

# In response to capitalist economic turmoil, war funding soars

written by Struggle - La Lucha

January 30, 2022



U.S. military convoy at the Polish-German border in Olszyna, Poland.

Wall Street and the stock market have been like a roller coaster.

On Jan. 24, stocks were falling, with the S&P 500 Index down 3.8%, the Dow Industrial Average down 2.7% and the Nasdaq Composite down 4.5%. The widespread sell-off for the Dow and the S&P 500 started on the second trading day in January; and for the Nasdaq in November. The Nasdaq is down nearly 20% from

its high in November.

Early 2022 is now, officially, the worst-ever start in the history of the S&P 500, which goes back to 1929.

Part of the stock market volatility is that inflation keeps jumping upward, pushing wages to new lows. “Although average hourly wages rose 4.7% last year, overall wages fell 2.4% on average for all workers, when adjusted for inflation, according to the Labor Department,” the [Jan. 22 Washington Post reported](#).

## **Cryptocurrency vaporized**

Also part of the turmoil is the cryptocurrency crash. The dramatic sell-off in bitcoin and other cryptocurrencies has been even steeper than the stock market fall. Bitcoin lost more than 12% on Jan. 21, with Ethereum losing 15%.

The two largest cryptos now trade at 50% below from their all-time highs. As the [Washington Post reported](#), “A two-month slide in the global cryptocurrency market has vaporized \$1.4 trillion.” The losses are tremendous.

The capitalist economy was pushed into a steep downturn by the pandemic.

At the beginning of the global COVID-19 pandemic in March 2020, shutdowns swept the capitalist world economy in a frantic and failed attempt to bring the pandemic to a halt.

Much like what happens when a country goes into a war economy, normal capitalist production stopped. Industrial production in the U.S. suffered the most severe plunge on record.

The Federal Reserve reported on May 15, 2020, that its industrial production index tumbled a record 11.2% in April 2020. Manufacturing output also posted a record

drop — 13.7% — as the production of cars, trucks and auto parts plummeted more than 70%.

Production of aerospace and other transportation products, metals and furniture fell around 20%. Output dropped 6.1% at mines and 0.9% at utilities. The implosion of the U.S. industrial sector was known, but the scale of the collapse was stunning.

Industry was running at 64.9% of capacity in April 2020, shattering the previous record low set in the Great Recession years of 2007-09. Factory capacity utilization also hit a record low of 61.1%.

Industrial production remained depressed throughout 2020.

This was not a capitalist crisis of overproduction, the usual boom and bust cycle of capitalism, but instead capitalist production crashed because of the shutdown to fight the pandemic.

### **The coronavirus depression**

This sudden cutback in production threatened to cause a deeper crisis. That's when the Federal Reserve central bank "expanded" the money supply, printing more money. That stalled a general collapse.

Congress distributed some of this newly-created money to the general population with stimulus checks. The IRS issued three stimulus checks, one in April 2020, a second in December 2020-January 2021, and the last one in March 2021.

In the initial \$4 trillion "relief" package passed by Congress, \$884 billion went to workers and their families; that is less than one-fifth of the money. The rest went to businesses, primarily major corporations like the airline industry that are part of the military-industrial complex, not just to producers of consumer goods and services.

One of the effects of the stimulus checks, however, was a surge in consumer spending. This surge meant the industrial and merchant capitalists had to rebuild inventories, as well as rebuild raw material supplies and parts. This created a demand for commodities throughout the capitalist world, which turned out to be highly inflationary.

Coming out of the coronavirus depression has been bumpy in the U.S. The shutdowns ended prematurely, with industry reopening without controlling the spread of the coronavirus. With each reopening there has been a new wave of COVID-19 infections, followed by temporary restrictions and mandates that have so far failed to bring an end to the pandemic in the U.S.

Putting business demands first has proven to be bad for public health. In China, using a broad, socialist public health system, the coronavirus is under control. China has not turned over its healthcare system to the pharmaceutical industry and therefore has not made vaccinations its only way to fight the coronavirus.

In fact, China has no vaccine mandate — everyone can get the vaccine and most do because they want to protect themselves and everyone around them.

China has taken a broad and vigorous approach to fighting COVID-19 that includes easy testing, physical distancing and full meal delivery to anyone requiring isolation, masks, good ventilation, and full contact tracing as well as vaccines.

## **Build back better?**

As with any capitalist depression, the economic impact has been hardest on the working class.

The official unemployment rate reached 14.8% — or really 33.2% according to the [Ludwig Institute](#) — in April 2020 after industrial production was shut down. That was the highest since the Great Depression of the 1930s. In October 2021, reports

indicated that almost 10% of adults in the U.S. reported that their households didn't have enough to eat.

The unemployment figures given by the Labor Department and reported in the big business media don't include part-time workers who want full-time jobs or so-called discouraged workers who have been unable to find a job. The true rate of unemployment right now is 23.3%, says the Ludwig Institute.

While there are misleading reports about "labor shortages" in the big business media, the jobs that aren't being taken are at poverty-level wages and most often are dangerous to personal health and well-being, mainly from exposure to COVID-19.

To help revive the economy, President Joe Biden and the Democrats have proposed a set of legislative packages that together they call "Build Back Better," at a projected cost of \$2.2 trillion over 10 years. So far, they have been unable to enact any of this legislation, mainly because of two Democratic senators.

Sen. Joe Manchin (D-W.Va.) [got a surge in donations](#) from "corporations, business leaders and outside groups" including Verizon, Union Pacific, Wells Fargo as well as the Koch network, CNBC reported, to oppose Build Back Better.

The other is Sen. Kyrsten Sinema (D-Ariz.), who [got contributions from over 50 billionaires](#), including several Trump supporters, to oppose Build Back Better.

Meanwhile the Democrats have been able to super-size the Pentagon's budget to \$768 billion for 2022. According to a projection by the [Congressional Budget Office](#), military spending over the next decade will be about \$8.5 trillion.

On Jan. 25, [The Intercept reported](#) that House Democrats are looking to bypass typical procedures and fast-track a vote on legislation that would send \$500 million in military aid to Ukraine.

Why is Congress increasing military spending, when the alleged reason to block “Build Back Better” was because it was excessive?

The Pentagon buildup is a political manifestation of the capitalist economic drive to war caused by the need to subordinate other countries and peoples to the profit-making activities of U.S. big business.

The demands of imperialism are what's driving Congress, determining what gets funded and what's put aside.

Right now, the U.S. sees the confrontation with Russia as a way to cut Europe off from Russian gas — and force it to buy U.S.-controlled gas — as well as blocking the “Silk Road” overland trade with China. That's why the Democrats can pass the biggest Pentagon budget increase ever but can't manage to fund Build Back Better.



---

## **Baltimore protest demands relief**

# for unemployed

written by Struggle - La Lucha

January 30, 2022

On July 6, the Unemployed Workers Union (UWU) picketed the Maryland Labor Department office in Baltimore, demanding an emergency meeting with Secretary of Labor Tiffany Robinson. “We’ve heard from people all across the state who are literally losing every single thing — their homes, their apartments, their belongings, their cars, everything,” said UWU organizer Sharon Black. “It’s a state of emergency and Secretary Robinson has to hear our pleas.”

In response to a class-action lawsuit by the UWU, Baltimore Circuit Court Judge Lawrence Fletcher-Hill issued a temporary restraining order against Maryland Gov. Larry’s Hogan’s plan to end enhanced federal unemployment benefits early. The July 3 ruling came just hours before the \$300 weekly payments were scheduled to be cut off.

Most affected Maryland residents are only receiving payments from the federal program. The lawsuit is also pushing for people who have filed state unemployment claims but have not yet received payments to get their benefits. A follow-up hearing was scheduled for July 12.

“The class-action suit is very important to us, and we hope that the courts do the right thing, but we know that our fight has to continue regardless of what takes place inside or outside the courts,” Black said. “That means that we will not rest until every single unemployed Marylander gets their benefits.”

On the weekend of July 10-11, unemployed workers’ speak-outs are planned in cities across Maryland. For info on the campaign, visit [UnemployedWorkersUnion.org](http://UnemployedWorkersUnion.org).





# Unemployment and inflation: Economic recovery for capitalists doesn't mean recovery for workers

written by Struggle - La Lucha

January 30, 2022

[President Joe Biden said](#) after the June jobs report: "Our economy is on the move."

Biden was referring to the [Department of Labor report](#) released July 2 which said that job growth in June was higher than expected. That's the politician's spin.

The details of the report (not in the spin) are that the unemployment rate rose to 5.9% from 5.6% the month before; 9.5 million people are still considered "unemployed," almost double the number of unemployed in the month before the coronavirus shutdowns began in February 2020. And 14.7 million people are still claiming unemployment benefits under all programs, according to the Department of Labor.

Looking more closely at the jobs report, the Labor Bureau says that in June some 6.4 million people wanted a job but did not actively look for a job over the previous four weeks or were unavailable to take a job. Therefore, these are unemployed workers who are not counted in the official unemployment figure of 9.5 million.

There are many reasons why workers are not looking for work or are unavailable. This includes having to take care of children when schools and daycare centers are not fully open, as well as those who have been unable to get vaccinated.

Many of the unvaccinated are working class. Vaccinations have been easily available for the millionaires and managers, but for the working class there are a great many

obstacles. As of July 1, only 47.6% of the U.S. population has been vaccinated and this has been done mostly on class lines.

The main obstacle to vaccination is access, says [Dr. Thomas R. Frieden](#), a former director of the Centers for Disease Control and Prevention. Racism and class have meant that vaccines are often unavailable, which has increased the level of distrust in the vaccines. The lowest vaccination rates are in areas “characterized by high poverty rates, crowded housing and poor access to transportation,” the New York Times reports.

### **Whose wages increased?**

Another part of the Labor Department’s report that’s getting the spin is the indication that average hourly earnings rose for “everyone.” What the figures reflect is that higher-paid workers who have kept their jobs and switched to working from home have gotten a pay increase. A closer look at the Labor Department report shows that Black and Latinx workers aren’t getting jobs, much less a meaningful pay increase.

Center for Public Integrity’s [Alexia Fernández Campbell reports](#): “Black and Latino employees, many of whom work in the service industry, lost their jobs at a higher rate than everyone else. They were also less likely to qualify for unemployment aid because many live in states that have made it harder to access the benefit. ... If you look closely at the numbers, a familiar theme emerges. The recovery is not the same for everyone.”

The Labor Department report does show that employment in the leisure and hospitality industry — which includes restaurants and hotels — is slowly restarting, but employment in this service industry is still down by about 2.18 million workers compared to the peak in February 2020.

Employment in manufacturing rose by only 15,000 jobs in June. The number of workers in manufacturing is still down 481,000 from February 2020.

While employment is down, manufacturing production fully recovered in May compared to February 2020. During every capitalist downturn, manufacturers respond by investing in automation or by moving production to low-wage areas, if possible.

While employment in manufacturing peaked in the 1970s and has since fallen by about one-third, production, boosted by high-tech automation, continued to rise until the end of 2007. During the Great Recession (2007-2009), manufacturers mostly relocated production to other countries. Production never recovered to the 2007 peak.

Then, in March 2020, factory production in the U.S. practically disappeared. But by May 2021, production was back to February 2020 levels, but with 481,000 fewer workers.

The number of employed workers won't return to its pre-pandemic level until 2024, according to a [Congressional Budget Office report](#). The same report says that the "economy" is near a full recovery. That is, the profits of the capitalists are recovering, not the jobs of the workers.

### **Inflation: pay cut for workers**

Meanwhile, there has been a general increase in prices across the U.S., also known as inflation. Prices are rising at their fastest rate since 2008.

For workers, inflation is not good, because it cuts into their pay as the prices of necessary food, housing and transportation rise. Capitalists, on the other hand, tend to like some general inflation as it gives them an opening to raise prices.

When the news reports claim that wages are going up, they never honestly explain if the raises are even keeping up with inflation. The wage rise in the Labor Department report does not meet the rate of inflation.

The prospect of higher wages sounds like good news for layers of workers previously on minimum wage levels or even below. But wage increases that are being reported in the news at best have been about 3%. With the official U.S. inflation rate [hitting 5% in May](#), real wages are actually falling.

The “economic recovery” is being driven by the Federal Reserve “printing” enough money to keep interest rates from rising as the growing budget deficits of the government are holding up the economy. This, they hope, will cause the economy to recover and boom. A booming economy means high profits for business while “full employment” means rising wages for workers.

The rise of inflation threatens to disrupt any economic recovery at this time and could lead to a serious downturn.

The Biden administration and the Federal Reserve hope that the current surge of inflation reflects shortages caused by the COVID-19 pandemic and will die down as the economy returns to “normal.”

However, if inflation does not die down, it could deteriorate into stagflation — that is, persistent high inflation combined with high unemployment and slow economic growth.

The Federal Reserve can always halt inflation by making money “tight” and allowing interest rates to rise, but if it does that any recovery would stop with many millions still unemployed.



---

# **Fight attacks on unemployed workers coast to coast!**

written by Struggle - La Lucha

January 30, 2022

July 2 — Governors of 26 U.S. states have opted to reject federal benefits for unemployed workers that were enacted in March 2021 as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. The move presages a crisis for millions of workers, and activists in Maryland's Unemployed Workers Union are building an organization to turn back the attack. Thousands have contacted the newly-formed organization to join in the fight.

As news of the corporate-backed assault on the unemployed started to make headlines in May, resistance began to appear in different states: a demonstration in Miami, a petition signed by thousands in Pennsylvania, and a lawsuit that currently has halted the cutoff of benefits in Indiana are all examples.

Activists from the Peoples Power Assembly in Baltimore, a group with a long history of fighting against police brutality and for justice for working-class people, helped

form the Unemployed Workers Union. Many thousands of distraught and angry unemployed workers across Maryland have responded, as well as people inquiring about forming chapters in other states.

The conditions revealed by the work of UWU has surprised even these seasoned organizers. Even before the announcement of the cancellation of benefits and the launch of UWU, tens of thousands of workers had been struggling to resolve their unemployment claims.

Hours-long attempts to reach the state's unemployment office were spent on hold. Messages left went unanswered indefinitely. In the rare cases when callers reached a live person, they were sometimes assured they would be paid, and it simply never happened. There are reports of some people just being told to "find a job." Some claims were filed more than a year ago.

Many people have been evicted or are facing eviction; cars have been repossessed and credit records have been ruined. The severity of the crisis has only been uncovered through the efforts of the UWU, and certainly is similar in all the states where unemployed workers are under attack.

On June 24, Alec Sommerfield, pro-bono attorney for the organization, announced a [class action lawsuit](#) challenging the state's refusal to dispense the federal unemployment supplement, and demanding benefits for countless workers who have been disqualified without explanation or whose cases have been pending for months.

Picketers carrying a hand-painted banner marched outside the courthouse. The group has created a grievance form that has been filled out by thousands, picketed Gov. Larry Hogan's office, and filed in court for a temporary restraining order.

## **At least 4 million denied**

Based on data provided by the Century Foundation, as of now at least 4 million unemployed workers will be denied nearly \$11 billion in federal money that was intended to help them survive after the massive job losses from the pandemic.

The national unemployment rate is still double its official pre-pandemic rate, which is a woefully inadequate count. There are 8 million fewer jobs than before the pandemic, which is far from over as case rates and death rates are beginning to creep up due to variants of the virus and the general failure in the U.S. of efforts to end the outbreak.

Unemployment insurance was part of a package of measures enacted by the Franklin D. Roosevelt White House when a militant workers' movement rose up against the horrible conditions of the Great Depression.

The corporate ruling class was divided over how to react to the movement. Germany's response to the crisis was fascism, and there was support for going in that direction among the multi-millionaire U.S. bosses of the day.

The varied state unemployment programs that exist today — instead of a standardized federal program — can be traced to the 1935 act when Roosevelt conceded to the former confederate states, whose bought-and-paid-for politicians argued openly that unemployment insurance risked empowering Black workers.

Today, nine of the 11 states of the confederacy are part of the 26 states denying their workers benefits, but they have been joined by 17 others in this broadside attack.

A significant portion of the workforce in all of these states are hospitality workers, whose jobs are on the lower end of the national wage scale; unemployed gig workers not entitled to state unemployment payments and whose federal assistance is their entire income; and a disproportionate number of workers of color.

## Racist propaganda campaign

Per a [fact sheet](#) posted online by the Century Foundation, in South Carolina, Alabama and Mississippi, 50%, 54% and 66% of recipients respectively are Black workers – three times or more the national average. Black communities nationwide have endured nearly double the unemployment rates of white workers, as well as low COVID-19 vaccination rates.

Conditions for the population of Montana's five Indigenous reservations mirror those statistics. Rural areas, including Indigenous reservations, will be hit hard.

Often when vital social services are slashed, the cuts are accompanied by a racist propaganda campaign by the dutiful big-business-oriented media. The best-known example is President Ronald Reagan's disgusting "welfare queen" myth.

Today's editorial columns and news articles are teeming with lies about a labor shortage – the implication being that workers are being handed fat unemployment checks and don't want to go back to work.

Labor shortages always result in rising wages. To date, that's how all labor shortages have been resolved.

Today there is no overall rise in wages because there is no labor shortage. What is really happening now is a gambit by the profit-crazed billionaires to make yet another push backwards against already inadequate workers' wages as a whole – without provoking a workers' movement like the one in the 1930s.

The first wave of federal pandemic emergency measures included billions in forgivable, 1%-interest loans intended to help "mom and pop" businesses. Big banks were the administrators and steered those loans to big corporations. Small family-

owned businesses were left out, and thousands of companies that reaped the benefits laid off workers anyway.

Some of those very companies made billions in profits during the pandemic. Not enough was said about this in the media - nothing like the current slander against unemployed workers.

Workers deserve a living wage, homes, quality medical care and accessible schools. None of that will be granted without an organized, determined struggle.

The work of the Unemployed Workers Union is an example of how we must carry that struggle out, from Florida to Alaska, from Montana to Texas. For more information, visit [UnemployedWorkersUnion.org](http://UnemployedWorkersUnion.org).



---

## Why is U.S. capitalism so decayed?

written by Struggle - La Lucha

January 30, 2022

Millions of people in Texas lost their heat, lights and water two months ago during a winter storm. The state's profit-hungry utilities didn't want to spend money

winterizing natural gas pumps and other equipment. Over 100 people died because of capitalist greed.

The Texas tragedy is just the latest example of U.S. capitalism being unable to maintain its physical plant, which is called infrastructure. This includes utilities, roads, railroads, airports, school buildings and not the least, housing, health facilities and hospitals.

President Biden and Vice President Harris have proposed a \$2.25 trillion “American Jobs Program” to fix some of these problems. Millions of jobs could be created. That sounds like a lot of money, but the funds will be spent over eight or even ten years.

That’s about \$280 billion a year, or a little more than a third of the Pentagon’s official budget. It’s modest compared to the [\\$1.6 trillion lifetime cost](#) of the [U.S. Air Force F-35 fighter planes](#).

Yet the [U.S. Chamber of Commerce](#) attacked the White House plan. Writing in the reactionary National Review, [David Harsanyi claims](#), “Our infrastructure is not crumbling.”

Tell that to the children of Flint, Mich., who were lead-poisoned by their drinking water. Thirteen people were killed when the I-35W bridge collapsed in Minneapolis in 2007. Over 45,000 bridges are [considered structurally deficient](#) in the United States.

Eight people died in New York City’s El Barrio (East Harlem) in 2014 because of a [natural gas explosion](#). A nearby gas main dated from 1887 but the ConEd utility was too cheap to replace it.

This writer worked as a train dispatcher at Amtrak. Every time the 111-year-old Portal Bridge crossing the Hackensack River in New Jersey opened for boat traffic, we hoped it would safely lock up again. Two hundred thousand passengers use it

daily to enter and leave New York City.

## **More is needed**

As [Rep. Alexandria Ocasio-Cortez pointed out](#), the real problem with the White House plan is that it's not big enough. It was the Green New Deal championed by AOC and other congresswomen of color in "the Squad" that paved the way for any infrastructure proposals.

"Build back better," as Biden calls it, has to include tackling toxic racism. Oil refineries and chemical plants are often built right next to poor communities. The [abandoned phosphate fertilizer plant](#) near Tampa, Fla., whose pond threatened a catastrophic flood, is just one of hundreds of dangerously polluted sites.

The Cross Bronx Expressway displaced thousands of New York families, while air pollution from trucks and cars created an asthma epidemic. The I-43 Expressway [slashed through Milwaukee's Black community](#), destroying hundreds of homes.

The [American Jobs Program proposes](#) spending \$85 billion on public transit and \$80 billion for passenger and freight railroads. Millions of workers, students and seniors need better transit.

Big Oil, General Motors and Firestone conspired to get rid of streetcar systems coast-to-coast. The tracks of the Key System connecting San Francisco and Oakland, Calif., were ripped out of the Bay Bridge in 1958. The last passenger service on the Pacific Electric — which once had 700 miles of tracks serving the Los Angeles area — was in 1961.

Socialist China [built 23 new subway systems](#) between 2009 and 2019. The People's Republic has more high-speed rail than the rest of the world.

The \$165 billion proposed for transit and rail in the U.S. over eight years is a

fraction of what China is spending. Just in 2018 China [invested \\$117 billion](#) in railroads alone.

That doesn't prevent right wingers from attacking the Biden-Harris plan as extravagant. They take particular ire at spending \$400 billion over eight years for home- and community-based care for seniors and people with disabilities.

This is probably the most progressive part of the American Jobs Program. It calls for higher wages and benefits for miserably-paid homecare workers.

Opponents claim this isn't "infrastructure." Helping millions of people is just as important as pouring concrete.

### **The WPA and the socialist example**

There's much better mass transit and many more passenger trains in capitalist Western Europe and Japan. Meanwhile, in the United States, spending on infrastructure as a percentage of the total economy [has been cut in half](#) since the 1960s.

Why is this so? The billionaire class in the United States doesn't see any individual profit in such investment. Wall Street as well as the British banks instead depend on a reverse blood transfusion of profits stolen from Africa, Asia and Latin America.

Private utilities refused to even update the electrical grid, which is absolutely necessary for capitalist production. The capitalist state — via President Obama's stimulus program — had to spend billions on it. More billions are scheduled under the Biden-Harris plan.

Lenin — the leader of the 1917 Bolshevik Revolution — called this the "parasitism and decay of capitalism" in his 1916 pamphlet, ["Imperialism, the Highest Stage of Capitalism."](#) Monopolies are just like landlords in their unwillingness to spend

money to upgrade their property.

Why should slumlords spend any money on fixing dangerous conditions or getting rid of rats as long as they can keep collecting high rents? New York City had to pass local laws 10/80 and 11/98 to force landlords to fix their facades after [Grace Gold was killed by falling debris](#) in 1979.

People still use and enjoy hundreds of well-built bridges and attractive parks built under the Works Progress Administration during the 1930s. Millions of workers were employed by the WPA during the Great Depression.

The Roosevelt administration was forced to set up the WPA because of a working-class upsurge. The Communist Party organized unemployment councils and fought evictions. Millions of workers joined unions and built the Congress of Industrial Organizations — the mighty CIO.

Another big factor was the example of the socialist five-year economic plans in the Soviet Union. These plans abolished unemployment and allowed the Soviet Union to defeat Hitler.

It's the Black Lives Matter movement with over 20 million people demanding justice for George Floyd and all other victims of police murders that's driving any social change in the United States. So are the campaigns to bring union wages, benefits and protection to Amazon employees and millions of other workers.

The example of socialist China doubling its economy since 2008 during the biggest capitalist economic crisis since the 1930s also put infrastructure on the political agenda. President Biden pointed to China's success as an argument for passing his administration's plan.

We need a massive jobs program that will build what we need. Don't mix that up with poisonous attacks on Asian people and the war drive against the People's

Republic of China.

China has what we need: a socialist revolution that will abolish police terror and poverty.



---

## **GameStop mania: The real losers in Wall Street gambling**

written by Struggle - La Lucha  
January 30, 2022



How crazy is the stock market? The stock of the totally bankrupt Blockbuster Video chain store — all stores closed in 2014 — surged more than 700% on Jan. 26. The stock of AMC, the borderline bankrupt movie theater chain, surged more than 300% on Jan. 26. Earlier, bankrupt stocks, commonly called penny stocks, like JCPenney, Hertz and Pier 1 saw speculative spikes driving stocks up 50% or more.

At the same time, a trading frenzy has sent [silver prices](#) to an eight-year high.

The news headlines, however, have gone to the GameStop mania. GameStop is a chain store that is in decline as gamers have moved online for purchase of games that are downloaded. Although the company is failing, speculators drove its stock price up more than 1,600% in January.

The historic stock market crash of 2020, now called the Coronavirus Crash in the business press, saw the market indexes fall some 40%, making it the deepest plunge in history. Despite the crash, the stock market ended the year of 2020 up more than 75%, an all-time high.

There's no hidden surprise in that. The Federal Reserve and other major banks have injected more than \$4 trillion in cash and credit since the crash. Much of this credit went into speculation in financial assets. Stock market purchases made on this borrowed credit are now at a record high.

The growth in stock market values enriched the U.S. financial oligarchy, with some 644 billionaires [gaining more than \\$1 trillion](#) in net worth in just a few months.

From March 2020 to January 2021, Amazon CEO Jeff Bezos' wealth jumped 60%, Tesla's Elon Musk 628%, Microsoft's Bill Gates 23% and Facebook's Mark Zuckerberg 68%.

## **Fictitious capital**

Karl Marx called stocks and the stock market fictitious capital. Capital invested in the physical means of production and workers is what Marx called real capital.

A company raises funds by issuing stocks. The owners of the stock shares have a claim on the future earnings of the company. There is a secondary market, however, that is speculative trading in the stock shares themselves.

This speculative gambling is completely removed from capitalist production of goods and services, that is, from real capital. And since the [Tulip Mania in the 17th Century](#), bouts of wild speculation in fictitious capital have been seen as a symptom of an underlying crisis.

Marx wrote: "All nations with a capitalist mode of production are seized periodically

by a feverish attempt to make money without the mediation of the process of production.”

## **Reddit and Robinhood, oh my**

The current speculation mania has been aided by something new: a group of independent day traders, including many former bankers now trading on their own, coordinating their purchases on online forums, particularly the Reddit forum r/wallstreetbets.

Their activities have been facilitated by the rise of commission-free stock trading services, such as Robinhood and Schwab’s TD Ameritrade — both intimately tied into Wall Street banks — which allow small investors to trade stocks with no overhead fees, often using funds lent to them by the trading services.

The news accounts have played this up as a David vs. Goliath story. And reports indicate that there were indeed a great many small investors involved in the purchase of GameStop shares, helping to drive up its price.

But it was Elon Musk (not a small trader) who was one of the promoters of the operation, tweeting “gamestonk” and linking to r/wallstreetbets.

And looking at the volume of trading in GameStop, amateur investors were not the big movers of the stock. GameStop went from trading less than 13 million shares a day in November to over 150 million shares per day on multiple days in January.

A more accurate description of the whole operation would be Goliath vs. Goliath, a vicious gambling game between rich guys who held big stakes in GameStop versus a handful of hedge funds that had massively risked short selling the stock.

To short a stock means to bet the share price will fall. The hedge fund Melvin Capital lost some \$3.5 billion on its short bet. On the other side, for example, is

Michael Burry, the man who made a fortune in the 2008 financial crash (his character was played by Christian Bale in the movie “The Big Short”), who owns millions of GameStop shares and potentially made a billion dollars in the gamble.

As with previous speculative bubbles, the share prices in GameStop went up because many were buying, and many bought because prices were going up. That is, until it reaches a point in which traders start to sell, thinking it won’t go up any more, leading share prices down and then more selling because prices are going down. The bubble will burst and many will lose.

A [Washington Post report](#) is headlined: “As GameStop stock crumbles, newbie traders reckon with heavy losses. The Reddit forum that helped kick off the frenzy has given way to anxiety, financial bloodshed and infighting.”

## **Capitalist crisis**

The GameStop mania reflects the general sickness of the capitalist system.

With some 30 million jobless and 35% of the population facing loss of their home in the next few months, dozens of major corporations in or near bankruptcy and hundreds of thousands of small businesses closed altogether, you’d think Wall Street might reflect that heavy burden. Instead the stock market has gone up to a record high.

A speculation frenzy has preceded every major financial disaster in history. Prior to the Wall Street crash of 1929, hundreds of thousands of small investors piled into the stock market hoping they might get out of their own precarious situations. In 2008, it was another speculation frenzy, only with houses: everyone was urged to take on bad mortgages they could not afford.

The stock market has long been divorced from the production of goods and services. Instead of investing in production, capitalists gamble in the stock share casino.

All of the money that is currently used for speculation, with no real relationship to actual production of goods and services, could be used to meet the pressing needs of hundreds of millions for jobs, housing, education and health care.

Wall Street shows again that the capitalist system is rotten and should be abolished.



---

## **Interview on U.S. crisis: 'Capitalist establishment did not take the danger seriously'**

written by Struggle - La Lucha

January 30, 2022

*The following interview was [published on the Greek website Kommon](#) on Feb. 1. The author is an activist, journalist and translator who edits the website [GuernicaEU](#), which publishes Greek translations of revolutionary news and analysis from around the world, including Struggle-La Lucha.*

Interview with Greg Butterfield, a contributor to [Struggle-La Lucha newspaper](#) and

member of the Socialist Unity Party in the U.S. He is a longtime communist activist who lives in Brooklyn, N.Y.

**Panagiotis Papadomanolakis:** In the past few weeks we've seen Donald Trump's extreme right-wing mob doing in the U.S. capital what U.S. governments have done in Ukraine, Syria, Venezuela and elsewhere. Struggle-La Lucha and many left-wing organizations have long been warning about Trump's attempt to steal the elections. Could you describe Trump's moves before and during the coup attempt?

**Greg Butterfield:** Before the election in November 2020, Trump openly declared his plans to steal the election if he did not win. The bourgeois political establishment of both the Democrats and Republicans did not take the threat seriously. They were confident in their "sacred democratic institutions" and tried to lull the masses of people to ignore the threat.

The first coup attempt by Trump (or "self-coup," as it is called in Latin America) was all the way back on June 1, 2020. This was a few days after the police murder of George Floyd in Minneapolis that set off a nationwide anti-racist rebellion. Trump mobilized troops and federal agents to repress protesters gathered outside the White House. He paraded to a nearby church, Bible in hand, with the head of the Pentagon's Joint Chiefs of Staff. There he announced his plans to invoke the Insurrection Act, a law originally enacted to use the military to suppress slave rebellions in the early 19th century.

But the Pentagon generals got cold feet. The vast majority of enlisted soldiers are working class and many are Black. The military leaders decided they couldn't trust their troops to suppress the Black Lives rebellion. They feared that the soldiers would join the people.

When the spontaneous rebellion against police killings began to recede, a furious racist backlash began, with Trump in the lead. His electoral strategy was to rally the

hardcore fascists, white supremacists and law enforcement officers to repress the Black community and their many allies. The anti-Trump politicians and media played into this. They, too, were frightened by the Black Lives rebellion, especially because for the first time in many decades, masses of white workers had joined the anti-racist struggle.

Trump said at his rallies before the election that the only way he could lose was if there was fraud. This was a signal for his loyalists inside and outside the state apparatus to reject the outcome. Either he would win by suppressing the vote, especially the Black vote, or he would win by claiming the other side cheated.

When it became clear, a few days after the election, that Trump had lost decisively to Joe Biden, this backup plan went into effect. Trump's legal team engaged in many lawsuits trying to overturn the results in states where the vote was close. Trump himself lobbied and twisted the arms of state officials to change the outcome. He placed his closest loyalists in high positions in the military and National Security apparatus, and made sure he had a far-right majority in the Supreme Court.

But the most important move was to encourage the fascist right to mobilize. These white supremacist gangs have many ties with and overlap with the military and police. Sometimes they cooperate openly with the repressive bodies of the state, like in Kenosha, Wis., where the armed fascists were deputized by the police and killed two anti-racist protesters.

These groups, with names like Proud Boys and Oath Keepers, came to Washington, D.C., twice in December, where they attacked Black churches and anti-fascist activists. It was a test run for what happened on Jan. 6, when the Capitol was attacked.

**PP:** Why do you think the authorities at the Capitol seemed surprised? Didn't they think Trump would dare incite a far-right rebellion? They certainly knew he had

supporters in the state apparatus.

**GB:** The establishment Democrats and Republicans are paralysed because of their own dependence on the capitalist state apparatus. They looked at the fascist protests in December and decided that the threat was not serious.

Joe Biden, or even the Democrats in Congress, could have warned of the danger and called on the masses to come and protect them from the white supremacists. I think many people would have come out even amidst the pandemic — the Black Lives protests showed that the masses are prepared to put themselves on the line when they need to. But the capitalist politicians are more afraid of a rebellion of the people against racism and capitalism than they are of the fascists. In this way, they put a lot of lives in danger, including their own. This is why the working class cannot rely on the liberal politicians to fight fascism.

Also the fascists had inside help in the Capitol. Congress members who support Trump were said to have taken some of the organizers on reconnaissance tours of the building before Jan. 6. There were also fascist supporters within the Capitol Police who allowed the mob to get access to the building. And generally there was a “hands-off” approach to them, very different from the violent posture these cops take toward progressive demonstrations.

Of course, Trump and his backers also did all they could to block any kind of extraordinary security measures. Trump prevented the D.C. National Guard from being mobilized, for example. Because the city of Washington has no official standing, it is entirely dependent on the president as commander in chief of the military. The National Guard was only authorized to act late in the day on Jan. 6 by order of Vice President Mike Pence, whose own life was in danger at the Capitol. And this could only be done, in my view, by a behind-the-scenes deal to remove Trump from the military chain of command.

**PP:** You wrote [in your last article](#) that Trump should be prosecuted and removed using the 25th Amendment of the Constitution for the attempted coup. Instead of that they chose an “impeachment show” as you call it. Please explain to us why you think this happened?

**GB:** The success or failure of the Jan. 6 coup attempt was really dependent on what the military would do. Trump and his backers hoped that the military would support the attack or, short of that, at least remain neutral. But the pressure from other sectors of the ruling class political establishment and institutions, and the fear of resistance by the troops, caused them to finally throw their weight behind Pence.

How this happened has been carefully hidden from public view. But some information has leaked out in major bourgeois publications like the New York Times and Washington Post. It shows that Vice President Pence, Congressional Democratic leaders Nancy Pelosi and Chuck Schumer, and Senate Republican leader Mitch McConnell worked with “saner heads” in the White House and Pentagon to have Trump removed from the military chain of command. In exchange, Trump was allowed to serve out the last two weeks of his term without being removed under the 25th Amendment of the U.S. Constitution, which allows the vice president and a majority of the Cabinet to remove the president if he can no longer carry out his duties, whether this is due to health reasons or criminal activity.

The impeachment process is basically meaningless at this point. Trump is already out of office and no one can agree if a president can even be legally impeached after leaving office. It’s meant as a show to appease the masses of people who are furious with Trump, and the lower-ranking Congress members whose lives were threatened. People understand that the more progressive, Black and other oppressed nationality Congress members, like the social-democrats Alexandria Ocasio-Cortez, Ilhan Omar and Rashida Tlaib, would have been killed in cold blood if the fascist mob had gotten a hold of them. They even erected a lynching noose outside the Capitol!

A struggle continued inside the high ranks of the military for several days. It was only on Jan. 12, nearly a week after the Capitol attack, that the Joint Chiefs issued a statement condemning the assault on Congress and acknowledging Joe Biden as the incoming commander in chief.

**PP:** Arrests of the fascists who took part in the uprising in the Capitol have begun. Some police officers who participated have been exposed. The new government can claim that in this way the fascist threat was defeated. But is that so? Trump has united a far-right movement that directly supports him, but Democrats have in the past used fascist organizations against minorities and the working class. Today's supporters of Trump also took part in the war against the anti-fascist movement in Ukraine, when the Democrats supported the fascist regime there.

**GB:** The capitalist class and its political establishment always like to hold the fascists in reserve for emergencies. They will throw a small number in jail as a smokescreen, just as Hitler was put in jail for a while after the 1923 Beer Hall Putsch in Germany. There is talk of new "anti-terrorism measures" and a campaign against "domestic extremism." But we know that the real targets of this will be the left, because all of the ruling class groups fear the workers, the masses, the anti-fascists and communists, much more than they fear the fascists.

Trump's main base of support in the ruling class is among the relatively new group that became billionaires during the energy boom after the war in Iraq, especially those involved in the fracking industry in North America. When the boom ended, and their profits collapsed, they latched onto Trump as their figurehead. Although this group is relatively small, it is desperate and most importantly, has a program to deal with the capitalist crisis — fascism. This gives them power and influence beyond their numbers, because the capitalist mainstream symbolized by Biden has no solution to the crisis. Their only answer is to turn the clock back to 2016, to the conditions that gave rise to Trump in the first place.

As you pointed out, the Democrats and Biden himself are complicit in the rise of fascism here and around the world. For decades both Republican and Democratic administrations have used far-right violence to suit their aims in many countries — Libya, Venezuela, Syria, Bolivia and so many others. Biden is recreating a foreign policy team largely based on the Obama administration, which encouraged, aided and armed the fascists in Ukraine who overturned the government in 2014 and fueled the war against the Donbass region. And this has direct and deadly repercussions for people in the U.S. We know, for example, that white supremacist groups that participated in the fascist riot in Charlottesville in 2017 received training from the Azov Battalion in Ukraine. I'm sure some of them were involved in the Capitol attack too.

The assault on the Capitol failed to overturn the election. But in another sense, it was a big success for the fascist movement. It was like a recruiting advertisement for them. Last year these groups successfully invaded several state capitols with guns in hand to protest public health measures to curb the coronavirus pandemic. And with Trump's active support, they were largely successful in their goals — that's why over 400,000 people are dead in the U.S. from the virus and the numbers continue to grow. Now they have taken another big step by invading the seat of the national government. This is something they have dreamed of doing for years.

So whether Trump continues to be the symbol of this movement or if he fades into the background, the fascist danger is not going anywhere. I'm sorry to say that the left movement and the labor movement have not taken the danger seriously up to this point. We have a lot of work to do.

**PP:** Biden has stated that he will continue his aggression against China. He has already recognized Juan Guaido in Venezuela. While he says he wants to return to the agreement with Iran, he does not say he will lift the criminal sanctions. Do you think that something will change in U.S. imperialist policy or that Biden will be a

“moderate” Trump?

**GB:** I don't expect any change from U.S. imperialism under Biden, except for small shifts in priorities. Historically, Democratic-led governments have prioritized the encirclement and demonization of Russia while Republicans have focused on Iran and the Middle East. Venezuela, Cuba and the Democratic People's Republic of Korea will remain in the crosshairs of the Pentagon. Africom will continue its deadly rampage across Africa. We will likely see more emphasis on building up NATO against Russia and the Donbass republics. But the main theater I think will be China, because U.S. imperialism feels its profits and influence most threatened by China's assent.

On the left there is a lot of worry that having a Democrat in the White House will prevent people from opposing war and aggression. People remember the effect that Obama's election had on deflating the big anti-war movement that existed under George W. Bush. But really, the anti-war movement in the U.S. never recovered after that. We have to rebuild it now, not separate from but in tandem with the anti-fascist and anti-racist struggles.

**PP:** U.S. society is facing a major health crisis from COVID-19, which is at the same time a crisis of the capitalist system itself. The victims, the poor and the minorities, revolted, claiming that their lives matter. We read about large workers' mobilizations and strikes. Trump was defeated, but capitalism is still here. What is happening today with this mass movement?

**GB:** Right now people are waiting to see what Biden will do. They are waiting to see if the new administration can get control of the pandemic and do something about unemployment.

The masses of people who voted for Biden did so primarily to get rid of Trump. But of course Biden made a lot of promises to get their support. Millions are in desperate

circumstances now. The health system is hopelessly disorganized and inadequate. In some states cars line up for miles to get food assistance. The government has incrementally continued the ban on evictions during the pandemic, but all of the money for rent is still owed — so when the ban is lifted, millions of families will face homelessness.

Biden would like to project an image of himself as a modern incarnation of Franklin Delano Roosevelt, who will come in and save the capitalist system with reforms. But U.S. capitalism is not expanding like it was in the 1930s. Then it was on the verge of becoming the dominant world power. Now it is well past its peak, and there is no will among the capitalists to sacrifice their profits to make life more bearable for the masses.

Biden himself is a right-winger within the Democratic Party — he rejects universal healthcare, for example, and opposes defunding the police to pay for human needs. Instead he advises the cops to shoot people in the leg rather than the head.

What we expect is that the workers, the most oppressed, will be disappointed by the new administration. What we must strive to do is mobilize this anger and dissatisfaction in the fight for socialism, and not allow the fascists to take advantage of it.

**PP:** *During the interview, communication with Greg was cut off, as Facebook removed a large number of profiles of left-wing activists and organizations. We asked him to comment on the attempt to silence him, but also on the posting ban imposed on Donald Trump. He answered as follows:*

**GB:** On Jan. 22, I and several of my comrades were [banned by Facebook](#). Our profiles were “permanently disabled,” without any opportunity to appeal the decision. Two mass organizations we participate in, the Peoples Power Assembly and Women In Struggle, were also removed by Facebook. Other pages we administer,

like the one I run in solidarity with Donbass, were no longer accessible. We fought back, alerting the media and the progressive movement, taking legal steps and bombarding Facebook officials with emails, tweets and phone calls. By the night of Jan. 25, most of the pages and profiles were restored. No explanation was offered.

This was not the first time. At the end of October, just before the presidential election, many of the same pages and profiles were suddenly shut down. At the time we were organizing for a protest car caravan against Trump's threat to steal the election. Facebook removed the event and banned many of us. That time, too, we fought and got things restored.

The point is, the U.S. social media monopolies have been at war with the left for a long time. Pages and individuals representing national liberation struggles in Palestine, Colombia and other countries have long been attacked by Facebook, Google, Twitter and the rest. International media outlets like teleSUR and Press TV are suppressed. Leftists are often blocked or restricted without cause and without warning.

One of the lessons we took from these experiences is that it's important not to be overly reliant on social media sites. We must make use of them, yes - like Lenin said about the class collaborationist trade unions, if they push revolutionaries out the door, then we climb back in through the window. But we should not be naïve and think that it is a reliable and permanent way to organize.

It's important not to draw a false equivalency between these attacks on the left and the recent ban on Trump and some of his fascist supporters. Twitter and Facebook never wanted to ban Trump. He is a big draw for them - a money maker. Twitter was finally forced to remove Trump after the Jan. 6 assault on the Capitol because of mass outrage. The next day their stock prices sank. But they let him spew racist and violent propaganda for years because it was profitable.

We don't take a liberal view. We don't believe in free speech for both sides. We know the bourgeoisie wants to suppress free speech for the revolutionary left. We fight for the right of workers, anti-fascists and their organizations to speak, not the fascists who want to commit genocide against oppressed people and smash our organizations. They have plenty of avenues to get their message out thanks to their supporters in the capitalist class. Our job is to shut them down.

Source: [Kommon](#)



---

## **When the game stops: who's really manipulating the market?**

written by Struggle - La Lucha  
January 30, 2022



'Hedging' used to be a way reducing the risk of selling or buying. Farmers waiting for their harvest to come in are uncertain about what price per bushel they will get at the market: will they get a price that makes them a profit and a living for next year or will they be made destitute? To reduce that risk, hedge companies offer to buy the harvest in advance at a fixed price. The farmer is guaranteed a price and income whatever the price per bushel at the time of going to market. The hedge fund takes the risk that it can make a profit by buying the harvest at a price below the eventual market price. In this way, 'hedging' can smooth out the volatility in prices, often very high in agricultural and mineral sectors.

But in financial markets, hedging and hedge funds take on a whole new function. It has become a game, with billions of other people's money at stake, turning the market for goods and services into a casino for financial betting. [In my previous](#)

[post](#), I explained how what Marx and Engels called ‘fictitious capital’ (stocks and bonds) and their supposed value bore little relation to the real value of underlying earnings and assets of companies.

Financial hedging takes this one step even further away from real values, as hedge funds do not just buy or sell stocks rather than invest in productive capital. Now they bet on which way the price of any stock will go. In ‘short selling’, a hedge fund borrows shares in a company from other investors (for a fee) and sells the shares on the market at, for example, \$10 each. Then it waits until they fall to \$5 and then buys them back. The borrowed shares are returned to the original owner and the hedge fund pockets a profit.

Far from smoothing price changes, by betting on prices falling or rising, the hedge funds actually thrive on increased volatility. ‘Going long’ to drive up the price and ‘going short’ to drive down the price is the name of the game. And in doing so, ‘short sellers’ can actually drive companies into bankruptcy, with the loss of jobs and incomes for thousands.

In the year of COVID, while the ‘real economy’ collapsed, those with cash to spare and looking for a return (banks, pension funds, rich individuals) invested heavily in the stock market, often using borrowed money (at near zero rates of interest). And these big investors put much of their money into hedge funds and look to these so-called ‘smart people’ to make them a buck. And they have been doing so, big time.

But also in the year of the COVID, there were millions of people who have been working at home or have been furloughed sitting on savings that they cannot spend because of lockdowns and no travel. So many have linked up through social networks [like Reddit](#) to bet on the stock market.

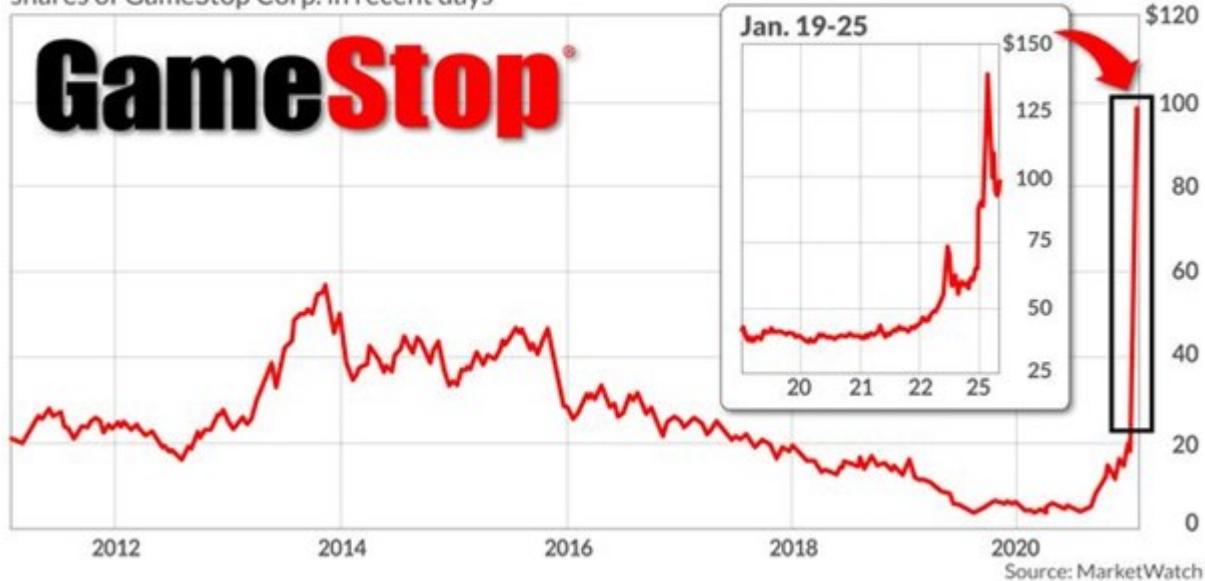
These small investors have recently started to combine and build up some firepower and to take on the big institutions in their gambling dens. Since the beginning of the

year, [a group of amateur traders, organised on Reddit, have been playing the market against major hedge funds, who had shorted shares for GameStop: a US-based video game retailer](#). This company had suffered badly during the year of the COVID and was expected to go bust. Hedge funds piled in to 'short' the stock.

But the small traders did the opposite and used their firepower to drive up the stock price, forcing the hedge funds, backed by the big banks and institutions, to buy back the shares at higher prices as the time ran out for their 'short' bets (they are fixed time contracts). As a result, several 'shorting' hedge funds took a huge loss (\$13bn) and one fund had to be bailed out by its investors to the tune of \$2.75 billion.

### The GameStop pop

A campaign by users on a Reddit message board led to wild price swings in the heavily shorted shares of GameStop Corp. in recent days

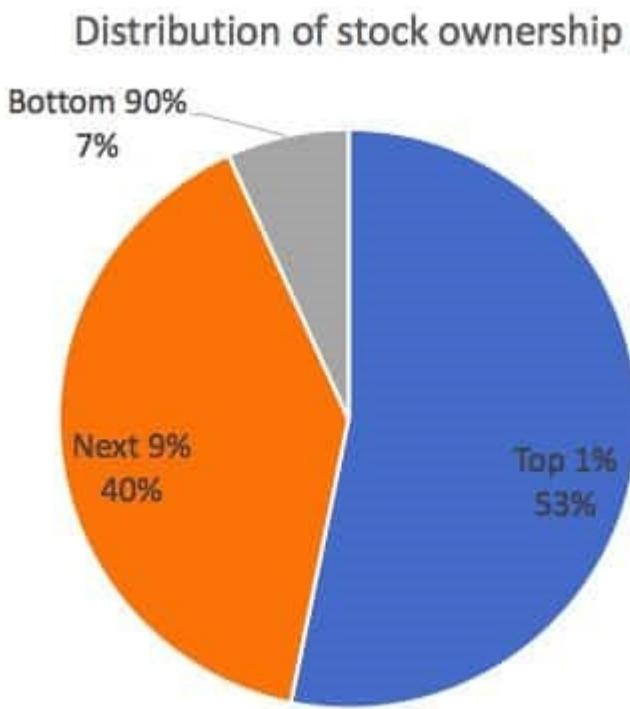


Wall Street is furious. The small investors have 'rigged' the market, they cry, threatening the value of your pension funds and putting banks in jeopardy. This is nonsense, of course. What it actually shows is that financial markets are 'rigged' by the big boys and it's small investors who are usually the ones that get 'shafted' and swindled in this gambling den. As Marx said, the financial system "*develops the*

*motive of capitalist production*", namely "*enrichment by exploitation of others' labour, into the purest and most colossal system of gambling and swindling and restricts even more the already small number of exploiters of social wealth*" (Marx 1981: 572).

Of course, in the current battle, the small investor will lose out in the end. Massachusetts state regulator William Galvin has already called on the New York Stock Exchange to suspend GameStop for 30 days to allow a cooling-off period. "*This isn't investing, this is gambling*," he said. No sweat! And already, small investors are seeing a hike in the charges and limits on their trades by brokers and market makers (the casino owners) to deter them from trading. And there is talk at the top of 'regulating' the market to stop investors 'ganging up' on the 'legitimate' institutions of Wall Street. The price of GameStop is now falling back.

For working people all these shenanigans may appear irrelevant. After all, most working households have little or no shares at all. The top 1% of households owned 53% of US stock market wealth, with the top 10% owning 93%. The bottom 90% own only 7%. However, workers' pensions and retirement accounts (if workers have them) are invested by private pension fund managers into financial assets (after deducting very nice commissions). So what savings working households do have are vulnerable to the gambling activities of the swindlers in the financial casino - as the global financial crash of 2007-8 showed.



What this little story of GameStop shows is that company and personal pension funds run by the 'smart people' are really a rip-off for working people. What is needed are state funded pensions not subject to the volatility of the financial game. The big hedge funds have been burnt in this latest skirmish by some small investors and they want to get these minions out of the game. What working people should want is to stop this game altogether.

Source: [Michael Roberts](#)



---

# For real solution to crisis, build working-class solidarity

written by Struggle - La Lucha

January 30, 2022

Donald Trump made racism the core of his campaign and encouraged the recent coup attempt at the Capitol in order to negate especially the votes of Black people, who suffer a history of voter disenfranchisement in the U.S.

The electoral victory of Joe Biden and Kamala Harris was seen by most to be a rejection of Trump and racism. The election has removed Trump and put Biden in the office of president. And it's understandable that people would feel a sense of relief.

However, Trump's freedom to continue as president until the end of his term, after a myriad of violations of law and hate speech, helps expose the fact that this is a change of executive, much like when a corporation replaces its CEO. It's not a change in power — capitalism is still in power.

Workers — especially from the Black, Latinx, Indigenous and Asian communities — gave Biden the votes needed to win. This was also a vote not just against Trump, but for health care, to end the pandemic, and for jobs and housing. That's what's expected from the Biden presidency.

The U.S. economy is in a crisis. Some 19.5 million workers are officially unemployed, four times as many as last year at this time. At least another 10 million are unemployed but not included in the official count. Over one-third of the adult population in the U.S. faces eviction or home foreclosure in the next two months.

In some states, food bank lines stretch for miles. An estimated 13.7 million households go hungry every day.

Yet stimulus money has mostly gone to big corporations. Over 160,000 small businesses have permanently closed.

Whatever promises Biden has made regarding stimulus and help to combat the pandemic thus far are not nearly enough to combat the economic devastation and certainly won't reverse it. For example, raising the minimum wage to \$15 an hour, which Biden says will be done slowly, is not a living wage.

The federal minimum wage of \$7.25, which hasn't risen since 2009, does not provide a living wage. At that time, many workers fought for a \$15 minimum wage, but this is no longer enough. A living wage right now, according to the Living Wage Calculator at the Massachusetts Institute of Technology, is \$30 to \$35 an hour.

Inadequate policies by Biden will only lead to resentment and dissatisfaction, and an opening for the possible return of Trumpism.

## **How did we get here?**

In the first place, the road to Trump was paved by the record deportations and

endless wars from the previous Obama administration, which included Joe Biden and Hillary Clinton. They and their Democratic Party, like all previous administrations before them, continually and increasingly legitimized the racist, anti-immigrant poison that Trump was able to exploit.

The drones that dropped bombs on the continent of Africa under both the Bush and Obama administrations helped legitimize the international terrorism of lethal drone strikes by Trump, who flirted with war against Iran.

It was Biden and Clinton in the Obama administration who supported the fascist-like forces that organized pro-U.S. coups in Honduras and Libya, negating the will and self-determination of the people in those countries.

In fact, the mob of well-connected white supremacists who met no real opposition to their entering the Capitol in Washington, D.C., had aims that mirror those of Joe Biden and the Democratic and Republican parties abroad.

Biden's support for pretender Juan Guaidó in Venezuela and the earlier-mentioned coups is an attack against the votes and self-determination of working people abroad, especially when they are Black, Brown or Indigenous peoples.

This is why we understand that we cannot rely on those who will tolerate fascist-minded actions and ideas to stop white supremacist groupings and ideology from gaining strength. Those forces in the ruling-class parties are okay with fascism as long as it helps to crush working-class movements, like the movement for Black lives and the struggle for im/migrants — as long as it weakens the power of our class.

History instructs us here. An attempted fascist coup occurred before the Nazis came to power in Germany. In Munich in 1923, Hitler attempted a takeover — but failed. Although Hitler was jailed, he was allowed to continue his ideological poisoning and political organizing and influence over the middle classes and workers, allowing the

Nazi Party to eventually take control.

We must unify our progressive organizations, and unify our working class, in order to continue the struggle for what is the only real solution to the crisis of capitalism: that is, socialism.

We must build the working-class movement, independent of the ruling-class parties. Therefore, we must build solidarity between all sectors of our working class with its oppressed nationalities, women, LGBTQ2S members and Indigenous peoples. That can only come through an intolerance of racism and sexism, with the principle of solidarity.

The ruling-class parties have failed and will continue to fail in that regard. But we must not.



---

## Wall Street's New Year's party:

# Dancing on the backs of poor workers

written by Struggle - La Lucha

January 30, 2022

“Wall Street sets new highs to end 2020,” the Associated Press reported on Jan. 1, 2021.

“Wall Street closed out a tumultuous year for stocks with more record highs on Thursday, a fitting coda to the market’s stunning comeback from its historic plunge in the early weeks of the coronavirus pandemic,” AP reported.

Look at the economy. Some [19.5 million workers](#) are officially unemployed, four times as many as last year at this time. At least [another 10 million are unemployed](#) but not included in the official count. Jobs continue to be cut as rising coronavirus infections keep many people at home and state and local governments reimpose restrictions.

Over one-third of the adult population in the U.S. [faces eviction or home foreclosure](#) in the next two months according to new data from a U.S. Census Bureau survey. South Dakota, South Carolina, Georgia and Oregon have more than a half of all the households facing eviction or foreclosure.

In some states, food bank lines stretch for miles. Even before the pandemic hit, 13.7 million households, or 10.5% of all U.S. households, experienced food insecurity at some point during 2019, [according to data from the U.S. Department of Agriculture](#). Convert household numbers to people numbers and you get 35 million who couldn’t get enough food. That number doubled during the last year, according to researchers at Northwestern University.

Tens of millions of working-class people have fallen into poverty and hunger or are near that edge. Stimulus money has mostly gone to big corporations. Over 160,000 small businesses have closed.

### **The rich got richer**

Meanwhile, the richest 500 people on the planet added \$1.8 trillion to their combined wealth in 2020, accumulating a total net worth of \$7.6 trillion, according to the [Bloomberg Billionaires Index](#).

Walmart and Target [reported record sales](#). Amazon [tripled](#) its profits. Alphabet, Amazon, Apple, Facebook and Microsoft [now make up 20%](#) of the stock market's total worth. The tech industry has achieved an unparalleled level of wealth and dominance.

So Wall Street is having a party.

With huge injections of credit by the Federal Reserve Bank at interest rates near zero, and the massive government stimulus payments to big business, the large corporations stockpiled the government-backed money, buying back their own shares or other financial assets. The stock market rocketed to an all-time high.

### **Wall Street bets on austerity, reduced wages**

Wall Street's rise is betting that the pandemic and mass unemployment, general poverty, hunger and homelessness will force workers to return to work at much lower wages. This will raise the ratio of unpaid to paid labor, leading to a higher rate of profit as business returns to normal.

Then Wall Street expects that dividends will rise and with it stock market prices. In anticipation of the good times they see coming — for the capitalists, that is — stock market speculators have bid up the prices of stocks.

In the 1920s after the end of the “Spanish” flu epidemic — it actually first appeared in the U.S. — the stock market shot up to new highs, much like what is happening now. Profit rises were even higher, as productivity substantially exceeded real wages. Wealth inequality soared to the greatest level ever seen, with 0.01% owning 25% of the total wealth in the U.S. That was an inequality level not seen since — until now. Some call it [the return of the Roaring Twenties](#).

Of course, the Roaring Twenties ended with the Great Crash in the stock market of 1929-1930 and the ensuing Great Depression of the 1930s.

Inequality of wealth and income, poverty, homelessness and hunger rule the land while the stock market booms. That's the current Roaring Twenties.

