

Communist Voice

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The Obama economic program:
crumbs for the people, trillions for the rich

‘Cap and trade’ won’t work

The politicians vs. the environment

Two ways of nationalizing the banks —
with or without trillion-dollar bailouts
of the financiers

On the *Green Collar Economy* of Van Jones

Postal service on a rampage vs. workers

International protests vs. the economic crisis

What is *Communist Voice*?

Communist Voice is a theoretical journal which not only exposes the capitalist system, but deals with the tragedy that has befallen the revolutionary movement. It confronts the thorny questions and controversies facing progressive activists today, and holds that the crisis of the working class movement can only be overcome if Marxist theory again enlightens the struggle for the emancipation of the oppressed. The liberating ideas of Marx, Engels and Lenin have been twisted beyond recognition, not only by outright capitalist spokespeople, but also by the false "communist" regimes of China, Cuba and others today, and of the Soviet Union and Eastern Europe of yesterday. *Communist Voice* denounces these distortions (revisions) of the ideas of Marxism-Leninism — whether Stalinism or Trotskyism or reformism — and stands for placing revolutionary theory on a solid basis through the criticism of revisionism and by analyzing the new developments in the basic economic and political structure of the world today. Through this work, the *Communist Voice* seeks to pave the way for communism to once again become the red, fighting banner of the revolutionary working class movement. Only the influence of the real communist theory can help the goal of a classless, communist society again spread among the workers and oppressed here and around the globe. Only the spread of anti-revisionist Marxism can overcome the influence of liberal, reformist and petty-bourgeois nationalist trends and allow the struggle against capitalism to break out in full force.

The revolutionary parties and movements of the working class in the 19th and 20th centuries never achieved their full goals. The working masses fought monarchy, fascism, colonialism, and various capitalist classes, and also made their first attempts to establish a new social system — however these attempts never went beyond the first steps. This class struggle will be renewed in the 21st century, as the masses are faced with how to escape from the escalating misery brought by capitalist development around the world. To hasten the day of

the revival of the revolutionary movement, the *CV* opposes the neo-liberal and reformist ideologies that are dominant today. It holds that progressive work today requires more than opposing the ultra-conservatives and more than trying to reform the marketplace. It means helping reorganize the working class movement on a basis independent of the liberals and reformists as well as the conservatives. The *CV* sees its theoretical tasks as helping to clear the way for a future reorganization of the working class into, first and foremost, its own political party, as well as other organizations that truly uphold proletarian class interests.

Communist Voice thus continues the Marxist-Leninist and anti-revisionist cause to which its predecessor, the *Workers' Advocate*, was dedicated. For a quarter of a century, the *Workers' Advocate* was the paper of a series of activist organizations, the last one being the Marxist-Leninist Party. The demoralization of the revolutionary ranks included the dissolution of the MLP and, along with it, the *Workers' Advocate*. But the *Communist Voice* continues, in a different form, with fewer resources, and with more emphasis on theoretical work, the struggle of the *Workers' Advocate* to contribute to the development of a mass communist party.

The *Communist Voice* is published by the **Communist Voice Organization**, which links together members in a few cities. The CVO calls on all activists who want to fight capitalism in all its guises to join with us in opposing all the bankrupt theories and practices of the past — from Western-style capitalism to Stalinist state capitalism, from reformism to anarchism, from reliance on the pro-capitalist trade union bigwigs to "left" communist sectarianism toward "impure" struggles. It is time to lay the basis for the revolutionary communism of the future by revitalizing the communist theory and practice of today. Only when communism spreads among the millions and millions of oppressed can the struggle against capitalism again become a force that shakes the world!

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Obama's economic program: *crumbs for the people, trillions for Wall Street*

Adapted from a presentation to the Detroit Workers' Voice Discussion Group on April 19, 2009.

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The present depression is not only another result of the capitalist boom-bust cycle, but it also represents the bankruptcy of market-fundamentalism or neo-liberalism. The decades of deregulation, privatization, unrestrained financial profit-taking, degradation of social programs, and ignoring of environmental

concerns have taken their toll. Many establishment economists are worried that some of the policies of the past will have to be changed if the economic crisis is to be mitigated, just as changes occurred during the Great Depression of the 1930s. Meanwhile the working class is bearing the brunt of the crisis, as usual. Neo-liberalism will have to give way if there is to be any major relief for the misery being inflicted on the masses.

The press promotes Obama's programs as a big change, and the Feb 16th issue of *Newsweek* famously declared that "We're all socialists now". Obama, however, is no socialist, but a man dedicated to making the market system work. His economic stimulus plan provides a tax rebate, a modest extension of unemployment benefits, and some infrastructure spending, and there will be increases in some other programs as well. But it is symbolic of his policy that he demands one cut after another from the auto workers, while allowing the financiers to continue to receive obscene multi-million dollar compensation. It is a policy that serves the interests of the Wall Street, while presenting itself as the defense of Main Street. If it provides a bit more money for the workers than the Bush budgets, it's because the crisis is deeper.

Meanwhile the Republicans are hearkening back to Herbert Hooverism: it doesn't matter that there's a depression, just let the markets readjust themselves. For them, the crisis is just another opportunity to cut social programs and continue cutting taxes on the rich. They call Obama a socialist, for them a swear word, for making slight adjustments in the market system, and for the

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government deficits which they themselves promoted under the Bush administration as a way of forcing cuts in social programs.

It's not the bourgeoisie that's going to deal seriously with the present economic and environmental problems. One part has its eyes zealously looking to the past, while the other part, talking of the future, only wants to tinker with neo-liberalism, to perfect it, to save it from its sins. The working class must put forward its own program, or else it will be squeezed both by unemployment and by the "rescue" measures of the bourgeoisie. It should not be satisfied with the idea that Obama is doing some things differently than Bush. The present crisis requires not just some more funding for this or that program, or the restoration of this or that regulation, but ending the reign of market fundamentalism. It needs, not a return to the old way the social program were run prior to neo-liberalism, but to vastly extend and improve them to deal with the growing mass impoverishment, and — as far as it can and as long as it can — to surround them with mass pressure to take account of people's needs.

As for socialism, it is indeed an issue, but not the way *Newsweek* says. The working class can't be satisfied with the view that regulations and big government budgets are socialism, but must recall that the old mixed capitalism of the past was a system of capitalism exploitation and domination that was subject to its own crises. Moreover, the old system would be unable to deal with the challenges of the present such as the looming environmental crisis, the tremendous growth of the financial sector, and the wretched state in which decades of privatization have left government programs. Today the working class is faced with a fight for programs that really deal with mass needs, and don't simply restore profits to banks and companies. But in the course of this fight, the working class must organize itself and consider whether what is really needed is the end of capitalist exploitation and the beginning of real socialism — production controlled by the working class, and carried out, not for profits, but to satisfy social needs.

The return of Herbert Hooverism

Obama's program is presented as controversial and bold in the media, because a large section of the bourgeoisie doesn't think the present crisis is very serious. It sees the depression as a mere pause in the accumulation of greater and greater fortunes for the top bankers and CEOs, or even as a good time for restructuring, and it says everything will be fine so long as workers take pay cuts and businesses get more tax cuts. In other words, the conservatives want to continue what they were doing during the Bush years — rain or shine, boom or bust: cut wages and benefits, cut social programs, and give more subsidies to businesses. This is the program of the Republican conservatives.

Thus the Republicans answered Obama presentation of his stimulus program with a speech by Bobby Jindal, governor of Louisiana. He didn't think that anything needed to be done to help the increasing masses of unemployed, and he boasted that Louisiana would reject money to extend unemployment insurance benefits. Since then, other Republicans chimed in with their own ideas of things that just didn't belong in a stimulus bill, such as funds for schools, environmental monitoring, contraceptives and family planning, or anything else but tax cuts to businesses.

This is the return of the heartless program of Herbert Hoover

in the early years of the Great Depression that followed the stock market crash of 1929. While millions of people lost their jobs and homes and frantically sought their next meal or a place to sleep, Herbert Hoover believed that fiscal responsibility, voluntarism, and letting the poor starve would cure the crisis. The homeless derisively called their tent cities "Hoovervilles", as the capitalists washed their hands of any responsibility for those from whom they had exploited their profits.

Hoover's basic approach to the depression was expressed succinctly by the multi-millionaire banker Andrew Mellon, who was Secretary of the Treasury for eleven years, including most of Hoover's presidency. Mellon, used to profiting from the misfortunes of others, coldly declared: "Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate. Purge the rottenness out of the system. High costs of living and high living will come down. . . . enterprising people will pick up the wrecks from less competent people." That is, Mellon wanted to let workers, farmers and others lose everything; he opposed any program for relief of the impoverished; and he also looked forward to the smaller financiers being eaten by the larger.

Today, a number of conservative ideologues have revived the Mellon philosophy. It is expressed, for example, by Amity Shlaes, whose articles and book, *The Forgotten Man: A New History of the Great Depression*, promote the thesis that government interference, relief programs, unionization, and high wages prolonged the depression of the 30s. For her, even doing nothing Herbert Hoover interfered too much with business; this isn't just an historical point for her, as she pontificates against government programs, unionization and high wages today. Liquidate unions, liquidate wages and benefits, liquidate homes and families — there's the real essence of her program, and that of her hero Mellon. Ironically, while calling her book "The forgotten man", the real heroes of the Depression — the workers and activists who stood up to both business and the capitalist parties — don't appear in her book at all: she's too busy lamenting over the injustices done by history to the memory of the people she thinks are the real forgotten men, that is, bankers and businesspeople like Mellon.

The Wall Street bailouts — trying to reflate the bubble economy

Obama, on the contrary, has a program of action for dealing with the crisis. He thus appears as more reasonable and hopeful than the conservatives, and his program is promoted by the media as a major change from the past. And yet, it is nothing but a plan to reinstate the bubble economy of the past. He is not attempting to go beyond neo-liberalism, but to rescue it. And his financial advisers are the major economists and financiers who pushed deregulation and Wall Street interests in the past, such as Secretary of the Treasury Timothy Geithner and Larry Summers, head of Obama's National Economic Council.

The centerpiece of Obama's plan, the project which has absorbed the most money and to which everything else is mortgaged, is the bailout of the banks and Wall Street financiers. He began by backing Bush's \$700 billion Wall Street bailout, and then added his own bailouts. By the end of March, the sum of subsidies and guarantees to the financiers reached close to

\$12.8 trillion dollars, which is over four times the size of the 2008 federal budget and steadily reaching closer and closer to the size of the entire GDP for a year.

Oh yes, Obama would add a few regulations, but no stronger than what existed for many of the earlier years of neo-liberalism. Indeed, some of the regulatory changes being made are what the banks themselves are demanding: they wanted and have achieved a revision of accounting standards to allow them to value their assets at higher than market value. This is not breaking with the old system, but gambling everything on reinflating it.

But all the bailout has achieved so far is that Wall Street is being rescued from the crisis, while unemployment and homelessness increase. Some banks and financiers are again reporting major profits, and Wall Street flaunts its arrogance, demanding that its huge bonuses of the good years continue into the bad. The Obama administration — while loudly complaining to the press — quietly accedes to Wall Street's demands.

The search for market solutions

Obama's Wall Street bailouts have aroused some discontent, as people see the bankers rewarded for having created a disastrous mess. But he has an image of searching for new beginnings on issues like health, education, and the environment, and he has fought the Republicans on providing some funds for people in trouble due to the crisis. Yet if we look more closely at what he is proposing, it turns out that his programs stay within the limits of a search for market solutions.

The tax rebate

Obama's economic stimulus programs boasts of a tax rebate for most people. No doubt a little extra cash will be appreciated. But this is the cheapest way to appear to be doing something. As a cash rebate, it doesn't commit the government to provide any specific service to people. The payment isn't large enough to help people avoid foreclosure, or finance daycare for their children, or have an operation, or make up for losing their job. And it won't compensate auto workers for the cuts Obama is demanding of them as a precondition for the auto industry receiving bailout funds.

In fact, the tax rebate isn't designed to do any of these things. It is simply supposed to get people to buy more. Its size is based not on what people need to keep body and soul together in this crisis, but on what Obama's advisers hope might stimulate the economy a bit. The idea is that the only thing wrong with the economy is that people aren't buying enough, and that a rebate might give shopping a boost.

This plan is entirely based on hoping the market can recover by itself. It addresses neither the structural problems in the economy, nor the needs of working people. And it's unlikely to accomplish much.

Health insurance

Obama claims that his plan can provide universal health insurance, but he would maintain the system of private insurance that is one of the main causes of the health care crisis. The main model in the US for providing universal coverage is Medicare,

the federal program that services the elderly. As a good neo-liberal, however, Obama wouldn't think of replacing private insurance with a government program: his idea is that if everyone is required to have private insurance, then this will make health care universal. Thus he would extend private insurance further, with the promise that special help will be given to those who can't afford insurance at present.

His plan, and that of the Congressional Democrats, is basically the plan that was recently inaugurated in the Commonwealth of Massachusetts. There are fines in Massachusetts for any adult who doesn't have health coverage. In an attempt to ensure that such coverage is affordable, there is a complex system of subsidies for the premiums of poorer adults, and also a system of different levels of private plans that would be regarded as acceptable. To administer this, an agency called the Connector was set up — not to provide care for people, but to link people up with private insurance. The Connector, in turn, works through two other agencies, Commonwealth Care and Commonwealth Choice. Commonwealth Care is for those who make less than three times the federal poverty-level and who satisfy various other conditions, including a proper immigration status, and it provides certain subsidies. Commonwealth Choice provides a menu of unsubsidized private insurance options for everyone else: it is a multi-tier plan, with Gold, Silver, and Bronze standards, with people between 19 and 26 also being offered a special, bottom of the barrel "Young Adult" standard.

The result is a mess, much more complicated than any reasonable system of government health insurance would be. As well, the price for health plans can be quite high, and even so, they are limited in what they cover. For example, a non-subsidized 56-year-old would pay, as of December last year, about \$4,800 in premiums, and yet might still have to pay up to \$2,000 in deductibles before the insurance covered anything but some basic care, and even then there would still be co-pays and co-insurance charges. So it may not be surprising that while the number of Massachusetts residents with insurance has gone up, a substantial number of the insured still have problems with health costs or even have to forego some of their health care. The plan also discriminates against undocumented workers. At the same time, the state of Massachusetts has faced escalating costs, and from year to year has increased the cost to residents of their health plans.¹

The problems in Massachusetts verify that the market-solution for the health care crisis, extending private insurance, won't work. Universal coverage can only be obtained by breaking with neo-liberal economics.

¹ *Massachusetts Plan: A Failed Model for Health Care Reform*, Feb, 18, 2009, which is a report by a number of doctors who advocate a single-payer health system. (www.pnhp.org/mass_report/mass_report_Final.pdf) They also point out that Oregon, Minnesota, Tennessee, Vermont, Washington, and Maine had previously tried their own way of making private insurance universal, and had failed. Note that the Massachusetts plan, being very complicated, has different effects on different people. There are some residents who felt that it helped them, but just as many felt that it hurt their ability to get health care.

The environment

Global warming is another major crisis facing us. Obama is no doubt more serious than Bush when it comes to global warming. But what he proposes are market-solutions that haven't worked in the past, and won't work now.

To deal with global warming and other environmental problems, such as the exhaustion of aquifers, the overfishing of the oceans, proper care for farmland and wetlands, etc., would take a system of overall planning. Instead Obama believes that a system of subsidies and financial incentives would orient the market to solve the problem as part of its search for profit. So the centerpiece of Obama's environmental program is the proposal of a cap and trade system for greenhouse gases. Under this a system, an artificial market is set up in pollution permits, and companies are allowed to trade them. This is the system used under Kyoto in Europe, and it hasn't worked there. The cap and trade system in Europe, along with the system of carbon offsets, whereby a company can buy permission to pollute if it finances greenhouse gas reduction elsewhere, have resulted in a complicated system, with many loopholes. Most countries failed to meet their greenhouse gas reduction targets under this system. And moreover, this system was also one of the contributing factors to last year's biofuel crisis.²

The Obama administration does seem to have some worries about whether a cap and trade program would be sufficient. Therefore it is considering a geoengineering solution — sending particles into the atmosphere to cool the earth off. John Holdren, Obama's new science advisor, said that they were considering making what would in effect be an artificial volcano. He admitted it might have dangerous side effects but said "we might get desperate enough to want to use it." In other words, if not a market solution, a Hail Mary play. Even if the alternative is really scary, Obama won't go to overall environmental planning: no matter what, come hell and high water, the Obama administration is committed to market solutions.

Education

Obama promises to provide increased funding for education, including help for the very young and some increased funding for college students. However, the centerpiece of his proposals is continuing the basic drift of Bush's "No Child Left Behind" program. "No Child Left Behind" brought neo-liberalism to the public schools. It promised a good deal of additional funding, which it reneged on, but the main rationale of NCLB denigrated the need for smaller classrooms, school repairs, and programs for the disadvantaged children with the claim that strict accountability, for both students and teachers, was the main thing required. It promoted privatization through the medium of charter schools. And its system of repeated testing, while profitable for various testing companies, resulted in widespread fraud in the educational system as well as harming the instruction that

went on in the classrooms.

Obama wants to maintain this system, and he appointed Arne Duncan, who administered this system in Chicago, to be his Secretary of Education. Obama claims he can reform the problems from this system: for example, he promised that he would eliminate the practice of reducing teaching to preparing students for the NCLB tests. But at the same time, he wants to maintain the "strict accountability" that is based on these tests. What it amounts to, is that Obama promises to carry out NCLB better than Bush did.

What's needed

Thus on the economic front, as well as on the issue of the wars in Iraq and Afghanistan, Obama doesn't so much depart from Bush's policy as seek to carry out an improved version with a broader consensus. On one front after another, Obama will keep neo-liberalism, but try to reform it, or sugarcoat it, or supplement it with technical solutions.

As a result, all the festering sores of the economy will continue to fester. Any serious step to break out of the crises of the past would mean setting aside the illusions in market solutions. Every serious demand of the workers will bring them into contradiction with neo-liberalism, and then, further, into struggle with the bourgeoisie over what a more regulated system will look like.

Relief for the unemployed and those losing their homes

Take relief for the millions being impoverished in this depression, losing their jobs or their homes or the social programs they rely on. What is needed is a commitment to their relief, a commitment whose size is based on their needs. This wouldn't eliminate the depression, but it would shelter the masses from its worst consequences.

Obama will expand some programs, but not to the extent needed. The tax rebate is a bit of money, but its size is based on what the free-market economists think would be useful in stimulating spending. He put an extension of unemployment insurance into the stimulus bill, but it will leave the long-term unemployed desperate, and it doesn't increase the unemployment payments, which have been falling steadily year by year. He offered a tiny bit of help for those who are facing default on their mortgages. But he aimed not at preventing the mass tragedy, but at reinflating the housing bubble: he wants to keep the income on bad mortgages coming in to the banks, and keep home prices from falling too far.

Obama says that he gives money to Wall Street, not to help the bankers, but to help Main Street. It is the other way around. If you examine the extent of his welfare measures, it's clear that he gives some money to Main Street, but for the sake of propping up Wall Street.

Health insurance

The health crisis requires eliminating the system of private insurance, which is extremely expensive, both in what it charges

²For a discussion of the biofuel fiasco, see "Al Gore's Nobel Peace Prize and the fiascoes of corporate environmentalism" in the Feb. 2008 issue of "Communist Voice" (www.communistvoice.org/41cAlGore.html).

people for premiums, and in wasting over a third of health care funds for its own administrative costs and profits. The first step to solving it would be to recognize health care as a right, and not just something for those who can purchase it. And this could be put into practice by starting with a system of single-payer health insurance, whereby government health insurance replaces all private insurance.

Single-payer health insurance, which is basically the system used in Canada, replaces only private insurance, while leaving the rest of the health system in private hands. It would be a gigantic step forward; it would eliminate people's worry about health care bankrupting them; and there would no longer be a need for a special health system for the poor.

But it is only a first step. The large pharmaceutical companies, for example, not only charge outrageously for their drugs, but corrupt medical research and intervene in medical practice. Sooner or later health care reform will have to take on big pharma — both for financial reasons, and to ensure that the quality of health care is improved.

Moreover, to achieve this, there needs to be more involvement between the medicine and the people it is supposed to serve. This is not because the activists outside the profession are always right on every medicine decision. But mass involvement is essential if there is to be a real fight against assembly-line medicine, if there is to be some defense against questionable drugs and procedures being used too frequently, if privacy rights are to be defended, if life-style issues in health aren't going to be turned into a new pretext for harassing people with fines and removing their health coverage, if a flood of new workplace injuries from speedups and new technology are to be dealt with, and if possible new health threats are to be monitored. It should be remembered that the mass upsurges of the past profoundly influenced medicine, from bringing more women and minorities into the profession, to causing more attention to sickle-cell anemia and other ignored problems.

The environment

With respect to the environment, there has to be a system of overall environmental regulation to directly control the emission of greenhouse gases. The present market system of dealing with pollution was set up as a reaction to the environmental legislation and regulation of the late 60s and 70s. This market alternative has failed, and it has to be set aside.

Dealing with the environment requires not bribing the companies, not setting the responsibility for all decisions in their hands, but fighting against the capitalist interests who have fought environmental controls every step of the way. And they still are, even when they pat themselves on the back for their supposed environmental concern in green commercials.

It also requires that the regulations be made as transparent as possible, to increase the possibility that workers can verify whether the companies are obeying them. The system of cap and trade is so complex that no one could verify it; this is one of the reasons that it failed. The planning and regulatory system that is set up must have sufficient inspection to prevent evasion, and that inspection must be clear enough so that workers in the affected industries can be its eyes and ears.

As well, planning must immediately start for ensuring the

mass welfare under environmental changes. Today Obama and all the politicians talk about "green jobs" — supposedly the growth of green industries will, by themselves, solve the unemployment problem. This is a farce. While there will be more jobs in green industries, there will be less jobs in the industries being replaced. The provision of jobs and mass welfare has to be planned in its own right; it is simply "trickle-down" economics by another name to tell workers to rely on the growth of green companies as the way of ensuring their welfare.

Unprivatizing government

The workers have to demand, not just the funding of this or that program, but a change in their nature. While the politicians talk about funding programs, they ignore that the very nature of government programs shifted under neo-liberalism. Everything from social work to schools began to be privatized and contracted out. This subjects these programs to the direct demands of profit-making; and it profoundly changes the nature of how these programs are carried out. This has to be reversed.

Workers' organization

The main union leaders and many activists are supporting the EFCA, the Employees Free Choice Act. This act removes a number of legal obstacles to unionization, and that's good. And it's bitterly opposed by business, and that also puts the EFCA in a good light. But the EFCA also specifies that, when a first contract is being negotiated, after six months either the company or the union can ask for compulsory arbitration, and the resulting settlement will be final for two years. This is promoted as allowing a first union contract to be achieved. But it's not just the union that can demand arbitration, but the company. So the result is that the EFCA would eliminate the right to strike for over two years. For a union, giving up the right to strike is like selling one's soul to the devil.

No doubt many present top union leaders like the fact that strikes would be ruled out. They are in favor of business unionism, which abandons the class struggle of the past, and now they will be able to say, "see, our hands are tied." They back a type of unionism in which the rank-and-file are passive, and a contract is achieved by the union offering to give up the demands of its base.

But the only way that workers' organizations will grow again is if a new spirit of struggle arises within them. One activist, Prof. Roy J. Adams of McMaster University in Canada, notes that Canadian unions already have most of the protections of the EFCA. And they, too, are losing membership. He says it's the practice of "subservience to management control" that's the problem. Or, we can say, it's the lack of the spirit of class struggle. The current unions are mainly led by pro-capitalist bureaucrats. This is their problem.

The struggle at the workplace is important in the coming period. But the hopes in the EFCA are misplaced. What's decisive is whether workers will wage mass struggle in their own defense, and build organizations infused with the spirit of the class struggle.

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No more bailouts for the rich!

Workers need struggle for jobs, wages, social programs and homes!

From *Detroit Workers' Voice* #77, December 8, 2008:

The economic crisis began with people losing their homes. From Fresno, California and Seattle, Washington, to Athens, Georgia, tent cities of the homeless have sprouted up across the country. But the recession is far more than just a housing crisis. We see more and more people losing their jobs, more than half a million in the last month alone. Large firms like Chrysler and GM may collapse. And workers with jobs are also affected. They have seen their pensions go down the drain, and face cuts in wages and benefits. Meanwhile federal and state services will be cut back next year. The string of economic disasters is going to continue.

In this situation, Congress and the Bush administration have chosen to help not the homeless and the unemployed, but Wall Street. A \$700 billion bailout was authorized in early October, and then an additional \$800 billion in November. And that's not all. The government has also guaranteed trillions of dollars of Wall Street investments against default. If one adds this all together, the bailout has reached \$7.8 **trillion**. (See the *New York Times*, Nov. 25) Thus, in the space of a few months, the Bush administration, backed by the Democrats, has rushed to back Wall Street with an amount of money equal to two and a half times the entire federal budget.

But when it comes to helping workers, it's another story. Democrats and Republicans in Congress are uniting to insist that auto workers must take wage and benefit cuts, that jobs should be cut, and that the health care and pensions of auto retirees is too great a burden. The same politicians who said we must throw money at Wall Street can't wait to tear up the union contracts and throw auto workers into poverty.

We must say no to the Wall Street bailouts, and no to making workers sacrifice during industrial bailouts. We can't simply stand aside and let the free market do what it will, as the conservative Republicans demand. Nor should bailouts go to the rich, as Bush, Obama and the Democratic Congress insist. We can't put aside the class struggle. We need mass struggle against what the companies are doing to us and to demand that the government programs be directed to help workers, not subsidize the rich.

Who is to blame?

Who is to blame? Why is the economy collapsing?

The politicians and the news media tell us that everyone is to blame. Why, if the banks made bad loans, people took out bad mortgages. This is bull. It's not workers who determine what type of mortgages are offered, or who set interest rates, or who make the decisions about the economy. If we did make these decisions, do you think we would be cutting our own wages? If

auto workers have seen their wages cut in half at company after company, isn't it clear that they aren't the ones in charge?

No, the blame lies squarely on the capitalists who run the economy. This is a crisis of free-market capitalism.

The crisis of the free-market

The housing bubble and the financial crisis are the fruit of several decades of deregulation. For years the conservatives have told us that all the problems of life are due to government regulation. And the liberal Democrats, too, bowed their heads in deference to market-based forces. And so the banks and corporations have been deregulated and allowed to do anything they want. They can sell mortgages with complicated rules and hidden clauses. They can cheat their customers as they please.

This is called "neo-liberalism", and it is based on the belief that the market is always right. Even now we are being told that the stock market always goes up—don't panic, just wait a few months or years and your pension will be back. Supposedly it would be better to have money in the stock market than to get Social Security. Even "welfare as we know it" was eliminated under President Clinton, because who needed welfare when supposedly anyone could get a good job who wanted?

Now this is all coming home to roost. As one investment scheme collapses, it takes down many. Pensions, school funding, local and state government funds are all being cut to ribbons due to stock market declines and the collapse of investment houses.

For years, the financial sharks told us to let them alone because they were the ones who knew how to create prosperity. They were allowed to use unlimited amounts of other people's money—from pension funds, 401Ks, insurance funds, mortgage income, government assets, whatever—on wilder and wilder bets. They got huge bonuses when they won the gamble, and now they want the government to pay when they have lost their gamble. The neo-liberal sharks, one and all, have turned out to be nothing more than a gang of Enron-style swindlers, and neo-liberalism nothing more than a huge pyramid scheme that was bound to crash sooner or later.

An overproduction crisis

But the deepening recession is about more than financial swindling. It isn't just a crisis of the banking system. It is also another overproduction crisis of capitalism, with the auto industry, the airlines, and other industries having large excess capacity. Unemployment had been going up for some time before the financial bust.

The truth is that capitalism periodically crashes. No amount of bank bailouts will stop the recession because the capitalists can't prevent the business cycle. The marketplace has always

been subject to ups and downs, to busts and depressions as well as booms and bubbles. Capitalism is a hell of insecurity for the workers, where families who have labored for decades to make something of themselves can find themselves ruined in an instant. What we need are measures to help people survive.

Down with the trickle-down bail-outs!

But Bush and the Democrats said that money had to go to the rich. So trillions have been given to financiers. This is a crime. The capitalists who are responsible for the crisis, and who benefited from the orgy of profits that paved the way for it, are being rewarded. Those who are rich are being reimbursed, while the poor are fed on empty promises.

With money being poured into the Wall Street bailouts, the government could have helped millions of people facing homelessness. It could have helped maintain and improve schools, mass transit, and health care across the country. But the money doesn't go for that. It goes to pay off the debts of Wall Street investment houses; indeed, it even goes to paying dividends to the rich stockholders. Thus the *Washington Post* reported on October 30 that "U.S. banks getting more than \$163 billion from the Treasury Department for new lending are on pace to pay more than half of that sum to their shareholders, with government permission, over the next three years."

But what about the conservative Republicans, who refused to vote for the bail-outs. Were they championing the people? No, not at all. They don't want to help the workers. They simply repeat free-market dogma: let the economic problems work themselves out without interference — the free market forever. That is just as much a crock as the bailout of Wall Street. It means letting millions of people suffer for years on end. It means letting the social programs be cut as part of the economy just working itself out. It means pushing workers into the dirt.

Bailing out the auto magnates on the backs of the workers

The plight of the Big 3 auto companies and the incompetence of their management is a sign of how deep the crisis is. The auto industry used to be the pride and joy of American capitalism; and now the auto magnates can't even keep their companies afloat. So long as super-rich CEOs and financial parasites run the economy, this story is going to be repeated over and over.

Now, what would happen if these companies go bankrupt? They would likely be restructured. Part of the auto industry would be closed down so as to deal with the question of excess capacity. And the rest will be made "leaner and meaner", as the capitalists like to say. This means that the bankruptcy judges, as they have done in the last few years, would order that workers' contracts be reopened, and their wages and benefits be cut.

But the same thing is happening with the proposed bailout. The auto CEOs talk of cutting tens of thousands of jobs, and of paying less to the rest of the workers. The Big 3 may survive longer with a more bailout, or several bailouts. But a bailout for the auto companies isn't going to be a bailout for the workers.

If the companies face ruin, it's not their executives and owners who should be bailed out. If the factories and research

facilities of the Big 3 are to be maintained, they should be taken out of the hands of the millionaire owners who have ruined them. These companies should be taken over, without reimbursing the capitalists for their now-worthless equity in them, and the factories should be directed to producing things of use. This could be either better cars, instead of present models that are environmentally obsolete, or other useful environmental or infrastructure projects.

But Congress won't expropriate the Big 3. And even if it did, Congress would still impose cutbacks on the workers, just as it is doing now, and it will keep the workers out of any say on how the companies run. The truth is that the Democratic and Republican politicians, far from being the workers' friends, are actually pushing the auto capitalists to be even harsher towards the workers.

We must not depend on the benefits from corporate bailouts trickling down to us

In this situation, the auto workers are going to have defend themselves by mass struggle. This is true whether there is a bankruptcy settlement, a bailout, or even expropriation of the Big 3. The auto workers need to put forward their own interests, as distinct from that of the CEOs and owners who have been exploiting them from the day they set foot in a factory. Auto workers, just as workers throughout the country, should denounce the idea that the benefits of the bailouts will trickle down to them.

But to do this, the auto workers will have to fight, not just against the capitalists and the politicians, but against the present UAW leadership. Ever since the Chrysler bailout of 1979, the UAW leadership has been gradually giving bigger and bigger concessions to the auto capitalists. Today it sees its task as holding hands with the auto capitalists and helping them out with Congress. And so the UAW leadership has agreed to tear up the current UAW contracts.

As part of this, UAW President Gettelfinger has already agreed to suspend the jobs bank. This means that the laid-off workers will be left in a desperate position. But so long as there are some workers left to pay UAW dues, Gettelfinger doesn't care what happens to the one-third or so of auto workers who will lose their jobs. (*New York Times*, Dec. 4)

Similarly, Gettelfinger has already agreed that the retirees should be sacrificed. The companies can now suspend payment to the retiree health funds.

And all this is not surprising. Gettelfinger is fresh from betraying the American Axle workers earlier this year. They walked picket lines for three months to preserve their wages and benefits, but Gettelfinger had already agreed prior to the strike to deep cuts.

Clearly workers can't rely on such union leaders and their futile path of class collaboration. We are going to have to build up rank-and-file organizations which really stand for defense of the workers' interests. What workers need unions for is to fight the employers, not have them act like little corporations.

What will the Obama administration do?

The election of Barack Obama caused a lot of enthusiasm. Workers are sick and tired of Bush-style rule and of racism against black people and other minorities. So this sentiment for Obama is understandable. But unfortunately Obama supports the rule of the rich over the working class just as the other Democrats do. That's why he joined with Bush in backing the Wall Street bailouts.

True, the Democrats differ with Bush in supporting a few more benefits for the people. That's fine. But such measures are only the bare minimum, and Obama isn't even sure how he will carry out his promises, such as providing some jobs. So far, the Democrats have put the overwhelming bulk of federal money into bailouts for the rich. And they are telling the workers — the auto workers today, and the rest of us tomorrow — that we will have to pull in our belts still further. Remember that Obama, as soon as the election was over, immediately began saying that one shouldn't expect him to carry out his promises right away — change would take years to accomplish, or even more than one presidential term.

Meanwhile Obama's economic and financial advisors are experienced Wall Streeters. They will sigh about how all the money which could have gone for social programs has already been spent. And they will point out that the war in Afghanistan, which Obama wants to escalate, costs a lot. And Obama's "responsible" withdrawal from Iraq, which means staying for still more years, will cost money too.

We should not be satisfied with the half-measures the Democrats will offer us. They will continue to ask us to shoulder the financial burden for bailouts for the rich, and will tell us that everyone is in the same boat.

What's to be done?

So what does the working class have to do to protect itself from the crisis?

First of all, we must denounce the Wall Street bailouts. Not millions, not billions, but *trillions* of dollars can be found at the drop of a hat for the bankers, while we are being told there isn't money to help the homeless, to finance health care for children, or to improve the schools. And when it comes to the auto bailouts, we are told that the wages and benefits of the auto workers must be slashed and the promises to retirees broken. No! This is unacceptable! We must demand that the workers, not the rich, are protected.

They tell us that it pains them so much to bail out the financiers and corporations, but they must do it for the good of all. Why, they say, if the banks collapse, then there will be no

one to make loans. But that's nonsense. The banks could, if necessary, be taken over and run by the government. They tell us that manufacturing will collapse if they don't give billions to the corporations. But if essential factories are bankrupt and unable to live up to their obligations, they could be expropriated by the government. And if the companies that collapse aren't essential, then the support should go to workers who used to work there. Either way, there's no reason to pay trillions to try to convince the financiers and CEO's to stop being incompetent.

Second, we need measures to allow the working people to survive while the capitalist business cycle goes through another bust. We must not scale back our demands on the plea that the money has all gone to the bailouts. If the government could find money to bail out the rich, which is a useless expense, they should find the money to help the masses. They should tax the capitalists, who have been taking out an ever-increasing share of the national income: it's time they gave some back.

Third, we must not simply agitate for government measures, but organize at the workplace and in the community. And we must do this independent of the Democratic Party and the union bureaucracy. The Democratic and Republican politicians represent the rich. They only give workers what they are forced to give. People have hopes in Obama, but he has always appealed to big business, and his advisors are recruited from the backers of big business. No, we can have no faith in the politicians or even the union leaders who back them. We need to develop rank-and-file organization that will wage militant struggle.

It's true that this is difficult when companies are collapsing. But what happened in the Great Depression of the 1930s? That's when some of the largest mass struggles broke out. That's when the unionization of the mass production industries began. The horrors of bad times disorganizes the struggle at first, but eventually gives rise to mass determination to resist.

Fourth, the politicians will say that regulations are the answer to the previous deregulation. But we must have no faith in the regulations they propose or nationalizations they carry out. We must remember that the capitalists can use regulations, as well as the free market, to exploit. We must not be seduced simply by "regulation" as the answer to "deregulation", and still less regard this as "socialism", but must ask — these particular regulations accomplish what? benefit whom?

And finally, we should never forget the clash between the interests of worker and capitalist. The bourgeoisie says that we're all in it together. That's not true, as the bailouts show. Even in the midst of the worst world economic crisis in decades, the bourgeoisie can think of nothing better than to bail out Wall Street while letting the people starve. We should never forget that they have done this. □

Nationalization of the banks: *how much of a change would it be?*

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By Joseph Green

Nationalization has long been a boogeyman in US politics. As politicians, Democrat as well as Republican, competed over who can deregulate more, it was poison to be regarded as an advocate of "big government" and too friendly with the public sector.

Yet now, with the banks and many corporations in free fall, there has been a change. Many politicians, government officials, and even financiers are talking about nationalization of the banks. Many staunch advocates of free-market economics are advocating temporary nationalization. This ranges from strong backing by the liberal Prof. Paul Krugman, to grudging acceptance by the self-proclaimed "lifelong libertarian Republican" Alan Greenspan, long a fierce protector of free-market orthodoxy in his role as Chairman of the Federal Reserve from 1987 to 2006.

Nationalization has become an immediate issue. The conservative Republicans rage against it as socialism; the Obama administration is trying to avoid it; the reformist left dreams of it as socialism; but many liberals and establishment economists back it as a measure to reinvigorate capitalism.

So how much of a change would nationalization be? It depends on what passes for nationalization. It could be another way of subsidizing failed bankers and industrialists, or it could be a way to avoid paying exorbitant bailouts. It is up to the working class not to be seduced by the term "nationalization", but to look closely at the provisions. We must fight against compensation for the failed capitalists, and we must demand that nationalized banks and enterprises be directed to achieve social aims, that they let the failed financial investments collapse, and that the rights of workers be respected.

What is nationalization?

Nationalization refers to the national government (in the US, the federal government) taking over the ownership and control of an enterprise or, perhaps, a whole industry. Sometimes this has been done without compensation, and sometimes with. Federal subsidies or grants to an industry are not nationalization; nor is

the mere purchase of some of an enterprise's stocks and bonds. Nationalization refers to a complete takeover.

Different levels of government may own an enterprise: states and local governments may own certain enterprises; nationalization, strictly speaking, refers to federal ownership. The post office, for example, is a federally-owned enterprise, although it is run as an independent agency. And a number of American cities and localities have owned and operated their own power utilities.

A glimpse at the history of nationalization

Historically, different governments have had very different reasons for establishing government-owned enterprises. Nationalization has been carried out by governments of the most varied political tendencies: it has been done by conservative and even reactionary governments, and it has been done by revolutionary governments. In the 19th century, Bismarck, the "iron chancellor" of Germany, nationalized the railroads to increase Germany's military strength. In the 20th century, a large public sector was set up in Western Europe after World War II in order to revitalize capitalism, while the Bolsheviks had used nationalization several decades earlier to undermine capitalism. Since nationalization gives control to the government, one has to ask, which class really owns and runs the government of the country.

Nationalization has been carried out by diehard capitalist governments for a number of reasons, such as the following:

- it's a way of concentrating large resources to carry out projects which private capitalists wouldn't do;
- it has been used to bailout the capitalists of failing industries: first the government may pay excessive compensation to bankrupt owners, then it restores an industry, and finally it privatizes it;
- the national industries may be used to provide cheap subsidized services for private businesses;
- it puts certain services under government direction that are regarded as essential for the country;
- it may provide a rationale for breaking strikes; and
- it may be forced by mass pressure to provide certain services.

Nationalization has also been carried out by revolutionary governments for many purposes, depending on what type of revolution has taken place:

- especially when done without compensation, it could be used to break the power of certain entrenched capitalist interests;
- it might increase the financial resources of the government;
- it allows the government to control key economic services, whether to provide services for the masses or to ensure modernization and expansion of key sectors;
- it might be used to break the stranglehold of foreign domination in a country that has just gained its independence; and
- it might be integrated with workers' control in an attempt to move towards socialism.

The bourgeois parody of nationalization

While nationalization can be used by conservative as well as left-wing governments, the American bourgeoisie is quite hesitant about it. It has a tradition of the most outrageous looting of the government, and most of the time it prefers, whenever possible, to give fabulous subsidies to private companies than to build up an efficient national service. Thus the transcontinental railroads were established in the 19th century by giving the most extravagant land grants and subsidies to private companies.

In the 20th century, the American bourgeoisie developed various forms of half-way government ownership, such as “government-sponsored enterprises”, “quasi-public corporations”, and public-private partnerships. The government may provide money and protection, while the private owners are in control.

Recently this has reached the level of neo-liberal parody. When the government buys some stock in failing banks, this is described as nationalization, although the private management is left in control. And the huge Wall Street bailout under Bush, and the even larger follow-up bailouts under Obama, have even been described by some voices in the bourgeois media as “socialism”. The attempt to bribe the bankers to do the right thing with respect to commercial loans is equated with the building of a public sector, even though under actual nationalization the government could simply direct the banks to make loans. Indeed, we are faced with the spectacle of the government, having provided almost thirteen trillion dollars in subsidies and guarantees to the banks, having to beg the financiers to do something other than hoard the cash and pay off their obligations to other financiers.

But the bourgeoisie has good reason to present the Wall Street bailouts as socialism. By doing so, it kills two birds with one stone: it tries to deflect the mass anger by presenting these subsidies to the rich as something other than the looting of the country; and it aims to discredit government programs in general in the eyes of the masses.

Would real nationalization be better?

But would actual bank nationalization be better than the huge bailouts?

A full nationalization would give the government direct control. In the case of the banks, for example, it would allow the government to directly assure credit supplies and lending rather than trying to bribe the financiers to do so.

Such a nationalization would be better than paying out trillions of dollars. It wouldn't solve the economic crisis because the ongoing depression is not based solely on lack of credit, but is also an overproduction crisis, and a general collapse of neo-liberalism. But it could be a cheaper way to maintain credit — provided the nationalized banks didn't have the obligation of making good on all the liabilities and bad investments incurred under the previous, private management.

Indeed, even a real nationalization might be accompanied with gigantic payouts to the old stockholders and the attempt to prop up toxic assets taken over from the private banks. Therefore, as far as the interests of the working class, it is essential that the nationalization be without compensation.

But if the “toxic assets” and worthless investments were

allowed to collapse, this might bring down many pension, health and insurance funds, and destroy much of the present financial system. Thus the country is faced with a choice: either replace the neo-liberal Ponzi scheme, where supposedly every need is guaranteed by a rising stock market, with a proper system of social services, or sacrifice everything to restore the Ponzi scheme. The nationalization of the banks could be used to help replace the system of rampant neo-liberal speculation called finance, and this would mean that instead of trillions of dollars going to bank bailouts and financiers, money could go to the social programs which need it. But this is not what the bourgeoisie is considering. It wants to use the nationalization of the banks to preserve the present, failing financial system, not to replace it. And then nationalization will simply be another way of continuing the huge, scandalous payouts to the financiers, even if a few individual financiers are dismissed from their posts.

Nationalization of the banks isn't necessarily a break with neo-liberalism

And we have good reason to be concerned. The bourgeoisie still embraces market fundamentalism: even the section that backs government action to deal with the current crisis, merely thinks that restoring some financial regulations and pouring in a lot of money will fix the old system. Thus the nationalization that Krugman, Greenspan, and the politicians are talking about today isn't the establishment of a permanent government-owned banking system. Instead, they insist that the nationalization would only be temporary, and the banks be sold back to private financiers as soon as possible. Even during the period of government ownership, they would merely have the government reorganize assets, while having the nationalized banks run as much like private institutions as possible. Indeed, they even talk about a nationalized “bad bank” to take over and make good on the bad securities. This would mean that the government is left with the liabilities of the previous private management. Indeed, the purpose of this nationalization is for the government to “recapitalize” the banks, i.e., remove their worthless assets and pour in money to fill the gap.

True, two prominent bourgeois economists, Paul Krugman and Joseph Stiglitz, have come out strongly against the idea of a “bad bank”, Stiglitz being a dissident former chief economist for the neo-liberal World Bank. But if you read what they say closely, they are only opposed to Obama's bank bailout, which seeks to use subsidies and a “bad bank” as an alternative to nationalization. They would find the same big, bad “bad bank” reasonable — as part of their own plan.

For example, Stiglitz writes sarcastically, but accurately, that Obama's “bad bank” scheme is “cash for trash”:

“I believe that the bad bank, *without nationalization*, is a bad idea. We should reject any plan that involves ‘cash for trash.’ It is another example of the voodoo economics that has marked the financial sector—the kind of alchemy that allowed the banks to slice and dice F-rated subprime mortgages into supposedly A-rated securities. Somehow, it is believed that moving the bad assets around into an aggregator

bank will create value.”¹

But Stiglitz sees no problem with “cash for trash” in a nationalized banking system, and he goes on to say that, under nationalization, “pricing is just an accounting entry between two pockets of the government. Whether the government finds it useful to gather all the bad assets into a bad bank is a matter of management: Norway chose not to; Sweden chose to.”

No, dealing with the bad assets isn’t simply an accounting entry: both Sweden and Norway ended up pouring money into the banks. In essence, recapitalizing the banks with new reserves is either “cash for trash” or just directly giving the money away.

Nationalization is no doubt a firmer policy than Obama’s policy of showering the financiers with cash and then begging them to be nice. But the nationalization advocated by the liberal economists wouldn’t be a break with market fundamentalism, not any more than the bailout and reorganization of the savings and loans in the 1980s was. Indeed, with the S&Ls and with the occasional bank that fails now and then, the FDIC takes them over and reorganizes their assets. In a sense, it temporarily nationalizes them, but it then puts them back on their feet as private institutions. This type of nationalization is so tame that it continued right through the heyday of militant neo-liberalism, and no one blinked an eye.

This also can be seen in the article “The Quiet Coup” in the May 2009 issue of *Atlantic* magazine. It criticizes the Obama administration for not realizing the scope of the problem with the banks, and seeking to avoid temporary control over the banks. But its main author is Simon Johnson, the former chief economist for 2007-8 of the IMF, that bastion of neo-liberal globalization. Even intelligent neo-liberals recognized the need for government action in a crisis, and Johnson wrote:

“... the government must force the banks to acknowledge the scale of their problems. As the IMF understands (and as the U.S. government itself has insisted to multiple emerging-market countries in the past), the most direct way to do this is nationalization. Instead, Treasury is trying to negotiate bailouts bank by bank, and behaving as if the banks hold all the cards — contorting the terms of each deal to minimize government ownership while forswearing government influence over bank strategy or operations. Under these conditions, cleaning up bank balance sheets is impossible.”²

Johnson pretends that the influence of Wall Street and the policies of deregulation has nothing to do with globalization and neo-liberalism. Oh no, it’s a “quiet coup”, and supposedly runs against IMF orthodoxy. Seeking to convince the American bourgeoisie that look, everyone knows that the government has to act in a crisis, he writes:

“Nationalization would not imply permanent state ownership. The IMF’s advice would be, essentially: scale up the standard Federal Deposit

Insurance Corporation process. An FDIC ‘intervention’ is basically a government-managed bankruptcy procedure for banks. It would allow the government to wipe out bank shareholders, replace failed management, clean up the balance sheets, and then sell the banks back to the private sector. The main advantage is immediate recognition of the problem so that it can be solved before it grows worse.”

But, as is well-known, IMF advice has devastated one country after another. This type of nationalization of the banks is just another way of carrying out the IMF program, and its unlikely to be any better in the US than it has been in other countries. And despite Johnson’s complaints about how much Obama has prostrated himself before the bankers, rather than reorganizing the banks, such a nationalization would still require huge sums of money. The problem, of course, is not with nationalization per se; it’s that nationalization is a way of carrying out a certain policy, and if that policy is a bankrupt neo-liberal one, then nationalization is a tool for that purpose.

Sweden is one of the models put forward by many of the present bourgeois advocates of nationalization, such as Krugman and Stiglitz. What happened was that, in order to dig the bankers out of the hole they had dug for themselves, the Swedish government bailed them out in the early 1990s. It actually took over full ownership of two banks, and it set up “asset management companies” to deal with dubious assets. But once the system was stabilized, the government reprivatized the banking system.

These bank nationalizations were carried out by the right-wing, conservative government of Carl Bildt’s “Moderate Party”, which pushed a program of dismantling the old mixed capitalism in Sweden and moving in the direction of American capitalism. This involved extensive privatization and cuts in social programs. Swedish nationalization thus coincided with a drive to implement neo-liberalism, and it was a way to pump huge amounts of money into the financial sector. And while Sweden did emerge from the severe crisis of the early 1990s, there wasn’t a world crisis at that time.

For that matter, the Swedish financial policy of the 1990s, rather than immunizing Sweden against further shocks, left it vulnerable to the current crisis. Thus it is reported that

“The Swedish economy will deteriorate sharply this year. GDP will drop by 3.9 percent and 250,000 jobs will disappear by the end of 2010, according to a new report by the National Institute of Economic Research (KI), published on Tuesday. . . . KI argued in its report on the Swedish economy that the situation is as bad as the banking crisis in the beginning of the 1990s.”³ And another report points out that “Finance Minister Anders Borg has predicted that the country’s

¹“A Bank Bailout That Works,” *The Nation*, March 4, 2009, www.thenation.com/doc/20090323/stiglitz/, emphasis added.

²“The Quiet Coup,” *Atlantic Magazine*, May, 2009, www.theatlantic.com/doc/200905/imf-advice.

³“Economic Crisis As Bad as the 90s’: Report”, March 31, 2009, *The Local: Sweden's News in English*, www.thelocal.se/18568/20090331.

unemployment rate will hit 12 percent in 2011.”⁴

A different type of nationalization

So the question of whether nationalization, even real nationalization, is good or bad is like the question of whether government spending is good or bad. This depends on what the spending is used for, and how it is carried out. The role of nationalization depends on whether a public sector is really being built up and whether nationalization is used as a pretext to pay more money to Wall Street or an alternative to paying this money. It depends on how the nationalized enterprises are run and regulated, whether the nationalized banks will operate differently from the old private banks or try to imitate them, and on whether there is public influence over this system. It depends on whether nationalization is used to break the influence of the financiers, or to prop them up.

A proper bank nationalization would be an alternative to spending trillions in bailouts. Similarly, government ownership of local energy utilities has also proved useful in providing cheap power. During the California energy crisis, those cities with municipal utilities, such as Los Angeles, fared better than those completely at the mercy of the privatized energy markets.

Thus any particular proposal for nationalization must be regarded on its own merits. Those proposals that, say, guarantee services for the masses and restrict profit-taking in various sections of the economy are useful. Those that simply are a pretext to prop up this or that sector of the bourgeoisie, albeit in a somewhat indirect fashion, are not. Indeed, the bourgeoisie might even try to use temporary nationalization for the sake of breaking workers' struggles: thus President Truman sought to nationalize the steel industry in 1952 in an unsuccessful attempt at keeping the workers from going out on strike.

The working class must not be carried away simply by the terms “nationalization” or “government-ownership”. Instead we must ask: what are the terms of this ownership? How will the nationalized banks or enterprises be run, who will benefit from them and who will pay for them? And it must remember that, just as the existence of social services doesn't turn a capitalist country into a socialist one, neither does the existence of a nationalized bank.

“We're all socialists now”

The bourgeoisie, however, promotes that government action, in and of itself, is socialism. The Feb. 16 issue of *Newsweek* proclaims, “We're All Socialists Now”. We are led to believe that we have now entered the “new era of big government” and “more government spending and taxing”, and government action, any government action, was socialism, was French, was European. They wrote that “In many ways our economy already resembles an European one. As boomers age and spending grows, we will become even more French”. For *Newsweek*, it was all the same; and it was all socialism: whether health care or bank bailouts, it's all simply government spending. Moreover, *News-*

week never seems to have gotten the message from the strikers and demonstrators in Europe that present-day Europe is capitalist, it's even market fundamentalist, and that not everyone is happy to be sacrificed to the profits of the European bourgeoisie.

The fact is, we're *not* all socialists now, not here in the US, nor in Europe. The economy is divided between the working class majority, which is exploited in the best of times and particularly hard hit by today's economic crisis, and the rich capitalist minority. Real socialism is a policy of class struggle by the working class against the capitalist rulers of this country.

Yet not just *Newsweek*, but much of the reformist left promotes government ownership as socialism, no matter who runs the government. For them, nationalization is socialism, even though the capitalists run the government, and the government-owned enterprises are managed in the interests of the capitalist class as a whole, if not always in the interest of this or that particular capitalist. In essence, they don't recognize the existence of state-capitalism, capitalist exploitation directed by the state. They generally don't have a class outlook towards the government, regarding government actions as simply the result of better or worse policies, and not looking too closely at the class interests that lie behind these policies.

Now, it is true that socialism means the social ownership of the means of production, the ownership and management of the economy by the population as a whole. The economy should be run, not to provide capitalists and financiers with incomes hundreds of times greater than workers, but to provide for the general welfare; indeed, management shouldn't be the province of a separate class, but should devolve on the workers themselves. But if the working class as a whole is to direct the economy, then the government too must be a workers' government. And for a whole period of time, until the achievement of a genuinely classless society, this means government ownership and control.

But the reformists distort this principle by regarding government ownership in itself as general social ownership. They forget about the issue of who owns the government. This means forgetting that the capitalists dominate bourgeois countries as a class, and not only as a sum of individual entrepreneurs. The capitalists not only run the corporations, but they build class-wide social and political institutions and use the government to enforce their class rule.

Many reformists also regard that the Stalinist Soviet Union, during the years of its existence, was socialist, because it had state ownership. In this they agree with the Stalinist parody of communism. They differ from the Stalinists only in that they regard the old Soviet Union as a distasteful variety of socialism, because of all the repression. They separate the politics and economics of a country, believing that a country can have a political system that sits on top of the workers, but an economic system that serves their interests.

On the contrary, socialism means the working class runs the economy, both from above, through a government of the working class, and below, through mass initiative. There will be more and more government ownership, as the private capitalists are expropriated, but it will be government of a very different type. The politics and economics of a country aren't two completely distinct things. It makes a difference to the economic nature of a

⁴“Borg forecasts mass unemployment,” *The Local*, April 1, 2009, www.thelocal.se/18598/200900401.

country, to whether it is socialist or capitalist, whether the government represents the capitalists, and is itself the country's largest collective capitalist, or whether there is a workers' government.

Moreover, eventually, as the working class learns to run the economy thoroughly and distinct class divisions in society start to vanish, government functions will become less and less political. This means that its decisions will less and less involve substantial economic conflicts between different groups of people, and more and more take on a merely practical and technical character. There will be still be a central authority responsible for the overall direction of the economy, but, as Engels says, "The government of persons is replaced by the administration of things and the direction of the processes of production."⁵ At this point, there will be fully social ownership of the economy as a whole, and it will be quite distinct from the today's government-ownership of enterprises, which are left to run on capitalist principles.

The fallacy of the Trotskyist transitional program

The Trotskyists present themselves as the alternative to reformism and Stalinism, and yet they have the same basic idea that government ownership, in and of itself, is socialism. Thus they believe that nationalization is a transitional step, which, in and of itself, helps undermine capitalism.

Now, as mentioned above, a revolutionary government will make use of nationalization. And, prior to the revolution, in a period of growing mass activity and increasing steps against this or that aspect of capitalist power, the masses will increasingly influence the nationalized enterprises no matter how far the government resists this. Thus, in a period of revolutionary crisis and growing mass activity, a series of nationalizations might hurt the power of the bourgeoisie, and become a growing wave that leads towards their expropriation. So in such a situation, nationalization might well be a transitional step.

But nationalization doesn't create a revolutionary crisis in itself. It's not special transitional demands that create a revolutionary situation, but a revolutionary situation that results in certain demands being transitional. So when there isn't a revolutionary crisis, nationalization doesn't have any transitional significance at all, and may be simply a method of preserving the old financial system in a period of economic distress.

The mistaken assessment that nationalization is a transitional step in itself would lead the working class to overlook the real significance of present-day nationalizations. But, it may be said, doesn't nationalization, even under today's conditions, lead to many people thinking about socialism who yesterday might have regarded it as a swear word? Doesn't it help break down the idea that "there is no alternative" to surrendering to market forces. No doubt, and activists should utilize this interest in socialism to push forward a revolutionary critique of capitalism.

⁵Engels, *Herr Eugen Durhing's Revolution in Science [Anti-Duhring]*, p. 307, International Publishers' Edition. (This is a few pages from the end of Chapter II, "Theoretical", of Part III, "Socialism".)

But we must utilize this interest to help encourage the workers to see the class basis of socialism. We must help spread a contemptuous attitude to the bourgeois claims that "now we're all socialists" — Wall Street and Main Street alike, and insist that socialism can only mean the liberation of the working class from capitalist exploitation. We must help the masses move forward, from seeing the need for government intervention, to seeing the need for the working class to intervene in the government and the government enterprises. Otherwise the interest in socialism will turn into support for this or that bourgeois scheme. The idea of nationalization as inherently socialist helps the bourgeoisie make its transition from neo-liberalism back to somewhat more regulation and a more mixed economy.

Present-day demands

Today it's unlikely the workers can have much influence on the type of nationalization that times place. At a time when we can't even restore the minimum wage to what it was a few decades go, eliminate vicious anti-union laws, or get national health insurance, it's hard to see how the masses can have much influence on the plan the government will adopt for finance. But nationalization without compensation to the financiers can be put forward to show that commercial credit and other necessary banking functions could be restored without having to bribe the financiers and pay off their debts. It could highlight the parasitism of the financial sector that plays such a large role in modern monopoly capitalism and absorbs such an increasing portion of the surplus value extracted from the working class. We should not create the illusion that radical nationalization is likely at present, but the working class should always counterpose its view of nationalization to that of the bourgeoisie. Even today, such efforts will help the working class see how paltry are the half-measures of the bourgeoisie in the face of the crisis, and see through the plans to squeeze the masses in the name of rescuing the economy.

Moreover, the decline of the workers' movement will not last for ever. We face deeper crises in the future, and a rebound of working class organization will eventually come. At that time, it will be important for the working class to know what to fight for, and what to oppose, with respect to nationalization.

So with regard to the banks, we can demand a real nationalization — and one carried out without compensation to the rich — as an alternative to the disgraceful trillion dollar bank bailouts. We can use this possibility to help encourage the mass hatred of the Wall Street bailouts. But we must distinguish between nationalization that creates a public sector that abandons neo-liberalism, and temporary nationalization to get the bankers out of trouble. And we must put pressure on the government sector even after neo-liberalism, because so long as there is a bourgeois government, even nationalized institutions are controlled by the bourgeoisie. So instead of being carried away by the word "nationalization", but the working class must continually lay stress on the conditions of nationalization:

- Trillions of dollars must not be poured into "toxic assets" under the pretext of preserving pensions and health funds and other social funds invested in the financial system. Instead there must be a "nationalization" of the social funds

themselves, and they should be bailed out directly.

- We must oppose putting the nationalized banks into the hands of a horde of financial bigshots making ultra-high salaries, yesterday managers of the hedge funds and investment houses and today government bureaucrats.
- There should be, not temporary nationalization, but the establishment of a nationalized banking sector. This should be run in a way distinct from that of corporate banking, instead of imitating it. And the secrecy of the banking process should be curtailed.
- Similarly, with respect to the possible nationalization of various industries, we must demand that the workers have influence in the management of the nationalized concerns. As well, the nationalized industries should be oriented to accomplishing needed goals rather than subordinated them to

the struggle for maximum profit.

But the working class will achieve little, either with respect to the way bank nationalization is carried out, or in obtaining relief from mass impoverishment in the crisis, unless it carries out mass actions in its defense. It is the collective struggle of the working class, its organization distinct from the bourgeoisie, and its willing to fight the capitalists in strikes and demonstrations, that is crucial. The pro-capitalist politicians and bourgeois economists would have the workers believe that the benefits of bailing out the financial sector will trickle down to the workers: this is just as false as any other aspect of trickle-down economics. To counter this, we need a policy of class struggle with respect to nationalization just as much as in the struggle with individual employers. □

Obama's program

Continued from page 7

How it differs from socialism

The mass media shouts that any departure from neo-liberalism is socialism. But none of the things I have mentioned as immediate issues constitute socialism. Even if all of them were achieved, there would still be a capitalist economy. The capitalists would still be in charge; they would still live off the surplus value extracted from the workers; and private interests would still own the tremendous means of production built up by the workers' labor. As a result, all the reforms achieved by the workers would be subject to be taken back — just as the long reign of neo-liberalism has ripped the social safety net to threads. Moreover, this economy would still have ups and downs, the business cycle, which will exist as long as capitalism does. And the government would still be the board of directors of the bourgeoisie as a class, while individual government agencies would still be tied with thousands of strings to the interests of the big bourgeoisie.

But the fight for these things will help provide for the immediate needs of people in the ongoing depression. Moreover, the fight for them will encourage people to see the need for a renewed workers movement, one that is independent of the capitalist parties. When the workers start to organize in their own right, they will also start to question why the economy should be owned by a small handful of tycoons. They will start to consider alternatives, and ponder whether they should not just seek

immediate reforms, but a socialist society, where the economy is run in the interests of all. Is it really acceptable to have to fight over and over, after each time an economic bubble breaks, for the most basic means of existence? Is it really acceptable to have the economy owned by private interests, interests who have ravaged the environment for their own profit, when we are facing environmental catastrophe? Or is it time that the working majority of the world unite its forces to save itself and save the planet? Isn't it time that the economy be owned and run by the working class as a whole, so that decisions are made, not in the interests of a handful of privileged millionaires, but of the population as a whole?

Obama's program is a last-ditch attempt to save neo-liberalism, by carrying out Bush's mandates, from the wars in Iraq and Afghanistan to the economy, in a better way than Bush did. This isn't going to work for the masses, who will be left to bear the brunt of the depression.

Perhaps some people will say, but what else could Obama do? He couldn't get anything else past Congress, and even his present program might not make it. But our criticism isn't directed against Obama as an individual. Things wouldn't have been any better under John Edwards or Hillary Clinton or the Hooverite John McCain. It's directed at Obama as the political leader of the ruling class, the bourgeoisie, whose interests and ideas control the government as surely as they do the big corporations. It's this class which has brought us neo-liberalism. And our only path of fighting the bourgeoisie is to develop a class force, a renewed workers' movement, that is capable of standing up to it. □

Capitalism is bankrupt!

We Need a genuine workers' socialism!

By Tim Hall

It seems like just yesterday that the establishment news media was confidently preaching that capitalism in the U.S. and the world would go on expanding, the stock market would keep rising, home values would continue to climb and life would continuously improve for the fortunate ones — indefinitely, maybe forever. If any problems arose anywhere, the market would solve them. History, with its poverty, racism, exploitation, wars and revolutions, was over. (Well, there might be a war here and there, but the poor would fight them and the rest of the public could just go on shopping.) Other than a few blemishes, capitalism was perfect.

Now that bubble has burst.

With the worldwide economic crisis, capitalism has once again revealed its insane, bankrupt nature. The capitalist system is once again proved to be a hell on earth of desperation, robbery, insecurity and war for the huge working majority of the planet, including ourselves here in the United States, the land of “the American Dream.” The capitalist politicians, Republican and Democrat, are handing over literally trillions of the wealth created by the workers to a bloated class of parasites who do no honest work but believe that the world owes them a mega-fortune.

This is capitalism. This is not an aberration; this is its true nature, robbing behind the scenes for years of “normal” times, nakedly staring us in the face today — a monster.

This is a nature that none of the bourgeois analysts can grasp or explain; only Marxism and the Marxists can explain it. And, as Marxism has taught for 161 years, it is a nature that can only be changed by a working-class revolution. *Newsweek* magazine and other establishment pundits claim that the bail-out maneuvers of the Obama administration constitute socialism; this is a lie. These are merely government maneuvers re-shuffling resources within capitalism. Various political and media figures, such as Paul Krugman of *The New York Times*, advocate going beyond Obama and actually nationalizing the banks, while we hear horrified screams from Republicans that this, too, would be “socialism.” But again, the label does not apply. Actual socialism is far more, far different, from some maneuvers by some people at the top, even though the masses must fight to get whatever crumbs that can be squeezed out of the Obamas of the world.

Actual socialism will be an upswelling of many centuries of struggle by the working people of different countries, the U.S. included, to take their destiny into their own hands. A real socialist revolution is an uprising in which the masses of workers and poor take power and suppress the rich. Such a revolution would bring about a transition toward a genuine workers' socialism that involves the dispossession of all the rich, swindling capitalists and real control of society by the working people. Such a revolution would not only have to fight the well-known capitalists and bourgeois reformists but also capitalists-in-communist-clothing like those who brought the great Russian

Revolution to grief under Stalin and who lead China and Cuba today. Such a revolution would be very difficult, but there is no other way. Only such a revolution can eliminate economic crises, poverty, racism and wars like those of the present once and for all.

All through the last thirty years the Republicans, the open party of the rich, lauded the capitalist crooks and financial double-dealers to the skies and hid their criminal speculations. And all through the past thirty years the cowardly Democrats cozied up to the Republicans and helped them increase the stranglehold of the rich financiers over the working class and people. Ronald Reagan, who was against big government except when it helped the rich, slashed the taxes of those poor, impoverished billionaires and inspired them with the dream of robbing the workers of everything won through hard struggle since World War II. Then the so-called “first African American President,” Bill Clinton, helped his chum, Robert Rubin, CEO of the Wall Street swindlers at Goldman Sachs, to steer the economy, against all warnings, down the disastrous path of leveraged speculation. Slick Willie, whose buddies fill the Obama administration, revised the criminal code to over-charge and imprison thousands of poor Black working men, and used his union bosses to leverage down the wages of the workers. Then came the in famous GW Bush, invading Iraq on fraudulent grounds while showering still greater tax cuts on those poor, abused plutocrats as they leveraged their speculations into the trillions with nothing to back it all up.

The bubble burst before GW left office, so the lame duck handed out a trillion or so to his “base” without a peep of protest from Obama the elected. And now we have Obama pledging to fix it all and giving a few crumbs to the workers but still handing out hundreds of billions to the financiers, throwing good money after bad, even allowing Democratic Senator Dodd and Secretary of the Treasury Geithner to permit the AIG bloodsuckers to give each other billions of the workers' tax money as bonuses, a charity that may only be stopped by the outrage of the people. For Obama and the Dems (as well as the Republicans) it's OK for the bankers to give each other million-dollar bonuses, but when it comes to auto workers, they get job loss and homelessness.

Enough! It is time for the working class to rise up! We built this country, we move the goods, we make the products, we nurse the sick, we clean the streets, we teach the children, while these worthless, bloated leeches speculate with our money, spit on us and drag our country into the dirt. It's *our* country, not theirs! Let us rise up and defend ourselves as a class against the misery brought on by this crisis!

We face a great world crisis, greater than any since our grandparents battled the bosses during and after the Great Depression of the 1930's. We face this crisis in a very difficult situation: our mass struggles, which surged in the 30's and again in the 60's, have been at a low ebb for a long time, making it difficult to envision rising up effectively. The leadership of the

organizations that supposedly fight for us – the unions, civil rights groups, etc. – are in the hands of opportunists committed to supporting the capitalist system and the Democratic Party. Our struggle will be extremely difficult, difficult even to launch, given the tight control that the union bureaucrats and other reformists exercise over rebellious workers. Our struggle will be filled with setbacks and zig-zags that will try the will, the confidence and the perspectives of the best of us. But we must begin. We must and will persevere, sooner or later, through thick and thin, just as our forerunners arose as the unemployed, living in tent cities, to build the workers' movement and the industrial unions in the 1930's.

Let us raise our voices in protest! Let us learn how to organize and fight! Even where we may be small in numbers at the start, let us take action where we can, in whatever way we can, despite the stranglehold of the union hacks and other misleaders who don't want to rock the boat! Let us network, let us learn to form organizations of our own, organizations that will fight militantly for the working people, for all the oppressed! Workers of other countries have gone into action – in Latin America movements of the workers and poor have been seething.

Recently we have seen strikes and actions in Greece, Guadeloupe, Martinique, France, London! Let us learn from them and support them! Let us unite native workers and immigrants, Black, white, all colors and ethnicities, men and women, religious and non-religious, whatever the sexual orientation – we need all the workers, all the oppressed! We face a common enemy and a great crisis!

Let us fight for our immediate needs and let us also prepare through struggle for the day when we shall throw these arrogant aristocrats into the dirt and run this country ourselves, in harmony with the workers of other countries who will certainly do the same! The rich capitalist exploiters don't give a damn about us! They are leaving us and our children literally out in the cold!

It is time for us to fight!

(Editorial of the Summer-Fall 2009 issue of *Struggle*, an anti-establishment literary journal oriented to the working-class struggle.) □

Struggle

A magazine of proletarian revolutionary literature

Struggle is an anti-establishment, revolutionary literary journal oriented to the working-class struggle. It reaches out to "disgruntled" workers, dissatisfied youth and all the oppressed and abused and supports their fight against the rich capitalist rulers of the U.S. and the planet. It is open to a variety of artistic and literary forms and anti-establishment views. We welcome works with artistic power which rebel against some element of the capitalist power structure or against the entire system itself.

In the coming Summer-Fall 2009 double issue, vol. 25, #1-2:

Editorial:

Capitalism is Bankrupt! We Need a Genuine Workers' Socialism! by Tim Hall

Poetry:

by

Fiction:

by
and others

Struggle's editor is Tim Hall, an activist and Marxist-Leninist since the 1960's. *Struggle* is a non-profit magazine, produced and distributed by the voluntary labor of a very few people. *Struggle* welcomes poems, songs, short stories, short plays, line drawings. Manuscripts will be returned if accompanied by a self-addressed, stamped envelope. It pays its contributors in copies.

\$2 per single-size issue (\$3 by mail), \$10 for a subscription of four, \$12 for four for institutions, \$15 for four overseas, free to prisoners. Double issues, which are twice the normal length, cost more. *So the coming issue, which is a double issue, costs \$4 from a vendor.* Bulk discounts and back issues (on anti-racism, against the Persian Gulf War, depicting the postal workers' struggle) are available.

Checks or money orders must be made payable to Tim Hall—Special Account.

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International protests against the economic crisis

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by Pete Brown

The following article is a slightly enlarged version of a presentation given at a meeting of the Detroit Workers' Voice Discussion Group on March 8, 2009.

The present economic crisis came upon us at a time of ebb in the working class movement. Strikes and other protest movements have been at a very low level for a number of years. And now workers are being told that there's nothing can be done except grin and bear the layoffs, the cutbacks in social services, and the handing out of hundreds of billions of tax dollars to the bankers, auto executives, loan sharks and speculators who have gambled and lost their own, and other people's, private funds. So far the crisis has not generated any large protest movements in the U.S., although there have been small protests, and there are rumblings on the horizon. One thing that might encourage this is to look around the world and see how working people in other countries are responding to the crisis.

An outstanding feature of the present economic crisis is that it's worldwide. This is a result of the globalization that took place in recent decades. The world capitalist economy is now much more tightly interwoven than it was before. Another reason is that the crisis began in the U.S., which is the largest single national economy. So repercussions are large, and because of globalization they spread quickly and far. World capitalism has in recent decades been beset by an ongoing series of shocks, but they have tended to hit just one or a few sectors and just one or a few countries at a time. But the present shock is deep, broad, and quickly enveloping many or most countries.

The crisis began as a collapse of the housing market bubble in the U.S. This was followed by a financial crisis which spread to all sections of the American economy, which went into recession beginning in December 2007. Layoffs spread around the world, and now the ILO predicts that a staggering 50 million jobs will be lost, worldwide, by the end of 2009. Unemployment is nearing double digits in Germany, England, and other European countries. High unemployment rates have led to protests in many countries. European governments are responding to the crisis in ways similar to the U.S., bailing out banks and auto companies. They have already spent \$380 billion in bank recapitalization and put up over \$3 trillion to guarantee bank loans. But these efforts only anger ordinary working people who are left out of the bail-outs.

Last month the government of Iceland, whose economy is going through a 10% contraction, collapsed after weeks of

protests by Icelanders angered by soaring unemployment and rising prices. When Iceland's three major banks collapsed last fall, the government nationalized their domestic branches but could not afford to nationalize their foreign branches, because the banks' assets were actually worth more than Iceland's entire GDP. The banks held all of Iceland's government pensions among their deposits, so their collapse has decimated the future of Iceland's public sector employees.

There was a one-day general strike in France on January 29. Millions of workers shut down the country to protest the cutbacks in public services and the giveaway of public funds to bail out the banks and speculators. Then on February 8 there was a demonstration of 4,000 leftists opposing any layoffs.

In Ireland, nearly 100,000 people marched through Dublin on February 21 to protest government cutbacks in the face of a deepening recession and bailouts for the banks. The prime minister is trying to cut the budget by squeezing public sector workers' pay and pensions. People in the march had signs saying "We won't pay for the greed of the super rich" and "You [the rich] made the most; Pay the most." This march preceded the expiration of public sector workers' contracts in February and March, which will probably bring strikes. The government has nationalized Ireland's third largest bank, but this exposed taxpayers to billions of bad debt owned by the bank.

In Portugal, teachers have staged two one-day strikes in the last two months to oppose the government's plan to cut back funding for education.

Eastern Europe has been especially hard hit by the crisis. In the last few months, Poland's currency has declined 48% against the euro, and Hungary's has fallen by 30%. General Motors' sales in the Baltic countries fell off by 57% in the last few months of 2008. Governments have been cutting spending on public services to try and shore up their currencies. In response, working people have taken to the streets to protest. Thousands of people have taken to the streets in Poland, Latvia, and Bulgaria, expressing anger that their social safety net has been shattered. Like Iceland, Latvia is bankrupt, and on February 18 the government of Latvia collapsed. At the same time, demonstrators took to the streets of Kiev, the capital of Ukraine, as depositors rushed to pull their money out of local banks. The banks imposed a limit on withdrawals, so protesters set up a tent city in the center of Kiev surrounding the parliament building, demanding the government's resignation with the slogan, "Everyone out." Truck drivers began parking their rigs and blocking roads to protest their indebtedness due to Ukraine's falling currency.

Workers at the IKhMZ metallurgical plant in the city of Pervomalski, Kazakhstan, were laid off without notice on December 10 when it was announced that the plant was closed. At that time the workers were owed back wages amounting to over \$300,000. In response the workers organized a strike committee, and 13 of the workers began a hunger strike. Some weeks later, the strike gained national publicity when one of the hunger strikers was hospitalized and 200 more workers announced they were joining the hunger strike. The upshot was

that management agreed to pay the workers the back wages they were owed.

In Romania, 7,000 auto workers demonstrated in January to protest the plans of Dacia auto company management to lay off 3-4,000 workers.

The crisis has also hit workers in Asia, where banks and corporations are generally not tied into the subprime real estate mess of the U.S. But they have been hurt by falling exports as Americans and Europeans cancel orders. For example, Pioneer of Japan has now stopped making flat-screen TVs and is laying off 10,000 factory workers. Small factories all over China are shutting down, causing millions of migrant workers to begin traveling again in search of work. There have been dozens of protests in China and Indonesia by workers laid off with little or no notice.

General strike in Guadeloupe

Guadeloupe is a French-owned island in the Caribbean. A general strike began there on January 20. The strike was led by a coalition of 49 popular organizations on the island – including all the trade unions – called LKP, which stands for (in Creole) “Campaign Against Profiteering” (“profiteering” is a combination word from “profiteering” and “exploitation”). The Campaign issued 146 demands, the main ones being: an increase in the monthly wage of 200 euros; an increase in social welfare benefits; lower prices for basic staples and gasoline (which costs 50% more than in metropolitan France); lower prices for bus service and water; a freeze on rents; more job security for temporary workers; greater educational opportunities for youths; and an end to racism in employment practices.

Note that the minimum wage in Guadeloupe is 1,321 euros per month; this is 8.25 euros per hour, or a little over \$10 per hour. That’s high compared to the U.S., but that’s what it is in France. The strike is demanding a raise of 200 euros per month; that would be an additional \$1.50 per hour, bringing the minimum wage up close to \$12 per hour.

The general strike shut down the island. There was no bus circulation; the port, utilities, schools, department stores and most businesses and shops are closed. A demonstration of more than 65,000 – roughly 15% of the entire population of Guadeloupe – was held on January 30 in the streets of Pointe-a-Pitre (the capital). This was the largest demonstration in Guadeloupe’s history. Meanwhile roadblocks were set up around the island.

Solidarity actions were organized in mainland France. On February 19 in Paris some 30,000 people gathered to express support for the strike. In French opinion surveys over 75% of the people questioned expressed sympathy for the Campaign in Guadeloupe and felt that its demands were justified. Leftist politicians from France traveled to Guadeloupe to express support. Sympathy was especially strong in the suburbs of Paris inhabited by minority communities – people from Africa, the Caribbean, and the Middle East. The suburbs have experienced periodic rebellions since 2005. Workers in France are seething with anger over the bank bail-outs, and another one-day general strike is scheduled for March 19. The French government is worried about “contagion” spreading to mainland France, and worked hard to get a settlement in Guadeloupe before March 19.

France sent its Overseas Minister to Guadeloupe to negotiate, but also sent 5,000 riot police. On February 16, they launched an

attack against picket lines and barricades set up around Guadeloupe. Troops forced open gas stations and supermarkets. Seventy trade union leaders were arrested. They were taken to court to be arraigned, but the authorities did not know what to do with them. Thousands of people gathered outside the courthouse demanding their release, and there were mass protests in France also. So they were released.

Afterwards the strike resumed. Barricades went up again, and soup kitchens were set up to feed the striking population.

The revolt spreads to Martinique and Reunion

Martinique is another French department in the Antilles Islands of the Caribbean, very similar to Guadeloupe. Working people there followed the example of Guadeloupe and declared a general strike on February 5. A march of 25,000 people took place in Martinique’s capital city, Fort-de-France, on February 9. As in Guadeloupe, the economy was mostly brought to a standstill. Trade unions are demanding a 30% reduction in prices. The strike in Martinique quickly developed into violent standoffs between youths and police, with youths throwing firebombs at police who tried to force open markets and gas stations.

The revolt also spread to Reunion, a French department in the Indian Ocean. Like Guadeloupe and Martinique, the population in Reunion is mostly descendants of black slaves brought to till the plantations. Over the last several months there have been numerous demonstrations in Reunion against the rising unemployment and the cost of food and fuel. On February 11 a coalition of trade unions, political parties and mass organizations was formed, and it put forward demands for a raise in wages, increased social benefits, increases in scholarships for students, and reductions in rents, fuel costs and food.

The movement in Guadeloupe also had repercussions in other French possessions in the Pacific, the Indian Ocean, and in French Guyana (in South America), where mass protests were organized.

Background to the struggle in Guadeloupe

Guadeloupe is populated mostly by descendants of black slaves brought there to work sugar plantations in the colonial era. After World War II, in the era of decolonization, there was a large agitation for independence, reaching its peak in the 1960s. In 1967 riots in Guadeloupe ended with 87 dead, gunned down by French gendarmes. Afterwards the French government refused to allow independence, but instead offered to integrate Guadeloupe into mainland France as a department (roughly equal to a state of the U.S.). The people of Guadeloupe, as French citizens, were given freedom to travel to and live in mainland France; were given social welfare benefits equal to those in France; and were allowed to participate in French elections and send parliamentary representatives to France.

Many young people took advantage of this in the 1970s and 80s, moving away from their impoverished lives in Guadeloupe and establishing residence in France. The population of Guadeloupe actually declined for a while during this period. But in the 1980s and 90s tourism began to become the mainstay of the island; the economy recovered somewhat, and the population has now grown to over 400,000. Today tourism accounts for about 65% of all jobs in Guadeloupe.

But outside of tourism the economy has not developed. Agriculture has actually declined, and residents are now forced to import much of their food. They also must import 90% of their fuel supplies. Aside from the cost of shipping things from France, residents are also forced to pay exorbitant prices because imports are monopolized by a few firms owned by "bekes" (descendants of white slave-owners). So a favored class has gotten richer while the masses have only gotten poorer. Most government employees are actually appointees from mainland France; when posted to Guadeloupe they are given a 40% increase in pay to take care of the increased cost of living there, while residents of Guadeloupe are forced to pay the high prices without subsidy. In Guadeloupe unemployment is 23% compared to 8% in mainland France; 12% of the population is poor compared to 6% in France. The per capita GDP in Guadeloupe is only half that of France, while the cost of living is much higher.

This was the situation in Guadeloupe before the latest crisis hit, accelerating impoverishment with new layoffs and cuts in social programs.

Settlement of the strike

The strike in Guadeloupe was settled on March 4, after 44 days, with a resounding victory for the strikers. The strike's 20 immediate demands were agreed upon, completely. The settlement also provides for continued negotiations on the coalition's remaining 126 demands, both mid-term and long-term. Here are some provisions of the agreement:

WAGES: workers will get a 200 euro increase in monthly pay. For minimum-wage workers, those making 1,321 euros a month, this amounts to a 15% raise. For those making more, of course, the percentage is less; but even the higher paid workers will get a 3% raise.

PRICE CUTS: The price of 100 basic staples and commodities and for utilities (water, oil, gasoline, electricity) will be lowered by 5-10%. The price of meals in student cafeterias is cut by 20%, and the government promises to increase by 50% the produce of local farmers in the meals provided by student cafeterias. Family canteens will receive subsidies for their meal plans. Public transportation costs will be lowered by 20%. The government also will fund 40,000 round-trip tickets between Paris and Guadeloupe every year to allow family visits for low-income families. Banking fees will be cut. Small transport owners will be compensated for the reorganization of urban and inter-city transit.

HOUSING: Moratorium on all foreclosures, evictions and utility cutoffs. A special fund of three million euros is created to provide subsidized housing for senior citizens and handicapped persons. All rents are frozen and there is a 9% tax cut for renters. The agreement also calls for an end to speculation in land for hotels and resorts by non-local hotel chains and banking interests and financial assistance to local businesses involved in tourism.

EMPLOYMENT: a stimulus plan to provide jobs for 8,000 youths and the creation of a Bill of Rights for Employment for all Working People in Guadeloupe.

EDUCATION: All students on waiting lists for education at all levels will be admitted into a school. The government agrees to consider hiring more teachers, and talks on this will continue.

There are also provisions for protections and subsidies for

local agriculture and fishing and further recognition of trade union rights. There are also provisions on protection of the environment and on culture – Creole is recognized as an official language alongside of French.

Meanwhile the strike in Martinique was still going on, and a general strike in Reunion was scheduled to begin the second week of March. But the French minister for overseas territories says that the settlement in Guadeloupe will be extended to all the other territories, so France may be able to avoid similar movements there.

In France itself, the government is trying to prevent another general strike by offering trade unions a raise in family allowances, reduced income tax for low-paid workers, and a boost in unemployment insurance. But the unions are also demanding a higher minimum wages similar to the increase won in Guadeloupe, a cut in sales taxes and an end to cuts in civil-service jobs. President Sarkozy's popularity is sinking in opinion polls, so he may face popular rebellion at home. The contagion may very well spread.

Conclusion: protest against austerity!

A survey of countries around the globe shows that workers everywhere are getting organized and launching struggles to try and stave off the worst features of the present capitalist economic crisis. Workers in Eastern Europe, the Baltic countries, Iceland, Ireland, etc. realize that public protests are not only possible, they are absolutely necessary for survival in these difficult times. And the example of Guadeloupe shows that by persisting in large-scale organized struggle the workers can win really dramatic gains, even at a time when the governments say they are strapped for cash. Now is not a time for workers to hang their heads and meekly accept whatever crumbs the capitalists and the government are willing to hand them; now, when the capitalists are in disarray, is a time to organize and win.

ADDENDUM: Since the presentation of this talk on March 8 there have been further dramatic upsurges in different countries. A second general strike took place in France on March 19. The strike involved millions of workers, mainly in the public sector but also including the private sector. The strike disrupted schools, airports, government offices, and public transport. Electric power was reduced as utility workers walked out, and tourist attractions such as the Eiffel Tower were closed. Teachers and doctors protested against Sarkozy's planned cuts to schools and hospitals. Clerks, cashiers and auto workers denounced low pay and mass layoffs. The main demands of the strike were for job protection and (like the Guadeloupe strike) a 200 euro increase in the minimum wage. The strikers also demanded a reversal of Sarkozy's plan to reduce taxes for the very rich.

In the aftermath of the one-day general strike French workers have been growing increasingly restive and initiating some novel methods of struggle. Workers at a Sony plant, fed up with negotiations with the plant manager that were going nowhere, seized control of the plant and held the manager hostage. Afterwards this tactic was used in some other plants as well. Auto workers at Toyota have been going on rotating strikes. And fishermen angry about quotas have taken to blocking passenger and cargo traffic across the English Channel. Sarkozy is still trying to hang tough and resist demands from the working class

while pouring money into the pockets of the rich, but his situation is growing tenuous.

Meanwhile in Guadeloupe the LKP coalition is still active as it works to implement the agreed-upon strike settlement. Some employers have resisted paying their share of the 200 euro wage increase, and the LKP has organized selective strikes against them. The French government is also trying to renege on the agreement, saying it will reduce its subsidy for the wage increase after a few years. Then, in an outrageous provocation, the government arrested the main spokesman for the LKP, Elie Domota, and charged him with "inciting racism" because of speeches he made during the strike encouraging the black masses of Guadeloupe to stand up against the white minority rich exploiters. The LKP is organizing a campaign in defense of Domota as well as a campaign demanding full implementation of the agreed-upon settlement. They are planning a large manifestation on May Day.

Similar to France, a one-day general strike took place in Italy on April 4. Some two and a half million workers protested against mass layoffs and the government's attempts to breakup national unified collective bargaining agreements into local, company-by-company agreements. The Italian government is planning to cut 42,000 jobs from the school system; there have also been big layoffs in auto and related industries.

The school system is also hard hit in Latvia, where the government is threatening a pay cut of 20% for teachers. Some 10,000 teachers protested in the streets of Riga, the capital, in early April.

Massive demonstrations also occurred in London, England on the occasion of the G20 summit there in early April. Workers from across Europe converged on London to express their anger at the capitalist system and at being forced to bear the brunt of the current financial crisis. Trade union delegations carried huge banners proclaiming "We won't pay for their crisis!" There were also large numbers of environmental activists and other left-wing activists. Sharp struggles with the police broke out in the streets of London as some of the activists attacked bank buildings, breaking windows and throwing smoke bombs inside. One large

contingent of pro-socialist activists carried banners with slogans like "Capitalism is not working" and "Capitalism is over." The contingent was very lively – it included a brass band, street theater performers, cheerleaders, break dancers and hula dancers. In an ironic reference to President Obama, many activists carried signs with his campaign slogan "Yes We Can" but connected it to other declarations such as, "Can we overthrow the government? Yes we can!" The contingent also included many activists marching in support of the Palestinian people and protesting Israel's attacks on Gaza.

The police in London and around England responded in a vicious way to the people trying to exercise their right of free speech. Days before the protest the police rounded up hundreds of activists who were supposedly "threats to public order." One hundred fourteen environmentalists were arrested in Nottingham supposedly to forestall a terrorist plot, but no charges against them were ever filed. Five activists in Plymouth were arrested for the crime of "possessing material relating to political ideology." During the London protests police activated their new tactic of "kettling" protesters – channeling hundreds of them into one small area, then surrounding that area and not allowing anyone to leave or enter all day. After the first day of protests, during the middle of the night police attacked the "Climate Camp", a large gathering of environmental activists protesting against global warming, and brutally dispersed the people there. The next day police actually killed one man who was an innocent bystander, a man walking home from work who happened to get near a group of protesters. A policeman struck him so hard in the abdomen with a police baton that he bled to death from internal hemorrhage in a few minutes. Leftist demonstrators noted that this repression is the heritage of Tony Blair's "New Face of New Labor", with its litany of new "anti-terrorist" legislation.

But despite the repression, the masses made themselves heard during the G20 summit. What came out of the summit leaders' meetings was not nearly as important as what was happening in the streets, where working people made it plain that they don't intend to accept being made the patsies for the capitalist economic crisis. □

Postal service on a rampage against the workers

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By Postal Observer

The capitalist economic crisis is bringing a new wave of attacks against the workers. Unemployment across the country has approached double digits as the capitalist corporations seek to rescue their profits through layoffs and decimating wages and benefits. Sections of the working class that had traditionally had better conditions are disappearing or being driven down toward minimum-wage status. The auto workers, once the standard-bearer of better living conditions for the workers, are a widely-known example of this process. But it is going on everywhere, in more or less dramatic forms.

The US Postal Service, the nation's third largest employer, is no exception. Though it is a governmental agency, it is self-financing and operates much like other capitalist corporations. It seeks to balance its budget just like the other capitalists – by decimating its employees. Just as the auto capitalists steadily eroded the gains of the auto workers for decades before crushing them in the last couple of years, so the USPS management has steadily chipped away at postal worker gains for many years in preparation for the brazen attacks it is launching today. Largely through attrition, automation and big increases in individual workloads, management has whittled away at the workforce, even through years of increasing mail volume and profits. Now, with the general economic collapse, postal management has been slashing the workforce at breakneck speed.

To do this, the USPS bosses are resorting to ever harsher measures, seeing how far they can get away with sidestepping and ignoring whatever employee protections exist. Thus, for example, they have ripped up their obligations to provide suitable work for workers injured on the job. They are finding ways to tap-dance around contractual restrictions on layoffs. They are petitioning Congress to cut delivery of mail from six days per week to five. Last year alone, over 24,000 jobs were eliminated, and management is aiming to cut another 50,000 this year. All told, since 1999, the career workforce has been cut by about 23%. But this is not all. Management's latest attacks are also preparations for an all-out assault on postal workers' livelihoods when contracts with most of the workforce expire in 2010-11.

The postal service is able to get away with this not because workers agree with this, but because they are disorganized. Four separate craft unions exist but their leaderships have done little to get in the way of the onslaught.¹ The union leaderships keep a leash on the workers' anger. They bow to the no-strike laws

enslaving postal workers. They are reluctant to have any sort of legal mass protests, lest they embarrass management. For decades they have been offering piecemeal contract concessions under the guise that if the postal service makes more money, this will preserve workers' jobs. They confine the struggle to a grievance procedure stacked in favor of management and an occasional legal challenge in the capitalist courts. Since they offer no serious resistance, management feels no compulsion to stop attacking workers or even obeying the contract. In this regard, too, the postal workers face a situation similar to that of the auto workers. For decades, the UAW leaders promoted concessions and "labor-management cooperation" as the saving grace for the workers. This policy didn't placate management – it helped them decimate the auto workers. Yet, the leadership of the postal unions continues along the same bankrupt path.

But no matter how much the union leaderships collaborate with management, the rank-and-file workers can never be reconciled to them. The never-ending onslaught against them is a constant source of anger. A good section of the workers is disenchanted with the union sellouts as well. The task ahead is for the rank and file to use their own initiative and build new, fighting organizations that can mobilize them for a real struggle against management. Today, the level of organized resistance is weak and scattered. The decades of passivity imposed by the sellout union bureaucrats are still far from overcome. But there are examples, however small, of resistance. Supporters of the Communist Voice Organization have been active in helping promote independent motion among the rank and file. It is these examples, however small, that will help inspire and guide wider groups of workers who will be thrown into the fray by the escalating onslaught of the postal bosses.

Management's onslaught at ground level in Detroit

To get an idea of how postal management is squeezing the workers, it's instructive to see how its national policies are playing out on the shop floor at postal facilities in the Detroit area.

In the past year or so, national postal management has escalated what it calls the National Reassessment Program (NRP). This program, in the works well before the present economic crisis, is a massive attack on the rights of injured postal workers. Postal work, whether moving mail in processing plants, machine-tending sorting machines, or carrying the mail, is quite strenuous and results in some 37,000 workers presently suffering long-term work-related injuries. In the past, the postal service has accepted responsibility under contractual agreements to provide work for those injured on the job. Even then, injured workers were harassed by management as well as the federal Workers' Compensation agency. Still, many injured workers were able to remain on the payroll and provided with work commensurate with their physical restrictions.

With the NRP management renounced its responsibility to those workers it injured. Postal management now claims that the

¹The four postal unions are the American Postal Workers Union, the National Association of Letter Carriers, the National Postal Mail Handlers Union, and the National Rural Letter Carriers Association.

work previously offered to injured workers is no longer “necessary work”, which is a lie as most of this work has simply been added to the burden of uninjured workers. Once injured workers are “reassessed” they are displaced from their previous work assignments. They are offered jobs in far-away places, jobs with greatly reduced hours, jobs that violate their restrictions, or no jobs at all. Indeed, according to management’s “2007 Comprehensive Statement on Postal Operations”, as many as 2,361 injured workers nationally had already been forced out of the postal service.

Injured workers removed from the postal service will be able to collect Workers’ Compensation for a while. But Workers’ Comp can then force the worker to accept employment with a new private employer. Here the worker will start out making the same wages as before, since the USPS has to make up the difference between the wages paid by the new employer and the previous postal wage rate. But the workers’ postal pension fund will not continue to build up to levels needed to retire, and health and life insurance benefits will be lost. Moreover, they are likely to work in a non-union workplace with no protections. There is nothing to stop the new employer from firing the ex-postal employee on any whim. And if that happens, Workers’ Comp is not required to find work. The end of the road for the injured worker could well be the unemployment line.

How the NRP operates can be seen in various Detroit facilities where about 250 injured workers are potential victims of reassignments. At a Customer Care Center (CCC) several dozen injured workers, mainly letter carriers, work answering phone calls from the public. The whole workforce there is subject to “reassignment” under NRP. These reassignments are not viable job offers. Some assignments only provide a few hours work a day. Some are 50 miles away. Others don’t account for the actual medical restrictions of the workers. CCC workers may be able to continue to work at their present assignments, but those assignments are merely “details”, temporary assignments that can be abolished any time. If that happens, they’ll be forced into their “reassignment” job that reduces them to part-time work or forces them to retire.

This policy not only means hardship for those with work-related injuries today, it means that in the future, workers injured on the job will also find themselves ruined.

As the economic crisis has deepened, management nationally has been stepping up efforts to reduce the work force in many other ways. In Detroit and elsewhere, letter carrier routes are being eliminated faster than ever, despite the existence of more delivery points. The remaining routes keep getting longer, placing a tremendous burden on the letter carriers, and moving them ever nearer to entering the ranks of the injured.

Meanwhile at the large mail processing center in downtown Detroit, the G. W. Young Center (GWY), management work-reduction tactics have become bizarre. Sections of workers there were ordered to sit in a break area for six hours a day and do nothing. Management calls this “stand-by” status. About 60 clerks and letter carriers were later put on a similar “stand-by” at the suburban Redford station. The irony of paying people to do nothing at a time when management is singing the blues about their budget crisis is evident. But there is a method to the madness. Management aims to eliminate the jobs these workers were doing and to remove a number of these displaced workers from the postal service itself.

Management has also forced hundreds of workers at the GWY and clerks at the neighborhood post offices in Detroit and vicinity to re-bid on jobs. Shifting to other jobs was a hardship for many workers. Worse, the number of jobs available was cut so there was nothing to bid on for many workers. These “excess” workers might be shuffled to stand-by status or offered jobs that might be 100 miles away.

Clearly management considers the contractual protections against layoffs to be not much of an obstacle. They have announced they are going to remove tens of thousands of “excess” workers’ jobs, and they don’t much care about the carnage to the workers.

The capitulation of the postal union leaders

In the face of postal management’s attacks, what has been the stand of the postal union leaders? It has ranged from doing nothing, to filing grievances that can only delay job cuts a bit, to inciting squabbles between different crafts over which craft should be entitled to the ever-shrinking number of jobs. As well, they oppose militant workers who have demanded mass action.

Let’s look at the stand of the National Association of Letter Carriers.

With respect to the National Reassessment Program, and its attacks on injured workers, it has filed a national class-action grievance. But its not pressing for resolution of the grievance; it has been on hold for years. The Detroit branch of the NALC has heard complaints in union meetings about the lack of action. But it too is afraid of action, and of offending the national leadership, so it passively accepts whatever garbage is fed to it by the NALC national officers.

Both the national and local NALC leadership push “labor-management cooperation”, according to which, if the workers sacrifice to help management solve its budget woes, this will somehow save the workers jobs. Just how bankrupt “labor-management cooperation” is can be seen by the open assistance the NALC national leaders are giving to management’s efforts to eliminate carrier routes. The NALC has agreed to an almost constant reevaluation of routes, and each time routes are evaluated, more are eliminated and the remaining routes are made longer. After agreeing to this constant reevaluation, the national and local union officials instruct the shop stewards (who actually carry mail themselves unlike the higher union officers) to make sure management doesn’t go “too far” in cutting routes. Weeks and months are spent bickering with management over the statistics produced by the route evaluations. But the bickering is nearly always over how many routes should be cut, not that routes should be added to cover the ever-growing number of delivery points. The idea that the burden on over-worked letter carriers should be eased, which would provide more jobs and earlier delivery times for the public, is not considered, just the financial needs of the postal bosses.

Recently, the Detroit branch of the NALC went so far as to turn over a good amount of time at two union meetings to Detroit district postal management so that they could tell letter carriers how lucky they were to be working for the post office while other workers are losing their jobs. Of course these are the same managers who are working night and day to eliminate jobs.

The clerks’ union – the American Postal Workers Union – has pretensions to be more pro-active than the NALC. But it too

is taking a flabby stand as the crisis deepens. Last fall, when management's plan to eliminate certain day shift jobs at mail processing centers across the country became known, the APWU national leadership filed a grievance and brought charges before the National Labor Relations Board. The Detroit APWU, filed similar charges. After several months, the Detroit case was supposed to come up before an arbitrator in April. But the case was postponed, at management's request, until May. All management had to do was pay \$5,000 to cover the costs of a delay. By that time, the job reassignments challenged in the case had already become a *fait accompli*. But that's not all. The grievances and legal maneuvers both at the national and local level, even if won, would only cause a delay in management going ahead with their job-cutting plans. As well, grievances can drag on for years while the job-cutting goes ahead. And there's no guarantee the arbitrator will oppose management. In fact, the arbitrators come from the same well-off strata as higher postal officials and are detached from the workers.

One pernicious tactic of the Detroit APWU leadership has been to blame injured carriers for the loss of jobs by clerks and to push for these carriers to be deprived of work altogether. An injured letter carrier naturally cannot carry mail all day, so whatever alternate work they are provided will, naturally, be indoor work that would, in other circumstances, be "clerk work." They Detroit APWU president filed a grievance demanding that only clerks should be entitled to work at the local Customer Care Center, where most workers are injured letter carriers. But the carriers at the CCC, as described above, are already under severe threat of job loss and this grievance only helps management get rid of them. Such tactics turn worker against worker, helping management get rid of workers of both crafts.

The flip side of the union leaderships' cooperation with management is their hostility to building serious collective resistance to management. At various meetings of the Detroit NALC and APWU, militant workers have called for mass protests. But to date the Detroit union leadership has failed to call a single protest. Instead they offer one excuse after another to avoid doing so.

The same union leaders conducted major campaigns to mobilize workers to campaign to get Obama elected. Supposedly this would be the key thing protecting postal workers. But management continues to slash jobs. Indeed, while Obama is not an open reactionary, like Bush, he too is on the side of the corporations, not the workers. Thus, he forks over trillions of dollars to the banking executives, but demands massive job cuts and other worker concessions as a condition for his auto bailout. But while the union leaders mobilize workers and spend millions of dollars in union dues to elect the pro-capitalist Democrats, they fear a serious mobilization of the rank and file against management.

The need for rank-and-file resistance

The fate of the postal workers cannot be entrusted to management, the union leaders, or the capitalist politicians. The rank and file must mobilize in their own defense.

In Detroit, the recent management attacks have led to some initial stirrings among the workers. At the downtown Detroit processing plant, a group of workers collected 124 signatures opposing management's plan to make workers re-bid for jobs. A

worker presented the petition to the union leadership at an APWU meeting, while he and another worker argued for mass picketing as opposed to the quiet response of the union leadership. When the local union president, Dwight Boudreaux, said that picketing would not get any support from the public because postal workers have "better jobs", a militant worker shot back "So, should we wait till we have nothing before taking action.?" These workers pointed out how rank and file pickets in the 1990s had been effective in fighting management's abuse of injured workers back then. A letter carrier militant has raised similar demands and exposed the union leaders cowardly position at Detroit NALC meetings.

There have also been modest steps forward in building rank-and-file organization. Several meetings have been organized. They were called as joint meetings across all crafts in order to help overcome the divisions sown by the union officials. Attendance was small, but there was lively discussion denouncing management and the union leaders and what sorts of things the rank and file could do to defend itself. There have also been some instances of workers distributing leaflets at several facilities. Right now the workers have not yet been able to move to wide-scale actions. But the humble steps forward show that rank and file organization is possible.

Our group, the Communist Voice Organization (CVO), and its supporters in Detroit who publish *Detroit Workers' Voice* leaflets, have been helping to push this motion forward. The CVO has also heard from a number of postal workers around the country. They express appreciation for our stand against management and the union misleaders and ask what can be done.

We have put forward various ideas on organizing the rank-and-file struggle in the current circumstances. Among our suggestions are the following:

- * Workers who see the necessity of struggle could call meetings of the rank and file of their workplaces. They may be at someone's home, or a public meeting place, a restaurant, etc. This provides an opportunity for everyone to voice their views and settle upon some course of action. The response to the meeting will also help clarify what steps need to be done next. It may indicate that the time is ripe for an immediate protest, or that a more protracted period of rallying one's coworkers is necessary.

- * Workers can develop their own protest leaflets or flyers. These can be circulated in various way at a worker's own facility, and workers can also distribute to other facilities. This sort of activity is vital. It shows that the rank and file can have its own voice and makes it possible to spread the struggle wider and wider. Building distribution networks would be an important step forward at present.

- * In contrast to the meek stand of the union leaderships, rank-and-file groups should express views that really advance the struggle. There should be emphasis on the need for mass struggle. The best agitation will also expose the sell-out policies of the present union leaders. There needs to be calls for solidarity between workers of all crafts. For example, letter carriers must stand in

defense of clerks and mail handlers who are being displaced. Clerks must oppose their union leadership's stand of removing injured workers from their assignments, allegedly to save clerk jobs.

There is also the question of what types of protest would move things ahead at this time.

* Leafleting at workplaces can itself be a form of protest. Leaflets can be given to postal workers, customers, passers-by. One may also have placards explaining the issue.

* Mass pickets would be an important form of protest at this time. The larger the better, or course, but even relatively small pickets can be effective in helping rally other workers and exposing management in public. Naturally pickets at the work facilities are needed. But it's also possible to hold protests in working-class communities and other places.

* Workplace actions of various kinds may be possible. In various instances, for example, workers have organized "work-to-rule" type of actions so as to limit their work loads and fight some injustice. If the conditions are right, stronger actions would be even more effective. Historically, whatever rights workers have won have come through strikes and other determined actions.

* The emphasis on mass action does not mean ignoring grievances and other legal challenges to management abuse. Indeed, rank-and-file activists may well file more grievances than the union officials. The reliance on mass struggle does, however, take into account that the legal channels available to the workers are no salvation, that they bog the workers down in bureaucratic tangles, can drag on forever, and, in the end, are slanted in favor of management. Moreover, if one pursues such legal avenues, the higher the level of struggle, the better the chance of a favorable outcome for the workers.

The rank-and-file stand on the postal budget crisis

Another issue that comes up in this period is what attitude to have to the budget crisis that the post office is in. Many workers who oppose management are nonetheless wondering what alternative there is to driving down the workers to balance the budget.

But the fact that the postal service has a budget crisis does not mean the crisis should be resolved on the backs of the workers. First, it should be noted that were it not for the Postal Reform Act of 2006, and its requirements that the postal service pay an extraordinary new increase of \$5 billion plus per year into funds for future retiree benefits, the postal service would have actually made a handsome profit in 2008. No doubt it is good to have adequate funding for retirees, but this need not have required this type of sudden increase or that the sole source

should be funds generated by postal employees.² The repeal of that act would erase a good section of the present deficits. As well, there has long been outrageous subsidies provided by the USPS to big bulk mailers as well and this is another factor that feeds the deficits. This too would help balance the postal budget, which is required by law to break even over a period of time. Of course the overall crash of the capitalist economy has led to much of the recent budget problems. But the workers were not responsible for this, and should not be the ones who have to pay for the damage.

But even should various measures be taken that reduce or eliminate the budget deficits, this does not mean that management will stop attacking the workers. Management was eliminating jobs for many years before the present economic crisis. And in the wake of the crisis, they will keep their foot on the necks of the workers, lest they encounter future budget deficits.

If the postal bosses claim it is necessary that they attack the workers to solve their budget woes, workers must reply that they have an economic necessity to defend themselves. In short the needs of management and the workers can never be reconciled. And whether the workers will manage to fend off the attacks of management depends on how strong their struggle is. This holds whether the postal budget produces profits or not. Even if the post office operates at a deficit, a strong workers' movement can greatly affect the outcome on workers. It can force what funds exist to meet more of the workers' needs. As well, the struggle can also result in other resources aiding the workers. If trillions of government dollars can be handed over to insure that the banking capitalists can continue to enrich themselves at the expense of the working masses, this means that serious aid could be offered to postal workers and other workers and poor. Whether this aid finances jobs or replaces the present tattered social safety net with a much more extensive system of unemployment and other benefits, such things can and should be demanded. Whether the working masses get the aid they need to survive these tough times or whether they are wiped out depends on one thing – how strong a struggle can they put up.

The issue facing postal workers is similar to that facing other workers. Everywhere the bosses are trying to solve the economic crisis by ruining the workers. In the post office this means a relentless effort to cut jobs, intensify workloads, punish injured workers, tear up contractual obligations, etc. The economic crisis is sharpening all the conflicts that have existed between workers and management. The need for mass action will grow. That is why even the tiny steps toward establishing a fighting rank and file movement are of the utmost importance. □

²It was not the workers who clamored for the Postal Reform Act, but management and the union leaders. Management liked the Postal Reform because it allowed them to change prices more easily, which, they thought, would lead to more profits. The union leadership liked it because they believed in the bankrupt idea that more profits means more jobs and wages would trickle-down to the workers.

Solidarity with the people of Gaza!

The following article is based on the presentation at the Detroit Workers' Voice Discussion Group meeting of January 25, 2009.

The topic today is solidarity with the Palestinian people in the face of the invasion of Gaza and the continuing economic blockade. There will be a presentation, followed by open discussion.

From December 27 to January 17, Israeli planes, artillery and, eventually, tanks and soldiers attacked the Gaza strip. The targets included police stations, government offices of any type, several mosques, schools including colleges, and many, many houses and apartment buildings. Any building having anything to do with the government was declared a target; any member of the ruling party, Hamas, was a target, and any dwelling where such a person lived was declared a legitimate target. Moreover, the water, food, energy and other supplies to Gaza were completely cut off. Hospitals ran out of supplies; families out of food. Eventually Israeli declared daily three-hour ceasefires to allow a few supplies in. But the Middle Eastern TV station Al Jazeera televised constant violations of this Israeli-declared ceasefire by Israel itself. Meanwhile, the dead in Gaza included medical personnel, a Palestinian driver of supplies passed through by Israeli authorities, and people taking shelter at UN-run schools.

The Israelis tried out a variety of weapons on Gaza. They used tanks and artillery. They used pilotless drones to target Gazans for assassination, something which they have been doing from before this incursion. They used white phosphorus, a napalm-like chemical which is illegal to use on civilians — Israel dropped it in crowded Gazan neighborhoods, piously saying it was just there as a smokescreen.

Israel said it had the right to bomb any Hamas-run facility in Gaza. Since Hamas is the government in Gaza, this means Israel gave itself the right to attack just about anything. Moreover, to prove that it should be feared, Israel made a point of attacking UN-run installations as well. Thus some UN personnel are talking about Israel having committed war crimes in Gaza, and even UN head Ban Ki-Moon says that attacks on these facilities are "an outrageous and totally unacceptable attack on the United Nations". Of course, the UN being what it is, a forum of bourgeois governments, dominated by the most powerful ones, he's far more indignant over attacks on the UN than over attacks on Gazans.

In other conflicts, to show how serious the situation is, figures may be given for how many Americans would be involved if the conflict was happening, not in a small country, but a country the size of the US, and the same relative number of people were involved. Given the relative size of the US and Gaza, the 1,300 Palestinian dead would be equivalent, proportionately, to 260,000 Americans killed. 50,000 Gazans homeless, equivalent to 10 million Americans living on the street. Well, there is a limit to how meaningful it is to scale things up this way, but it may give an idea of how devastating this massacre has been for Gazan society.

And Israel did this as part of a calculated plan. The Israeli

press — the ordinary, establishment press, not the alternative press — says that Israel is following the policy it calls "the boss is crazy". This means that it is trying to prove that the Israeli government might do anything, no matter how outrageous, in response to even the slightest provocation. The Israeli government didn't simply miscalculate a "proportionate response": no, the idea was to convince everyone that the Zionist government doesn't give a damn about proportionate responses. It will act as a wild man, who you'd better tiptoe around. No doubt, the Israeli government has achieved this objective, of convincing many people in the world that it really is crazy, and will commit any crime that happens to cross its mind.

Now Israel has declared its own unilateral ceasefire. It made a point of having the ceasefire unilateral: that is, it made a point that it won't have anything to do with the Gazan government or the Gazan people. It will simply dictate whatever it wants. And therefore, in its view, it won. But in fact Israeli panic at Palestinian resistance continues. Israel has bombed and killed and maimed and blockaded, but they haven't changed the situation.

Meanwhile Hamas has also declared it has won. It may have suffered a hundred times more casualties than the Israeli army, but when the dust clears, it is still in power. The world has seen more of what Israeli oppression of the Palestinians means. Yet Hamas's strategy, too, is in crisis.

The Palestinians masses have survived another atrocity committed against them; they have endured despite greater and greater hardships. They are not going to give up. But they face a difficult situation, subject to strangulation from Israel, and divided among themselves.

What was behind this war, or rather, one-sided slaughter?

The immediate cause was the expiration of the ceasefire of June 2008 between Israel and Hamas. According to its terms, Hamas was supposed to stop firing rockets at Israel, and Israel was supposed to stop carrying out assassinations and attacks in Gaza and to allow goods to go through the crossings into Gaza without hindrance. The number of missile attacks on Israel dropped to almost nothing during the ceasefire, and it seems that Hamas, which is not the only organization firing missiles at Israel, was pretty much obeying the ceasefire. But Israel had kept up a blockade of Gaza. It only allowed a slightly larger trickle of goods than before into Gaza. The Gazan economy was still being strangled: there could be no trade with anyone outside Gaza; energy had to come from Israel, which enforces a brutal energy shortage; food and water were also blocked; and so forth. Hospitals lacked supplies; food came mainly from international aid, and even that was interfered with; and many supplies, not just rocket parts, came only through clandestine tunnels to Egypt near the Rafah crossing. This amounted to an ongoing strangulation of the Palestinians. As well, Israel itself had decisively broken the truce on November 5 with a major attack in Gaza, and later in the month Israeli government leaders began talking about resuming targeted assassinations of Hamas leaders.

Now, the missiles fired at Israel are crude devices, which can hardly be aimed. Hamas fires them off with the hope of hitting something, anything in Israel. It uses these weapons because it is

an Islamic fundamentalist organization which doesn't have any idea of solidarity among the working people of all countries and religions. We are not supporters of Hamas or of its methods, but of the Palestinian people. Nevertheless, the imperialist hysteria about these missiles ignores what is really going on. Hamas uses these missiles as one of its only means of putting pressure on Israel to come to an agreement, and of retaliating against Israeli attacks. And the continued Israeli blockade of Gaza, and attacks on Gaza, cause incredibly more deaths and much more suffering than the Palestinian missiles from Hamas or other groups; this suffering continues not just during sporadic attacks, but on a 24/7 basis.

Compare Israel and Hamas. In 1967 Israel launched the 6-day war against its neighbors. One of the main reasons it gave was that its neighbors had blocked its access to the Red Sea. Yet Israel still had its shoreline on the Mediterranean, a functioning internal economy, and commerce and direct links with the rest of the world. But even blockading just one of Israel's connections to world trade was regarded by Israel as an act of war justifying full-scale invasion.

Well, Israel has been blockading all entrances to Gaza for 18 months. It has destroyed the commerce of Gaza and created, even before the recent fighting, an ongoing humanitarian disaster there. The point of this blockade is that Israel wants the Gazans to overthrow the Hamas government. It thinks that if it starves out the population, they will eventually do its bidding. The recent war is a continuation of this policy. The Israeli government openly says that the point is to have the population blame Hamas for its suffering. The recent war is simply then a continuation of the policy of having Israel and the US dictate the Palestinian government.

Where does the Hamas government come from? It arose from elections for the Palestinian Authority. This authority runs an area, the West Bank (minus the numerous Israeli settlements, roads, checkpoints, and security zones) and Gaza, both sections being completely isolated from the world by Israel. The Palestinian areas are not allowed any direct contact with the rest of the world, whether an airport or a port on Gaza's shoreline or free access through checkpoints. Palestinians can not even go from Gaza to the West Bank without approval at Israeli checkpoints; nor can they move freely within the West Bank itself. Many children have to pass through checkpoints to go to school; sick people, to go to a medical facility. Even the custom duties the Palestinian Authority levies on imports and exports are collected by Israel, which thinks nothing of simply refusing to hand them over in order to put more pressure on the Palestinians. Even the water resources in Palestinian areas are, to a large extent, monopolized by Israel, which allows Jewish settlements on the West Bank many times more water per capita than Palestinians receive.

Now, Fatah's Mahmoud Abbas had won the presidency of the Palestinian Authority in elections in January 2005. But then there were the legislative elections in January 2006. And Hamas won a majority in these elections.

As a result, the US, Israel, the European Union, and various Arab countries imposed sanctions on the Palestinian people, sanctions for having voted for the wrong people. The outside powers demanded that Hamas accept the agreements made by Fatah with Israel, and they believed that by punishing the

Palestinian people they could reverse the election result.

Nor did Fatah and Mahmoud Abbas accept the vote. A series of complicated political maneuvers resulted; a Hamas-led government was formed; the security apparatus of the Palestinian authority mainly refused to obey this government; President Abbas dismissed the Hamas government; and the Hamas-led government, in turn, dismissed his decrees. Indeed, a festering civil war with many casualties broke out between Fatah and Hamas, and has lasted to the present, punctuated occasionally by such things as a brief national unity government.

Meanwhile, in June 2006 Israel invaded Gaza (the recent invasion is hardly the first), then too with the excuse of stopping rocket fire. It also took the occasion to capture 64 Hamas officials, including 20 members of the Legislative Council, and about one-third of the Hamas cabinet officials, and also the Speaker of the Palestinian Legislative Council. Thus Israel showed its lack of respect for even officials of the Palestinian Authority, and its determination to dictate who was the Palestinian government. Here's democracy for Palestinians, Israel and US-style: win election, and go to jail.

Afterwards, the US and Israel continued to help arm the forces loyal to Abbas or, at least, hostile to Hamas. But this didn't work out as planned. In June 2007 the Fatah-Hamas civil war reached the point where, in Gaza, Hamas suppressed the security forces loyal to Abbas and took over completely, while Fatah consolidated its hold on the West Bank and suppressed Hamas's organizations there. The Palestinian Authority directly broke into two parts, one section in the West Bank, and one section in Gaza.

The policy of suppressing Hamas having failed, Israel and Hamas sort of came to terms, and there was agreement on the ceasefire of June 2008, which I referred to earlier. But Israel barely allowed a larger trickle of goods into Gaza, and — in violation of the ceasefire — continued to choke the flow of food, water, energy, and other goods into Gaza.

It is this policy of seeking to dictate the Palestinian government — as well as the fact that, over the years, Israel has waged attacks on all other Palestinians groups as well — that is behind this war. The war is the continuation of the policy of the blockade, the policy of starving out the Palestinian people.

Israel gives several excuses for its actions:

* The Israeli Zionists say that they are democratic, and the Palestinians are not. But not only was this a war to reverse the results of an election, but the theocratic Zionist parties in Israel should be ashamed to talk of democracy. True, Israel has the form of a parliamentary democracy. But it forbids any party to run in elections unless it accepts that Israel is a Jewish state, that is to say, a state with special privileges for Jews, a theocracy. Parliamentary debate isn't allowed on this. Section 7(a) of the basic election law in Israel states that a party "may not participate in the elections if there is in its goals or its actions a denial of the existence of the state of Israel as the state of the Jewish people". This is equivalent to the Islamic fundamentalists in Iran declaring that no party may run that denies that Iran must be an Islamic state, a theocracy. And it's not a mere formality. Israeli Arab politicians have been attacked on the basis of this law. But for that matter, last week the Israeli government banned *all* Arab political parties from running in the coming legislative elections in February; this is punishment for Israeli Arab demonstrations

against the invasion of Gaza. Only Israeli Arabs who are not in predominantly Arab parties will be allowed to stand for election. [The Israeli Supreme Court overturned the ban on the Arab parties, so they did run in the elections.]

The fact is that, defining itself as a Jewish state, Israel is therefore a theocracy, just as much as an Islamic state is one, even if Israel is one with a pro-Western style. It is based on the oppression of the Arab masses, both those in Israel proper and those in the West Bank and Gaza. It cannot accept that Israeli Arabs have equal rights with Jewish Israelis, even those Palestinians who live within its borders and are formally Israeli citizens. Nor can it accept that the masses in Gaza and the West Bank should have any rights at all, and it is determined to ensure that these Palestinians never become Israeli citizens. Indeed, the Israeli government has been considering how to push more Arabs out of Israel, and remove their citizenship. For example, in the negotiations with the US government and the Palestinians about a "two-state solution", the Israeli government has raised the idea of removing more of its Arab population and forcing them across the border into a Palestinian entity of some type.

* The Israeli government also complains of the missile attacks. While we oppose the missile attacks on civilians, we think that a government that carries out continued targeted assassinations and its own bombing attacks is hardly in a position to point the finger at others. Moreover, the truth is exactly the opposite of what the Israeli government says. Israel attacks Gaza not because Israel is being attacked by missiles, but because these attacks are ineffective. If Gaza had the ability to defend itself, the Israeli government would be negotiating, not regarding Gaza as one big slaughterhouse. Israel attacks Gaza over and over because it can attack Gaza with relative impunity. So it feels free to use any excuse, no matter how flimsy. Indeed, it has been noted that Israel often stages an attack on the West Bank or Gaza, and then uses the Palestinian retaliation as an excuse to stage more attacks.

Well then, why does the US government side with Israel against the Palestinians? Why didn't the US government get upset at this massacre of Palestinians?

It's *not* because there are a lot of Jews in the US. In fact, the American population is only 2% Jewish or so. Moreover, many American Jews do not agree with Israeli policy. Most of these dissenters don't have as radical a critique of Israel and the idea of a Jewish state as we do, but they don't like seeing Palestinians massacred. It's also notable, with respect to US policy in the Middle East, that pollsters tell us that, statistically, Jews are among the part of the American population most opposed to the US occupation of Iraq.

No, there's another reason that the US government supports Israel. It's because Israel is a useful tool of US imperialist policy. The American bourgeoisie seeks to exploit not only American workers, but the entire world, and the American government is an imperialist government that throws its weight, and scatters its military bases, around the world. The American government is very interested in the Middle East, both for its oil and for its strategic position, and talks of its vital interests there. And Israel serves as an aircraft carrier state for the US government—a big, solid base for American capitalist interference in the Middle East. Israel not only backs US policy, but its state of constant

opposition to its neighbors leads it to infiltrate and undermine and destabilize various governments and movements in the Middle East. Recently Israel is even talking about carrying out an air attack on Iran, and it has served as a base against Arab political movements, both revolutionary movements and bourgeois movements.

Nowadays there is a good deal of talk about how the situation with Israel and Palestine is a problem for the US government. And perhaps, with US bourgeois policy in the Middle East turning into a fiasco with the occupation of Iraq, some US imperialist strategists might be getting worried that the US government seem too close to Israel. But mainly they are worried about appearances. The long-running Israeli-Palestinian conflict has been a godsend for US imperialist policy for decades.

Another question is why the tremendous brutality with which the Israeli government has treated the Gazans? And indeed, this brutality is only a continuation of how it has treated Arabs since the foundation of Israel. It treated Lebanon the same way in 2006, seeking to destroy as much of the Lebanese infrastructure as possible in their war. Why is there such unrestrained ferocity? Why the policy of the "boss is crazy"?

It's *not* because there is something genetic in Israeli leaders or something peculiar in the Jewish religion. It is because this is the typical brutality with which imperialism has always treated colonial peoples, and always waged war against peoples it believed to be weaker than itself. Whether it is the occupation of Iraq in the last few years, the on-going war in Afghanistan, the long years of the war in Vietnam in the past, or the war against the Filipino movement back in the days when the US was the colonial master there, the US government has behaved the same way. And the Soviet Union, which pretended to be communist but was really state-capitalist, used the same brutality in its war in Afghanistan, that the US is using now.

Indeed, in World War II, the major imperialist powers sometimes even treated each other the same way. At the beginning of the war, the western powers were shocked at Nazi bombing of Guernica in Spain and fire-bombing of Coventry and London in England. But as the war went on, the US and Britain staged more and more of their own terror and fire-bombing raids on German cities, and the US on Japanese cities. Gigantic firestorms were intentionally created, and up to 100,000 people would be killed in a single raid. For the working class, the issue was to defeat fascism, but for the American and British bourgeoisie, there was no compunction against engaging in mass slaughter.

There are no inherently good peoples, and no inherently evil peoples. All peoples are divided into classes. The class struggle between the working class and the bourgeoisie exists in all peoples, Americans, Germans, Palestinians, Israelis, Jews, Muslims, and Arabs. The only alternative to the brutality of modern imperialism is building a movement that will unite the workers of all countries.

With regard to Israel, while its refusal to accept the results of the election that brought Hamas to power is the immediate cause of the Gaza massacre, the underlying cause is the attempt to build a religious state based on a minority religion. The only real solution for Israel and Palestine is for there to be a single state where people of all religions have equal rights; where Arabs,

Jews, Muslims, Christians, and nonbelievers live together in peace; and the Palestinians have the right to return to their homeland, from which they were forcibly removed. And it is the working class that is most interested in this, and that will eventually be the force that fights for it. Meanwhile each section of the bourgeoisie is interested in special privileges for itself, and the bourgeoisie as a whole is especially interested in dividing up the working class so that it won't unite across religious, cultural, and ethnic lines; the last thing the bourgeoisie wants to see is the workers unite on class lines.

Israel, to establish itself as a theocracy, had to expel the majority of Palestinians. That is what happened. When Israel declared independence in 1948, this gave rise to war with its neighbors, as neither the Palestinians nor any Arab country accepted Israeli independence or the UN partition plan of 1947. Today even various Israeli historians have shown that the Israeli armed forces intentionally committed massacres for the sake of pushing the Palestinian masses out of the country. They forced many Arabs to flee, even attacking some Arab villages that weren't part of the war and that had alliances with them. When the war was over, they prevented Palestinian Arabs who had fled their villages from returning, and took over their land.

From then to now, Israel has been based on keeping the Palestinians who fled, and those descended from them, out of the country. And it is based on putting pressure on the remaining Palestinians inside Israel. Palestinian Israelis have lower living standards, educational standards, and worse jobs than other Israelis, and there are many obstacles against them improving themselves.

Indeed, the Israeli Zionist parties today openly worry that Arabs might end up a majority in Israel. That's why they are thinking about a "two-state" solution, albeit one in which the Palestinians are warehoused in a powerless and isolated series of refugee camps called a state. If the Israeli government directly annexed the entire West Bank and Gaza, this would mean that the Palestinians presently living there would now be living in Israel. This would add to the number of Palestinians who presently live inside Israel and who already constitute about 20% of its population. So instead Israel gradually encroaches on the West Bank with heavily-subsidized Jewish-only settlements, which have privileged living conditions, rather than annexing the West Bank all at once. And that's why Israeli troops withdrew from Gaza several years ago, and Israel claimed that it no longer occupied Gaza, although Israel claimed the right to continue to control Gaza indirectly. They are following the old Bantustan practice that South Africa was so infamous for. Indeed, the Israeli government, during negotiations about a "two-state" solution, has repeatedly suggested that the borders be arranged in a way that would force many Israeli Arabs across the border onto the side of the Palestinian "state".

At one time the Palestinian Liberation Organization electrified the world by not only fighting militantly against Israeli oppression, while the corrupt governments of the Arab bourgeoisie collaborated with imperialism, but also by advocating a democratic, secular (non-religious) Palestine embracing the entire territory of Palestine and Israel, a country in which Jews and Arabs would live together in peace. This was the correct solution, and for a time the PLO stood up for it.

But the PLO leadership increasingly lost its connection with

the masses. It finally came to terms, to some extent, with Israel and imperialism. When it negotiated the Oslo agreements, it didn't simply compromise with the Israeli government. It also gave up the ghost, abandoned its goals and its independence from Western imperialism, didn't pay much attention to the welfare and conditions of the masses, and sought cushy positions for its leaders. Arafat became notoriously wealthy and a number of other leaders also enriched themselves, while eventually the masses became increasingly impoverished. It is this which allowed Islamic fundamentalism to gain influence. Hamas organized certain welfare institutions for the masses; it was — for the time being — less corrupt; and it maintained an independence from Israel. But Hamas's Islamic fundamentalist standpoint is hostile to the interests of the masses. And it is opposed to the class struggle; it is based on keeping the working masses from a class stand. This is a difficult situation for the masses, as there is presently no large-scale organization standing for a truly revolutionary movement in Palestine, and Hamas will no doubt use a strong arm against all working class forces that oppose it. But it shows that class issues are intertwined with the issue of effectively fighting against national oppression. It is the PLO's bourgeoisification that has led to its bankruptcy.

Returning to the current situation, what is the present outcome of the war?

* For one thing, the two-state solution looks worse than ever. The invasion of Gaza shows that the two-state solution means maintaining a Palestinian Bantustan where Israel can enter and rampage and kill whenever it wishes. The hope that the two-state solution will give Palestinians a truly independent home goes against the reality of Israel's need to oppress the Arab masses, if Israel is to maintain itself as a theocracy.

* Secondly, the brutality of the Gaza massacre has been a defeat for Israel. This is continuing to whittle away at Israeli support, and to expose imperialism in the eyes of many working people.

* It has also put a good deal of pressure on many of the bourgeois Arab states in the region, especially Egypt. They have been exposed yet again as collaborators with Israel against the Palestinians masses. They have no interest in defending fellow Arabs; they have no interest in democracy. They only want to preserve the rule of the local Arab bourgeoisies by making deals with imperialism.

* A few bourgeois Middle Eastern governments have found themselves somewhat strengthened. The Islamic fundamentalist government of Iran, for example, is no friend of the working masses, but it benefits from the discomfiting of the other regimes. But this can't save it from the contradictions building up inside it. That, however, is a story for another day.

* It's not clear that the unilateral ceasefire will hold, and that the battle won't resume. So long as the blockade of Gaza remains, and the people are threatened with starvation, the possibility of a resumption of hostilities remains.

* The demagoguery of the US government as a supposed "honest broker" between Israel and the Palestinians, and the pretenses of Bush's "road map" and other schemes, are shot to hell. Although the US government backs Israel to the hilt with diplomatic support and military aid, it likes to present itself as caring about the Palestinians too. Yet in this war, its heartlessness to the

Palestinians is exposed once more. And this comes at a time when the occupation of Iraq and the "war on terror" have placed US policy into difficulties. This is a problem for the new Obama administration. So far, he has gone along with letting Israel crush the Palestinians as long as it liked, but appointed George Mitchell as his Middle Eastern envoy. This means continuing the same old imperialist policy, but hoping that Mitchell, a more subtle politician than Bush and his crew, can put it across.

And what should working class activists do? We should support the Palestinian people against oppression, and thus help forge the international unity of the working masses. In doing so, we should bring out how it is US and world imperialism that back their continual oppression, and we should take every

opportunity to bring out the class issues in this struggle.

There are so many facets of the Israeli-Palestinian question that I could barely touch on some of them, and had to ignore many others. There are issues such as how the Israeli government has continued the settlement policy in the West Bank, broken up the West Bank into enclaves, and stripped the Palestinians of their water supplies; how have Israeli Arabs fared; what are the different forces inside Israel today and what are the prospects for the Israeli working class; more on what happened to the PLO; how should working class activists deal with Hamas; what is really meant by a "two state" solution, etc. But I will have to leave these issues to the discussion period or for another time. □

‘Cap and trade’ won’t work

The politicians vs. the environment

Below is an expanded and referenced version, prepared last October, of the presentation at the Detroit Workers’ Voice Discussion Group meeting of Sept. 21, 2008. It was given under the title of “McCain and Obama vs. the environment”. Since then Obama has been elected president. But the presentation still reflects the basic stand of the Democrats and Republicans with respect to global warming. It concludes that “Obama is somewhat more serious about the environment than McCain and Bush, but the methods he proposes are pretty much the same, and they are going to lead to disaster. This is because they are neo-liberal measures, that seek to avoid regulation and to work through market incentives and subsidies.”

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In this election year, there has been some campaigning about the environment and the danger of global warming. And now, with hurricanes Ike and Gustav hitting Louisiana and Texas, and with Ike, Gustav, Hanna and Fay devastating Caribbean areas like Cuba, there has been some illustration of the dangers facing us. Currently the ongoing financial hurricane has pushed the environmental issue into the background, as the collapse of major financial firms gives rise to fears of another 1929-style crash, and the Bush administration, with the aid of the Democrats, pushes a huge bailout for Wall Street, but sooner or later the environmental issue will be back.

If you examine their official programs, both McCain and Obama have trumpeted environmental plans. They have promised a multitude of measures to deal with global warming and high energy prices. They claim their programs will lead by 2050 to a reduction in carbon emissions of 60% (McCain) or

80% (Obama) from 1990 levels. (Of course, 2050 is safely well beyond their terms, even if they are elected twice to the presidency.) They assure one and all that they will make the US a world leader in environmentalism.

They promise the sun and the moon. Or so it seems so long as one doesn’t look too closely at their programs. But it turns out that they are both pledged to much of the basic program of Mr. “I don’t give a damn” Bush on the environment: “clean coal”, corn ethanol, and nuclear power.

McCain’s program of “no oil well left undrilled, no fossil fuel left unburnt”

McCain’s real contempt toward the environment is revealed in his fervent campaign to expand off-shore oil drilling into every environmentally-sensitive area. He is concerned for the profits of big oil, and so what if the coasts are spoiled and the planet burns? He blames the rapid increases in oil prices on environmental protection, and, prattling the most absurd things like a fool, pretends that mere talk about drilling a few off-shore oil wells could bring oil prices down.

But at the same time, following Bush’s example, McCain has learned to hide his real views behind a purely verbal recognition of the problem of global warming. Indeed, he has tried to out-Bush Bush on this, and for a time he was thumping his chest about global warming in speech after speech. He has put forward a series of numerical goals for carbon emission reductions, and boasts that this means his policy is “Built On Scientifically-Sound, Mandatory Emission Reduction Targets And Timetables”.¹ So what if the measures he advocates will no more achieve these timetables than his advocacy of off-shore drilling has changed gasoline prices? All McCain wants is the image of environmental concern, not the reality.

The “clean coal” fraud

The Bush administration has championed the “Clean Coal Power Initiative”, thus diverting money and effort from real work to deal with global warming into promoting entrenched capitalist interests in the coal industry. And McCain will continue this fraud. His energy program calls for investing billions of dollars in “clean coal”, and he looks forward to American industry making money selling these plants “to countries like China that are committed to using their coal”, thus reinforcing their use of coal.

But coal plants are among the worst producers of greenhouse gases and other pollutants. The fight against global warming

¹See the page on “Climate Change” on his campaign website: <http://www.johnmccain.com/Informing/Issues/da151a1c-733a-4dc1-9cd3-f9ca5caba1de.htm>. [After the elections, the campaign materials started to come down, so many of the internet references in this article are no longer valid.]

requires replacing coal as a source of energy. As for “clean coal”, the same coal-burning industry that for years stubbornly resisted regulations to reduce sulfur dioxide emissions (one of the main sources of acid rain) now claims that they are zealously developing “clean coal” plants that won’t emit carbon dioxide or other pollutants. The carbon dioxide from burning coal will supposedly be captured and stored safely and permanently underground (this is called carbon “capture and sequestration”). Various other pollutants will be cleaned from the smoke, but thrown out into landfills or other places where they will leak back into the environment.

But while they trumpet the supposed virtues of “clean coal”, the fact is that no such plants exist today. Not even an experimental prototype. It may be 10 or 20 years until one can examine one in operation, and see if it really works.² So in practice the term “clean coal” is also used to refer to plants which simply emit somewhat less pollutants than the older ones. Meanwhile, coal plants — even the envisioned “clean” ones — are major users of water, and so unsuitable for a situation of a warming planet facing water shortages. I’ll discuss the water situation more with respect to nuclear power, but it applies to coal as well.

Escalating the use of nuclear power

Aside from coal and oil, McCain’s real zeal on the energy front is for nuclear power. Why, he wants 45 new nuclear plants by 2030, on to the way to his goal of 100 new plants.

Yet he has no solutions to the problems of the disposal of nuclear waste, of decommissioning of nuclear plants reaching their end-life, and of improving their overall maintenance and security. Ironically, here in Michigan he trumpeted his support for nuclear power at an appearance at the Fermi II nuclear reactor, which is the site of a partial nuclear meltdown in 1966 of the previous reactor at this site, the Fermi I plant. Naturally McCain doesn’t talk about the various mishaps that continually occur at nuclear plants, or how he would avoid them. The fact is, that while nuclear power may perhaps be improved in the future, it is, for the time being, a dangerous source of power. And there aren’t even prototype reactors that avert the dangers of today.

Aside from its dangers, there is another reason why nuclear power isn’t suitable for a time of global warming. That’s because we face a perspective of hotter summers, droughts, and water shortages. And it turns out that nuclear power plants require a lot of water for cooling when they operate; they are among the thirstiest of the present-day large-scale power plants. As a result, they have been known to shut down during hot summers — due to either lack of sufficient water in nearby rivers or lakes, or to

the water being too hot. For example France, which produces most of its electricity through nuclear power, had the nasty surprise of having to temporarily shut down a number of its plants during the heat wave of summer 2003. Again in 2006 a number of European nuclear plants, in France, Spain and Germany, had to be shut down. And in 2007, for the same reason, the Tennessee Valley Authority had to shut down one of its reactors at Browns Ferry. Meanwhile, there is growing pressure from the nuclear industry to relax environmental rules governing how much reactors are allowed to heat nearby bodies of water, as otherwise there will be more reactor shutdowns.³

Why do nuclear plants use water? It’s because they are in essence giant steam engines, or, to be more precise, steam turbines. They use nuclear power to provide the heat to generate steam. But all steam turbines require, not just a source of heat, but condensers to help cool the steam back into water. This is true of all steam turbine plants, whether nuclear or fossil-fueled. For technical reasons, nuclear plants require the most water. Coal is the next worst, and it doesn’t just require water for cooling purposes, but also it ends up with a lot of dirty slurries and other uses of water. Natural gas plants use less water than nuclear or coal, but still use a lot.

So why does McCain promote nuclear power as the supposed super-clean fuel suitable for the future? It’s because an expansion of nuclear power would give decades of major profits to construction companies and engineering contractors. It would

³ All power plants that use steam turbines require a good deal of water to operate: some of the water is “consumed”, for example, by being turned into vapor; and even more of the water, while (hopefully) left uncontaminated, is heated up in the course of being used for cooling. Depending on how the cooling is done, a plant with one type of cooling system might use more than thirty times as much water as another. Many present nuclear plants are of the type that use the most water. But even nuclear plants of the best design use a significant amount of water, and a nuclear plant with any type cooling system uses more water than any other power plant with a similar cooling system.

Coal plants are the next thirstiest plants to nuclear; natural gas plants are better but still use a lot of water. On the other hand, solar power doesn’t use water, and wind power uses, relative to coal or nuclear, a negligible amount of water (the blades of wind turbines periodically have to be periodically washed, otherwise water isn’t used at all).

For the nuclear shutdowns in France in 2003 see the IPS (Inter Press Service News Agency) report “ENVIRONMENT-FRANCE: Dangerous Summer for Nuclear Power Plants”, July 9, 3002, by Julian Godoy, ipsnews.net/print.asp?idnews=29441. For the shutdowns of 2006, see the report in the *Christian Science Monitor*, “Problems with Europe’s nuclear plants have raised worries just as the energy was gaining support”, August 10, 2006, by Susan Sachs, www.csmonitor.com/2006/0810/p04s01-woeu.htm. And for the TVA shutdown, see “Union of Concerned Scientists Backgrounder: Rising Temperatures Undermine Nuclear Power’s Promise,” August 23, 2007, www.ucsrisingtemps82307.pdf. This is distinct from the shutdown at Browns Ferry the year before, on August 17, 2006, when water pumps failed. (“Operators in Alabama shut down nuclear power plant after networking problems caused water pumps to fail last year”, Robert McMillan, IDG News Service, May 22, 2007, www.pcworld.com/printable/article/id,132118/printable.html.) The shutdown in 2007 had nothing to do with reactor malfunction; it’s just what happens to nuclear plants when water gets too hot.

² The climate scientist Dr. Hansen says it will take a decade or more to develop plants that store carbon underground, and that’s a conservative estimate. Others suggest that it will be closer to two decades. A bourgeois thinktank, Cambridge Energy Research Associates, Inc. (CERA), says that “Even in the best case, CCS [carbon capture and storage] is at least two decades away from large scale deployment.” (“Global Climate Change Response Can Spur \$7 Trillion in Clean Energy Investment by 2030: CERA Analysis”. (<http://www.cera.com/asp/cda/public1/news/pressReleases/pressReleaseDetails.aspx?CID=9239>).

also help sanitize the US government's military nuclear program. And it is also notable that the US and other nuclear powers have plans to control the supply of fuel to the nuclear plants of other countries. This is one of the missions of international nuclear inspection. But this gives the countries controlling the nuclear fuel a stranglehold on the energy supplies of countries that depend on them. It is for these reasons, not the environment, that the Bush-McCain program puts such stress on nuclear power.

Corn ethanol

Corn ethanol has become something of a disaster, with even *Time* magazine and other establishment sources recognizing some of its problems, such as helping to raise world fuel prices. So where did this catastrophe come from? Does it show that environmentalism is just a scam?

But the production of American corn ethanol dramatically zoomed, reaching crisis levels, under Bush, who doesn't give a damn about the environment. The Bush administration pushes domestic corn ethanol in order to promote American agribusiness, give subsidies to corporate interests, and so forth, while hypocritically presenting corn ethanol as an alternative fuel supposedly being developed for high-minded environmental purposes. But in fact American corn ethanol isn't much better, and may well be worse, than plain old oil. So much oil is used up in growing corn, both as fuel for farm machines and in the production of fertilizer, and in converting corn to ethanol, that it may not save any greenhouse gas emissions at all.

So the ethanol disaster is the product mainly of capitalists and politicians who don't care about the environment. It doesn't discredit environmentalism in general, but only corporate and establishment environmentalism, which use "green" words to cover up the ravaging of the globe by the free market.

Now, Mr. "Maverick" McCain used to denounce corn ethanol, saying that "thanks to agricultural subsidies and ethanol producer subsidies, it is now a very big business — tens of billions of dollars that have enriched a handful of corporate interests — primarily one big corporation, ADM. Ethanol does nothing to reduce fuel consumption, nothing to increase our energy independence, nothing to improve air quality."⁴

So here was one point on which McCain opposed the Bush program. But oops, as McCain became more serious about seeking the presidency, he turned around and endorsed ethanol. By 2006 he was saying "I support ethanol and I think it is a vital alternative energy source not only because of our dependency on foreign oil but its greenhouse gas reduction effects".⁵ And since then he has been waffling back and forth, backing ethanol but criticizing subsidies for it. Thus his election platform on energy states that "John McCain Believes Alcohol-Based Fuels Hold Great Promise As Both An Alternative To Gasoline And As A

Means of Expanding Consumers' Choices. Some choices such as ethanol are on the market right now."⁶

McCain also looks to developing the "second generation" of ethanol (cellulosic ethanol), as well as to foreign ethanol. But overall foreign biofuel, while not requiring the huge energy inputs of American corn ethanol for its production, is also giving rise to major problems: for example, the rapid expansion of Asian palm oil biofuel and Brazilian sugar ethanol is helping to destroy the world's remaining rain forests. Meanwhile cellulosic ethanol, whose wonders are endorsed by McCain, is an unproven technology which may have major effects on soil fertility if it isn't employed carefully. Although a limited use of ethanol might play a positive if minor role in the environmental crisis, the vast expansion of ethanol taking place presently, whose continuation is called for in McCain's program, is an on-going catastrophe.

Corporate subsidies

McCain makes a big deal of opposing subsidies for corn ethanol, which he regards as a violation of the free-market principles he holds sacred, but his energy program provides its own subsidies to business, such as "A Permanent Tax Credit Equal To 10 Percent Of Wages Spent On R&D". So it turns out that he simply disagrees with some other politicians over which capitalists should get subsidies.

In fact, the free-market is not going to reduce and eliminate fossil fuel usage, and there has to be overall planning. This means that the government has to act. It needs to enforce environmental regulations, to directly develop various promising energy sources, to reconstruct the energy grid, transportation network, and other infrastructure, and to develop programs to protect the livelihood of people during these major changes. This also requires a change in the way the government itself works. But McCain doesn't want the government to do these things, but instead to give subsidies to corporations, whom he imagines will do everything themselves.

McCain promises that the subsidies will include the promotion of wind and solar power. But that's just window-dressing. He would direct the bulk of government expenditures on the environment to things such as "clean" coal, which he pledges to devote \$2 billion a year to, and nuclear power, and he is prudently silent on the vast sums that would be required to accomplish his nuclear dreams.

Cap and trade

And what guarantee is there that these programs would result in cutbacks in greenhouse gas emissions? McCain doesn't believe in government regulation of the environment and prefers to leave everything to the free-market. So the only overall regulation of greenhouse emissions that he accepts is carbon trading, which is also known as "cap and trade". This is the system used under the Kyoto Protocol, under which the Europeans and Japan have failed to meet their greenhouse

⁶See <http://www.johnmccain.com/Informing/Issues/17671aa4-2fe8-4008-859f-0ef1468e96f4.htm>. Note that it is corn ethanol which is on the market in the US.

⁴This quote is from November 2003, but McCain had been saying things like this for years. See "McCain's farm flip: The senator has been a critic of ethanol. That doesn't play in Iowa. So the Straight Talk Express has taken a detour." by John Birger, *Fortune* senior writer (http://money.cnn.com/magazines/fortune/fortune_archive/2006/11/13/8393132/index.htm).

⁵Birger, *Ibid*.

targets. John McCain's version of "cap and trade" is even worse: it has so many exceptions and loopholes that it will be even more leaky than the Kyoto system.

I will wait to describe what "cap and trade" is until talking about Obama's proposals, because Obama also advocates "cap and trade" and, moreover, is probably more serious about it than McCain. For now, it suffices to say that it is a plan which aims to avoid the need for governmental regulations by utilizing self-regulation by corporations.

It should be mentioned that there is some doubt as to whether McCain really cares about cap and trade. Some people around his campaign are starting rumors that he has changed his mind about cap and trade. He seems to want it both ways: if you support "cap and trade", vote for him as he is for it, but if you don't, vote for him, because, wink, wink, he really is against it.

The Obama alternative, not so different

Obama has the support of many establishment environmentalists, who take him to have a forward-looking stand on global warming and environmental issues. Yet if one looks closely at his program, it centers on most of the same things as McCain's does. It not only is a program of market-based measures, like McCain's, but includes the same environmental frauds, such as "clean coal". Like McCain, Obama promises to meet all sorts of goals, but the program he advocates won't get us there.

Consider "Barack Obama's plan to make America a global energy leader". It looks forward to putting funds into "key technological development" especially on three fronts: biofuels, clean coal, and nuclear power.⁷ That's pretty much the same as McCain and Bush.

Obama and "clean coal"

Obama's program recognizes the major use of coal in the US and around the world. He would continue this use, both in the US and abroad, on the pretext of having "clean coal". This program is just as much a fraud when Obama puts it forward as when McCain or Bush does. It is just as much unproven and presently non-existent technology when Obama trumpets it, as when McCain and Bush do. It has the same problems with the countryside being devastated, and hills and streams bulldozed away, as they are with modern American mining techniques; with pollutants of various sorts; with the use of huge amounts of water; and with the doubtful idea that carbon dioxide can be stored underground forever.

Yet Obama pledges to "significantly increase the resources devoted to the commercialization and deployment of low carbon coal technologies."⁸

There is not a hint that these technologies are still on the drawing board at best — Obama wants to start their commercialization immediately. Note that the term "low carbon coal" is a politician's euphemism, since coal is carbon: it is

essentially carbon with some impurities, ranging from being 46% to 98% pure carbon depending on the quality of the coal. When you burn coal, you are burning carbon. This produces carbon dioxide in proportion to the amount of energy released. "Low carbon coal" refers to a promise that sometime in the future coal plants will be able to capture and store this carbon dioxide, but they will produce it just as much as any other coal plant.

The promise of "low carbon coal" in the future is used to keep pouring funds into the coal mining and coal utilities. It means diverting funds from serious environmentalism and channeling them back into the hands of the worst polluters. And when Obama promises to promote "clean coal" abroad, this makes it worse.

Obama and nuclear power

Obama repeatedly lectures on the supposed need for nuclear power. He says things like "Nuclear power represents more than 70 percent of our non-carbon generated electricity. It is unlikely that we can meet our aggressive climate goals if we eliminate nuclear power from the table." This shows his skepticism about a massive increase in real alternative energy, as well as his support for building more nuclear power plants.

He differs from McCain in saying that nuclear energy has problems that must be dealt with. He says that "there is no future for expanded nuclear without first addressing four key issues: public right-to-know, security of nuclear fuel and waste, waste storage, and proliferation." If Obama were serious about just these four problems (there are even more problems with present-day nuclear energy), it would stop the present nuclear program in its tracks. It would be "off the table". Instead it seems that Obama simply wants a few cosmetic fixes to the nuclear program.

Indeed, it doesn't seem like the nuclear industry is too worried about Obama insisting on solving these problems. The *Los Angeles Times* reports that "in an about-face, companies that have a stake in the nuclear energy industry are giving large sums to Democrats running for president, after having showered their money on Republicans in past campaigns . . . Obama is the largest beneficiary from companies that have a stake in nuclear energy's future. . . . The donations come as the industry reasserts itself. Several companies have filed or are considering filing applications to build plants after a generation-long moratorium." Indeed, the largest operator of commercial nuclear power plants, Exelon Corp., "has donated \$275,000 to Obama over his career."⁹

Obama and ethanol

Obama has been a zealous backer of American corn ethanol. His platform states that "Corn ethanol is the most successful

⁷This plan is available at <http://www.barackobama.com/issues/pdf/EnergyFactSheet.pdf>.

⁸"Barack Obama's Plan to Make America a Global Energy Leader", subsection "Develop and Deploy Clean Coal Technology".

⁹"Campaign '08: Nuclear energy pulls a big switch", Feb. 3, 2008, *Los Angeles Times*, articles.latimes.com/2008/feb/03/nation/na-nuke3. See Mike McIntire, "Nuclear Leaks and Response Tested Obama in Senate", Feb. 3, 2008 for identification of Exelon as the nation's largest nuclear plant operator.

alternative fuel commercially available in the U.S. today, and we should fight the efforts of big oil and big agri-business to undermine this emerging industry.” And he proposes new subsidies, tax credits, and loan guarantees for it. It is typical of Obama’s rhetoric that he presents corn ethanol as a blow against big agri-business, although the giant multinational conglomerate ADM is deeply involved in it, and has made billions each year from government ethanol subsidies.

Obama also backs the prospect of second generation of bio-fuels (such as cellulosic), and he thinks that they will overcome the problems of corn ethanol. There is not a hint that such biofuels are still unproven, nor that they would have to be carefully evaluated for their effect on agriculture and developed only in accord with an overall plan. Instead Obama’s idea is that the vast expansion of corn ethanol without an overall plan would have been all right if there simply had been a better biofuel.

Corporate subsidies

Obama likes to present himself as an opponent of the oil companies and the ravages of unfeeling firms. But in fact, Obama seeks to work through subsidies and incentives to, and partnerships, with capitalist industry. He clothes some of these subsidies and incentives as environmental measures, as when he offers \$4 billion in guaranteed loans and tax credits to bail out the auto capitalists. He would have us believe that this isn’t a giveaway to the auto companies, oh no, but a way to have them build energy-efficient cars. Similarly, he presents huge subsidies to the agricultural giant ADM as a fight against big agri-business.

Of course he says he is going to help the people too. Why, he talks of providing millions of jobs of green jobs, jobs that will help protect the environment.

But it’s a fraud. He promises to set aside \$15 billion a year for it, which is inflated to \$150 billion by giving a figure for 10 years. This won’t provide for billions of jobs, even if every penny were spent only on wages. What the program really means is that this money will be given as seed money and subsidies to corporations, who will supposedly be encouraged to provide these millions of jobs. It is a trickle-down jobs program, so to speak, Reaganomics in green terms.

Cap and trade

Obama’s program for carbon emissions thus hinges on market measures and corporate subsidies. He doesn’t like direct environmental regulation and instead wants to rely on “cap and trade” to achieve cuts. Establishment environments believe he is more serious about this than McCain, which might well be so.

Well, “cap and trade” is a method developed for years by American politicians and neo-liberal economists to avoid environmental regulation. As applied to greenhouse gases, it would mean that the government issues carbon permits to allow the emission of greenhouse gases. It distributes them to companies to cover most of their past pollution. The “cap” refers to the total amount of greenhouse gas emissions allowed by all the permits taken together, and “trade” refers to companies being allowed to buy and sell these permits among themselves. Thus a

company can either reduce its greenhouse gas emissions if it didn’t receive enough permits to cover its needs, or buy additional permits from other companies, who may find they have an excess of permits or who may wish to reduce their emissions so that they will have spare permits to sell. Thus in theory, firms which can reduce carbon emissions at a reasonable cost will do so, and sell their excess permits, and other firms, which would find it harder to reduce emissions, will blithely go on polluting with a seal of government approval, being required only to buy some permits to cover their pollution. In theory, the total amount of emissions are gradually lowered as the “cap” is lowered year by year, and the existence of a free-market in emission certificates is supposed to ensure that this is done in an efficient and low-cost manner. In practice, it just didn’t work that way under Kyoto. It was easy to get around; companies could get exemptions; it encouraged the biofuel disaster; the enforcement was lax; and so forth. Markets, even in emission certificates, have their own logic, and it is an anti-environmental logic.

Thus “cap and trade” is a market measure: it creates a new artificial market in pollution — you might call it a death market. It is sort of like trying to deal with workplace injuries and deaths by replacing safety regulations with a system of permits allowing corporations to maim or kill a certain number of workers, allowing them to trade in these permits, and then gradually reducing the number of permits year by year. It is supposed to be simple because it avoids direct government regulation of how power plants are supposed to generate power and so forth, but in practice it is a nightmare. For example, how does one distribute the pollution permits and decide which major corporations get them? This is one of many sore points, and a clear opportunity for corruption.

Obama sometimes recognizes in words that this plan has had problems when used in Europe and Japan under the Kyoto Treaty. So his version says that all these problems will be avoided if only the permits are auctioned off, rather than by granting them freely to companies. Thus the government won’t have to decide who to give permits to, but companies will compete for permits. However, if this is done, it will amount to a gigantic immediate tax on fuel, and so will have its own problems. It combines cap and trade with something called a carbon tax, which is dealt with in the last issue of *Communist Voice* (www.comunistvoice.org/42CarbonTax.html), so I won’t go into it further here.

Other measures

Obama also calls for a variety of different measures that, unlike clean coal or nuclear power or corn ethanol, aren’t disasters. So does John McCain, for that matter. But these are peripheral parts of his program. Moreover, as far as possible, Obama, like McCain, seeks to work through partnerships and incentives with the private sector. In his mind, he is going to “nudge” the corporations into being environmental angels through subsidies and through creating new markets.

For a real fight against global warming

Obama is somewhat more serious about the environment than McCain and Bush, but the methods he proposes are pretty much

the same, and they are going to lead to disaster. This is because they are neo-liberal measures, that seek to avoid regulation and to work through market incentives and subsidies.

You can't leave it to the big corporations to decide what's environmentally sound themselves: they are after profits. When cap and trade schemes are set up, the companies are still after profits. And they trade in pollution permits in ways that are profitable for themselves, but hurt the environment.

The experience of the Kyoto Protocol shows what happens when one tries to replace overall planning and regulation with profitability and market incentives. One unexpected disaster after another takes place. For example, biofuels were declared a promising green method of generating energy. Thus a firm could satisfy its environmental requirements under Kyoto by using biofuels, which it was allowed to get from anywhere. A firm could buy biodiesel, diesel fuel made from palm oil or soybean oil or other organic source, and say it was being environmentally responsible. The firm wasn't responsible for where this biofuel came from, nor was anyone else, and Europeans bought tremendous amounts of biofuels from Brazil and Asia, where forests are being devastated to provide agricultural fields to grow biofuels.

Instead, there has to be overall planning on a regional, national and even global level concerning carbon emissions and the ways of generating energy.

And there has to be a struggle against the corporate interests who have been devastating the environment. Instead of giving subsidies to big oil to run a few green demonstration projects which they trumpet in TV ads, there has to be a struggle against big oil and big coal and the multinational corporations firms which have been devastating the environment.

Moreover, the struggle to clean up the environment has to be linked to measures to help people survive the coming hardships: the major changes needed to radically reduce greenhouse gases; the changes resulting from climate change, a certain amount of which is already inevitable; and the economic insecurity and devastation facing large masses of workers. If environmentalism means giving subsidies to corporations, while taxing people more and more for the necessities of life, then such an "environmentalism" is going to be hated. Instead there has to be an environmentalism that is based on siding with the people against the polluters. It is only the masses of workers who, having eyes everywhere, can ensure that the corporations don't really pollute and violate environmental regulations. It is only the masses of

working people who can provide the political and social strength to oppose what the corporations are doing.

In the long run, protecting the environment just isn't compatible with capitalist production for profit. So long as the world's resources and manufacturing facilities and infrastructure are owned by a relative handful of capitalists, they will run it for their profit. It is only when the world is owned by those who do the work that makes it run, under socialism, that there can be stable environmental protection. It is only then that overall regulation will be done in the interests of the mass of the population and of the environment.

But we need to do something to protect the environment now. Even if we can only achieve partial measures under capitalism, we need to do that. But those measures must be measures of real regulation, and moreover this regulation must be opened to supervision by the working masses as far as possible. The government is controlled by the capitalist ruling class, and so the working class has to be constantly vigilant about how the government agencies operate. The fight for environmental regulation is not just a fight for government regulation, but a fight against the way the capitalist government is run.

The government is not some neutral body. Just as the Bush government and Congress are talking about regulating Wall Street by giving it a \$700 billion bail-out, so the capitalist government, whether run by Democrats or Republicans, is quite capable of giving huge subsidies to capitalists under the guise of environmentalism. So the workers have to fight constantly to ensure that government regulation really does protect environmental interests, and that the workers themselves have a role in overseeing what happens. This is why environmentalism is subject to the class struggle; we cannot rely on the establishment environmentalists, who work closely with the capitalists, but must build up the environmental movement of the working masses.

The present presidential candidates, McCain and Obama, promote a neo-liberal version of environmentalism. They won't even accept government regulation as in the old days, to say nothing of letting the workers play a role in environment supervision. They are searching for new ways to find market incentives. This is why whatever they do will be a fraud: it will be the ethanol disaster repeated over and over again. □

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By Joseph Green

The capitalists are dragging their feet while our world comes closer and closer to burning through global warming. It's going to take the pressure of the working majority of this planet if global warming and other environmental crises are to be solved. But for this to happen, environmentalism must take up, as a crucial part of any environmental plan, the problems that workers will face in surviving in the coming years.

We have continually stressed this point in *Communist Voice*, writing two years ago that:

"It is impossible to have a planet that is half starved, and half environmentally clean, a planet filled with urban slums on its surface but with pure, pristine forests, oceans, and atmosphere. Only when their efforts to save the environment also ensure their own welfare can the masses be fully mobilized behind environmental planning. And only with the participation of the working masses can the huge tasks required to save the environment be successfully accomplished, and only their participation will provide the oversight over the economy that will ensure that environmental planning is really carried out."¹

What Jones promises

At first sight, it might seem that Van Jones, the founder of "Green for All", shares a similar conception. He connects the two issues of global warming and the economic distress of the disadvantaged and the minorities. Last year his book, *The Green-Collar Economy: How One Solution Can Fix Our Two Biggest Problems*, appeared, emphasizing the same point.²

Jones champions environmental justice, and he denounces

eco-elitism in the name of eco-equality. He writes eloquently denouncing the vast inequality in the US, and the injustices to the poor. He insists that environmental measures must always consider the impact on the masses, and he writes in his book that

"Our business and social leaders will launch tens of thousands of new green enterprises and initiatives. Each time they do, they must ask the question: How can we make this effort inclusive, ennobling, and empowering to people who were disrespected in the old economy? How can this effort be used to increase the work, wealth, health, dignity, and power of our society's disadvantaged?"³

He says that the present inequalities are a major cause of environmental devastation:

"The only reason that we have the unsustainable accounting that we have right now is because incinerators, dumping grounds, and sacrifice zones were put where poor people live. It would never have been allowed if you had to put all the incinerators and nasty stuff in rich people's neighborhoods; we'd have had a sustainable economy a long time ago. . . . It's the environmental racism that allowed powerful people in society to turn a blind eye for decades to the downside of the industrial system that got us to this point. We don't want to be first and worst with all the toxins and all the negative effects of global warming, and then benefit last and least from all the breakthroughs in solar, wind energy, organic food, all the positives. We want an equal share, an equitable share, of the work wealth and the benefits of the transition to a green economy."⁴

And he insists that global warming can only be solved through a mass movement, not the actions of a relative handful of people:

"Reversing global warming will require a World War II level of mobilization. It is the work of tens of millions, not hundreds of thousands. Such a shift will require massive support at the social, cultural, and political levels. And in an increasingly non-white nation, that means enlisting the passionate involvement of millions of so-called minorities — as consumers, inventors, entrepreneurs, investors, buzz marketers, voters, and workers.

¹"The coming of the environmental crisis, the failure of the free market, and the fear of a carbon dictatorship", *Communist Voice*, January 2007, www.communistvoice.org/39cKyoto.html.

²Van Jones with Ariane Conrade, *The Green-Collar Economy*, 2008.

³*Ibid.*, p. 71.

⁴Jesse Flinck, "Q&A: Van Jones" in *Mother Jones*, Wed., October 29, 2008, www.motherjones.com/print/13606.

“Climate-change activists may be tempted to try to sidestep the issues of racial inclusion in the name of expedience — but eco-apartheid won’t work.”⁵

And indeed, it’s crucial that environmental planning take account of its impact on the masses of people, especially workers and minorities. It will not be successful if the idea is that businesses get the subsidies, and the workers pay the bills. Those who have suffered the most from eco-injustice, must be provided with the most help to overcome it, and they must also become the bastion of the environmental movement.

How he would achieve it

But the question is, how would Jones achieve these important goals? What should the masses of people do to ensure that the environmental movement gets reoriented in this direction?

Jones holds that the key is “green jobs” — that is, that minorities and the disadvantaged should get jobs in the industries and programs that are set up to deal with the environment, and in programs to help minority communities deal with the changeover to green technology. These are just demands, and they would indeed help not just the economic position of the disadvantaged, but the environmental struggle itself.

Jones, however, goes further. He holds that the new green industries will provide millions upon millions of new jobs, and thus not only solve the hardships of the transition to an environmentally-sustainable economy, but also deal with the problems of social justice just by employing people. He doesn’t see the need for there to be direct planning to ensure that the workers, the minorities, and all the disadvantaged, have their needs met. Instead, he argues that jobs in the new industries and environmental programs would automatically provide this. And he sees the fate of the environment and of the masses as tied to what he hopes is a growing, influential, and pro-environmental section of the business community.

Jones presents this idea as a struggle against eco-elitism. In fact, it’s the same old promise that economic growth will allegedly solve all problems, and so there’s no need for struggle and social programs to deal with them. This idea has become a part of the glittering promises made by establishment environmentalists; and it has become a mantra for many bourgeois politicians.

Jones has himself shown in practice an example of where this idea leads. It means step by step abandoning one’s best positions and conciliating the stands of the business community. On one hand, in his book he correctly and unequivocally denounces the “false solutions represented by corn-based ethanol, nuclear power, [and] ‘clean’ coal.”⁶ Indeed, he denounces “the main defenders of the planet-cooking status quo” for “deliberately confusing the distinctions between themselves and the champions of genuine answers to climate change” by advocating the slogan of “All of the Above” to justify developing dirty as well as clean energy sources. He describes this as a new maneuver by those

who cannot fly openly their “pirate flag of death.”⁷ And that’s quite well said. And yet, on the other hand, he has joined the Obama administration, whose energy program includes “clean” coal, corn-based ethanol, and nuclear power. He has become the Special Advisor for Green Jobs, Enterprise and Innovation at the White House Council on Environmental Quality.⁸

That’s not an accident. Since he looks towards the supposedly socially- and environmentally-conscious section of the business community for the solution to people’s problems, it would be a fiasco if he couldn’t show that this constituted an influential and growing section of the ruling class. But where is this supposedly enlightened bourgeoisie? If the Obama administration isn’t its representative, then where are these capitalists? So he ends up having to pretend that the Obama administration, despite its “plant-cooking” stands, really is the hope for the future.

Green jobs won’t end unemployment

Well, will green jobs solve, at least, the increasingly serious unemployment problem? It’s true that the development of green industries will mean that workers are employed in them. But at the same time, these industries will replace dirty industries, and the previous jobs will be lost. If jobs are added in, say, producing solar cells, wind turbines, and geothermal plants, they will be lost in oil, gas and coal. This doesn’t mean that the dirty industries should be maintained in order to save the old jobs. It is essential to changeover to production on a better environmental basis. But it means that the needed environmental improvements, such as the changeover from fossil fuels to clean energy sources, won’t in themselves solve the employment problem.

Indeed, history has something to say on this point. There has been a good deal of experience in the past with infrastructure renewal. There have previously been major changes in industrial technique that have revolutionized the economy. For example, there was the change from horse-drawn transport to railroads and motor vehicles. There was also the change from many other power sources to electricity. These changes created new industries and, no doubt, created local booms in certain places and certain occupations (while pushing other places and occupations into decay). But they never solved the unemployment problem, or we wouldn’t still be worrying about it today. The development of what Marx called the “reserve army of the unemployed” is an inherent tendency in capitalism. The working class has to organize for struggle against exploitation to obtain, as far as possible, proper wages and working conditions, education, jobs or relief for the unemployed, the end of discrimination, etc.

Jones, however, gives figures to illustrate the huge bonanza of green jobs to come. Unfortunately, they don’t seem believable. They seem like the ordinary political hyperbole and special pleading that no one really takes seriously any more. Thus he writes:

“In 2006, renewable energy and energy-

⁷*Ibid.*, pp. 192-193.

⁸See “McCain and Obama vs. the environment” for a description of Obama’s energy program, www.comunistvoice.org/DWV-080921.html.

⁵*The Green-Collar Economy*, p. 58.

⁶*Ibid.*, p. 6.

efficiency technologies generated 8.5 million new jobs, nearly \$970 billion in revenue and more than \$100 billion in industry profits.”⁹

Now, no doubt it’s important that at least some work, however insufficient, was done on clean energy in 2006. But would he really have us believe that there would have been 8.5 million more unemployed people in the US in 2006 if it weren’t for work on renewable energy and energy-efficient technology? This would mean that the current depression would have hit with even greater force than today already two years ago, if it weren’t for green jobs. Really, Mr. Jones?

Market-based solutions won’t stop global warming

The problem is that Jones, while opposing eco-elitism, believes in the same fashionable market solutions championed by the establishment environmentalist groups. He wants the disadvantaged to have their share of what he sees as the neo-liberal bonanza, rather than seeing that the neo-liberalism is rotten to the core, and that the market fundamentalist solutions for global warming are leading to disaster.

Indeed, Jones’ book is, in large part, a paean of praise to private enterprise and deregulation. He dreams of the disadvantaged becoming entrepreneurs, buzz marketers, investors, and so on. He imagines that a vast extensive of unfettered private enterprise is the solution to global warming, nay, to all our problems.

His book carries a foreword, where Robert F. Kennedy Jr. reflects its overall spirit by writing:

⁹*The Green-Collar Economy*, p. 5. Van Jones refers to a report by the American Solar Energy Society. Currently it can be found by going to www.ases.org and clicking on “ASES Green Jobs Report”. A summary is at www.ases.org/images/stories/ASES/pdfs/CO_Jobs_Rpt_Jan2009_summary.pdf, and the full version at www.ases.org/images/stories/ASES/pdfs/CO_Jobs_Final_Report_December2008.pdf. For the sake of accuracy, note that, while Jones says, as the report does, that 8.5 million green jobs were created in 2006, when you read the report carefully, it claims that this was the total created up to 2006.

But for that matter, the figures are pretty arbitrary anyway. The term “new jobs” is especially slippery. If one job is wiped out and another job created, does this count as zero net new jobs, or “one new green job”? Moreover, the report admits that the majority of the jobs are “indirect environmental jobs”, which includes even jobs in “doughnut shops” where environmental workers stop for refreshment.

The report says it is concerned with jobs in “renewable energy and energy efficiency”. But by its figures, the largest source of jobs in renewable energy has been corn-based ethanol, which Jones correctly regards as a “false solution”. But for that matter, of the claimed 8.5 million jobs, 8 million are actually in “energy efficiency”, which the report admits is the most difficult-to-define category. Indeed, it seems that most of the jobs consist of previous jobs becoming “green jobs” when the companies or institutions involved take some steps that ASES can see as related to increased efforts for energy efficiency. The connections of these jobs to environmental concerns may be slight. The report itself says that “many of the persons employed in these jobs may not even realize that they owe their livelihood” to RE&EE (renewable energy and energy efficiency).

“We need to create open national markets where individuals who devise new ways to produce or conserve power can quickly profit from their innovations. Open, efficient markets will unleash America’s entrepreneurial energies to solve our most urgent national problems— global warming, national security, our staggering debt, and a stagnant economy.”¹⁰

Today, in the midst of a harrowing depression triggered by open, efficient markets, doesn’t this passionate embrace of unfettered enterprise sound like something from an age gone by? Indeed, Kennedy embraces deregulation with a passion, going out of his way to endorse the 1996 Telecommunications Act.¹¹ Would he also care to endorse bank deregulation, too?

Meanwhile Jones gives a history of environmentalism that sets aside the regulatory advances of the past as an obsolete “second” of three waves of environmentalism. The wave of regulation is supposed to have had its day; according to him, we are now “entering the third wave of environmentalism”; it’s “just in time” to save us; and “perhaps the third time’s the charm”.

This third wave is, in his words, an “investment agenda”. Although the government should still set some standards, the third wave is not a movement of regulation and planning of industry and the economy, but of “subsidies and supports for the booming clean-energy and energy-conservation markets”. When Jones talks of bringing the disadvantaged into the movement, it isn’t into overseeing environmental planning, making sure that good regulations are followed, and fighting corporate interests. No, the main thing is to ensure that “working-class people are motivated to take on green-collar jobs and start green businesses.”¹²

What about overall environmental planning? He sees this mainly as an issue of setting market signals via a price for carbon. This goes right along with his view that the regulatory “second wave” of environmentalism is over: now we are in the kingdom of entrepreneurship, and the green capitalists will automatically do what’s right if the market has the right price signals. As he puts it:

“But let’s be clear. The real solution to this whole thing is to put a price on carbon. The biggest economic stimulus I can imagine would be a carbon tax or a cap and trade, cap and dividend, cap and cash back, some sort of cap on carbon, so that suddenly there is a market signal for private capital to start moving aggressively in a clean energy, low carbon direction.”¹³

¹⁰*The Green-Collar Economy*, p. xiii.

¹¹*Ibid.*, p. xi.

¹²*Ibid.*, pp. 35,44-57.

¹³“Van Jones on ‘The Green Collar Economy: How One Solution Can Fix Our Two Biggest Problems’”, an interview by Amy Goodman for her radio program “Democracy Now!”, < www.democracynow.org/2008/10/28/van_jones_on_the_green_collar >.

The fiasco of cap and trade

So price signals are supposed to be a marvelous new innovation, the central feature of the “third wave” of environmentalism, that would unleash the market to solve environmental problems better than the bad old regulatory regime ushered in by the legislation the late 1960s and 1970s. The Clinton administration especially was key in promoting that market systems like cap and trade were the way to solve the global warming problem. But what has been the result?

The Kyoto Protocol is based on cap and trade, and it has been a fiasco. Despite the modest goals set, most of the Kyoto countries have failed to meet them. It's not that nothing has been done in Europe and Japan, but the pace of progress has been too slow. Worse yet, there have even been steps backward. The system of market incentives under Kyoto is a replacement for a truly comprehensive system of environmental planning. Thus each country and each corporation can meet its Kyoto goals by buying this or that alternative fuel, without consideration to how these fuels are produced. As a result, the Kyoto system helped create the biofuel catastrophe, in which there was a huge increase in the use of biofuels without considering what effect their production would have on forests, greenhouse gases, and land use. Thus the Kyoto system has been one of the factors contributing to the vastly expanded production of East Asian palm oil biodiesel and Brazilian sugar-based ethanol, and thus helping destroy the rainforests in Asia and Brazil.¹⁴

In his book, Jones briefly admits that there are serious problems with the Kyoto Protocol, but he pretends that they are simply a result of imperfections and loopholes, and have nothing to do with its basic market mechanism, which is cap and trade. Since cap and trade and other market-based methods are the foundation stones of the “third wave”, he doesn't want to look too closely at their results.¹⁵

Neo-liberalism and government spending

While Jones backs market solutions, this doesn't mean that he wants to stop government environmental spending. Quite the contrary, he is arguing for much more government funding, but he

¹⁴See the section entitled “The Kyoto Protocol and the fiasco of carbon trading” in *The coming of the environment crisis, the failure of the free market, and the fear of a carbon dictatorship* (www.comunistvoice.org/39cKyoto.html). Also, see the “The looming biofuel disaster”, “Sugar can ethanol and the destruction of the Amazon rainforest”, and “The palm oil fiasco” in *Al Gore's Nobel Peace Prize and the fiascoes of corporate environmentalism*, which is an article from the Feb. 2008 issue of “Communist Voice” (www.comunistvoice.org/41cAlGore.html).

¹⁵*The Green-Collar Economy*, pp. 162-3. It's also notable that the Foreword, by Robert F. Kennedy, Jr., promotes Brazil as an example of solving both environmental and economic problems at one time, saying that Brazil has “decarboned its energy over the past decade” and is “experiencing the most sustained economic boom in its history”. (p. ix) Meanwhile the clock is ticking on the destruction of the Brazilian Amazon, which will be one of the major environmental catastrophes of the 21st century, and which both ethanol and overall capitalist development in Brazil are contributing to.

wants this directed mainly through market mechanisms.

Thus, on one hand, he passionately opposes the idea that “every social problem could be solved at the individual level” and the government should let people “sink or swim”; he says that it won't work to simply have individuals following “solo solutions”. And he condemns “the GOP anti-tax operative Grover Norquist” for wanting to “reduce it [the government] to the size where I can drag it into the bathroom and drown it in the bathtub.” Clearly he favors government spending, and he argues that the issue is one of patriotism, writing “We have an obligation to tell the ultra-conservatives who are so rabidly anti-government: ‘If you don't love this government, then let it go and hand it over to people who do.’”¹⁶

On other hand, he repeats the usual catchwords against government programs, denouncing “the liberal welfare state” and “big, clunky, compassionate government a la that of Lyndon Baines Johnson”. He doesn't see the source of the problems of the LBJ administration in its capitalist class nature, but in regulation and government programs in general.¹⁷

So he is critical of both the Democrats and Republicans, but from the standpoint of a reformed, green neo-liberalism: there should be an activist government, a Green New Deal, but it should work through subsidizing “green capital” instead of environment-destroying “gray capital”.¹⁸ In essence, while being critical of the priorities of the bourgeois politicians of the 1980s to the present, he accepts the privatization of government functions and reliance on market mechanisms that developed in this period. And when he talks of mass participation, he often is referring mainly to market activity.

Thus, despite his criticism of gray industries and some corporate behavior, he opposes any idea of class struggle. His Green New Deal is one that “spreads the benefits as widely as possible” — to “both green capital and ordinary people”. Moreover, he emphasizes the central role of backing the allegedly good, pro-environmental capitalists. He makes a passionate plea for people to give up their suspicion of the capitalists, and rally behind them. He calls for support for business as the key factor, the priority, in environmental renewal, writing:

“Some in the environmental and social justice worlds may wince at our explicit inclusion — and even prioritization — of the needs and interests of green businesses. Many activists of all stripes are suspicious of any corporation; they have become hostile to the entire business community without distinction or exception. They say, ‘Big, greedy business led us into this global mess; we can't trust them to lead us out.’ They eye with deep suspicion a lot of the green advertising being paid for by companies that have historically been big polluters.

“Much of their concern is understandable. Abuses of power by many big corporations — both directly against workers and the environment

¹⁶*Ibid.*, pp. 66-68, 112.

¹⁷*Ibid.*, pp. 66, 81.

¹⁸*Ibid.*, p. 84.

and indirectly through what amounts to legalized bribery in the political system — continue to have profoundly negative consequences.

“But there is another side to the business community, rarely seen or celebrated. . . . There are groups of financiers, investors, entrepreneurs, and business leaders who are committed — even in advance of any legislation or comprehensive federal support — to conducting their business in a manner that better respects both people and the environment.

“ . . . we are entering an era during which our very survival will demand invention and innovation on a scale never before seen in the history of human civilization. Only the business community had the requisite skills, experience and capital to meet that need. On that score, neither government nor the nonprofit and voluntary sectors can compete, not even remotely.

“So in the end, our success and survival as a species are largely and directly tied to the new entrepreneurs—and the success and survival of their enterprises.”¹⁹

But capitalism has its own logic, and the orientation to be a pressure group to promote green capital will, in practice, tear the heart out of his talk of a “new ‘social-uplift environmentalism’”, of eco-equity, eco-populism, and of vast, new mass programs. It is the search for ways to rally capital behind his program which led him into the Obama administration, despite his differing from Obama with respect to “clean” coal, corn-based ethanol, and nuclear power. Jones could not find a large section of capital and of pro-capitalist politicians that really “respects both people and the environment” or who even oppose what Jones correctly called the “false solutions” to global warming, so he settled for the Obama administration. Instead of reconsidering his stand on the business community, he has begun to sacrifice one of his positions after another to his overall strategy, to his hopes in the development of a green bourgeoisie.

True, Jones appeals to the masses and discusses their concerns. But he sees, not the mass action of workers and scientists and activists, but market arrangements as the most important factor to push government and industry to deal with the environmental crisis. So his eco-populism ends up being a way of trying to build mass support for what he hopes will be green capital.

Jones’ program is an example of the fact that the advocacy of government spending does not, by itself, take one beyond neo-liberalism. He does not call for reversing the privatization of government functions of the last several decades, but seeks to continue it. He simply calls for the government subsidies to be redirected. And he ignores the recent failures of market environmentalism.

The need for environmental planning

Environmental protection requires the direct regulation of production. What a company does, the pollutants it creates, the fuels it uses, affects others besides itself. The environmental cleanups begun in the 70s used regulation to force companies to give up various dirty practices. But the development of what Jones calls the “investment agenda”, the growing replacement of regulation with cap and trade systems or even with business voluntarism, resulted in slowing some environmental cleanups to a crawl, such as the twenty-three years needed for a cap and trade program to remove lead from gasoline, and the essential abandonment of some programs, such as the cleanup of a number of bodies of water.

However, it is true that we cannot simply return to the methods of earlier regulation. The fight against global warming requires a much more profound change in economic activity than simply eliminating a number of bad pollutants or cleaning up various sites. The replacement of fossil fuels affects economic life as a whole, requiring not just the replacement of some power generating stations, but major changes in infrastructure, home construction, mass transport, and so on. This affects not just whether some firms have a bit more profit or not, but the welfare of the population as a whole. So environmental planning has to include, not only the direct regulation of the production methods of individual workplaces, but also a certain amount of planning of the overall resources of the economy. And there must also be measures to directly assure people’s livelihood as the entire infrastructure is forced to change, a change forced by the climate change that has already begun as well as the measures being taken to mitigate future climate change.

Moreover, there are a number of other environmental problems that are aggravated by global warming, but would exist even if global warming were under control — such as the over-fishing of the oceans, the elimination of wetlands, the growing water crisis, the escalating number of industrial chemicals and so forth. It’s notable that these problems too require both direct regulation of commercial enterprises and overall planning of the water resources, of ocean health, and so forth.

And as well, attention must be paid to the experience of “regulatory capture”, where industries take over the government agencies that are supposedly regulating them. This has been encouraged by the privatization of government functions under neo-liberalism, and by government-business partnerships. As a result the particular agencies aren’t simply subordinate to the capitalists as a class, but are tied to the particular privileged interests they are supposed to curb. To counteract this, it is necessary that the work of the agencies are not only open to oversight, but that the working masses organize themselves to achieve some pressure and influence on them.

But Jones avoids the question of planning as far as possible. This may seem like an odd thing to say, since he puts forward in his book a million different proposals, plans, and suggestions about this or that, some of which deserve support, and does say that the government should set standards. But he avoids the question of the overall planning of economic resources, doesn’t consider how to fight regulatory capture, and sees the government mainly as a gigantic source of funds for the “investment agenda”. He closes his eyes to the experience that

¹⁹*The Green-Collar Economy*, pp. 84-86.

marketplace measures have failed as a replacement for regulation. And he doesn't consider what it would take to help the masses become a force that would be deeply involved — not in hoping to set up their own private business, not simply in pressuring the government to provide subsidies to green capital, not simply in accepting whatever private job or government program exists — but in forcing, as far as possible, government regulation to be done in public, forcing the marketplace to obey regulation, and achieving some supervision of the needed overall environmental planning and regulation of the economy.

The search for green capitalists

Instead Jones believes that green capital will regulate itself. He bets the house, indeed the planet, on capitalists becoming wise, benevolent leaders who will do right by the earth and by their employees. He writes that

"The numbers are small right now, but the emergence of true 'triple-bottom-line' businesses (which balance 'profit, planet, and people' in their operation) is a potentially significant development. And it is just beginning. 'Green' MBA programs . . . are cranking out young business leaders with a different view about how to make money while making a difference."²⁰

Green business is to be the leader, set free by the deregulation that stopped the second wave of environmentalism in its tracks, enlightened by "social-uplift environmentalism", and — let's speak plainly — financed by the government. He envisions "a political movement to create a 'Green New Deal' in the United States and other industrialized nations", which "forges a 'Green Growth Alliance' to unite the best of business, labor, social justice advocates, youth, people of faith, and environmentalists (while paying special attention to the challenges of working across old divisions of race and class)". The alliance's role seems mainly to be to ensure that the government serves as an "effective midwife" to the development of green capital. When you look at the fine print, he says that business is the leader, so it seems that labor, social justice advocates, youth, people of faith, and environmentalists are mainly to be the foot soldiers. Green capital needs subsidies; Jones complains about the subsidies that go to grey capital; and there have to be voters to ensure that the government provides green capital with these subsidies.²¹

But what is green capital? The term is misleading; it is the greenwashing of an unpleasant reality, that the capitalism has been devastating the environment. Moreover, just because a company starts to manufacture, say, electric cars, doesn't mean that it has gotten a social conscience. It doesn't even guarantee that it follows environmental standards in how it produces these cars, and it certainly doesn't guarantee a humane attitude to its workers. Indeed, if the environment really is to be saved, the entire economy has to be transformed on a green basis—all corporations will have to be following green regulations: does that mean all the capitalists will have been transformed into public-spirited humanitarians, who have replaced concern for the bottom line

with attention to the "triple-bottom-line"? As the government subsidizes various green infrastructure projects, and as one product after another has to be built according to environmental regulations, the ordinary, profit-hungry corporations we are so familiar with are all going to be producing this or that green product. This no more makes them into environmentalists then selling toys makes the CEOs of toy stores into crusaders for children's welfare.

But Jones holds that the old class divisions are obsolete in the world of today. How should they be overcome? He writes that "If the unions and green business leaders can identify win-win compromises on wages and other issues, they can work together to pass legislation that will help both sides."²² Well, that was easy — in words, anyway. In the big print, the declaration of struggle against eco-elitism and for eco-equity and in favor of the minorities, and the vehement condemnation of the growing economic inequality in the US. In the fine print, it's just a matter of achieving "win-win compromises" with the rich elite.

Let's look a little closer at green capital. The idea of market-solutions to the environment, as in cap and trade, was that business would reduce carbon emissions simply out of concern to increase their profits, if only a carbon market was set up. Jones himself describes carbon pricing as the key. Yet Jones also tells us that the capitalists will be green because they are concerned for a "triple-bottom-line", and not just profit. Really?

Consider the companies producing biofuels. Biofuels might be able to play a small role in replacing biofuels, but the rapid expansion of the production of biofuels has been a disaster, with the expansion of corn-based ethanol having a devastating effect on food prices, and, as mentioned earlier, the production of sugar-based ethanol and palm oil biodiesel helping to eat away at the Amazon and Asian rainforests. So are the biofuel companies "green" companies or not? They present themselves as socially-responsible. But as companies their responsibility is to make a profit, and to produce and sell as much of their product as they can. It's not their job to look into the overall effect of biofuels, or to consider how much is enough. The business world is ruled by the marketplace's famous "invisible hand", and the invisible hand of profit and loss cares nothing for the environment.

It requires overall planning of key environmental resources, to which the production plans of companies must be subordinated, to stop and reverse escalating environmental damage. If there is no such planning; if matters are left mainly to the companies; if the government's role is mainly to subsidize them; and if the role of the masses is mainly to cheer for green capital and seek a cut in the contracts and jobs, then the environment will continue to decay. Jones might not want that; he might well be horrified when he sees the outcome of market solutions; but the business world has its own inherent logic.

For a working-class environmental movement

It turns out that the class struggle doesn't just apply to the issue of wages and benefits, or to social programs, or to the fight against racism. We need to bring the class struggle into the fight

²⁰*The Green-Collar Economy*, p. 85.

²¹*The Green-Collar Economy*, Ch. 4, "The Green New Deal".

²²*Ibid*, p. 87.

to defend the environment.

To deal with the crisis of global warming requires the subordination of business, as far as environmental regulations, to the interests of society. This requires government regulation. Of course, the capitalists don't just run businesses, but they also run governments in their own class interest. Hence there has to be a struggle both to ensure that the government does enact regulation in the environmental interest, and that companies adhere to them. Therefore we need, not just government regulation, but the involvement of the mass of the population in regulating the economy.

This requires that the working class organize itself. If the workers, the minorities and the disadvantaged can't defend themselves, they won't be able to defend the environment either. So the interests of environmental reform depend on the workers becoming a powerful class force. This is the only way to push the capitalists to come up with some environmental protection. The election of Obama as president hasn't changed this. Despite all the green talk from the Obama administration, it advocates ineffective market measures that will lead to fiasco, as well as backing environmental disasters such as "clean coal". Moreover, it's possible that the Obama administration, if it can't get its environmental plan passed, or when it does get its cap and trade plan enacted but finds that it doesn't work, will turn to desperate geo-engineering plans — such as throwing huge amounts of pollution into the atmosphere in order to block sunlight. John Holdren, Obama's science advisor, has talked about the possibility that the Obama administration will turn to such things.²³ So wedded is the American bourgeoisie to neo-

liberalism that it would contemplate the most dangerous expedients rather than accept regulation and environmental planning.

Indeed, ultimately the type planning required to preserve the environment is not compatible with a capitalist society, where each business is out for itself, and must be out for itself, on pain of failure. Consistent and pro-people planning would require socialism, the ownership and control of the economy by the entire working population. But this doesn't mean that nothing can be accomplished now. Instead, it means that, while capitalism still exists, there will always be a constant struggle between marketplace pressures and environmental needs. So the role of working class struggle against the various special interests of capitalist polluters is essential. The fight for environmental planning and the direct regulation of production is, along with the fight for jobs and wages and social programs, something which the working class needs to engage in, and can use to help organize itself.

Jones is correct to raise the need to connect the environmental struggle to the needs of the masses. Where he goes astray is believing that this is possible under neo-liberalism and with market measures taking the place of regulation. There will have to be a turn towards regulation and planning in order for environmental goals to be achieved. To put it another way, we will have green jobs not because CEO's become green-minded, but only as far as workers stand up to compel the capitalists and their governments to give in, to this or that extent, to mass needs and proper planning. The class struggle is as important on the environmental front as on any other. □

²³Seth Borenstein, "AP Newsbreak: Obama looks at climate engineering", April 8, 2009.

Celebrate May Day in the street!

From a May Day leaflet of the Seattle Anti-Imperialist Committee calling on people to attend the May Day march and meeting organized by pro-immigrant rights organizations.

This year International Workers Day arrives with 220 to 240 million of the world's workers unemployed. The UN predicts that up to 51 million more could be thrown into the streets by years end. Twenty-four million U.S. workers are either unemployed or working only part-time when they want full-time work. 40 % of U.S. companies say they plan to freeze or cut salaries this year. U.S. manufacturers are using less than 68 % of capacity, the lowest level since record-keeping began. World trade is shrinking perhaps more rapidly than during the plunge of 1929-30.

The Obama solution to this crisis has been to give over eight trillion dollars to the very finance capitalists whose practices ushered it in, while demanding that the workers make concessions and that the masses sacrifice! And like capitalist politicians on every continent, he's demanding that workers sacrifice in the "national interest" while bailing out their exploiters. For the rich, it's like winning the lottery but for the people it's robbery. The way forward is to wage the fight against impoverishment in each country in solidarity with the working people of all countries.

Make the rich pay for the crisis!

In the face of unemployment much higher than today, during the Depression of the 1930's the workers of this country organized, struggled, and achieved historic victories. Indeed, entitlements like Social Security (which the capitalist politicians now threaten) are by-products of the great class-against-class battles of that era. Today the working-class struggle is still developing unevenly, but millions of workers have already been in motion against layoffs, and are demanding that the working masses be bailed out, not the financial parasites.

In France, 2 ½-3 million people participated in strikes on January 29 and March 19. In Greece, the youth rebellions which exploded after the December police murder of 16-year old Alexandros Grigoropoulos have merged with the mass anger against bank bailouts coupled with lay-offs and austerity. Since December there have been three one-day protest strikes, ongoing strikes, and protests by squeezed farmers. Almost half of the Greek workers have taken part in these actions. And confronted by mass protest movements, the governments of Iceland and Latvia have fallen and others may follow.

The fight of the mainly black workers of the French department of Guadeloupe (in the Caribbean) really shows that major victories can be won in this depression, that the rich can be made to pay! In alliance with popular organizations and fighting youth, on January 20 they launched a 44-day general strike. Despite having to deal with police, troops, beatings, and the arrest of 70 trade union leaders they won a resounding victory: a 15% wage raise; the lowering of prices of necessities and public transportation costs by 5-20%; a moratorium on all

foreclosures, evictions and utility cutoffs; the freezing of rents; and more. This experience in struggle now puts them in a better position for future struggles. Moreover, this revolt of the Guadeloupe masses fueled similar struggles in the French departments of Martinique (also Caribbean) and Reunion (Indian Ocean), while there were also large solidarity demonstrations by workers and national minorities in the French imperialist heartland.

In the U.S. there is seething discontent with the current situation. For example, when 200 mainly Latino workers staged a December sit-in at Chicago's Republic Windows & Doors factory demanding the \$1.5 million in severance and vacation pay owed them by management, they gained immediate sympathy and support from workers and progressives nationwide. The frightened capitalists rapidly capitulated.

Yet to advance this situation is going to require that workers do new things, and organize in their own right. The trade union bureaucracies cannot be relied upon. For example, for 40 years the leaders of the U.A.W. have helped force concessions on the auto workers under the myth that this would save jobs, while employment in the auto industry continually declined despite these bad contracts. Now, with G.M. and Chrysler headed for bankruptcy, Obama and the U.A.W. bureaucrats demand still more concessions! What's needed are class-struggle unions, and class-against-class politics.

Build the movement against imperialist wars!

"Peace candidate" Obama is now exposed as another war president. He has escalated the war in Afghanistan and is spreading it further into Pakistan. His "withdrawal" from Iraq has turned out to mean that over 100,000 troops will stay there into next year, and that up to 50,000 troops will stay until an unknown time (the Status of Forces Agreement can be amended). These have always been wars for domination of oil and defense of profit-making empire; and Obama is merely the new political representative of an imperialist ruling class.

But while the rich have already made hundreds of billions of dollars from these wars, they're sending the sons and daughters of the workers and poor to kill and be killed in them. And what of the working people and poor of Iraq and Afghanistan? Over a million have been killed, millions are refugees, for years they've been living in Hell, and they want the U.S. out now. Solidarity with them means building the anti-war movement with the conscious aim of defeating U.S. aggression.

Full rights for all immigrants, now!

The capitalists want immigrant workers without rights so that they can more profitably exploit them, and drive down the conditions of all workers. ICE raids and deportations help accomplish this by keeping immigrants in a position where they cannot effectively organize and resist exploitation and discrimination.

While Obama appealed to voters with vague talk of "comprehensive immigration reform," his legislative package is

sure to be a new attack on immigrants, hence an attack on the entire working class. For example, the previous "reforms" supported by the Democrats all involved more immigration cops, more militarization of the border with Mexico, more raids of workplaces and "guest worker" programs which are little more than modern-day indentured servitude. Further, these bills' much-hyped "path to citizenship" consisted of massive fines and fees, 10-20 years of jumping through complicated legal hoops, and the constant threat of deportation should these immigrant workers lose their jobs as a result of racial discrimination, workplace militancy or simply recession. Obama had in mind this kind of reform when in March he said: "You've got to say to the undocumented workers, 'Look, you've broken the law; you didn't come here the way you were supposed to. So this is not going to be a free ride. It's not going to be some instant amnesty. What's going to happen is you are going to pay a significant fine. You are going to learn English.'"

"Significant fines" from some of the poorest people in the country while he forks over trillions of taxpayer dollars to the rich crooks responsible for the current state of the economy! To top it off, this "enlightened" liberal politician even descends into the "English-only" demagoguery of the most ridiculous chauvinist yahoos of the ultra-right. It is time to prepare for struggle against Obama-style immigration reform. Workers of all nationalities have an interest in stopping ICE raids and deportations and demanding full rights for all immigrants, now!

* * *

This May Day two hundred million people are out of work while billions of people desperately need the products of labor. Wars rage. Immigrants, national minorities and many others are under special attack. Moreover, these present nightmares are the result of a system of production that inevitably goes from booms to busts; that demands expansion to dominate markets, resources, and low-wage labor; and that must strive to divide the working class against itself in order to increase profits. Resistance is the order of the day. And the capitalist system must ultimately be overthrown for the workers and all of humanity to be liberated.

On May 1st let us raise our fists in solidarity with workers who are fighting bosses and governments everywhere! Let us vow to come to the aid of the Iraqi and Afghan peoples by advancing the anti-war movement! And let us link arms with our immigrant sisters and brothers in the struggle for equal rights! Workers and oppressed peoples of the world, unite!

Seattle Anti-Imperialist Committee

April 22, 2009

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Unity Statement —

What is the Seattle Anti-Imperialist Committee?

The Seattle Anti-Imperialist Committee adopted the following Unity Statement at a meeting on May 3. This replaces their previous Unity Statement passed in September 2006.

Imperialism is the enemy

Modern imperialism is rooted in the capitalist system of production, where it has reached the stage in which giant corporations and banks are merged into huge conglomerates (monopolies) that play the decisive role in global economic life: monopoly capitalism. This monopoly capitalism is not only based on the exploitation of wage labor at home, but the laws of capitalist competition force it to maximize profits through exporting capital and dominating markets, sources of raw materials, and low-wage labor internationally. Moreover, beneath and alongside the dominant monopoly capitalism, the old competitive capitalism goes on as well, giving rise to new concentrations of capital and new monopolies whose internal economic laws also demand expansion. The intense contradictions, rivalries and uneven development within this world economic system inevitably give rise to wars.

In the imperialist countries, the social class owning these monopolies, the monopoly-capitalist class (the bourgeoisie), plays the decisive role in economics, culture, politics, and the state. In the U.S., this is the class whose interests lay behind the “war on terror”, the occupations of Iraq and Afghanistan, threats of war against Iran, bullying of Latin America, support for the Israeli Zionist domination of Palestine, huge war budgets and permanent militarism. The Democratic and Republican parties are its principal political instruments, while some smaller pro-capitalist parties play a special role in fostering illusions that there can be a “kinder, gentler” capitalism without wars and oppression. They divert activists, workers and the oppressed away from reliance on mass struggle and toward reliance on electoral politics with the aim of “fixing” an inherently unjust and exploitative system.

Internationally, the most economically, politically and militarily powerful among the imperialist states use institutions such as the United Nations, World Trade Organization, International Monetary Fund and World Bank as tools for their imperialist interests and to give their actions a “multilateral” cloak of legitimacy.

Anti-imperialism

Anti-imperialist activism means political work targeting the imperialist system as the root cause of wars and other crimes against the masses. It means exposing and opposing the lies and deception of the class enemy and the political forces that serve them, the Democratic and Republican parties in particular. And, since there are no solutions to be found within the system, anti-imperialism means working to arouse and unite the masses of people who suffer under imperialism to struggle against the

imperialist ruling class.

These include:

- The working class, which must sell its labor power to the capitalists in order to survive, and which is not only used as cannon fodder in imperialist wars for the enrichment of these same exploiters, but which at home faces stepped up repression of its struggles, racist singling out of various communities, and continuing discrimination against women;
- The national-minority and immigrant masses who are discriminated against, specially oppressed and exploited at home, and who are disproportionately sent to kill in imperialist wars;
- The youth, particularly the working class youth who are subjected to a poverty draft and then used to fight wars for the imperialists — the same imperialists who offer them little more than a future of dead-end, low-paying jobs, temp labor, or unemployment.

Our struggle is part of a world struggle of the workers and oppressed peoples everywhere. Thus, we support — and work to popularize — the struggles of the masses of other lands against the imperialist powers as well as their local exploiters. Such internationalism is crucial in building a politically conscious and liberating movement against the main enemy, which is at home.

The imperialist system must be overthrown through revolution if there's to be liberation from the exploitation, racism, oppression, and wars that it brings.

Against opportunism and pseudo-anti-imperialism

Imperialism and its wars are not mere policies of this or that wing of the ruling class; nor are they mere exceptions to an otherwise peaceful and benevolent system; nor can the system be reformed in such a way as to eliminate them. But the liberal Democrats (as well as the Ron Paul/Pat Buchanan Republicans on the right) preach that imperialism is indeed only a policy: the policy of the particular group of capitalist politicians that they disagree with. And they try to capitalize on the masses' anger at various imperialist outrages in order to get more of their particular bourgeois political trend elected to government.

Meanwhile, reformist misleaders within the progressive movements opportunistically work to keep the just anger of the oppressed masses within the same imperialist political framework when they directly advocate support for “lesser evil” imperialist politicians, usually Democrats. And when the masses get angry enough to participate in protest demonstrations, etc., the opportunists still work to promote reliance on the imperialist system in a slightly different way: by promoting the idea that the only “realistic” aim of protests can be to pressure various imperialist politicians to do this or that. Despite any talk of “building an independent movement,” at the end of the day it's the politicians, not the masses, who are promoted as the real heroes who can finally come and save the day if only we “hold their feet to the fire” enough. At the same time, the opportunists often whine

about liberal politicians lacking a “backbone,” which serves to cover up the fact that they already do have a backbone — an imperialist backbone!

Thus, opportunism trails behind, and helps prop up, the political status quo. But opportunism also often masquerades as anti-imperialism, while tearing out the very heart of anti-imperialism: the class standpoint of the workers and oppressed peoples of the entire world. Internationally, this often leads these pseudo-anti-imperialists to cheerlead for “Third World” reactionaries, thereby betraying the masses under their yoke. With regards to Iraq, for example, they prettify and support religious fundamentalist and Ba’athist enemies of the people as long as they’re fighting the occupation, gloss over or ignore their ugly compromises with the occupation, and say nothing (or next to nothing) of their crimes against the masses. Real anti-imperialism, on the other hand, means supporting the Iraqi people — whether presently armed or unarmed — both in their struggle against the foreign occupation as well as their struggle against internal reactionaries who seek to take advantage of mass anti-occupation sentiment and use it to advance their own narrow interests at the expense of the Iraqi masses.

Alongside of all these rightist political practices in the mass movements, opportunism sometimes also assumes the “leftist” and elitist form of disdainfully standing aside from the imperfect mass struggles. But in either form, opportunism is based on lack of confidence in the ability of the workers and other oppressed people to organize in their own right to change history. Moreover, it gains its ideological strength from the ruling class itself. Thus, the struggle against opportunism is an inseparable part of the struggle to build the movement against imperialism.

Method

SAIC is composed of people with certain differing analyses of world imperialism and world political forces, and we seek to unite with others who will inevitably have still differing ideas. Thus, we strive to unite activists and groups with various ideas about what the imperialist system should be replaced with, but our organizational basis of unity simply consists of the ideas outlined in this document. When disagreements arise over how to implement the tasks implied by these ideas we struggle to seek truth from facts — i.e., to carefully investigate and analyze the issue in question. We seek to have as much consensus as possible through extensive debate and discussion. But when decisions

need to be taken, the majority rules.

SAIC works to arouse and unite the masses of people to struggle through its wide scale leafleting, organization of anti-imperialist feeder marches and contingents, and other independent work. We also seek unity of action against the common enemy with organizations and individuals outside the committee. In the coalitions or other forms used to build these united actions, we insist upon democratic proceedings, including the right of all participants to freely express themselves, to have fair representation on the speakers platform, etc.

Membership and organization

SAIC exists to raise the level of revolutionary consciousness and organization in the mass movements and in society as a whole, not for recruitment or self-promotion for its own sake. SAIC members are expected to put our collective political line into practice through active participation in our work. Anyone who demonstrates a willingness to do so is eligible to apply for membership. Prior to applying, we encourage people who want to be members to first carefully study our literature, attend meetings and do political work with us (and compare this to what other groups in the movement are saying and doing) for a period of time.

Membership is formalized by majority vote of current SAIC members. A member who does not meet the conditions of membership may be removed from SAIC by a majority vote after significant attempts to resolve the contradiction(s) in question have failed.

SAIC annually elects a Chairperson and a Secretary-Treasurer, both of whom can be recalled at any time by majority vote on a motion which cannot be ruled out of order on the agenda. The Chairperson is responsible for ensuring that meeting locations are found and announced, soliciting items for the agenda, conducting meetings, and calling special meetings. The Secretary-Treasurer is responsible for keeping a record of meetings, recording all decisions, and keeping track of financial contributions and expenses.

Seattle Anti-Imperialist Committee, May 3, 2009

www.seattleaic.org
mail@seattleaic.org ☐

Against Stalinist revisionism

The May 1, 1984 issue of *The Workers' Advocate* is now available in its entirety at the CV website as a PDF pamphlet. It's been a quarter of a century since this 126-page pamphlet first appeared, but the subject it deals with remains of interest, and the material is not readily available elsewhere. The mistaken views and practices that spread in the communist movement in the decade following World War II still influence the working class movement today. Below is the introduction to the reissuing of this pamphlet and a list of its contents.

In Defense of Marxism-Leninism

**On problems in the orientation of the international communist movement
in the period from the end of World War II to the death of Stalin**

(www.communistvoice.org/WA8405TOC.html)

Introduction to the April 2009 PDF edition

The May 1, 1984 issue of *The Workers' Advocate*, which is now being made available on the Internet in a PDF edition, was a large pamphlet of 126 pages, which dealt with the line of the Soviet-led section of the international communist movement in the immediate post-world war II period. It covered the period of Stalin's leadership, up to his death in 1953, and analyzed the views of Soviet leaders, the Cominform, various European parties, and the CPUSA. It showed the revisionist nature of these views. The corrupt orientation of abandoning revolutionary work in the capitalist countries, and the other rotten practices which were at one time thought to originate in Khrushchovite revisionism, were already being championed by the Stalinist leadership of this time. The pamphlet illustrated how superficial was the supposed repudiation at that time of Browderism and other liquidationist views, views which had led not only to the temporary dissolution of the CPUSA in 1944, but to the elimination of the revolutionary content of the agitation of many parties that called themselves communist.

The pamphlet regarded these practices as major weaknesses and seriously mistaken practices in a world movement that was still genuinely communist. At the time this document was prepared, although the Marxist-Leninist Party was polemicizing against the mistaken orientations of the Stalinists, it still thought that socialism was being built in the USSR during the post-war period and right up until the Khrushchovite regime that came about soon after Stalin's death. It still thought that it was under Khrushchov that socialism was first replaced with state-capitalism. Further theoretical work and study of Soviet history by the MLP and, later, the Communist Voice Organization led to the conclusions that the historic Bolshevik revolution of 1917 had begun fading away sometime in the 1920s, and that not a socialist system, but a state-capitalist one, was built up in the USSR in the 1930s. Thus in the post-World War II period the Soviet Union was not a socialist country, but a capitalist one, albeit with a new form of capitalism. This was the economic base for Stalinism being a new form of revisionism; and it's why the Soviet regime became oppressive.

So, if this document were rewritten today, it would not just criticize various of their policies, but draw a class line against the Soviet leadership of that time, and condemn the state-capitalist tyranny practiced by revisionism. Indeed, since the May, 1984 issue of *The Workers' Advocate*, we have learned more about various of the betrayals and brutalities of the state-capitalist leadership, such as the mass deportation of the entire Chechen people and of several other small nationalities and the methods of subjugating other parties and countries. A rewriting of this document would sharply bring out the contradictions resulting from a communist movement, comprising the main forces of the class-conscious proletariat in various countries, that looked to a hostile class force, the Stalinist leadership of the state-capitalist bourgeoisie in the Soviet Union, as its standard-bearer. And it would also be enriched with a deeper discussion of communist tactics, making use of the further experience and theoretical study since that time by the MLP, and then the Communist Voice Organization.

Nevertheless, the pamphlet gave a good picture of the general framework for political work in capitalist countries being set forward in the world communist movement at that time. It didn't just describe the MLP's *opinion* of what was going on in the post-World War II period, but provided *extensive documentation* from the writings of the CPSU and other parties. It was part of a series of documents in the 1980s with which the MLP brought into the open the issues worrying the anti-revisionist movement of which it was a part. The MLP took a steadfast stand against reformist treachery, no matter from what quarter, to the cause of building a militant and independent working class movement. Even though mistaken on the nature of the Soviet Union in the post-World War II period and about the system that was eventually built up in Albania, the MLP held back nothing in providing an historical account of the views and practices of the world revolutionary movement, as far as it was aware of them. In doing so, the MLP — in company with a handful of other courageous anti-revisionist groups and individuals around the world — refused to be intimidated by various of its one-time friends in certain other parties, and preferred to suffer protracted isolation than to hide the truth from the activists involved in

collective struggle against capitalist exploitation and tyranny. These matters were discussed by all members and supporters of the MLP, and it was decided at MLP congresses and national conferences to bring the discussion, as far as we could, to all the working-class activists and communists of the world. The MLP's knowledge may have been partial, and its analysis of world communist history a work in progress, but its commitment was total to developing the anti-revisionist struggle as a conscious activity, not of a handful of knowledgeable people, but of the mass of communist activists and workers

The issues raised by these documents have remained issues in the left-wing movement till this day. They concern such matters as the struggle against the threat of imperialist war, the attitude that the activists in imperialist countries should take to the national liberation movement, the assessment of social-democracy and reformist forces, the stand towards the class-collaborationist labor bureaucracy, whether to adapt one's agitation to petty-bourgeois nationalist prejudices, whether to see the class nature of the entire bourgeoisie or pretend that only a small ultra-right section was responsible for the war-drive and other bourgeois crimes, and whether communist parties should join bourgeois governments. If one wants to take part in building a revolutionary working-class movement, it isn't sufficient to simply know that the communist movement was subordinated to state-capitalist Stalinist regimes, and that this helped corrupt it. One still has to know what the correct orientation for communist activity is. If all one knows about what is wrong with the views given in the post-World War II period is that the movement was subordinated to the Soviet leadership, then one knows very little about how to build the working-class movement. One can't simply answer the question of what to do by saying "just be sure, whatever you decide, not to be subordinated to the views and motives of this or that Stalinist regime or official". Trotskyism acts in this way and devotes so much effort to generalities about "socialism in one country" because it doesn't really have a good idea of what's wrong with Stalinism: underneath its misleading rhetorical slogans, its views have much in common with Stalinism. (See "An Outline of Trotskyism's Anti-Marxist Theories", at www.communistvoice.org/00TrotskyOutline.html,

for an updated and anti-Stalinist critique of the basic ideas of Trotskyism.)

As well, the study of the erroneous post-World War II orientation underlines the need to carry forward the anti-revisionist struggle to the end. The Stalinist-dominated movement sometimes claimed to be fighting revisionism; the Cominform often put on a "left" pose in its denunciations of imperialism; and a show was made of upholding Leninist theory. But this was pretense. It isn't sufficient to be satisfied with the milquetoast anti-revisionism of the CPUSA's reconstitution in 1945, that reversed its dissolution in 1944 by Browder, or with the Maoist assessment of the world communist movement. A careful study of world communist history shows the need to uphold the real standpoint of Marx, Engels, and Lenin against the contortions of Stalinist revisionism. And it is also necessary for activists today to further develop communist theory by taking account of the experience of a century of mass struggle and revolutionary organizing since Lenin's death, analyzing new developments in the economic and political situation of the world, and dealing with the new questions of our day.

This pamphlet's coverage of the communist movement of that time was, however, geographically limited. It dealt mainly with the Soviet, French, British, and American parties; the Cominform; and the World Peace Congress. Aside from some remarks about the Maoists, it did not deal with the Asian, Latin American, Australian, and African parties. This is not because the MLP regarded these other parties and movements as unimportant; on the contrary, the pamphlet discussed and sharply condemned the general lack of interest of Stalin and various parties in the national liberation movements and other revolutionary struggles of the oppressed peoples outside Europe. Instead this limited coverage was for the sake of bringing into sharp focus the views and practices most closely associated with Stalin and the Cominform.

Joseph Green, editor, *Communist Voice*
April 6, 2009 □

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Correspondence about the idealist deviation of the Maoist RCP, USA

Below is an email letter from an activist about the RCP, and our reply:

From: A.R.G.
To: mail@communistvoice.org
Subject: Critique of RCP
February 20, 2009

Hi,

This is a criticism of recent developments within the RCP. Feel free to post or comment on.

The RCP: Idealist Deviation and the Cult of Personality

There are two guiding principles that keep any revolutionary organization on track — upholding Marxism-Leninism-Maoism, and fighting for the interests of the people. The RCP has abandoned both. How this occurred is very instructive.

Hegelian Idealism

Bob Avakian, Chairman of the RCP, criticized MLM for having a “mechanical materialist trend” only in the past two years, with the publication of his “New Synthesis.” The RCP believes that this is an original contribution to Marxism. In fact, it is warmed over Hegelianism, the belief that human consciousness evolves separate from material conditions and is the determining factor in historical development. This is an ideology Marx defeated 150 years ago.

An example of this is the obsessive criticism of Christian ideology in the pages of “Revolution.” Avakian criticizes Christianity for having reactionary ideas and for its inconsistencies — not surprising since it is a tribal religion and the Bible was written over the course of almost a thousand years. Avakian cannot accept the simple concept that “religion is the opium of the people,” that religious consciousness develops out of the terrible conditions that the masses are forced into, and that if you want to get rid of religion don’t argue with it, make a socialist revolution.

Phantom Fascism

The core of the RCP’s political line during most of the Bush era was the idea that the American people faced a situation of fascism or socialism, similar to Trotsky’s line in the early ‘30s. Avakian said that “the pendulum will not swing back,” meaning that the Bush tendencies toward fascism were inevitable. He called for a “repolarization” of the people, meaning that communists should divide the masses not along red state/blue state lines but on class lines. Avakian’s analysis of the danger of

fascism was completely based on the apocalyptic ideology of the dominionists of the Christian Right.

Avakian ignored three material and historical conditions necessary for fascism: 1. the bourgeoisie had not exhausted its economic and political reserves — it still had money to buy people off and the support of the majority; 2. the Christian Right lacked a political party and military wing that could give it a degree of political independence from the bourgeoisie, as Mussolini and Hitler had; 3. the bourgeoisie had 250 years experience in ruling through bourgeois democracy, and would be reluctant to switch to fascist rule unless it was absolutely necessary.

The RCP failed to notice that Bush cut off the neo-conservatives and the Christian Right in 2006, and was completely caught by surprise by the Obama phenomenon. They never did self-criticism for their incorrect line on the inevitability of fascism; after the election it just disappeared.

Correct Ideas from the Head of Bob Avakian

The RCP has an idealist line that relies on theory to the exclusion of practice. If you read *Revolution* there are few articles that are based on organizing work that the RCP is involved in, while there are many articles by Avakian. Mike Ely criticized Avakian for being “self-referential,” always quoting himself. In response, Avakian, in a recent *Revolution* article claimed that his ideas were so new there was no one else to quote. Lenin quoted Marx to show that he was applying Marxism to Russian conditions. Avakian quotes himself to distinguish himself from MLM. The RCP believes that correct ideas come from the head of Bob Avakian.

The RCP has no mass line. Two examples of RCP’s social practice are: at the rally in support of undocumented workers they set up a tent to show a video of Avakian speaking; they had a sound truck in the Latino section of Oakland where they promoted Avakian as a visionary leader.

Democratic Centralism or the Cult of Personality

Avakian never writes about organization line. The promotion of Avakian as a visionary, the lack of a mass line, the lack of social practice, all add up to extreme bureaucratic centralism — everything flows down from Avakian, nothing flows up from the masses.

Mao pushed his personality cult during the Cultural Revolution because the correct line, his line, had lost control of the Party. Lenin twice threatened to quit the Bolshevik Party — when his line, the correct line, was a minority of one over the struggle for his April Theses to make an immediate socialist revolution in the spring of 1917, and over the Treaty of Brest-Litovsk in order to save the new communist government from destruction. In Avakian’s case, his line is the RCP line; so what is the purpose of a personality cult? There is no political purpose

— it is completely self-serving.

When Avakian criticized MLM for being mechanical materialist there was no discussion about it in *Revolution* or in their public forums that I could detect. No one demanded that he support his claim with quotes from Marx or Lenin. No one called for testing his “new synthesis” in social practice among the masses. That he could, without opposition, successfully place himself above an ideological line that created the two great events of the 20th century, the Russian and Chinese revolutions, is evidence of the RCP’s total degeneration into a personality cult.

Though they never spell it out, the RCP puts Avakianism over MLM. Though they denounce the war, police brutality, etc., they do not fight for the immediate or long-term interests of the masses but want the masses to support Avakian.

RCP’s Degeneration Is a Setback

We are in a period when the basic contradictions in the world are intensifying, and there may be an upsurge in the mass movement in the U.S.. for the first time in over thirty years. In the 1960s there was no communist party to guide the masses — Maoism emerged in the ’70s as the mass movement was on the decline. Maoists did not split from the CP — it was too revisionist to produce anything. They more or less invented themselves from a variety of influences.

I supported the RCP for a decade and believe that it was once the party of the proletariat. Avakian correctly broke with the Chinese Communist Party after the death of Mao. He also correctly abandoned organization based on factory cells in the industrial proletariat and turned toward *What is To Be Done* and the lowest and deepest sectors of the working class. The RCP survived as a Maoist organization for thirty years, in spite of the long ebb period in the mass movement.

If a revolutionary situation develops in the U.S. in the future and there is no party to lead it, it will be the tragedy of the century.

A.R.G.

The Communist Voice replies about the history of Maoism

Subject: Re: critique of RCP
Date: March 3, 2009
From: Joseph Green
at mail@communistvoice.org

Hi AG,

Thank you for sending us your statement *The RCP: Idealist Deviation and the Cult of Personality* and for permission to post it. It makes a number of good points about the cult of Bob Avakian and the RCP’s views during the Bush administration.

For one thing, you deal with the RCP’s orientation that fascism was imminent under the Bush administration, and their

creating the feeling that there would be “a situation of fascism or socialism”. Looking further into this, it would be useful to note the class alignments they put forward underneath their talk about fascism. They sought an alignment with sections of the liberal bourgeoisie. And in doing so, they impeded the development of an independent class movement of the working class, and hindered the communist work of showing the masses the neo-liberal class stand of the bourgeois liberals as well as of the Republicans.

While the period of the Bush administration wasn’t going to give rise to either fascism or revolution, there was still revolutionary work to be done. Communists were faced, for example, with helping the working class recover from its present disorganization and develop an independent class movement, and with dealing with the ongoing theoretical crisis of the left. But this was too prosaic for the RCP. Instead they created an atmosphere that really decisive things were about to happen, and indeed must happen — it was supposed to be one’s moral responsibility that they should happen, as the world simply couldn’t stand waiting any more. In their conception, these major events were to happen hand-in-hand with the liberals.

You debunk Avakian’s cult of personality, which is a useful thing to do. There is also the issue of where this cult came from: it did not simply come out of thin air. It is one of the possible culminations of the general views set forward by RCP for years. The RCP never had a clear sense of what party-building was, and its relation to the working class. Trying to maintain an atmosphere of expectation apart from the development of the class struggle is one of the conditions that helped generate their cultism.

The RCP comes from the activist group called the “Revolutionary Union”. The RU leadership was opposed to serious attention being paid to party-building, and at first advocated that communists should be organized through a series of “pre-party collectives” that had an economist approach in how they presented themselves to the working class in the localities and at the factories at which they were active.

You write that Avakian “correctly abandoned organization based on factory cells in the industrial proletariat and turned towards *What is To Be Done* and the lowest and deepest sectors of the working class.” It’s true that the RCP abandoned their activity at workplaces, but was their new attitude to the working class in accord with Leninist principle? Let’s look a bit more closely at what actually happened.

The RU had developed influence among workers at a number of factories and other workplaces. But, although they were able to achieve this, they didn’t know how to develop political organization there, and they also misjudged various struggles they were involved in. This led them to an impasse. A crisis developed in their work, and two trends developed in the RU. One trend, which became the Revolutionary Workers Headquarters, wanted to continue the economist positions and was skeptical towards having a party, and the other trend wanted to set forward big revolutionary declarations, but had no idea how to connect this to organizing among the working class.

Things were brought to a head by the founding of the RCP, and there was a split. The Avakian-section would be left with the RCP, but without much of its base among the working class and without much of an idea of how to proceed at the workplaces.

Eventually they abandoned the factories altogether. They covered their loss of working class support with fervent phrasemongering. The RCP neither figured out the proper approach for organizing at the factories and workplaces, nor could they carry out a “protracted people’s war” in the US. Their fervent declarations of the need for revolution were detached from working out the orientation for on-going struggles. They were good at creating revolutionary expectations of big events to come, and they maintained a certain support among youth and in certain movements. But the empty tactics of revolutionism without a class basis led them into an impasse. It periodically gave rise to problems as these expectations were never fulfilled, and it eventually led them to the plan of building up connections with the liberals, as one can see in the agitation carried out by “The World Can’t Wait!” organization.

Lenin, in *What Is To Be Done?*, advocated basing revolutionary politics on the working class, and opposed, as “economism”, separating the movement into intellectuals and activists who were political, and workers who were simply interested in the economic struggle. And he pointed out that the fundamental political stand that results from economism was “let the workers carry on the economic struggle (it would be more correct to say the trade-unionist struggle, because the latter also embraces specifically working-class politics), and let the Marxist intelligentsia merge with the liberals for the political ‘struggle.’” (Sec. IC) The RU, by way of contrast to Lenin’s stand against economism, maintained the distinction between their organizing among the workers and their specifically communist stands. The formation and development of the RCP might have seemed to mark a change in this, but, in fact, the RCP didn’t so much solve the problem of an economist approach to the masses, as reproduce it on a higher level. They didn’t simply adjust this or that method of organization among the industrial proletariat, but instead abandoned any serious idea of basing the struggle on the class movement. This led them for a time into a series of anarchistic propaganda stunts to promote revolution. And, finally, their practical agitation has ended up with breathless moralistic appeals, designed to obscure the gulf between the activists and the liberals.

Avakian’s cult is one of the possible outcomes of such an orientation. It creates a feeling of progress, of new, exciting developments, while in fact the RCP still can’t figure out how to contribute to the building of an independent working class movement and of a truly communist party. Unlike the RU, the RCP has the trappings of a revolutionary party. But it is a party which, as you point out, suffers from bureaucratic centralism, and its theorizing is detached from mass experience and lacks a honest summation of the results of their work.

But this is not the fault of the RCP and Avakian alone. It stems from the fact that Maoism itself had reached a crisis, and it doesn’t provide orientation for how to conduct revolutionary work among the working class at the present time.

Nor, on the theoretical front, could American Maoism provide a thorough critique of modern revisionism. The Maoist movement in the US rose out of the mass struggles of the 60s and 70s, combined with revulsion against the revisionist degeneration of the Soviet-led world movement, and opposition to the reformist tactics of the American CP, which trailed along behind

the liberal bourgeoisie. But, despite the important role of the Chinese revolution, the Chinese Maoists eventually built up a state-capitalist system, just as the Soviet revisionists had. This occurred even while Mao was alive, and Maoism proved to be another variant of revisionism. So it’s no wonder that the Maoist framework prevented the American Maoists from developing a firm communist theoretical basis. This was dramatically illustrated in the inability of the RCP to firmly denounce the “three worlds theory” put forward by the Chinese CP, even after the Chinese Maoists were using this theory to advocate alliance with US imperialism against Soviet social-imperialism, and also alliance with various other reactionary bourgeoisies around the world. The RCP vacillated on the three worlds theory, not liking some aspects of the three worlds theory but apologizing for other aspects, since they knew that a consistent denunciation of it would lead to questions about Mao himself, and not just about this or that deviant faction in the Chinese CP. But the penalty for not moving forward and recognizing the revisionist nature of Maoism, was that the RCP eventually developed its own form of conciliation of the liberal bourgeoisie: the RCP’s rhetoric was more exciting and left-sounding than that of the American CP, but the pursuit of the liberals was just another variant of revisionist abandonment of the task of building an independent class movement.

We have posted on our website some articles about the RCP that you might be interested in. Aside from material on the history of the RU/RCP, there is also discussion of the three worlds theory, the issue of “protracted people’s war”, and the fate of the Chinese revolution (a major revolution that shook the world despite the eventual outcome of building a state-capitalist regime). Links to these articles can be found at www.comunistvoice.org/00China.html. One of these articles is a comment by Eric Gordon on Avakian’s cultism. (See “The Maoist cultism of the RCP, USA is anti-Marxist” at www.comunistvoice.org/36cCult.html.) And, as far as how RCP reached its present position, you might be particularly interested in a statement by one of our comrades who took part in an RU collective back in 1971, and has kept track of the evolution of the RU and RCP’s work ever since. He freely gives credit to RU activists for their work in factories and workplaces in the 1970s, but deals with the political orientation that led the RU into crisis, and resulted in the RCP’s bankruptcy. See “The RCP, the theoretical struggle, and the working class” at www.comunistvoice.org/26cLetters.html#TheRCPandtheworkingclass.

I know that at present you feel that the RCP and Bob Avakian are betraying Maoism, rather than the Avakian cult being one illustration of the fate of the Maoist political line. But we agree on the need for a genuine communist party, and I would be happy to hear more about your views and activities.

Once again, thank you for sending us your statement. I think it does a service to the movement when these issues are discussed openly and thoroughly. And I look forward to hearing more from you.

Joseph Green,
editor, “Communist Voice”

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