

From hurricanes to tax cuts: The ruling class gets down to business

13 September 2017

Even as the horrific destruction caused by Hurricanes Harvey and Irma is still being tallied, the US political establishment is moving rapidly to its main order of business: A massive handout for the corporate and financial elite.

On Tuesday, the official death toll from Hurricane Irma rose to 12 in Florida, in addition to the 37 killed in the Caribbean by Irma and at least 71 killed in Texas by Hurricane Harvey. As of Tuesday, two-thirds of Florida, or some seven million homes, were without power, and many will not see power restored for weeks—one product of the neglect of social infrastructure spanning decades.

In the Florida Keys, which was hit with the full force of a Category 4 Hurricane, 25 percent of homes are completely destroyed and another 65 percent severely damaged. Florida cities from Miami to Jacksonville have experienced record flooding. The majority of workers in both Florida and Texas do not have flood insurance and will have to try to rebuild on meager government assistance, mainly in the form of loans.

AccuWeather predicts that the combined cost of the two storms could rise to \$290 billion, or 1.5 percent of the total value of goods produced and services provided in the United States in an entire year. The hurricanes will have a significant impact on the US economy, wiping out all anticipated economic growth between August and the end of the year.

Amidst this destruction, however, the US stock markets are on the rise—increasing significantly on both Monday and Tuesday. The reason is evident: the ruling elite is licking its collective chops at the prospect of a major cut in corporate and individual taxes for the wealthy.

Over the weekend, even as Irma was making landfall in Florida, Trump seized the moment to press for “dramatic tax cuts and tax reform.” With “what’s

happened with the hurricane,” he said, “I’m gonna ask for a speed-up.” Treasury Secretary Steven Mnuchin, the former Goldman Sachs banker and hedge fund manager (net worth \$300 million), said on Tuesday that the White House is “super focused” on tax cuts, and that the administration is considering backdating these cuts to January 1 to provide a “big boon for the economy”—that is, for Wall Street.

The response in the political establishment has been generally enthusiastic. Last night, Trump hosted a dinner with Democratic and Republican Senators to discuss “tax reform.” The Democrats in attendance included Senators Joe Donnelly (Indiana), Joe Manchin (West Virginia), and Heidi Heitkamp (North Dakota). The latter accompanied Trump on Air Force One last week, as he flew to North Dakota to deliver a speech calling for tax cuts for corporations and the wealthy.

The media, which has presented the criminally incompetent response to the hurricanes as a model of good governance, is following along. The *New York Times*, the media voice of the Democratic Party establishment, devoted its entire editorial section on Tuesday to one editorial missive, “Want to Make a Deal, Mr. Trump?”

The *Times* cited the agreement between Democrats and the Trump administration last week on a derisory federal relief bill for Hurricane Harvey tied to a three-month extension on the federal debt ceiling and government funding. While a broader agreement may not be forthcoming, the editors wrote, “It’s tempting... to imagine what Mr. Trump might achieve if he could see beyond momentary, tactical wins.”

The most significant of the *Times*’ proposals is on “tax reform.” The editorial calls for a “modest trim to corporate taxes,” a gloss over the demand—repeatedly made in White House budget proposals under Obama—to slash corporate taxes by nearly one third,

from the present rate of 35 to 25 percent.

Like the Trump administration, the *Times* couches this proposal in the standard rhetoric of aiding the “middle class.” However, the principle aim is the same: a major transfer of wealth to the ruling elite.

The willingness of the Democrats to forge a deal with Trump is not new. Their first response to Trump’s election was to “work with” the administration (a pledge repeated by everyone from Hillary Clinton to Bernie Sanders and Elizabeth Warren). It was Obama who proclaimed the election an “intramural scrimmage” in which all participants were on “the same team.”

In the nearly eight months since Trump’s inauguration, Democrats’ criticisms have focused not on the reactionary policies of Trump and his cabinet of billionaires, but on foreign policy. Following Trump’s praise of neo-Nazis involved in the Charlottesville rampage, Democrats hailed the restructuring of the administration to place it more firmly under the control of the generals that dominate it—above all, the new chief of staff, retired general John Kelly. Indeed, notably absent in the *Times*’ proposition to Trump is any reference to foreign policy, even as the world teeters ever-closer to a catastrophic nuclear war.

Divisions within the ruling class remain. However, if there is one thing that the political establishment can agree on, it is that the cost of the hurricanes—and of the broader economic and social crisis in the United States of which it is a part—will not be paid for by those responsible: the corporate and financial elite. The decades-long redistribution of wealth must continue, and the massive stock bubble must be inflated with new cash.

Beyond the immediate financial considerations motivating moves by the Democrats to prop up the Trump administration is a more strategic consideration. Their concern has always been that popular hostility to Trump could spark social upheavals, in which the working class would advance its own program. Hence the promotion of a series of diversionary issues, from the anti-Russia campaign to the insistence that the United States is riven by racial animosity.

Even before the floodwaters have receded, the ruling class is demanding that workers pay for the series of disasters created by capitalism. The working class, for its part, must respond with equal intransigence and

determination. It must call for a massive redistribution of wealth to make whole all working people ruined by the floods. The major corporations and banks must be turned into public utilities, and the economy reorganized on the basis of rational and scientific planning, to provide for safe housing, the development of infrastructure, and advanced flood control to make sure that such disasters never happen again.

The response of the political establishment to Hurricanes Harvey and Irma confirm the analysis made by the WSWS in June, that “the fight of the working class against Trump and all he represents will raise ever more urgently the necessity of political mass movement, independent of and opposed to both the Republicans and the Democrats, against the capitalist system and its state.” The building of a leadership to guide this movement, the Socialist Equality Party, is the basic political task.

Joseph Kishore

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>