

FRSO

Freedom Road Socialist Organization

*8th Congress
Main Political Report
2018*



The Freedom Road Socialist Organization presents our **Main Political Report**, voted on at the recent 8th Congress, May 2018. The three resolutions—economic, domestic political, and international—describe the societal conditions in which we organize and struggle for a new society. The FRSO originally started discussing, debating and revising the resolutions in September 2017. The documents provide a basis for understanding basic conditions, the forces in motion in society, as well as the strengths and weaknesses of the movements for social change and revolution. We ask you to read, comment, discuss and share them. Improving our understanding of how society works will strengthen the leadership of mass groups and positively impact the people’s movements.

2018 Main Political Report — Resolution on the International Situation

The Freedom Road Socialist Organization presents our Main Political Report, voted on at the recent 8th Congress, May 2018. The three resolutions—economic, domestic political, and international—describe the societal conditions in which we organize and struggle for a new society. The FRSO originally started discussing, debating and revising the resolutions in September 2017. The documents provide a basis for understanding basic conditions, the forces in motion in society, as well as the strengths and weaknesses of the movements for social change and revolution. We ask you to read, comment, discuss and share them. Improving our understanding of how society works will strengthen the leadership of mass groups and positively impact the people’s movements.

A basic understanding of the international situation, which includes how the U.S. impacts the world and how changes in the balance of forces on a world scale affect the state of things domestically, is essential for having a materialist assessment of our tasks and the possibilities that exist in our work for the coming period.

The U.S. is an empire – its tentacles extend around the globe – and this fact shapes this country’s economic base along with the political/ideological superstructure that is built on that base. Since the early 1970s, U.S. imperialism has been in a period of strategic decline, beset by internal and external contradictions. In 1960, the U.S GDP accounted about 40% of the world economy. Currently, the U.S. economy represents about one-fifth of the world economy, and that figure is falling.

Imperialism is the highest and final stage of capitalist development – it is monopoly capitalism, in its moribund, dying form. President Trump is

a fitting representative of a system that is historically outmoded and strategically doomed.

The principal contradiction in the world today is between the peoples of the developing world and imperialism. The U.S. is the principal imperialist power in the world today, and as such, it is the main danger to the world's peoples. From Puerto Rico, to the Philippines, to Palestine, people are rising up and fighting for liberation.

On a world scale, the globe has been divided up among the relative handful of advanced capitalist countries (the U.S., the European powers, and Japan) and there are four basic contradictions at work: between imperialism and the peoples of the oppressed nations; amongst the imperialist powers; between the working class and the capitalists, and between socialism and capitalism.

While these contradictions have been present for the past century and, in some cases, overlap each other, there are new developments that we need to be aware of, and where needed, give additional investigation to. This includes the growing importance of inter-imperialist rivalry.

U.S. role in the world

The expanse occupied by the empire of the dollar is without precedent, spanning vast areas of Asia, Latin America, Africa and the Middle East, and covered with a web of military bases, occupations and puppet regimes. The purpose of the empire is to enrich the billionaire class that runs the U.S., who live like vampires on the blood and sweat of the many.

That said, behind the bayonets and atom bombs, the U.S is locked into a spiral of decay. The defeat in Vietnam in the early 1970s, coupled with the rise of rise of other monopoly capitalist powers in Europe and Japan, marked the end of U.S. imperialism's zenith of influence and control.

The end of the Obama era and the rise of Trump, coupled with scrapping of trade agreements like the Trans Pacific Partnership and a unilateral approach use of military force, are all signs that sun is starting to set – that the empire of the past was too big for the U.S. hold up.

The upshot of this is that we can expect a dramatic sharpening of the basic contradictions – including between the developing world and imperialism, and inter-imperialist rivalry – as the U.S. moves towards a course that is more unilateral, and reflective of its growing isolation, an isolation that is animated by a drive to accomplish by military means what cannot be gained or maintained by economic means.

Given two decades of continuous warfare, including the disastrous war in Iraq, and the protracted ‘apocalypse soon’ in Afghanistan, the U.S. is now preparing to amp things up in a big way.

For its part, the Pentagon is articulating a strategy which has at its core preparing for war against the People’s Republic of China and Russia, which it now openly defines as strategic competitors. In addition, the Islamic Republic of Iran and the Democratic People’s Republic of Korea are also in the crosshairs. Congress is, and will be for some time, debating a massive military buildup that is needed to put this strategy into practice. In a marked departure from the policies of the past decade; the utilization of “soft power,” including diplomacy and bribery with foreign aid packages, is being downgraded.

The U.S. is also manifesting a more unilateral, go-it-alone approach in the economic sphere, particularly on the issue of trade. It can be said the process of imperialist globalization has passed its high tide, and is now in a period of retreat. Protectionism is on the rise as imperialist powers attempt to strength their respective economic positions – which means strengthening advantages in their internal markets and achieving favorable terms for their exports, including the export of capital. In addition to the U.S. abandoning the TPP, it should be noted that since the establishment of the World Trade Organization, trade agreements that are global in reach have stalled.

While it’s true that the irrational and unstable Trump administration might manage to provoke war with People’s China or Russia, plans for a war with these countries are long term and strategic, and involve things like a major military buildup and an expanded nuclear arsenal. As far as the here and now goes, there are the ongoing wars – Afghanistan, Syria, Yemen, Somalia, etc. all of which are important – and there is the threat of new wars against Iran and socialist Korea.

Also, it should be stated that unending wars, coupled with the drive towards new ones, impact the domestic situation, especially the political and ideological superstructure in some important ways.

Pentagon plans now talk about combating internal “subversion,” as do some high profile Democrat Party politicians, such as Joe Biden. This is the kind of talk that serves as a prelude to political repression – something we are very familiar with. Along a similar vein, imperialist protectionism and war preparations are always accompanied by the conscious fanning of national chauvinism – the kind of thing that underlies slogans like “America First.”

Rivalry between the imperialist powers

While the main contradiction on a world scale is between the imperialist powers and the oppressed nations and peoples of the world, the struggle between the imperialist powers is assuming increasing importance.

This growing inter-imperialist rivalry is reflected in the handwringing about NATO, which is important, given that it is easily the world’s largest and most deadly military cabal, or in moves by the European powers to distance themselves politically from Washington DC. On issues ranging from the Paris accords to the Middle East – it grows lonelier in fortress Trump.

All serious observers agree that the Trump administration is unstable, unreliable and frequently motivated by narrow, short-term considerations. Regardless of how long the Trump administration lasts, it is not possible for the U.S relationship with the junior imperialist partners to return to what it was.

The struggle between the monopoly capitalist countries is also sharpening within Europe itself and endangers the attempts to bring political and economic unity to the continent. We view the dissolution of the EU as a good thing that tends to weaken imperialism on a world scale, and welcome moves by countries to exit from the EU.

Russia is an emerging imperialist power. Under socialism, the former Soviet Union was often guided by working class internationalism in its

relationship with the world. Under Putin, that is not the case. Russia is motivated by what it says is its “national interest.” That said, as Russia has played a positive role in a number of places, such as Syria.

Socialism vs. capitalism

The contradiction between the socialist countries (Cuba, Vietnam, China, Democratic Korea and Laos) on the one hand, and the monopoly capitalist countries on the other, is undergoing a process of intensification. In all the socialist countries there are issues of national development, class struggle, the problem of revisionism (meaning the departure from the revolutionary essence of Marxism) and capitalist encirclement. The socialist countries have made many spectacular accomplishments. The economies of those countries do not function according to the laws of capitalism. In general, the socialist countries play a progressive role on the world stage. All evaluations need to be made based on seeking truth from facts.

All the existing socialist countries have emerged in developing world, and the contradiction between them and imperialism overlaps with the contradiction between the oppressed nations and the monopoly capitalist powers.

The peoples of the world are defeating imperialism

On every continent there are great battles underway to weaken and defeat imperialism. In the Middle East, the center of gravity is the heroic struggle of the people of Palestine to end the Zionist occupation and to liberate every inch of their land. A powerful camp of resistance has come into being that unites Iran, Syria, the Palestinian resistance, and the popular forces of Lebanon, Iraq and Yemen – and which is fully capable of challenging imperialism, Zionism and reaction of all kinds.

In Asia, where the People’s Republic of China is the target of the American “pivot” or “rebalancing,” the national democratic struggle in the Philippines, led by the Communist Party of the Philippines, stands out in sharp relief and is an inspiration to people everywhere. The Philippines is vital for the projection of U.S. power in the Pacific region. Additionally, the Democratic People’s Republic of Korea (DPRK), despite

threats, maintains their sovereignty and continues show their strength, keeping U.S. imperialists at bay.

In Latin America and Africa, national democratic governments such as those in Venezuela and Zimbabwe are confronting imperialism. The point of these examples is not to inventory all that is important, but rather to illustrate the point made by Mao, “countries want independence, nations want liberation, and people need revolution.”

We grasp the truth that political developments abroad can impact the revolutionary process at home, for example, for example, events in Mexico can have great impact on Chicano nation in the U.S.

Along with our friends and allies, we are working to build a united front against imperialism. Part of developing that front is recognizing and supporting the fights of the working class in both advanced capitalist countries and the developing world.

We reject the idea that the people of the U.S. gain material benefits from empire. We hold that the more setbacks and defeats for the monopoly capitalists who rule this country; the closer we are to freedom.

We are proletarian internationalists who share a common enemy (the U.S. bankers and bosses) with the world’s peoples. The existence of this common enemy – coupled with the fact that capitalism anywhere is a roadblock to a society without classes – forms the material basis for internationalism. ★

2018 Main Political Report — Resolution on the U.S. Economy

The Freedom Road Socialist Organization presents our Main Political Report, voted on at the recent 8th Congress, May 2018. The three resolutions—economic, domestic political, and international—describe the societal conditions in which we organize and struggle for a new society. The FRSO originally started discussing, debating and revising the resolutions in September 2017. The documents provide a basis for understanding basic conditions, the forces in motion in society, as well as the strengths and weaknesses of the movements for social change and revolution. We ask you to read, comment, discuss and share them. Improving our understanding of how society works will strengthen the leadership of mass groups and positively impact the people’s movements.

The Current Economic Expansion

In June of 2009 the worst economic downturn in the United States since the Great Depression of the 1930s officially ended. For the last nine years the U.S. economy grew, albeit at a slow pace. This makes the current expansion the fourth longest in U.S. history. [1]

But the current economic expansion is a recovery for the capitalists, not for the majority of the working class. Stock prices, as measured by the S&P 500, are more than 60% higher than the previous peak in 2007. Corporate profits are up 30% from their pre-crisis high. These gains have been enough to raise the income of a typical U.S. household to a new high in 2016, for the first time since 1999. [2]

On the other hand, most working class households still earn less than in 1999. Most of the jobs added in the current expansion are in the most well-to-do neighborhoods, while the poorest neighborhoods have seen

no net job growth at all. Millions of long-term unemployed have given up looking for work. This has caused a drop in the “labor force participation rate” from its peak of 66.4% in 2007 to a low of 62.4% in 2015. This means that there are about 6 million people who would have been working or looking for work in 2007 that are no longer. This represents a big expansion of what Marx referred to as the “reserve army of unemployed” and a factor in the slow rate of wage growth in this last period of economic growth. [3]

Other factors holding down workers’ wages include the capitalists’ restructuring of the labor market to increase the number of part-time, temporary, and contract workers. This is taken to the extreme with the rise of the so-called “sharing” economy with on-demand workers such as those in Uber. With wages rising 2.2% after inflation, while workers’ productivity (value of their output) rising at an 11% annual rate, capitalists’ profits have swelled. [4]

At the state and local level, attacks on government workers have intensified, led by Republicans who want to break the power of public-sector workers’ unions, but also joined by Democrats who are intent on cutting the pensions for government workers. These attacks and cuts are part of ongoing national oppression and gender inequality, as they fall the hardest on women and oppressed nationalities, who are much more likely to be public sector workers, especially those with lower and middle incomes (excluding police, fire, and professional workers).

One important gain for the working class and oppressed nationalities has been the implementation of the Affordable Care Act. The number of workers and lower-stratum of the petty-bourgeoisie without health insurance has fallen by almost one-half. Millions of people were able to join the Federal Medicaid program for lower-income Americans. Millions more were able to get health insurance from their jobs because of the employer mandate in the ACA. This represents the biggest expansion of health insurance in the United States since the 1960s. While a step in the right direction, the ACA does not guarantee healthcare for all, as it is NOT single-payer health insurance. President Trump has already launched attacks on the program, showing the unstable nature of healthcare reform under a capitalist system. [5]

The Most Recent Crisis of Monopoly Capitalism

One of the features of capitalism noted by Marx was that each resolution of a crisis laid the groundwork for an even greater crisis. After the dot-com bust in 2000-2001, speculative capital flowed into the mortgage market, fed by historically low interest rates set by the Federal Reserve. The boom and then bust in the housing market led to both a recession, and then a financial crisis, the scale of which had not been seen since the Great Depression of the 1930s.

The main features of the last economic crisis were first, the increased exploitation of the working class, cuts in government services, and schools, and generally lower standards of living as the capitalists try to shift the burden of the crisis on to the working class and oppressed nationalities. A vicious cycle developed where jobless workers fall behind on their debt payments, and then are denied jobs because of their bad credit! More and more people were losing health insurance as businesses cut benefits and individual plans become too expensive. Homelessness grew and mothers and children were thrown off of TANF and into the streets due to 5-year limits.

One of the functions of economic crisis is that it is an opportunity for the capitalists to restructure the economy to increase their profits over the long term. The most recent crisis sped up the loss of unionized, middle-strata working-class jobs. At the same time there are more and more part-time and temporary jobs. More and more businesses do not even give their workers regular schedules, but change them week to week and even day to day, to reduce their labor costs and increase profits, and at the same time playing havoc with their workers' lives.

The crisis accelerated a fundamental tendency of capitalism to eliminate jobs and increase the reserve army of labor by substituting machinery and equipment for labor. This tendency, which is what Marx called increasing the organic composition of capital, is responsible for most of the losses of well-paying auto and steel jobs, not imports. For example, the United States is producing about the same number of cars as it did 20 years ago, but with 25% fewer workers. [6]

The crisis also increased economic inequality along national lines. The income of a typical Black household was only 59% of white households in 2011. While the income gap is large, the wealth gap is huge. In 2009 the typical white household's wealth was TWENTY times as large as the typical Black household and EIGHTEEN times larger than the typical Latino household. During the crisis the wealth gap between whites and oppressed nationalities, which was very wide to start with, became even greater, as the typical white household lost 16% of their wealth, the typical Black household 53%, the typical Asian household 54%, and the typical Latino household lost 66% of their wealth! [7]

Secondly, the crisis destroyed means of production. Plants closed down, never to reopen. Stores and even entire shopping malls were boarded up. Some banks went as far as tearing down foreclosed homes to try to prop up prices for remaining houses. The Obama administration's "rescue" of U.S. auto makers actually led to more and faster closings of plants and dealers than GM and Chrysler had been doing on their own. The crisis of unemployment worsened, with the official unemployment rate rising to more than 25% in the hardest hit city of Detroit. [8]

Third, the concentration and centralization of capital accelerated as smaller and weaker firms folded and the bigger and strong ones snapped them up or even preyed on each other. This can be seen in the U.S. banking industry, where four giant banks (Bank of America, Citigroup, J.P. Morgan Chase, and Wells Fargo) have emerged with over half the bank assets in the United States. [9]

The U.S. Economy and the World

The recent crisis also sped up the relative economic decline of the United States. There is growing criticism of the free-market economics pushed by the United States to further its own economic interests. Other countries are beginning to questioning the large debt of the United States to the rest of the world, and the role of the U.S. dollar as the international reserve currency. [10]

In our judgement, the high tide of imperialist globalization has passed. From the end of World War II to the last recession of 2007 to 2009, the U.S. monopoly capitalist class held a bipartisan consensus in favor of

“free trade” which favored the export of capital. However, the tide began to shift with the most recent economic crisis, with some reports showing the United States to have enacted more protectionist measures than any other country. The election of Donald Trump to President 2016 marked a major break in the free trade consensus among the U.S. elite. [11]

One of Trump’s first acts was to cancel the U.S. participation in the Trans-Pacific Partnership, effectively killing the agreement. His administration is also carrying out more protectionist policies by putting tariffs on Chinese solar panels. However, Trump and other Republicans have had to walk back a number of their campaign promises and proposals. Trump has gone from cancelling NAFTA, the North American Free Trade Agreement, to “renegotiating” the treaty. Republicans in Congress have dropped their proposal for a “Border Adjustment Tax” that would have acted as a tariff, or tax on imports, under pressure from many big businesses.

The relative stability of the world capitalist economy over the last few years in no way has overcome the law of uneven development under monopoly capitalism or imperialism. While there is a high degree of globalization in manufacturing (witness the ubiquitous iPhone), there are increasing barriers and competition to U.S. corporate domination. China and Brazil led a revolt of developing countries in the World Trade Organization that has effectively blocked U.S. plans to dominate intellectual property and undermine even more state sovereignty through the WTO. The growing size of the Chinese economy has moved it into more and more of a leading role in industries such as solar panels and electric cars. [12]

Contradictions among the capitalist countries continue to break out into conflict. The Trump administration has slapped tariffs on Canadian lumber and is trying to put tariffs on Canadian jet planes made in Europe. The Brexit is major blow to the capitalist unity project known as the European Union and also to U.S. influence in the E.U. which was largely channeled through Great Britain.

National Oppression and the Economics of Racism in the Era of Trump

The foundations of the U.S. economy were built on Native American lands and the genocide of native peoples as well as the chattel slavery of Africans. In periods of economic crisis, Black Americans, Chicanos and Latinos, Asian Americans and other oppressed nationalities and indigenous peoples are the first to suffer and the last to recover. For example, the increase in wages in 2016 finally lifted the average household income in the U.S. back to the level they were in 1999. However, this wasn't true for Black households whose income has not recovered.

Since the election of a bare-faced racist to the White House, there is an increasing awareness about white supremacy, police crimes, as well as acts of hate and other examples of virulent racism in the country. These are features of the superstructure of monopoly capitalism in the U.S. which are based on underlying profits that result from seizure of land, underpaid labor, inflated living costs, and the denial of government services. One of Trump's first actions was to sign an executive order to clear the way for the Keystone XL and Dakota Access Pipeline (DAPL).

National oppression has always been driven by super-profits gained from lower-paid labor, or unpaid labor as in the chattel slavery of the U.S. South for 250 years. Latino households make \$18,000 a year less than white households, and Black households make \$25,000 a year less. This wage differential is an important source of super-profits. While the unemployment rates for all nationalities have dropped from the double-digits during the last economic crisis, the gap between Blacks and whites continues, with African American rates still twice that of whites.

The thirst for profits is also driving the free market policies that look for private profits from what used to be government services, such as the public schools. If a capitalist can't make profit from them, then they are shuttered, or replaced by charter schools. Black and Latino communities are disproportionately hit by these attacks. The closing of factories is followed by closing of schools, and then real estate plans to flip and gentrify poor neighborhoods.

This is one of the fundamental contradictions of monopoly capitalism: that the economic boom in certain areas actually makes many oppressed nationalities worse off. The gentrification of poor and inner-

city neighborhoods has a disproportionate impact on oppressed nationalities, who are driven out of their homes. Homelessness is on the rise.

Government Economic Policy Under Trump

Despite his pledge to support Social Security and Medicare, Trump has joined with Republicans in Congress to undermine these programs and slash spending on Medicaid. Already millions of people have been left out of getting health insurance through the ACA as Republican state governments have blocked the Medicaid expansion in almost half of all states. Trump and Republican in the House also voted to undo the ACA, that would have taken health insurance from more than 20 million people.

After a burst of Keynesian tax cuts and spending increases in the 2009 American Recovery and Reinvestment Act, the U.S. government swung to austerity, with \$900 billion in spending cuts in the 2011 Budget Control Act and \$600 billion in tax increases in the 2012 Taxpayer Relief Act. The most recent Trump budget proposal slashes domestic spending to pay for tax cuts for the rich and an even faster military build-up.

Trump and the Republican Congress also have plans for tax “reform” that would cut taxes on the rich and large corporations (this was one of the main reasons that they tried to repeal the Affordable Care Act). Right after being elected, Trump proposed to slash the top corporate tax rate from 35% to 15%. He wants to end the estate tax and AMT (Alternative Minimum Tax which forces some high income individuals, like Trump, to pay taxes by disallowing some tax breaks), and reduce the tax rate on the highest incomes. In fact, a quarter of the tax breaks would go to the top ONE-TENTH of 1%, and another quarter to the other 9/10 of the top 1%. Trump’s tax plan would have raised taxes on single-parent working families and those with larger numbers of children. [13]

Trump’s announcement that the United States would withdraw from the Paris Climate Agreement was part of his campaign to blame regulation for loss of jobs in coal mining areas. But the decline of Eastern and unionized coal mining jobs is mainly due to the low price of

natural gas (because of increased use of hydraulic fracturing, or fracking, which Trump supports), and greater coal production in non-union, more mechanized Western coal sites. [14]

Trump and the Republicans plan to “reshore” manufacturing jobs mainly consists of keeping wages low and spending billions of dollars to subsidize big corporations to set up shop in the United States. With the federal minimum wage at the same level as 2009, and at the lowest level, adjusted for inflation since 1950, it is barely above the minimum wage in South Korea. Republican Governor Walker is proposing \$3 billion dollars in subsidies to bring Foxconn, a Taiwanese electronics manufacturer, to Wisconsin. But like many other new manufacturing plants, it will be highly automated with relatively few workers. [15]

The Peoples’ Struggle and Socialism

As of the time of this draft (October 2017), it is clear that the world economy is in a temporary period of relative stability. The U.S. economy has been growing for more than eight years while the economic crisis in the Eurozone in Europe has calmed down for now. Even the Japanese economy, which has been stagnant for more than twenty-five years, is growing again.

But it is only a matter of time before another economic crisis overtakes the United States. This crisis could emerge within the U.S. economy, where there are some early signs of weakness in the expansion. The Federal Reserve is raising interest rates, even though inflation is well below their target. Or it could emerge in Europe or even Asia, and spread to the United States through an increasingly globalized capitalist economy. There is also a small, but not insignificant chance that a misstep by the Trump administration and/or Republican Congress, could trigger a crisis. [16]

But no matter what the monopoly capitalists do and say, the last economic crisis shook confidence in the capitalist system. Opportunities for educating people about the true nature of monopoly capitalism are growing. However, the right-wing, reactionary section of the monopoly capitalists have been promoting white chauvinism to claim that oppressed nationalities at home and other countries abroad are at the

root of economic problems of the (white) working class. It is important at this time to point to the need for socialism, a system based not on the profit of privately owned corporations, but one based on serving the needs of the working people through government and collective ownership and control of businesses and natural resources. ★

Endnotes:

[1] Business Cycle: National Bureau for Economic Research, U.S. Business Cycle Expansions and Contractions. Note that in January, 2018, the current expansion will become the third longest, following only the 1991-2001 and 1981-1990 expansions.

[2] S&P 500 data from <www.bigcharts.marketwatch.com>. Corporate profits from Bureau of Economic Analysis, GDP and National Income and Product Accounts (NIPA) database at <https://www.bea.gov/iTable/index_nipa.cfm>. Median income: Ben Leubsdorf, "New Record for Household Income," Wall Street Journal, September 13, 2017, page A2.

[3] Excluding the top 20% of households, which is most likely to include members of the middle and upper stratum petty bourgeoisie and capitalist classes, households in the lower 40% of the income distribution are still below their income in 1999, adjusted for inflation. Job distribution from Jordan Yadoo, "The Rich are Getting Richer in the U.S. Recovery," Bloomberg News, September 25, 2017. Labor Force Participation Rates from the Bureau of Labor Statistics. The official U.S. unemployment rate only counts those who are not working for pay AND are looking for work. Mainstream bourgeois economists use the employment number (number of jobs), not the unemployment rate, to define turns in the business cycle such as the start of a recession. (National Bureau for Economic Research, http://www.nber.org/cycles/jan08bcdc_memo.html)

[4] see Fightback! News: <http://www.fightbacknews.org/2015/8/18/businesses-restructuring-job-market-keep-wages-down-profits>

[5] Census Bureau, “Health Insurance Coverage in the United States: 2016”, September 2017.

[6] Bureau of Labor Statistics, “All Employees, Motor Vehicles and Parts, Seasonally Adjusted” database.

[7] “Wealth Gaps Rise to Record Highs between Whites, Blacks, Hispanics,” by Rakesh Kochhhar, Richard Fry, and Paul Taylor, Pew Research Center: July 26, 2011.

<http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/>

[8] The official unemployment rate for Detroit in January 2010 was 25.3%, more than twice times the national unemployment rate of 10.6% (both rates are NOT seasonally adjusted). The official unemployment rate understates the economic pain to workers by not counting people without jobs who want to work but did not look in the previous month (discouraged and marginally attached workers), and those who are working part-time but cannot find full-time work due to the economy. In January 2010 the alternative unemployment rate including these other workers was 18% (not seasonally adjusted). Bureau of Labor Statistics.

[9] “Breaking up the Financial Industrial Complex,” by David Weidner, Wall Street Journal, April 1, 2010.

[10] The United States is net debtor nation, that is, foreign-owned U.S. assets are greater than U.S.-owned foreign assets by \$4.9 trillion. One advantage that the U.S. has in borrowing from abroad is that the U.S. dollar is the reserve currency used to do international trade in, so that other countries need to hold dollars to finance trade. Federal Reserve: Flow of Funds Accounts of the United States, Flows and Outstandings, First Quarter, 2017, Table L.106, page 70.

[11] Business Insider, “The country that imposes the most restrictions on trade might surprise you” by Linda Shen, September 30, 2015. The shift towards protectionism is also a characteristic of empires in decline. For example the British empire shifted from a free trade policy to a more protectionist one after World War I.

[12] "China's Leap in Electric Cars," by Trefor Moss, Wall Street Journal, Oct. 3, 2017, page 1.

[13] see Fightback! News:

<http://www.fightbacknews.org/2016/11/28/trump-s-tax-plan-just-another-republican-tax-cut-rich-and-big-business>

[14] see US Energy Information Administration (EIA), June 16, 2017:

<https://www.eia.gov/todayinenergy/detail.php?id=31672>

[15] As of January 1, 2018, the minimum wage in South Korea will rise to 7,530 Won per hour. With an exchange rate of 1,225 won per dollar at the time of writing, this is about 6.70 U.S. dollars as compared to the Federal minimum of \$7.25. Also see editorial in Bloomberg business news, <<https://www.bloomberg.com/view/articles/2017-08-03/foxconn-s-dubious-deal>>

[16] As of August, 2017, there are signs of weakness in household income, consumer spending, car sales, and rising credit card repayment problems. New housing construction never recovered from the last boom and bust. But so far, business spending on capital goods has maintained. Usually the first sign of a definite crisis ahead are declines in business investment in structures and equipment. ★

2018 Main Political Report — Resolution on the Domestic Political Situation

The Freedom Road Socialist Organization presents our Main Political Report, voted on at the recent 8th Congress, May 2018. The three resolutions—economic, domestic political, and international—describe the societal conditions in which we organize and struggle for a new society. The FRSO originally started discussing, debating and revising the resolutions in September 2017. The documents provide a basis for understanding basic conditions, the forces in motion in society, as well as the strengths and weaknesses of the movements for social change and revolution. We ask you to read, comment, discuss and share them. Improving our understanding of how society works will strengthen the leadership of mass groups and positively impact the people’s movements.

U.S. Domestic Politics and the Trump Administration

The current period in the United States reflects an imperialist power in decline – what Lenin called “moribund capitalism.” U.S. influence around the world is generally weakening, and this means a number of things for the working class and oppressed nationalities living inside the U.S. The primary factor U.S. communists see in the present day is heightened attacks against the people’s movements, which means that communists should fight back and win all we can win, build a new communist party, and bring forward into the struggle all elements willing to unite behind the correct line in the united front against imperialism. This period of U.S. politics is differentiated from the previous period by the election of Donald Trump.

The presidency of Barack Obama ended in 2016 with the defeat of Hillary Clinton and the election of Donald Trump, who was inaugurated on January 20, 2017. This was unexpected by many sectors of the ruling

class which had backed Clinton and political analysts who said Trump had no real chance of winning. Many oppressed nationality people saw their worst fears confirmed, and many other people were shocked by the outcome. Trump was elected for a variety of reasons, including an excess of “dark money” free media which gave Trump a surprising financial edge at the end of the presidential race, and the mishandling of Clinton’s campaign by leading democratic party officials who failed to plan visits to key battleground states like Wisconsin and Pennsylvania and lost those states to Trump. The impact of ‘right to work’ and the collapse of unions in Rust Belt states and an appeal to white supremacist rhetoric in the face of significant demographic changes also contributed. Clinton was viewed by many working-class people as an exceptionally corrupt politician unworthy of support, and this, coupled with voter suppression and sexism also played a role in the outcome of the election. In the end, Wall Street’s candidate lost to the billionaire and the ruling class has never lost sight of its own interests in dealing with the aftermath of this.

Trump himself seemed surprised by his own victory, and quickly put into motion plans to construct a reactionary political cabinet around himself filled with military leaders and other billionaires. This cabinet is unique in that it is the billionaires themselves filling the seats, rather than the political lackeys who normally serve those roles. Trump also appointed Steve Bannon to a newly created position, that of White House Chief Strategist, which Bannon served as for about a year. Bannon, who is the executive chairman of the far-right Breitbart News and had support from right-wing billionaires like the Mercers, quickly began reinforcing Trump’s already conservative ideology by advocating for stricter immigration policies and harsher trade regulations against China and Mexico. This is all an attempt to form an alliance with white supremacist and gain their support for an increasingly unstable and rogue administration that is an unstable representative of the ruling class. Bannon is one of many leaders of the ‘alt-right’ Trump has worked with to further his own 1% agenda of white nationalism, bigotry and economic policies that favor the rich.

Before Trump, Obama’s time in office saw some advances by the people’s movements, including the rise of Occupy Wall Street, the birth

of the Black Lives Matter movement, the enacting of Deferred Action for Childhood Arrivals (DACA) and the Affordable Care Act, and the legalization of gay marriage. Obama's time in office also saw defeats for working people, including the devastating restructuring following the economic crisis of 2008, a continuation of war in the Middle East, more deportations of immigrants than ever before and continued attacks on the trade union movement.

Domestically, Trump has launched terrible attacks on the working class, oppressed nationalities, women and queer people. After coming out as a climate change denier, Trump has cut funding to the Environmental Protection Agency, withdrawn from the Paris Accords, pushed forward destructive and racist pipeline projects and deleted climate change data from federal websites. Some of these environmental attacks have a dual nature, such as the struggle over the Dakota Access Pipeline (DAPL) that directly targeted native people and their land. He has consistently attacked transgender rights. He supports attacks on women's dignity, and especially reproductive rights. His attacks on immigrants have gone far beyond rhetoric about building a wall. Trump's vocal opposition to the movement for Black liberation has had a strong effect on racist groups in the U.S., which are growing at an alarming rate.

These attacks have been met with a heroic resistance by a broad array of forces – a real resistance carried out in the streets and workplaces by working-class people, different from the efforts of failed politicians to lead workers and oppressed people back into billionaire political parties like the Democrats. Trump's billionaire agenda, bigotry and backwardness have united many arenas of struggle with the goal of stopping the political agenda of Trump and the class he represents. While the movement is not as large as it was immediately following the election, those active on the ground are more focused and experienced than they were a year ago and it is up to communists to win them to the correct line.

Fighting National Oppression: Solidarity with Muslims and Immigrants and the Struggle of Chicanos, Mexicanos and Central Americans

One of the very first racist acts of the Trump administration was Executive Order 13769, the Muslim travel ban. A wave of mass protest

at airports from coast to coast erupted, pushing the courts to block the ban. Many of the affected communities, including Palestinians in Chicago, Somalis in Minneapolis, and Iranians in Los Angeles mobilized for this fight. Right-wing anti-Muslim protests inspired by Trump were also swamped by counter-protesters who outnumbered them by as much as 20 to 1 or more. Other oppressed nationalities, such as Japanese Americans in the San Jose-San Francisco Bay Area and Chicanos in Los Angeles mobilized their communities to show solidarity with American Muslims, who are overwhelmingly oppressed nationalities (African, African American, South Asian and Arab Americans).

Central to the struggle for immigrant rights have been Chicanos, Mexicanos and Central Americans, who are the main target of the Trump administration's racist anti-immigrant policies. Trump's border wall, ending DACA (Deferred Action for Childhood Arrivals), the dismantling of TPS (Temporary Protective Status), the increase in deportation arrests, and the Republican RAISE act that would cut legal immigration in half and end family reunification visas all focus on immigrants from Mexico and Central America, as well as affecting other oppressed nationalities, especially Asian Americans, Arabs and others from the Middle East and Africa. This is an attack on all immigrants who are fighting for their homes, families and sanctuary in the U.S.

The struggle of Chicanos, Mexicanos and Central Americans also includes other fights. Inside the Chicano Nation in the Southwest, police killings of youth, privatization of public schools, and other forms of national oppression are facing a growing fightback. In the current period, attacks on immigrants are particularly vicious and must be met with a special emphasis by organizers.

The Struggle for Black Liberation Intensifies

The racist murder of Trayvon Martin in 2012 sparked a powerful movement around the country for justice, particularly around cases of police brutality and vigilante violence against Black people. Some of the heightened points of struggle include the Ferguson rebellion in 2014 and the Baltimore rebellion in 2015 after the murders of Michael Brown and Freddie Gray, respectively. Around the country, protesters took to

the streets and held vigils, marches and rallies for justice calling for an end to racism and national oppression. The slogan “Black Lives Matter” grew in use through many campaigns against injustice – including the protest movements against the murders of Sandra Bland, Eric Garner, Laquan McDonald, Jamar Clark, and Philando Castille – and continues to inspire struggle. In perhaps one of the most interesting cultural events, National Football League player Colin Kaepernick’s taking a knee during the national anthem has sparked an even stronger debate about police brutality in the U.S. The phenomenon of taking a knee, begun by Kaepernick during the Obama years, has continued well into Trump’s presidency as a popular symbol of resistance. While the movement for justice has seen ups and downs since Trayvon Martin, with some sectors of the movement going over to the Democratic Party or non-profits, there remain many good forces dedicated to real organizing in the streets for justice and these are the forces communists should unite with. Many younger activists within the BLM movement have independently developed an interest in socialism and make up some of the brightest stars in the movement.

Police departments are becoming more and more militarized. Several cities around the country are struggling for community control of the police and are trying to pass police accountability councils. The people in the streets, who are the real agents of change in society, have much to be proud of and a lot of work still to come for the cause of Black liberation. In particular, the work fighting for community control of the police, headed by the Chicago Alliance Against Racist and Political Repression, has led to a rise in the movement fighting for police accountability in other cities like Jacksonville, Florida and Minneapolis, Minnesota. Trump has continued the Obama-era policy of not prosecuting killer cops who kill unarmed Black people. He has taken it further by actually promoting police terror, joking about police roughing up suspects. The state attacked the Black Lives Matter movement by targeting them as ‘domestic terrorist organizations,’ while killer cops face no repercussion. Attorney General Jeff Sessions event went as far as to end an Obama-era initiative that encouraged law enforcement agencies to enter into voluntary periods of reforming practices and

procedures following special cases like the murder of unarmed oppressed nationalities by the police.

Trump's presidential race brought forward many white nationalists who, since his election, have become much more public and bolder. Alt-right figureheads like Richard Spencer have risen to prominence. Nowhere was this more visible than in Charlottesville, Virginia in August 2017, when a white supremacist murdered anti-racist protester Heather Hayes during a demonstration to remove Confederate monuments in the city. The racist attack shows the importance of beating back national oppression and taking down Confederate statues and monuments. Even though the movement to remove the monuments is often taken up by white activist groups, it is still an important issue in the Black Nation of the South. We stand for defeating the growing far-right movement and defending our own movements by any means necessary.

Trump's Attacks on Labor

Trump's administration wasted no time attacking the historic gains made by the working class in the U.S. The Labor Department has been hard at work fighting to reduce overtime benefits that the Obama administration had tried expanding as a concession to the working class. Trump himself has been an advocate against raising the minimum wage, and in particular has opposed the Fight for \$15 movement. There is less accountability for employers for how workplace health and safety are regulated. Right to Work is gaining momentum in states with conservative governors. Notably, Trump appointed a Supreme Court judge that will allow *Janus v. AFSCME* to move forward. This would result in the whole public sector going Right to Work on a national scale, which would be a devastating blow to the labor movement nationally. Trump's general approach to labor policy has been a reflection of his class affiliation as a billionaire who seeks to promote deregulation. His empty campaign promises about creating jobs have remained empty promises.

The trade union movement, including organizations like the AFL-CIO and others, is facing vicious attacks in the U.S. Unfortunately, the class collaborationist leadership of the trade unions has proven unable and

unwilling to really organize much of a defense against policies like Right to Work, but there is hope in the rank-and-file movements. Partial victories like those seen by the Teamsters United campaign in 2016, where for the first time in years, reformers won important seats in the Central and Southern regions, show the ability of the working class to fight both the boss and the trade union bureaucrats and win. The level of strikes is at an all-time low in the U.S., but militant movements are struggling to revive that important weapon in the arsenal of labor. The militant strike led by the Chicago Teachers Union in 2016, one of the largest and most important strikes in recent years, showed an excellent example of how trade unions can fight back and win gains.

Women and Queer People Face Repression and Attacks

After the election, a million women marched in Washington. This is unfortunately no surprise, given the terrible comments about women made by Donald Trump before, during, and after his campaign. The #metoo movement has been a positive development. Institutions like Planned Parenthood face serious legal attacks, along with right-wing vigilante repression. The rights of women and trans people to choose about their reproductive health are under attack by politicians and their supporters under the guise of “making America great again” by placing women into a social status similar to the one they occupied in the earlier centuries. These attacks primarily target working-class women and oppressed nationality women, and that has led to lines of demarcation being drawn in the movement for women’s liberation between “petty bourgeois, majority white, trans exclusionary” factions and groups that have a more developed political line.

The murder of oppressed nationality trans people continues to occur at a higher rate than any other group in the U.S. Organizing around these cases is found lacking in far too many cities, which calls for greater vigor in fighting back when oppressed nationality trans people are murdered. Around the country, right-wing think tanks are funding local ordinances directed against trans and nonbinary people using the restrooms of their choice. Local movements are fighting back, and many cities around the U.S. have passed Human Rights Ordinances at the local level designed to protect the democratic rights of queer, trans and nonbinary

people. While we advocate that no one should join the U.S. military, Trump's attempted ban of transgender people in the military further highlights a reactionary aspect of his policies.

Students Fight Back

College campuses have become an even bigger arena of struggle against a variety of attacks on education and right-wing attacks in general. One of the biggest struggles has been over DACA. Student organizations like the New Students for a Democratic Society (SDS) have seen more chapters on more campuses than ever before following the election of Donald Trump. Students are continuing to fight to stop Trump's agenda and have played important roles in shutting down both Trump's own speaking events at universities and events planned by far-right popularizers like Richard Spencer. The fight for sanctuary campuses has produced good results and taught student organizers a good lesson: struggle can bring victory.

Sustaining the Anti-war Movement and International Solidarity

Growing concerns about war after Trump's threats against the DPRK (Democratic People's Republic of Korea or north Korea), and the never-ending U.S. occupation of Afghanistan point to the growing importance of the U.S. anti-war movement. Palestine in particular continues to face terrible repression at the hands of the Israeli government and their U.S. backers and must see greater solidarity from the anti-war movement if Palestine is ever to be free. These hot spots are but the tip of iceberg of U.S. military intervention around the globe. While the movement is not where it was 12 years ago when there were mass protests involving hundreds of thousands in the streets against the U.S. invasions and occupations of Afghanistan and Iraq, the anti-war movement did play a major role in the protests against Trump's anti-Muslim and anti-refugee policies. The anti-war movement must be prepared for any sudden escalation of military aggression by the United States.

Political Consciousness is High

There is no denying that right-wing groups, particularly white supremacist groups, have seen a rise in membership levels and activity since the election of Donald Trump. This includes organizations like the

KKK, neo-nazis/facists but also newer formations of the alt-right like the 3%ers and Turning Point USA.

At the same time many progressive and left organizations are also seeing new members and organizers step forward to fight back against these attacks. Many progressive and revolutionary organizations have been undergoing a period of exponential growth. These new people are getting active and seeking to learn new theory for the fight against Trump. More people are standing up, some for the first time ever, and demanding a better world.

The Road Forward for Communists

This is what imperialism in decline looks like, a system that cannot correct itself but must be smashed and rebuilt from the ground up. It is up to the communists to navigate a difficult road to socialism, and communists must make many difficult choices along the way. We will see far too many of our friends lost to the trap of the Democratic Party and its cousin, the non-profit sector, in the coming years. We must learn to unite all those who can be united behind our campaigns in the coming years without losing our independent initiative and ideology within the united front. While the movement for change is perhaps not as large as that immediately following the election of Trump, there are still plenty of good forces to unite around the correct line of struggle, forces that are more and more convinced every day that the system cannot be reformed. We must also win over those who have independently developed an interest in socialism to our line.

This is a period of major attacks and widespread, large-scale fightbacks. The situation is very dynamic and fluid. As communists, we must lead campaigns that attempt to win all that can be won. Fortune favors the brave and bold. Struggles such as those for immigrant rights, community control of the police or the taking down of Confederate statues can capture the attention of movements in motion. The corrupt and rotten nature of the system is exposed with an unusual degree of clarity. Anti-capitalism and disgust of the bought-and-paid-for politicians is at an all-time high. Times have never been better to raise the level of struggle, be clear and forthright with a socialist vision and to build revolutionary organization. We need to be clear that the situation for the

revolutionary and progressive forces is good, and we cannot afford to oscillate between rage and despair. We need to seize the time, take as many people as far as possible, and rain every possible blow on the enemy. ★