism! Nevertheless, the crisis that erupted in 2008 signaled a breakdown in the equilibrium of the world capitalist system, comparable in its historic significance to the outbreak of World War I in 1914, the Wall Street crash of 1929, and the outbreak of World War II in 1939. This crisis represents a colossal historical failure of the capitalist system, and, therefore, raises before mankind the necessity of building and fighting for the socialist alternative to capitalism.

4. The economic slump is spreading from country to country, from continent to continent. In an era of globally integrated financial markets and production, no country can insulate itself from the consequences of an economic crisis in any major geographic sector. The 2008 sub-prime mortgage collapse in the United States destabilized Europe. Though its impact was somewhat delayed, the crisis is becoming increasingly evident in China, India and Brazil, which are heavily dependent on their export markets in the major capitalist centers.

5. It has taken only two decades for the project of a “united” Europe, with a single currency, to be exposed as one of the greatest economic frauds in history. What emerged from the Maastricht Treaty of 1992 was a bankers’ Europe. The “social market economy”—long touted as the humane European alternative to “free enterprise” as practiced in the United States—has given way to a form of capitalism that Thomas Malthus would have welcomed with enthusiasm. In every country within the

European Union, the watchword is “austerity.” In Greece the working class population is being reduced to penury. In Spain the unemployment rate stands at 25 percent. Half the country’s youth between the ages of 16 and 25 are without a job. Increasingly desperate conditions confront workers in Portugal, Britain, Ireland and Italy. The new Socialist Party government in France will lose little time before proceeding to implement measures aimed at lowering workers’ living standards. But despite the assault on the working class, the European bourgeoisie has been unable to fashion a unified, let alone effective, response to the crisis. The existence of the single European currency has failed to overcome the differences in economic policies that are historically rooted in the capitalist nation-state structure. The attempt to unite Europe on the basis of bourgeois rule and capitalist economy is a reactionary scheme that can be implemented only through military-police violence, political dictatorship and the drastic lowering of the living standards of the working class. The ruling class in each European country wants a solution that is compatible with its own national interests. Notwithstanding the economic structures and political institutions created after 1945 to prevent conflict among the European states, capitalist Europe is as divided today as it was on the eve of World War II.

6. In the late 1930s, describing the political disorientation produced by the Great Depression, Trotsky observed that “all of capital’s traditional parties are in a state of perplexity bordering on a paralysis of will.” [2] These words apply with uncanny precision to the situation that prevails in Europe. Even the most thoughtful bourgeois commentators see no way out of the crisis. In a column entitled “Panic Has Become All Too Rational,” Martin Wolf of the *Financial Times* wrote:

How much pain can the countries under stress endure? Nobody knows. What would happen if a country left the eurozone? Nobody knows. What is the long-run strategy for exit from the crisis? Nobody knows. Given such uncertainty, panic is, alas, rational... Before now, I had never understood how the 1930s could happen. Now I do. All one needs are fragile economies, a rigid monetary regime, intense debate over what must be done, widespread belief that suffering is good, myopic politicians, an inability to co-operate and failure to stay ahead of events. [June 5, 2012]

7. That the world crisis was triggered by a collapse on Wall Street was hardly accidental. The economic parasitism associated with the phenomenon of “financialization” was the outcome of the movement, driven by a long-term decline in the rate of profit, away from investment in manufacturing industries. The fact that “financialization” advanced most rapidly in the United States was inextricably linked to the deterioration in the country’s position as the world’s dominant industrial power. The growth of parasitism is a phenomenon that testifies to the decay of American capitalism. The creation of collateralized debt

obligations and other fraudulent financial instruments associated with sub-prime mortgages flowed directly from the separation of the process of corporate and personal wealth accumulation from the process of production. Within a generation, dating back to the early 1980s, the finance industry increased its share of total corporate profits from 6 percent to approximately 50 percent. The explosive growth of financial enterprises fostered the concentration of staggering levels of wealth within the Wall Street elite, which in turn has employed its unlimited resources to ensure the complete subordination of the capitalist state to its interests. At the same time, the financial elite has sought to loot public assets and services--such as public education and health care--and subordinate them ever more directly to the accumulation of private profit.

8. In the United States, an air of unreality hangs over the 2012 presidential election. President Obama and his Republican opponent Mitt Romney mouth the same platitudes and clichés about the glories of American capitalism and its indefatigable entrepreneurship. Each promises to preserve the “greatness” of America as the land of “unlimited opportunity.” But the *Federal Reserve Bulletin* issued in June 2012 presented a devastating fact-based refutation of the candidates’ evasion of reality. The *Bulletin* reported:

Over the 2007-10 period, the U.S. economy experienced its most substantial downturn since the Great Depression. Real gross domestic product (GDP) fell nearly 5.1 percent between the third quarter of 2007 and the second quarter of 2009, the official period of recession as determined by the National Bureau of Economic Research. During the same period, the unemployment rate rose from 5.0 percent to 9.5 percent, the highest level since 1983. Recovery from the so-called Great Recession has also been particularly slow; real GDP did not return to pre-recession levels until the third quarter of 2011. The unemployment rate continued to rise through the third quarter of 2009 and remained over 9.4 percent during 2010. [3]

9. The most significant data related to the impact of the crisis on the net worth of the majority of Americans.

From 2007 to 2010, inflation-adjusted net worth (wealth)—the difference between families’ gross assets and their liabilities—fell dramatically in terms of both the median and the mean. The median fell 38.8 percent, and the mean fell 14.7 percent... Mean net worth fell to about the level in the 2001 survey, and the median net worth was close to levels not seen since the 1992 survey... [4]

10. For approximately four decades, the inflation-adjusted income of workers has been stagnating. The impact of the erosion of wage levels was partially cushioned by the rapid rise in housing prices in the 1990s and the first decade of the new century. However, the 2008 collapse of the housing bubble has brought to the surface the social implications of the long-term decline of American capitalism. The scale of the decline in median net worth—close to 40 percent—represents a brutal downward adjustment of workers’ living standards that is dictated by the decay in the world economic position of the United States.

11. The decline in the net worth of the vast majority of Americans—the working class and substantial sections of the middle class—has been accompanied by the development of extreme levels of social inequality. A vast transfer of income from the working population to the financial-corporate elite has taken place during the last three decades. The overwhelming share of income and net worth growth has been

concentrated in the wealthiest 10 percent of the population. And within that privileged social group, the lion’s share of the increase in personal wealth has been claimed by the richest 1 percent of the population.

12. Two interconnected factors form the basis of the strategy of the American ruling class: first, the deterioration in the global economic position of the United States; second, the concentration of wealth, to a degree that would have been considered, until relatively recently, unimaginable in a highly developed bourgeois democratic state. In response to the first factor, the American ruling elite is deploying its overwhelming military power to reestablish an unchallengeable geo-political dominance—in effect, a hegemonic position—across the globe. Washington is determined, in this way, to reverse the long-term consequences of American economic decay. In response to the second factor, the ruling class is escalating its attack on the democratic rights of the American people. These two essential aspects of its strategy—militarism and repression—are being implemented within the framework of the “War on Terror.”

13. In 1928, at a far earlier stage in the emergence of American imperialism, 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.*” [5] These words have a prophetic character. It is now evident that the dissolution of the Soviet Union in 1991 was interpreted by the United States as an opportunity to unleash military violence all over the globe. The restraint forced upon the United States during the Cold War—a restraint of a very limited character—was no longer necessary. In the actions taken by the United States during the past 20 years, it is possible to imagine what the world would have looked like if the 1917 October Revolution had not occurred. The massive movements for national self-determination that ended direct colonial rule in much of Asia, the Middle East and Africa in the aftermath of World War II would have confronted the full force of American imperialism. Washington, having already demonstrated its savage ruthlessness by dropping two atomic bombs on the defenseless cities of Hiroshima and Nagasaki, would have lost no opportunity and stopped at nothing to take the place of the old European colonial powers.

14. The dissolution of the Soviet Union set the stage for a program of perpetual war by the United States. Since 1991, its armed forces have been engaged in operations in almost every part of the globe. It is seeking, to use the language of classical Marxism, to effect a new “division of the world” on terms that ensure US hegemony. There is not a single region that the United States does not view as a component of its strategic interests. What does American imperialism want? Everything! It is determined to establish its domination over every country, continent, sea-lane, ocean and outer space. This geopolitical megalomania cannot be realized through peaceful measures. One country after the next has been targeted for invasion or bombardment--Afghanistan, Iraq, Pakistan, Yemen and Libya. The US has instigated a civil war in Syria and is threatening Iran. At the same time, the Obama administration is focusing greater attention on isolating and encircling China. The eruption of American imperialism is leading inexorably in the direction of a global conflagration, involving all the major powers, which will raise the danger of nuclear annihilation.

15. The launching of the “War on Terror”—for which the events of 9/11 provided a pretext—marked the institutionalization of military violence as a continuous instrument of state policy. The official glorification of war and killing is assuming a grotesque character, as the persona of the American president is recast as a weird combination of imperial Caesar and Mafia Godfather. Obama advertises the fact that he personally devotes a significant portion of his time to the selection of the individuals who are to be targeted by drone missiles, and that he has approved these killings even when he knew that the victims would include civilians who were entirely unconnected to any form of military or terrorist activity.

Among those killed have been American citizens, whose fate has been decided without legal due process and in flagrant violation of the US Constitution. To put the matter bluntly, the American president is guilty of murder. The Bush and Obama administrations have adopted as the basis of their actions the concept of the “State of Exception,” which was developed by Carl Schmitt, the leading “legal” theorist of the Nazi Third Reich.

16. The “War on Terror” has served as the pretext for the de facto abrogation of core democratic rights. All the democratic protections guaranteed in the Bill of Rights have been subjected to sweeping attacks, including the right of *habeas corpus*, legal due process, and protection against unreasonable searches and seizures.

17. The break with fundamental Constitutional principles and procedures cannot be explained by focusing on the personal characteristics of the president, however unattractive they may be. The source of the change is lodged in the economic imperatives of imperialism and the class structure of American society, with its unprecedented levels of social polarization. The ruling class recognizes all too clearly that the deteriorating conditions of life for the overwhelming majority of people must lead to social unrest. From its standpoint, the undermining of Constitutional guarantees is preparation for the suppression of struggles by the working class and youth against intolerable social conditions, inequality and militarism.

Part II

18. The intensification of the global economic crisis is leading inexorably to the resurgence of the class struggle within the United States and throughout the world. The eruption of mass protests in Tunisia and Egypt in 2011 was a harbinger of the developing revolutionary upsurge. Moreover, the struggles of 2011 had a profound impact on the consciousness of the international working class. Within weeks of the mass demonstrations in Cairo that brought down the Mubarak dictatorship, the example of Tahrir Square was invoked by American workers in Wisconsin as they protested against the reactionary policies of Governor Walker.

19. It is not enough to predict the inevitability of revolutionary struggles and then await their unfolding. Such passivity has nothing in common with Marxism, which insists upon the unity of theoretically guided cognition and revolutionary practice. Moreover, as the aftermath of Mubarak’s downfall demonstrates all too clearly, the victory of the socialist revolution requires the presence of a revolutionary party. The Socialist Equality Party must do everything it can to develop, prior to the outbreak of mass struggles, a significant political presence within the working class—above all, among its most advanced elements. It must be a movement that has worked out the central problems of revolutionary perspective. The capitalist crisis radicalizes the working class and provides the objective conditions for socialist revolution. The Socialist Equality Party’s responsibility is to develop the strategy and tactics that will guide the working class in the struggle for power.

20. American imperialism is a powerful force. But the American ruling class is not invincible. The economic, political, social and cultural foundations of its rule are rotten to the core. The challenge confronting the socialist movement is to develop its forces among workers and youth, and to imbue the emerging mass movement with an understanding of the political implications of the crisis of the world capitalist system. As Trotsky explained in an earlier period of revolutionary struggle: “The task of the working class—in Europe and throughout the world—consists in counterposing to the thoroughly thought-out counter-revolutionary strategy of the bourgeoisie its own revolutionary strategy, likewise thought out to the end.” [6]

21. Extreme social inequality has exacerbated class divisions within the United States and throughout the world. Anti-capitalist sentiment is

growing rapidly within the working class. As always in periods of growing mass discontent, the ruling class seeks to maintain its political and ideological domination over the people. It does this not only through the entertainment industry, the news media, the academic establishment and the political apparatus of the reactionary two-party system of Democrats and Republicans. The corporate-financial elite also requires and depends upon the political services of innumerable “left” parties, organizations and tendencies through which the interests and influence of the capitalist class are exerted on the working class. Their role is to contain the class struggle and direct it into channels that pose no danger to capitalism. For decades, what passes for “left” politics has represented not the interests of the working class, but, rather, a privileged stratum of the middle class. The political orientation of this affluent milieu can be best understood and explained within the context of the peculiarities of wealth distribution within contemporary capitalist society.

22. Numerous studies have shown that, taken as an aggregate, the wealthiest 10 percent of society enjoy a standard of living that is vastly more comfortable and secure than the lower 90 percent. Of course, the precise percentages and “cut-off” points may vary from country to country. But, especially in the most advanced countries, there exists a substantial upper-middle class which is positioned within the top 10 percent. There is, however, a significant disparity in the distribution of wealth within this privileged layer. Extreme wealth is concentrated in the top 1 percent (and, especially, within the richest top fractions of this group). A graph charting total wealth and annual income in the top 10 percent of the population would show a steep slope in the line as it moves from the top to the bottom of this social stratum. According to data compiled by economists Atkinson, Piketty and Saez, an annual income (as of 2007) of at least \$398,900 is required to be counted within the top 1 percent of household incomes. But an annual income of “only” \$109,600 is required to be counted among the top 10 percent. To be counted within the top 5 percent requires a minimum income of \$155,000, which is still approximately 40 percent of the minimum income of a household at the lowest rank of the top 1 percent. When attention is focused on the nauseating levels of wealth and income within the top .1 and .01 percent of the population, the extreme disparity of wealth distribution even within the top 10 percent of family households becomes even more obvious. [7]

23. Thus, there is a substantial basis for discontent within even relatively affluent sections of the population. Large numbers of people, especially if they fall somewhere below the top 5 percent, feel economically vulnerable. They must borrow substantial sums to live in a home appropriate for their social status, pay for their children’s education, eat out at restaurants, take vacations, etc. It is this layer—consisting, in part, of professionals, moderately successful academics, functionaries employed in the trade unions and labor organizations, the middle and upper echelons of whatever remains of the welfare state bureaucracies, and student youth from affluent homes—that provides the constituency for a form of reformist “left” or, more accurately, “pseudo-left” politics that seeks, in the final analysis, nothing more extreme than a more equitable distribution of wealth within the top 10 percent.

24. The “anti-capitalism” of this stratum is fueled far more by envy of the rich than by solidarity with the working class. It desires not the destruction of private property (in the form of ownership of the means of production) but a larger share of the income derived from it. Rejecting the demand for equality through the mass struggle of the working class for socialism, the embrace by the middle class pseudo-left of various forms of affirmative action—that is, preferential quotas based on race, ethnicity and gender—reflects the desire for individual access by privileged elites to career opportunities and greater wealth within the framework of capitalism. The obsessive focus on issues related to personal identity—especially sexuality—is characteristic of middle class

organizations that are determined to elevate individual interests above class issues and to separate the defense of democratic rights from the struggle for socialism.

25. The “Occupy Wall Street” movement certainly attracted sympathy from among broad sections of the working class, who interpreted the protests as an expression of hostility to the existing economic set-up. However, this movement offered no way forward for the working class. The “Occupy” movement was dominated politically by representatives of these relatively affluent sections of the middle class and expressed their concerns. It remained within the orbit of the Democratic Party, hoping that its protests would somehow influence the policies of the Obama administration. It never sought to provoke an independent working class movement on the basis of socialist demands. It was not an accident that it chose as its slogan, “We are the 99 percent!” Its leaders did not want to encourage a more precise differentiation of antagonistic class-based socio-economic tendencies in American society, and, especially, their own privileged position compared to the conditions confronting the bottom 90 percent of the population. Ironically, the imperative proclaimed by the protest leaders shed light on their own social orientation. The affluent sections of the middle class want greater access to the wealth of the financial industry. Hence the slogan, “Occupy Wall Street!” This is a far cry from a socialist program, which advocates the overthrow of Wall Street’s dictatorship and the expropriation of its wealth.

26. The “Occupy Wall Street” movement, like earlier “anti-globalization” demonstrations (in Seattle and other cities), was guided by political and theoretical conceptions that are popular within numerous anarchist-reformist tendencies. Anarchism, with its celebration of unfettered individualism, easily finds a receptive audience within the middle class. Drawing inspiration from a wide range of subjective idealist and irrationalist thinkers associated with the Frankfurt School, postmodernism, structuralism and poststructuralism (such as Horkheimer, Adorno, Foucault, Derrida, Lyotard, Lacan and Badiou), these tendencies reject every essential programmatic conception of Marxism—above all, its insistence upon the central revolutionary role of the working class. As one representative of contemporary “post-anarchism” has recently written:

[T]his form of politics differs from the Marxist working-class struggles: it is no longer based on the central subjectivity of the proletariat and, therefore, even though traditional working-class organizations are involved in important ways in these struggles, the movement is no longer intelligible under the rubric of class struggle. It is no doubt an anti-capitalist struggle [sic], but not one in a Marxist sense: rather, global capitalism operates as an open horizon which is interpreted politically rather than simply economically, and which is understood by different people in different ways. Moreover, it is no longer based on the Marxist model of political mobilization—that of the centrally organized mass party—but rather embodies, as we have seen, a “network” activism of loose affinity groups and diverse organizations engaged in both traditional demonstrations and more innovative forms of direct action. [8]

Summing up his explanation of the post-anarchist program, this theoretician emphasizes that “it is a form of politics which is no longer bound up in a single meta-narrative—that of working-class emancipation, for instance.” [9]

27. The myriad pseudo-left organizations and the theoreticians who justify their programs share a virulent hostility to Marxism and the perspective of socialist revolution based on the working class. Their continuous denunciation of all efforts to develop a revolutionary party—resorting to denunciations of “sectarianism,” “authoritarianism,”

“elitism” and even “totalitarianism”—expresses their fear that the working class, as it develops socialist consciousness, will break free from the political domination of the middle class.

28. The pseudo-left organizations represent, in their aggregate, *a tendency within bourgeois politics*. Within the United States, the International Socialist Organization, whose orientation is defined by the need of the Democratic Party to maintain a “left” presence, epitomizes this tendency. However, the pseudo-left is an international phenomenon. Beyond the borders of the United States, where the class struggle is more advanced, the reactionary role of the pseudo-left is even more explicit. In the aftermath of the downfall of Hosni Mubarak in Egypt, the so-called Revolutionary Socialists (politically affiliated with the ISO) extended political confidence to the military while also seeking to curry favor with the Muslim Brotherhood. This reactionary orientation was based on the absurd notion, championed by the British co-thinkers of the Revolutionary Socialists, that a left program could be developed on the basis of an amalgam of “Marx and the Prophet”! Predictably, the results have been catastrophic. Having opposed all efforts to construct a politically independent movement of the working class, this pseudo-left organization was totally unprepared for the anti-parliamentary coup launched by the Egyptian military on June 14, 2012. In response to the coup, the Revolutionary Socialists issued a statement, posted on the web site of the ISO, that amounts to a pathetic confession of political demoralization and bankruptcy. Without offering any explanation of its own political activity over the previous months, the RS stated:

No wonder then, that a state of frustration spread among the revolutionaries, comrades, colleagues and friends, a state of disbelief in today’s developments, for it appears to be a knock-out win for the counter-revolution. [10]

29. As one reads such expressions of political cowardice, one wishes to ask its authors: “And what were you, ladies and gentlemen, doing during the many months that followed the fall of Mubarak in February 2011? To what extent do you assume responsibility for allowing the military to stage its counter-coup?” But the authors will not answer these questions. They accept no responsibility for anything.

30. In Greece, the role of the pseudo-left as a tendency within bourgeois politics is exposed by the role of SYRIZA. This organization—a coalition of pseudo-left groupings that include ex-Stalinists, the Pabloites (long-time renegades from Trotskyism), various “state-capitalist” formations, and environmentalists—has acquired a large popular following on the basis of its denunciation of austerity policies imposed by the European banks. But as soon as SYRIZA was faced with the possibility of coming to power, its leader Alexis Tsipras rushed to Germany to assure the banks that his party had no intention of withdrawing from the euro zone. It has sought nothing more radical than the renegotiation of the European banks’ austerity program.

31. Any question as to the reactionary character of the pseudo-left tendencies is answered with finality by the support which they have given, under the fraudulent banner of “human rights,” to the neo-colonial operations of imperialism. Statements supporting the bloody imperialist intervention in Libya were prominently posted on *International Viewpoint*, the web site of the international Pabloite movement. The pseudo-lefts’ reactionary cheerleading for imperialist military assaults on countries that suffered many decades of colonial rule is now being repeated in Syria.

32. In one of the greatest of his early works, published 160 years ago, Karl Marx wrote: “Men make their own history, but they do not make it just as they please; they do not make it under conditions chosen by themselves, but under conditions directly encountered, given and

transmitted from the past.” [11] In the present period, directly encountered, given and transmitted from the past” have been shaped by the revolutions, wars, and scientific-technological transformations of the past century. The strategic experiences of the massive class struggles of the twentieth century must be studied. The advanced sections of the working class and youth must acquire an understanding of the role of Stalinism, Social Democracy, the trade union bureaucracies and other forms of political opportunism in the defeat of revolutionary movements and the survival of capitalism.

33. The need for such an education is made all the more urgent by the fact that several decades have passed since the last great period of significant class struggles. Under conditions in which the official trade unions have practiced unrestrained class collaboration and devoted themselves entirely to facilitating the exploitation of their members by the corporations, an entire generation of workers has been denied any opportunity to engage directly in the struggle against capitalism. The protracted suppression of class struggle has held back the development of the political consciousness of workers. But it would be wrong to conclude that the decline in class consciousness during the decades of social and political stagnation is irreversible. The ruling class would not devote such vast resources to the disorientation and stupefaction of mass consciousness if it were confident in the popularity of the capitalist “American Way.” It knows full well that the propaganda machine cannot hide the social reality: the “American Dream” has given way to the “American Nightmare.”

34. Social being forms the essential basis for the development of social consciousness. The revolutionary role of the working class is determined, in the final analysis, by its objective position in the capitalist mode of production. The intensifying crisis of capitalism inevitably must bring to the surface the socialistic tendencies latent in the consciousness of workers. As Trotsky explained: “Scientific socialism is the conscious expression of the unconscious historical process; namely, the instinctive and elemental drive of the proletariat to reconstruct society on communist beginnings. These organic tendencies in the psychology of workers spring to life with utmost rapidity today in the epoch of crises and wars.” [12]

35. The existence of these “organic tendencies” will find expression in the eruption of social resistance and, moreover, in the receptivity of the working class to socialist ideas. But these tendencies must be cultivated and raised to genuine socialist consciousness.

36. The central political task that confronts the Socialist Equality Party is to turn outward to the working class. We anticipate an unprecedented upsurge of the American working class. Our orientation is unequivocally to the working class. This is the great force within which we will build this party. Only the mass movement of the working class, based on an international socialist program, can settle accounts with the American ruling class. The Socialist Equality Party must provide the political perspective without which serious and sustained struggle, let alone victory, is impossible. It must seek to recruit into its ranks the most far-sighted and self-sacrificing workers and youth. On the basis of a genuinely revolutionary program, the Socialist Equality Party will welcome recruits from the middle class who have, without reservation, gone over to the side of the working class in the struggle against capitalism and imperialism. Such forces can and will play a significant role in the development of the revolutionary movement, but only to the extent that they have broken politically and intellectually with the petty-bourgeois milieu. The Socialist Equality Party, in the closest political collaboration with its co-thinkers in the International Committee of the Fourth International, will educate all the forces won to the party on the basis of the history and theoretical heritage of the Marxist-Trotskyist movement. It must instill within the advanced sections of the American working class a profound understanding of the international character of the class struggle and the socialist revolution.

The future of humanity depends upon the development of a genuine revolutionary movement of the working class. There is no other way out of the impasse created by the crisis of capitalism. In summing up the tasks and perspective of the Socialist Equality Party, the words written by Leon Trotsky in the founding program of the Fourth International are extraordinarily timely:

All talk to the effect that historical conditions have not yet “ripened” for socialism is the product of ignorance or conscious deception. The objective prerequisites for the proletarian revolution have not only “ripened”; they have begun to get somewhat rotten. Without a socialist revolution, in the next historical period at that, a catastrophe threatens the whole culture of mankind. The turn is now to the proletariat, i.e., chiefly to its revolutionary vanguard. The historical crisis of mankind is reduced to the crisis of the revolutionary leadership. [13]

Footnotes:

[1] *The Economist*, June 9-15, 2012 [back]

[2] *The Transitional Program* (New York, 1981), p. 1 [back]

[3] *Federal Reserve Bulletin*, June 2012, p. 4 [back]

[4] *Ibid*, pp. 17-18 [back]

[5] “The Draft Program of the Communist International,” in *The Third International After Lenin* (New York, 1996), p. 29 [back]

[6] “A School for Revolutionary Strategy,” in *The First Five Years of the Communist International*, Volume Two (London, 1974), p. 7 [back]

[7] “Top Incomes in the Long Run of History,” by Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez (*Journal of Economic Literature*, 2011, 49:1, pp. 6-7) [back]

[8] *Unstable Universalities: Poststructuralism and Radical Politics*, by Saul Newman (Manchester and New York, 2007), p. 176 [back]

[9] *Ibid*, p. 180 [back]

[10] “An Attack on the Revolution,” posted on socialistworker.org [back]

[11] “The 18th Brumaire of Louis Bonaparte,” in *Collected Works of Karl Marx and Friedrich Engels*, Volume 11 (New York, 1979), p. 103 [back]

[12] “From a Scratch to the Danger of Gangrene,” in *In Defense of Marxism* (London, 1972), p. 129 [back]

[13] *The Transitional Program*, op. cit., p. 2 [back]

The following is the second resolution adopted by the Second National Congress of the Socialist Equality Party (US), held July 8-12, 2012.

The Socialist Equality Party and its candidates—Jerry White for president and Phyllis Scherrer for vice president—are intervening in the 2012 elections as a means of fighting to build a socialist leadership in the working class, uniting the struggles of workers and youth and politically organizing them to carry out the revolutionary transformation of society.

2. The 2012 elections are held under conditions of the worst economic and social crisis in the United States since the Great Depression. The jobs situation, already disastrous, is getting worse. Tens of millions of people are out of work, have seen their wages slashed, or have been thrown out of their homes. The average duration of unemployment remains near the record highs set after the collapse of 2008. Half the population is categorized as poor or near poor, while 4 million people subsist on less than \$2 a day.

3. The official two-party election contest offers no choice to the working class, as the Democrats and the Republicans are equally committed to the defense of the corporate and financial aristocracy, which is funneling an unprecedented \$3 billion into the two presidential campaigns. The “debate” is between a multimillionaire asset stripper and arch-reactionary (Romney) and Obama, also a multimillionaire, who has

in his three-and-a-half years in office proven himself a ruthless representative of the banks. The differences that do exist between the two parties are of a tactical nature. On all issues that concern the basic interests of the corporate and financial elite, they stand united.

4. The experience of the Obama administration has helped expose to millions of people the imperviousness of the political system to the interests of the vast majority of the population. Its record makes clear that the American ruling class has no reform policy. The response of the ruling class to the emergence of social opposition is not reform, but repression.

5. On domestic policy, Obama began his administration by extending and expanding the bailout of the banks, allocating trillions of dollars, while rejecting any government programs to provide jobs for the unemployed. The bailout of the auto industry, based on halving the wages for new-hires and cutting benefits for retired workers, gave the signal for similar attacks by corporations and state and local governments. The administration's principal "reform" measure—the health care overhaul—was in fact the opening shot in an ongoing campaign to cut health care costs for corporations and the government. Under Obama's "recovery," 93 percent of income gains have gone to the top one percent.

6. On foreign policy, Obama continued the occupations of Iraq and Afghanistan, expanded drone attacks in Pakistan, Yemen and other countries, launched a new war against Libya, and is now stoking up conflicts with Syria and Iran. The logic of this reckless militarism is an open conflict with China or Russia, both nuclear-armed powers, with cataclysmic consequences.

7. From keeping open Guantanamo, to protecting CIA torturers, to prosecuting those who expose US war crimes, like Army Private Bradley Manning, the Obama administration has stepped up the attacks on democratic rights begun under Bush. The White House now asserts the right of the president to order drone-missile assassinations of anyone, anywhere in the world, including US citizens.

8. These attacks are the culmination of a protracted decay of bourgeois democracy in America over many decades. A key turning point was the stolen election of 2000, when the US Supreme Court halted the counting of votes in Florida and installed George W. Bush in the White House. The capitulation of the Democratic Party to this unconstitutional coup demonstrated that there no longer existed any significant support for democratic principles in any section of the US ruling elite. This political shift is itself the expression of more profound social processes: it is impossible to maintain democratic forms of rule in a society where the division of wealth and income is so one-sided and unequal.

9. The past three-and-a-half years have confirmed the SEP's assessment that Obama's election did not signal a revival of social reformism, but rather a new stage in the corporate onslaught on the jobs, living standards and social rights of working people. We rejected the claims of those such as the International Socialist Organization, which proclaimed the election of the first African-American president a "transformative event" that would mean a break with "the right-wing agenda that dominated US politics for the last three decades."

10. In American politics, a critical role is played by a network of organizations of privileged layers of the middle class, trade unions and liberal publications that work to promote the Democratic Party and prevent the immense social tensions building up in American society from finding an independent political expression. These same political forces are once again lining up behind the reelection of Barack Obama and the election of Democrats to the House and Senate. Whatever their mild and hypocritical criticisms, the pseudo-left cheerleaders of Obama support the Democratic Party not in spite of its right-wing agenda, but because of it. They speak on behalf of a small layer of the privileged upper middle class that is thoroughly hostile to the working class.

11. The SEP rejects with contempt the argument that since only a Democrat or a Republican can win the November 6 election, working

people should support the Democrat as the "lesser evil." This has been the last line of defense for the political domination of big business in America for more than a century. The two-party political monopoly is thoroughly undemocratic and must be swept away.

12. The program of the Socialist Equality Party provides the working class with the only way forward. The SEP fights to connect the struggle of working people for their basic social, economic and political rights to the program of revolutionary socialism. The corporate and financial aristocracy's death grip on the resources of society is the main obstacle to social progress. The SEP insists that the rights of the working class cannot be secured except through the independent mobilization of the working class in the struggle to take political power, radically redistribute the wealth, establish genuine social equality, and reorganize all economic life under the democratic control of the working class so as to serve social needs, not private profit.

13. The SEP election campaign is based on the principle of internationalism. In a global economy—confronting a corporate ruling elite that exploits workers in every country and seeks to pit workers against each other on the basis of race, ethnicity, religion and nationality—the working class can defend its interests only on the basis of the broadest international unity. American workers are part of the international working class and must conduct their struggles on the basis of an international strategy. Situated in the center of world imperialism, where the ruling class controls the world's most powerful military machine, American workers have a responsibility to mobilize their class strength against American militarism and its unparalleled record of global aggression.

14. Jerry White and Phyllis Scherrer will be running as write-in candidates in most states. The American electoral system is democratic in name only. In reality, the two big business parties exercise a stranglehold over the whole process. Ballot access laws require tens of thousands of signatures in many states just to get a candidate's name on the ballot. The corporate media works deliberately to prevent any discussion of alternative viewpoints. And the whole process is dominated by unimaginable sums of money. The SEP denounces and seeks to expose the corrupt and anti-democratic character of the existing electoral system. However, the party will seek ballot status in selected states where requirements are less onerous. Where this is not possible, we call on workers and youth throughout the country to write in our candidates' names as a class-conscious declaration of support for a revolutionary socialist program.

15. In the months since it was launched, the SEP election campaign has won a strong hearing among workers and youth in every section of the country. Important election meetings have been held in the Midwest, Northeast, South and West, as well as in Canada. Jerry White and Phyllis Scherrer have campaigned among workers engaged in bitter struggles against lockouts at Cooper Tire and Caterpillar and against cuts in social programs such as education, health care and public transportation.

16. Everywhere there is an interest in socialism and a strong desire for a political alternative to the parties of big business. The economic crisis is having a profound impact on the consciousness of workers and young people. The American working class is losing all confidence in the capitalist system. The objective development of the crisis and the experiences of the working class create the basis for the emergence of a mass revolutionary movement in the United States, the heart of world capitalism.

17. As the SEP election campaign has shown, the growth of the class struggle and the crisis of capitalism underscore the decisive importance of political leadership and the intervention of the party. Basic theoretical, historical and political issues must be clarified. What is socialism? What was the Soviet Union? How can the working class build a political movement independent of the ruling elite? There is a definite growth of

interest in the lessons of the history of the 20th century and the protracted struggle to build a revolutionary movement of the working class, personified in the life and work of Leon Trotsky. The SEP election campaign is necessarily connected to the struggle to clarify the working class on these great historical issues and oppose the efforts of the bourgeois and Stalinist falsifiers.

18. In the four months remaining in the election campaign, the SEP must fight to bring its program to the widest sections of workers and youth. The election campaign will be the focal point of our turn to the working class. This means the widest possible distribution of election material, the use of every opportunity to win an audience for the program and perspective of the SEP, and the holding of meetings of supporters throughout the country. This campaign will prepare both the party and the working class for the struggles that are certain to develop both during and after the 2012 elections.

The following is the third resolution adopted by the Second National Congress of the Socialist Equality Party (US), held July 8-12, 2012.

1. From its very inception in 1966, the Workers League, the predecessor of the SEP, parted company with all other political tendencies by insisting on the revolutionary role of the American working class—the only force capable of settling accounts with the US ruling class. As Gerry Healy, the leader of the Socialist Labour League, told the American Trotskyists at the time: “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.”

2. The struggle to build the SEP in the working class involves the most determined fight for socialist consciousness against all forms of political backwardness and illusions promoted by the capitalist system and its servants in the trade unions, big business parties and liberal and pseudo-left groups. Socialist consciousness does not arise spontaneously out of the class struggle, but must be brought into the working class by the cadres of the SEP. As Lenin explained, “Without revolutionary theory there can be no revolutionary movement.”

3. The revolution that will lay the political basis for socialism arises out of the struggles of the working class for its independent class interests and its basic social, economic and political rights. The SEP must work to develop, prior to the outbreak of struggles, a political presence in the working class and its most advanced elements. It must build systematically a political vanguard that will fight to unite these struggles and direct them in a political offensive against the capitalist system. The experiences of the new wave of working class struggles—from Egypt to Greece to the United States—have confirmed that without the existence of a revolutionary political leadership, the working class is left exposed to the political machinations of the ruling class and its representatives.

4. The SEP fights to break the political and organizational stranglehold of the existing trade unions through the building of independent rank-and-file committees. The working class cannot fight without organization. However, the AFL-CIO and Change to Win Coalition are not working class organizations, but auxiliary arms of corporate management. Even the word “union” in reference to these organizations conceals social reality. They no longer function as elementary defensive organizations of the working class. They do not protect workers from layoffs, plant closings, wage and benefit cuts, speedup or any other management demands. They do not unite workers to defend their common interests. On the contrary, they sabotage every struggle by workers to defend themselves and enforce the disunity of the working class. They have long ago rejected the doctrine of the class struggle in favor of corporatism, labor-management partnership and economic nationalism. The workers who are compelled to pay dues have no control over these organizations, which regularly use intimidation, ballot-rigging and

violence to impose management dictates.

5. These organizations serve as a critical prop of the Democratic Party. When struggles do emerge, they work consciously and deliberately to prevent these struggles from breaking free of the two-party capitalist system. In the mass protests that erupted against budget cuts in Wisconsin last year, the AFL-CIO worked closely with the Democratic Party and its auxiliary organizations to divert the struggle behind a recall campaign against Republican Governor Scott Walker and for his Democratic Party challenger. The unions have worked closely with the Obama administration in its attacks on the working class, including the UAW’s collaboration with the restructuring of the auto industry on the basis of poverty-level wages for new-hires. They are now fully behind Obama’s reelection campaign.

6. The SEP has intervened in the struggles of the working class not merely to expose and condemn the betrayals of the old organizations, but to fight for a program and practice that can lead these struggles forward. In Wisconsin, at the height of the mass movement, the SEP called for the launching of a general strike by the workers. The correctness of this call was vindicated, but tragically in the negative. The union leaders opposed a general strike and instead advanced the recall campaign as a deliberate diversion. This had the effect of demobilizing the working class, directing workers and youth into the blind alley of Democratic Party politics, and politically strengthening the right-wing administration of Republican Governor Walker.

7. In a series of working class struggles, the SEP has fought to organize workers independently of the bureaucratic shells such as the UAW. When workers at the Indianapolis GM plant voted down a wage-cutting deal and denounced UAW officials for accepting it, the SEP organized a rank-and-file committee to carry forward the rebellion. At Cooper Tire in Findlay, Ohio, the SEP urged locked-out workers to break through the straitjacket of isolation imposed by the United Steelworkers and take their struggle to workers throughout the Midwest. Whether they are factory workers in basic industry, public service workers like teachers, or workers with no experience of unions at all, the SEP tells workers the truth: the old organizations cannot be reformed or revived. The class struggle must go forward through the building of new organizations.

8. The layer of executives who operate the “union” apparatus long ago separated its material interests from those of the workers it supposedly represents, finding new means to secure its income and privileges through the betrayal of the working class. The assets of the UAW, for example, rose to well above \$1 billion even as it suffered an 80 percent decline in membership. Today, the UAW holds billions of dollars in shares of the Detroit automakers. These organizations speak on behalf of a privileged upper-middle-class layer whose interests are fundamentally hostile to the interests of the working class.

9. The more the trade unions have been transformed into organizations opposed to the working class, the more the petty-bourgeois pseudo-left groups, such as the International Socialist Organization, have insisted that it is impermissible to challenge the authority of these organizations over the working class. A major aspect of the right-wing evolution of groups like the ISO has been the rise of their members to high-paying positions in the trade union apparatus, where they have invariably worked to betray the working class and subordinate it to the Democratic Party and the dictates of big business. When struggles have arisen that have threatened to break free of the grip of the unions—such as the establishment of the Indianapolis Rank-and-File Committee initiated by the SEP—the ex-radicals have used red-baiting to intimidate militant workers and finger them for victimization by the union bureaucracy.

10. In insisting on the organizational control of the AFL-CIO and Change to Win based on the claim that they are the only viable “working class” organizations, the pseudo-left groups falsify history. The eruption of class struggle has generally taken the form of a rebellion against old

organizations that adapted themselves to the corporate-controlled status quo. In the United States, the formation of industrial unions in the 1930s was possible only through a bitter struggle against the American Federation of Labor, the organization of craft unions. A debate erupted within the Marxist movement at the time as to whether the party should advocate the formation of new organizations in opposition to the AFL. In the end, the explosive strike wave of the mid-1930s and the formation of the Congress of Industrial Organizations (CIO) proved the advocates of an offensive against the AFL correct. And yet the AFL of the 1930s could still be called a workers' organization, albeit one bitterly hostile to industrial workers.

11. The current state of the AFL-CIO and Change to Win organizations is the culmination of the decades-long subordination of the unions to the Democratic Party, the anti-communist purges following World War II, and the unions' defense of capitalism and American imperialism. It was precisely this essentially nationalist orientation that, in the period of globalization, led to their collapse. The growth and expanding mobility of finance capital along with the formation of transnational corporations undercut the national reformist program of the unions. In response, the union bureaucracy ever more directly turned itself into an arm of corporate management in order to maintain their privileges at the expense of the workers they claimed to represent.

12. The Socialist Equality Party fights for the building of factory, workplace and neighborhood committees, animated by the spirit of revolutionary intransigence and opposition to the two parties of big business. These organizations must begin with the needs of the working class and must be democratically controlled by the working class. They must take ever greater responsibility for unifying the working class—employed and unemployed, skilled and unskilled, native-born and immigrant, across different industries and workplaces—and organizing their common struggles against the capitalist class.

13. The transformation of the official unions into corporate-labor syndicates renders all the more important the work of the party among workers who currently find themselves trapped in these organizations. The SEP intervenes in every struggle, including those that emerge within the existing apparatus, from the standpoint of mobilizing the working class independently, fighting to break free of the isolation imposed by the pro-corporate syndicates, and drawing out the more general social and political implications of every particular fight.

14. The SEP aims to create not just new workplace organizations, but also community organizations and neighborhood action committees to fight against deteriorating social conditions and budget cuts. An important example of such a struggle is the experience of the Committee Against Utility Shutoffs (CAUS), formed at the initiative of the SEP after a series of house fires in Detroit caused by the shutoff of utilities by the local energy monopoly DTE. CAUS rallied residents of Detroit against the shutoffs, campaigned among DTE workers, organized a demonstration on the city's West Side, and intervened at municipal forums and other meetings as an advocate for the working class.

15. These organizations must fight to unify the working class around definite demands, including the abolition of the two-tier wage system, the right to a job, the right to a livable income and to a secure retirement and decent health care. They must reject all efforts to pit young workers against old, black against white, city against suburbs, American-born against immigrant. They must insist on the political independence of the working class from the Democratic Party and the two-party system, and refuse to subordinate the demands of the workers to the profit interests of the companies.

16. The axis of the SEP's intervention in every struggle is its revolutionary socialist program. The agitation for new organizations of struggle is part of, and never a substitute for, the basic strategic task: the building of the Socialist Equality Party in the working class. Indeed,

independent committees can be sustained only to the extent that they are led and guided by workers who have begun to develop a socialist consciousness, and have come to a political understanding of the role of the trade unions and the Democratic Party.

17. Every branch of the SEP must fight to build a leadership in the most important sections of the working class—including in manufacturing, service industries, health care, education, government and transit. Systematic propaganda must be carried out to expose the conditions of life of the working class. The particular interests of different sections of the working class must be connected to the general interests of the working class as a whole through a united political struggle against the capitalist system.

The following is the fourth and final resolution adopted by the Second National Congress of the Socialist Equality Party (US), held July 8-12, 2012.

The adoption of this resolution was accompanied by the decision of the Congress to change the name of the student and youth organization of the Socialist Equality Party from International Students for Social Equality to International Youth and Students for Social Equality.

1. The fight to build a socialist movement of the working class requires a struggle to educate a new generation of students and working class youth in the history and principles of Marxism and the Fourth International.

2. The crisis that began in 2008 has created intolerable conditions in the United States and internationally, pushing millions of young people into political struggle. Young people are among the most deeply affected by the rise of mass unemployment. Since 2000, the US economy has lost more than 25 percent of all full-time jobs for those under 25. Only 16 percent of youth who graduated from high school between 2009 and 2011 but did not go on to college have found full-time work. Regardless of education, only 47.3 percent of Americans between the ages of 16 and 24 who are not in school have full-time jobs.

3. All over the world, the youth face no future. Young people are barely able to make enough to stay alive, while they are menaced by war, police brutality and state repression. According to the International Labor Organization, one in eight young people between the ages of 15 and 24 are unemployed. In Greece and Spain over half of all young people are without work. In the Middle East and North Africa, one in four is jobless.

4. The Obama administration, carrying out the general policy of the ruling class, has sought to drive down the living standards of young workers in order to use them as a battering ram against the living standards of the entire working class. It was to this end that the administration insisted on the expansion of two-tier wages as a precondition of the auto bailout.

5. Students have likewise suffered a drastic erosion in their living standards. The possibility of a moderately priced higher education for working class youth is being destroyed. A decent public education is becoming the exclusive purview of the capitalists and the upper strata of the middle class. Students from less privileged backgrounds who seek an education are forced to incur debts that they will not be able to pay off for decades, even as they work themselves to the point of exhaustion just to survive.

6. The dismal economic prospects facing young people are compounded by unprecedented cuts to public education. In just the past 14 months, 470,000 local government education staff have been laid off in the US. Throughout the country, state and city governments are slashing K-12 budgets, leading to the shutdown of schools, increased class sizes, and the elimination of key components of a decent education. Year after year, states are slashing assistance to secondary education, forcing colleges to raise tuition.

7. Soaring tuition has forced an ever-growing amount of debt onto

young people. The total amount of student loan debt in the United States has mushroomed to more than \$1 trillion, surpassing the total debt on both auto loans and credit cards. The class of 2010 graduated with an average student loan debt of \$25,250, up 29 percent from \$19,646 for the class of 2006. Meanwhile, wages for college graduates have fallen. The hourly income for college graduates age 23 to 29 has fallen by more than 6 percent since 2000. This means that tens of thousands of young people face the prospect of never paying off their student loans.

8. The impoverishment of the younger generation is a global phenomenon, as is the entry of youth into political struggle. Significant social movements have emerged among young people, including mass protests to defend public education in Canada, Britain, Mexico, Chile and the United States. More than one worried official commentator has noted that the masses of unemployed young workers and college graduates are a social basis for revolutionary upheaval.

9. In addition to economic disaster, the younger generation faces a future of endless war, in which they will be forced to serve as cannon fodder in the drive by the imperialist powers to conquer the world, or will be the principal targets of these wars of conquest. As the United States pursues endless war in every region of the world, military and political officials are once again raising the need for a draft.

10. No section of the political establishment in the United States offers a way forward. In 2008, the Obama administration appealed to young people in particular on the slogan of "change." However, the past three and a half years have only demonstrated that the Democratic Party, no less than the Republican, is a tool of the corporate and financial elite. The revolutionary potential of the younger generation can be realized only through a turn to the working class as a whole. Students and youth must be armed with a political program that articulates the independent interests of the working class, fighting for the establishment of workers' governments to carry through the socialist transformation of the world economy. Only the total reorganization of society can secure the right to free public education through university level, the abolishment of student debt, and the guarantee of decent-paying jobs for young people.

11. The IYSSE insists that the working class is the principal revolutionary force in society. An orientation to the working class and working class youth means a relentless struggle against the reactionary, subjective, idealist and irrationalist political philosophies that dominate pseudo-left politics and are widespread on college campuses. Theoretical tendencies associated with the Frankfurt School, the varieties of post-modernism, neo-anarchism and identity politics are all rooted in their rejection of Marxism and the revolutionary role of the working class. Building the IYSSE requires a struggle for Marxism and the appropriation of the entire revolutionary heritage of the international socialist movement. Through this struggle, the IYSSE will win to its banner working class youth and the best layers of the middle class who adopt the standpoint of the working class in the struggle for socialism.

12. The turn of students and youth to the working class can be carried out only through a systematic struggle for socialist consciousness. The younger generation has grown up in the midst of a decades-long suppression of the class struggle. This makes it all the more urgent that this generation be educated in an assimilation of the lessons of the great historical struggles of the twentieth century and the experiences of the international working class, above all the significance of the Russian Revolution and the nature of Stalinism. The theoretical heritage of Marxism and the Fourth International must be brought to a new generation of youth.

13. This SEP Congress calls for the building of the International Youth and Students for Social Equality, the youth movement of the Socialist Equality Party and the International Committee of the Fourth International, to fight for this perspective among young people.

To contact the WSW and the
Socialist Equality Party visit:

<http://www.wsws.org>