

facts for working people

A Publication of Labors Militant Voice

BAILOUT & ELECTION ISSUE

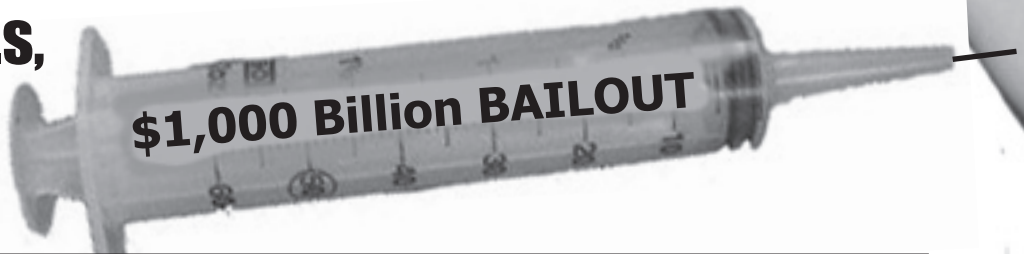
2008 \$1

Building a Democratic Socialist Alternative to the Dictatorship of Capitalism

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**Mortgage Co.s,
Wall Street,
Big Banks**



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the Swindler's BAILOUT

**Where's
MY
bailout?**

**Schools? Healthcare?
The Unemployed? The elderly?
Or the 23,390,640 Americans
who are behind in their
mortgage payments**

**Not a
Penny**



Jail Time for these Thugs

Phillip Falcone
Harbinger Capital



Job: Hedge Fund & short-seller CEO of Harbinger Capital.

Crime: Gambled other people's money that the subprime market would collapse, made a mega fortune with \$20 billion of investments.

Benefits: Recently paid \$49 million for the former home of Bob Guccione, Penthouse Magazine founder.

Hank Paulson
Treasury Secretary



Job: former Chairman and CEO of Wall St.'s Goldman Sachs.

Crime: Together with other Bush insiders he helped construct the biggest giveaway of public money to the rich in world history

Benefits: As corporate CEO he took home \$37 million in pay for 2005 and when he returns to private banking he will make much much more.

David Einhorn
Greenlight Fund



Job: CEO of short-seller, Greenlight Fund.

Crime: Betted that Lehmann Brothers would collapse and built his finance company up to \$6 billion.

Benefits: His 2007 fortune was estimated at \$700 million. Once spent \$250,000 on breakfast with Warren Buffet, the billionaire.

Swindled: One Family's Story

Jeff and Deborah Walker just lost their home. It was auctioned under their noses for less than half the price it was sold to them for 2 years ago.

After Jeff lost his job, the Walkers fell behind in their interest-only mortgage payments. They had fixed up the house, ploughing \$15,000 of their savings into their dream home. Over two years they paid their mortgage bank over \$50,000 in interest. The house is better off for it. The bank is richer for it and the Walkers are not only \$65,000 out of pocket, but they now have no home and are desperately looking for a rental home.

The Walkers, of Oakland, California are now renters and are not in the foreclosure statistics anymore. They are not in the 9% of "home-owners" who are behind in their monthly mortgage payments.

New Century Mortgage sold the loan to Countrywide Mortgage, now Bank of America owns the Walkers' \$65,000. A pretty profit for doing nothing.

**Call us NOW to fight
YOUR Foreclosure! 510.595.5545**



at www.marxists.org/archive/marx/works/1848/communist-manifesto/

"Philosophers have only interpreted the world...
the point is to change it"

www.laborsmilitantvoice.com (510) 595-4676

Capitalism's Party Train Wrecks - Who's Footing the Bill?

"Panic Grips credit Markets"

"This Greed was Beyond Responsible"

Headlines from big business' Financial Times, September 18th, 2008

American Capitalism's thirty-year deregulation party train has wrecked. Reaganomics, applied cautiously by Bush Sr. and Bill Clinton, and more enthusiastically by Bush Jr., has finally crashed.

America's elite is in a panic to attempt to soften the shock. They fear unleashing the anger of American workers. More than that, they fear an angry working class who see Capitalism as broken and its two political parties as irreversibly corrupted.

Private enterprise has arrived at the public ER on Capital Hill, one that it has refused to pay taxes to, demanding \$1,000 billion in treatment.

The party is over and the bill is to be forwarded to the working class. America's biggest banks seem to be the main beneficiary, swallowing the smaller banks, with the financial support of the Federal Government. Yet millions of Americans who have paid tens of thousands of dollars in interest, sometimes more, into their homes are now being forced onto the street. Billions of workers' pension dollars have also been gambled on the stock market and won't be coming back.

Economic security for workers has been shaken by the loss of homes and 401ks. Further shocks lay down the road with rising layoffs, rising healthcare costs, pressure upwards on rents and massive cuts to America's weak social programs.

For almost 30 years American capitalism has avoided an economic depression through its dominant position in the world and its ability to borrow. Big business robbed its own workers, pushing down wages and raising profits. Credit cards and home equity loans inturn disguised the real fall in living standards. Now that is over.

In 1980 household debt was equal to 50% of US Gross Domestic Product, by 2007 it has risen to equal 100% of GDP. Banking debt in the same period rose from 21% to 116% of GDP. Democrats and Republicans deregulated credit card borrowing and refused to regulate Finance Capital's massive speculation binges. In 1999 President Clinton deregulated banking by ending the Glass Stiegel Act. Originally enacted during the Depression, this law established firewalls between finance institutions to prevent a domino effect during crises. Lobbyists for the world's biggest bank, Citibank, penned a law that ended Glass Stiegel and unleashed speculation and huge banking profits, which flowed out of the real estate bubble.

The Week that Shook American Capitalism

In one week in September all five of America's biggest Wall Street investment banks fell: either bankrupted or bought out. The world's largest insurer, AIG, was taken over by the Federal Government and the world's largest mortgage backing banks, Freddie Mac and Fannie Mae, were also taken over by the Federal Government. A week later the government took over Washington Mutual, the biggest US savings bank. Overall, shares in US businesses fell about 20%. A 1929-style crash looked inevitable until Bush and Pelosi agreed to offer public money to prop up Wall Street.

US big business is getting a refund for its gambling losses. For decades both Parties complained that education or poverty could not be improved by "throwing money at it." The amount being thrown to Wall Street could comfortably eliminate poverty in the United States.

In the recent decade US Capitalism, through promoting 'home-ownership' and 401ks, tried to get workers to identify as shareholders in its system. In the period ahead the anger at paying back 29% interest credit cards debt will be more dominant in workers' minds. Economic insecurity is the order of the day, as it has more often been, historically, under capitalism.

This change in the economic environment will have its effect on the consciousness of the working class. Few workers expect the Bush-Pelosi Wall Street bailout will bring back the good times, but most hope that it will remove the chances of a massive economic depression. Capitalism, through the Democrats and Republicans, is struggling to give a massive injection of cash into big business.

Working people are hungry for an explanation of the current bailout that they are not getting from the corporate media. The union movement should offer such an alternative. Unfortunately, the AFL-CIO and other labor leaders have spent so much energy defending their partnership with big business that they are likely to be entirely irrelevant in the coming storms. In the immediate period worker's anger is likely to be individualized, but will, eventually and slowly come to its feet in a movement. Tiny groups, with few resources, like the Campaign for Renters Rights in Oakland and Los Angeles,

or the Ontario Coalition Against Poverty in Toronto, will help tenants fight the current wave of rental and foreclosure evictions. In the workplace, the fight against pay cuts and layoffs will be slow, but resistance to the bosses' increased offensive will eventually gain pace.

Obama, McCain back Wall St. Bailout

The indifference to politics in America, where only half of those eligible to vote will not change until a genuine alternative is offered to people. Both candidates in the Presidential Election have been heavily funded by Wall Street. The bailout legislation, like most major legislation in the US, will be have been written by US big business or its lobbyists. The politicians fought over details in attempts to act like they are the real authors. Both candidates will attempt, in one form or another, to convince the electorate that the bailout was the only credible choice, while in the same breath complaining about CEO pay as if that caused the crisis. The White House is busy lunching with top Bankers and working out deals that they then sell to the electorate.

Whoever inherits the Presidency, until working class anger spills out onto the streets, will deal with the consequences of the bailout through public spending cuts. If the dollar begins to fall or another near-

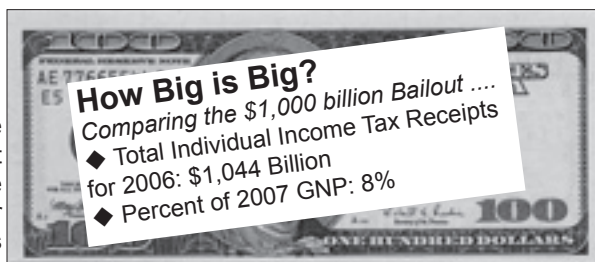
crash occurs on Wall Street then Obama or McCain will bring down the public spending axe in the "common interest." Talk of tax cuts for the "middle class" will be put away until the next election. The massive spending necessary to offset and undo global warming will be notched back too.

Capitalism is in for its bumpiest ride in several generations. The current economic insecurity will put pressure on working people to develop its own socialist alternative to capitalism. This alternative is humanity's only choice for a future.

Private enterprise has arrived at the public ER on Capital Hill, one that it has refused to pay taxes to, demanding \$1,000 billion in treatment.

Calculating the Bailout

Bear Stearns	\$29 billion
AIG bailout	\$85 billion
Fanny Mae	\$200 billion
Big 3 Auto Co.s	\$25 billion
Wall Street bailout. . .	\$700 billion
total ...over \$1000 billion	



A Political Party for Working People

The current \$700 billion bailout for the rich supported by Republicans and Democrats alike proves working people need their own, independent political party to represent our interests. The Democrats and Republicans created this financial crisis! Their solutions reward only the swindlers and thieves who fund the two parties!

Every four years we are told if we do not vote Democrat or Republican we are "throwing our vote away." But when working people vote for a party that throws billions at the rich, while we can't pay our rent and are forced to have bake sales to keep our schools open, we are "throwing our vote away." We need a political Party run by working people to openly defend our interests. Our hard work for the least amount of money feeds the bosses. Why do we allow those same bosses to send our children to war and deny us our right to healthcare?

Huge banks and companies fund both Republicans and Democrats. Both big business candidates also support the bailout. Yet the overwhelming anger of working people who wrote to congress and protested across the country forced many politicians to initially vote it down. It is time for working people to organize ourselves in a political party. Labors Militant Voice will be a part of the future movement that will fight for an alternative to the Wall Street Bailout:

- ◆ Stop the Bailout for the Rich - they have enough of our money already!
 - ◆ Public Ownership of the Big Banks: Use this money to build schools, infrastructure, green-transit, hospitals, and to reduce energy consumption. Money to serve people not profits. All decisions to be made democratically and coordinated by local, regional and national committees of elected working people, in harmony with the needs of the environment.
 - ◆ We Demand a \$15 Minimum Wage or a 5% wage increase (whichever is higher) for all workers, including undocumented workers
 - ◆ For a 32-hour work week with no reduction in pay for all workers
 - ◆ A moratorium and cancellation of all mortgage and credit card interest and student loans. The bosses make trillions of dollars off our labor. We are forced to use credit cards and refinance because we aren't paid enough. **We don't owe them, they owe us!**
 - ◆ Stop all evictions, foreclosures and layoffs through organized direct action
 - ◆ Make the corporations pay! For a massive tax increase on the rich! Companies threatening to flee should be brought into public ownership under democratic control of the workers.
- These demands can be won through mass direct action with a "fight to win" approach. We will not win such dramatic changes by lobbying the Democrats another bosses' party.*

What Mass direct action means

The current anger at the bailout can be directed towards fundamental change. In the period ahead many working people will unite in neighborhoods, workplaces, unions, and schools to fight evictions, foreclosures, layoffs and a massive wave of government cuts.

Working people can use direct action tactics against capitalism's offensive by organizing large numbers of people to march on and occupy the seats of power: corporate and government offices. We can mobilize our power. Those who ruin our lives and destroy our environment should be exposed where they live, where they worship, where they shop or where they play.

Working people together can produce massive numbers of leaflets, and use the internet to get the word out. Organizing to defend our rights is our first step towards organizing a political party, a workers' party, to fight for a society free of poverty and profit.



Martin Luther King, Malcolm X Didn't Support the Democrats

Below, some statements Obama would never make:

"You can't talk about ending the slums without first saying profit must be taken out of slums. You're really tampering and getting on dangerous ground because you are messing with folk then. You are messing with the captains of industry... Now this means that we are treading in difficult water, because it really means that we are saying that something is wrong... with capitalism... There must be a better distribution of wealth and maybe America must move toward a democratic socialism."

Martin Luther King, S.C., November 14th 1966

"They (the Democratic Party) get all the Negro vote, and after they get it, the Negro gets nothing in return. All they did when they got to Washington was give a few big Negroes big jobs. Those big Negroes didn't need big jobs, they already had jobs. That's camouflage, that's trickery, that's treachery, window-dressing. I'm not trying to knock out the Democrats for the Republicans. But it is true; you put the Democrats first and the Democrats put you last.

Malcolm X, Cleveland, Ohio, April 1964

"Capitalism used to be like an eagle, but now it's more like a vulture. It used to be strong enough to go and suck anybody's blood whether they were strong or not. But now it has become more cowardly, like the vulture, and it can only suck the blood of the helpless. As the nations of the world free themselves, capitalism has less victims, less to suck, and it becomes weaker and weaker. It's only a matter of time in my opinion before it will collapse completely."

Malcolm X, Harlem, New York, January 1965

Free Health Care in Canada & How they Won it

A workers' party that represents the interests of working people could fight for free health care; excellent education; jobs with good pay; secure, affordable, and comfortable homes; and humane and comprehensive care for the elderly and the disabled.

One example of how workers will gain from a political party of working people is in healthcare. Millions of ordinary people in the US have no health care. Millions more will lose their health care when they lose their jobs. Those who have homes re-mortgage them, putting basic shelter at risk to pay for their health. We scrimp on food, take on 2 or 3 jobs just to pay for the basic right to be healthy and to live.

In Canada in 1962 after a long struggle on the part of trade unionists and grass-roots community activists, a worker's party was formed: the New Democratic Party. One result of having our own political party that represented the interest of working people was free public health care. In Canada this was one of the most significant battles won for and by working people – an achievement that persists to this day. Working people in factories and on farms collectively won this most basic right to a publicly funded, publicly administered, universally accessible health care system.

Just think of what the almost one trillion dollars currently being poured into the pockets of rich investors—Wall Street speculators and their political cronies—could provide in the US if invested in a comprehensive, universally accessible, publicly funded health care system.

Politics and Voting A Once-in-Four-Years Activity?

Every few years in the US we are overwhelmed by election fever. Billions of dollars try to influence the electorate, yet the US has one of the lowest voter turnouts in the world. When one candidate wants to insult another they accuse them of "playing politics." In the present bailout crisis, politicians are told not to "play politics" and to come together.

"Politics" is about how we govern society, what social forms we use to act upon nature; politics govern our life activity. What happens in Washington DC, effects whether we can get medical care or an education or decent public transportation. "Politics" is life, or death.

One aspect of politics is the right to vote, a right working people fought and won from the capitalist class, and one we must defend. Yet in Presidential Elections, we are faced with voting for one or the other of the capitalist class' political parties. We are pressed not to waste our vote on any 3rd party candidate.

Voting for a Lesser Evil

There is a widespread notion that the Democrats are a lesser evil than the Republicans, but an "evil" nonetheless. Yet voting for the Democrats has not got them into the Whitehouse for 8 years, and it has not stemmed their march to the right embracing policies that are to the right of the Republicans of yesteryear.

The common opinion is that Democrats have a history of legislating favorably for the working class. Yet, history shows us that actual political gains for working people have come from movements on the streets and the politicization of workers. It was the massive rise of unions in the 1930s that gave us legislation for Social Security and Unemployment benefits. Roosevelt and Hoover were politically indistinguishable in the actual 1932 election campaign. It was a Republican, Eisenhower that passed the Civil Rights Act of 1958 and Nixon that introduced Medicare and Affirmative Action. Clinton, on the contrary, smashed welfare for single moms with children and introduced NAFTA.

So politics is not simply about what we do with a piece of paper every few years, more importantly it is about what we do every day, between elections. Politics is about building an independent movement and political party of the working class as an alternative to the two parties of big business. We can't do that if we are campaigning for and supporting their candidates.

CONTACT US today

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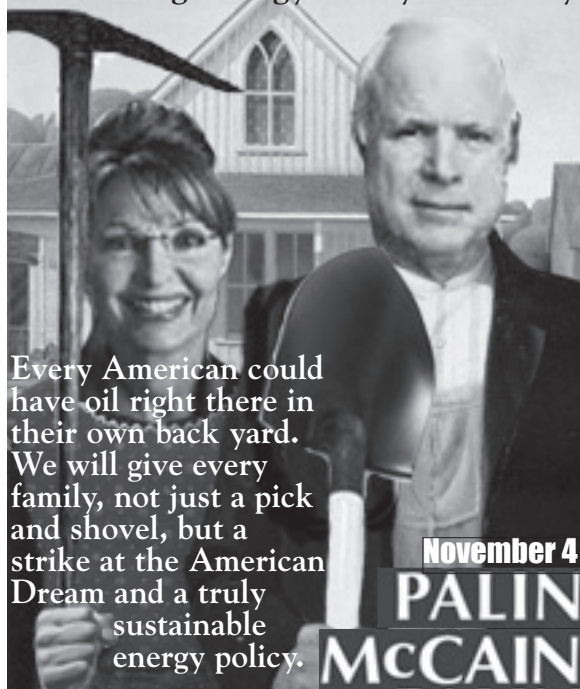
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November 4
PALIN MCCAIN



Securities and Investment
(big Speculators) money in '08:

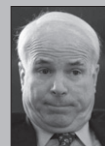
Democratic Party\$56.1 million

Republican Party\$45.1 million

**Wall Street & Elections '08
Bought and Paid for**

Banking on Executive Cash:

Who are the big banking bucks backing?*



Merrill Lynch,
Morgan Stanley,
JPMorgan Chase,
Wachovia



Citigroup,
Lehmann Bros.(!)
Credit Suisse
Goldman Sachs

* Finance Sector Executives that stated a preference

LMV – WHY WE ARE AGAINST CAPITALISM

We are against capitalism because it does not work. More than half the world's population are in want or outright starving. The United Nations Development Program estimates that everybody in the world could have access to basic social services, clean water, food, housing, health care, education, for \$80 billion per year. The seven richest people in the world have \$1.54 trillion between them. Capitalism cannot transfer the tiny fraction of the wealth of its richest few that would be necessary to provide everybody with the necessities.

But it is not only a question of taking the ill-gotten wealth of the billionaires. It is having a system which allows the working people of the world to have access to ownership and control over

capital, machinery, land, water, energy and power so that we can plan production and plan distribution throughout the world. Capitalism cannot allow this. As the Argentinean worker said last year when he and his fellow workers had occupied and were running their factory: "They are terrified of us because we are showing we can run the factory and because we can run the factory this shows we could run the country".

Capitalism does not work. We are for a new system where working class people work together and use the resources of the world collectively to create a sustainable economy and where what is produced is equitably distributed. This is a democratic socialist system. This is what we are fighting for. Contact us and we can work together.

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