

political **A**ffairs

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*"To Know and
Not to Act
Is Not to Know"*

Boom Economy — for whom?

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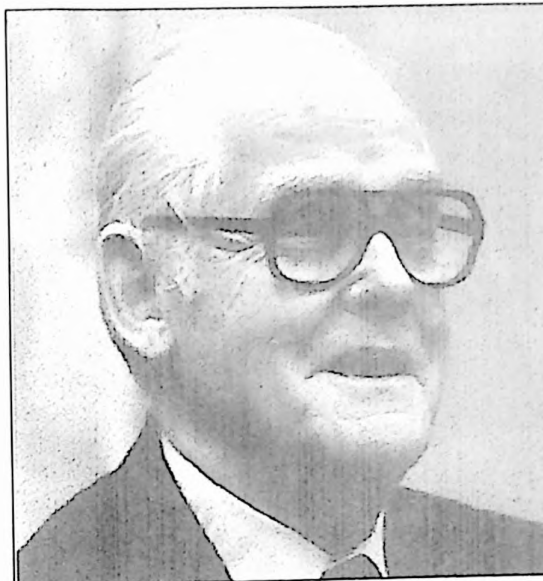
BUSINESS AND CIRCULATION: *Howard Feinstein*

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Gus Hall
1910 - 2000

Editor's Note: Political Affairs will dedicate an upcoming issue to the memory of Gus Hall.

The Communist Party, USA is deeply saddened by the death of Gus Hall. We have lost an invaluable leader, comrade and friend. The flood of condolences from around the country and the world testify that the working-class, left and progressive movements have also lost a mighty champion.

It is obvious from the many news stories of his death that even his detractors recognized two of his most important characteristics: He was rooted in the American working class and he was steadfast in his struggle for a better world.

Gus' roots were in the radical traditions of the iron ore miners, the loggers, the farmers of Minnesota and the steelworkers of Ohio. For Gus the fight against exploitation, for the working class, was the central theme of his political life.

Gus kept a keen focus on the multi-racial, multi-national, male and female working class. Gus placed vital priority on the fight for equality against racism, discrimination and national chauvinism. He was an unwavering working-class fighter for Black, Brown and white unity.

Gus consistently argued that every struggle of the people was of concern to the working class: Civil Rights and immigrant rights, women's equality, youth rights, defending the environment, union organizing, defending public education and Social Security, world peace and stopping U.S. imperialism's dirty wars against Korea and Vietnam, freedom for Puerto Rico, the fight for family farmers and farmworkers, and many more. Gus always argued for the broadest possible coalitions and alliances and inclusiveness in the struggles of the people and the working class.

Yet through all the twists and turns of struggle Gus fought to keep our party and the progressive movements focused on the working class as the core and essential ingredient for winning battles for all the people victimized by the greed, oppression and exploitation of the capitalist system. Through the bitter attacks of the McCarthy period to smash the Communist Party and the new CIO militancy of the labor movement, through the Reagan/Bush years of government sanctioned, corporate union busting, Gus

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World Working Class Unity and Globalization

Scott Marshall

Tremendous changes that have taken place in the U.S. labor movement in the last few years. There is a new class-struggle direction emerging. Hundreds of left, socialist, and Communist trade union activists have emerged in the labor movement in leadership positions. In particular, at the local union level and in mid-level leadership positions in labor, these emerging leaders are developing important influence. This radicalization process is rooted in very real changes in thought patterns in the working class. Rank-and-file workers and their families find themselves in a life-and-death struggle to defend their jobs, their living standards, and their communities. This process goes all the way to the top levels of the trade unions and the AFL-CIO. The new AFL-CIO leadership is making important changes that move in the right direction.

The new AFL-CIO is struggling to be inclusive of all sections of the working class. More African-American, Latino, Asian-American and other nationally and racially oppressed peoples are being drawn into the leadership circles of the labor movement. Women, youth, retirees, gays and lesbians, and faith-based religious activists are also finding a new home in the house of labor. The new AFL-CIO is struggling hard to build new, broad, mass coalitions with all the progressive movements in the United States. The anti-WTO demonstrations in Seattle, was dramatic proof of labor's willingness to unite with many diverse social movements in pursuit of common goals. Most importantly, the new labor movements sees itself as the champion of all of the working class, in all of

its many economic, political, and social struggles for justice and equality.

The sharpening class struggle in United States, is also producing another important change in the labor movement. Increasingly, workers and their unions find themselves in direct confrontation with global capital. Increasingly, international labor solidarity is a matter of survival. This has prompted the AFL-CIO to search for a new world outlook, and to begin to shake off its former Cold War mentality. The new AFL-CIO leadership has taken important steps to rid itself of past U.S. government interference in its international policy and affairs.

This process of renewal and rethinking is also taking place in the world labor movement. This past April, the congress of the International Confederation of Free Trade Unions (ICFTU) took place in Durban, South Africa. What



A musical group performs on the stage during the Jubilee 2000 program.

Scott Marshall is a contributing editor of PA and is a vice-chairman of the CPUSA.



Demonstrators march to Parliament in Cape Town, South Africa.

a change since the bad old Cold War days. The ICFTU, came into being as an anti-Communist split in the world labor movement. Those days are rapidly disappearing. A remarkable symbol of that change was the fact that the congress was hosted by Congress of South African Trade Unions (COSATU) which includes in its leadership, members of the South African Communist Party. But most important, the congress was dominated by a discussion of how to build international labor solidarity against global capital. Trade union federations from around the world discussed how to globalize economic and social justice. Debt relief, fighting privatization, the plight of contingent workers, immigrant bashing, the flight of capital: these were the themes of the congress.

World Communist Unity

It is important also to note the growing number of left, socialist, and Communist world meetings taking place. For example, there have been three world conferences of Communist parties in the last three years.

These conferences, hosted by the Communist Party of Greece, bring together over 60 Communist and workers parties from around the world. Here, too, the dominant themes have been uniting world labor against global capital. The main theme of this year's conference was building new coalitions and alliances. While it is important not to overlook or brush aside the mistakes

of the past, what was so important about this year's conference was the emphasis on the struggles ahead. Day by day it is becoming clearer to Communists, left and progressive forces around the world, that now more than ever, it will take world working-class unity and solidarity to defeat imperialism and world capitalism.

It is clear that capitalist global-



Brazilian workers strike Ford last year.

But international solidarity will not emerge fully spontaneously. The left in the U.S. has a special responsibility to lead struggles against the top dog of imperialism U.S. imperialism.

ization, or imperialism, is aggravating and intensifying all of the problems that working people face. Global capitalism is driving what the AFL-CIO calls "the race to the bottom," for the world's working class. The global corporate stampede for maximum profit leaves in its wake horrendous issues of racism and national chauvinism, abuse of immigrants, forced underdevelopment, poverty, gender inequality, and attacks on children and young people.

Yet it takes two classes to struggle. In Prague, in the Czech Republic, thousands of workers, trade unionists, environmentalists, youth activists, farmers, women, and many other social movements protested against globalization. In a grand repeat of "The Battle of Seattle," an emerging worldwide anti-monopoly coalition said no to global capital. American trade unionists, environmentalists, farmers, and others were there. Equally important, there were militant support demonstrations in several dozen cities across this country, initiated and sponsored by the same coalition forces.



AP photos

Demonstrators protest IMF in Washington.

Growing solidarity

There are many other signs of this growing international solidarity and struggle. Take for example, the United Steelworkers of America. Two of its most important victories in the last few years, at Ravenswood Aluminum and at Bridgestone/Firestone, owe much to the international solidarity of unions from around the world. The Steelworkers learned two important lessons from these struggles. One is that they cannot apply an anti-Communist litmus test to who they work with internationally. Left-led unions were vital in the Ravenswood battle. The other is that international labor coalitions have to be built for the long haul. The steelworker's union did not simply thank the other Bridgestone/Firestone workers and go home. They formed an ongoing relationship that included hosting an international conference of Bridgestone/Firestone unions next summer.

Most folks know that the AFL-CIO, especially the Steelworkers, the Teamsters and others were the backbone of the "Battle in Seattle." But many don't realize the leading role that the AFL-CIO played in Jubilee 2000, the radical campaign to cancel the debt for underdeveloped countries. This is the kind of militant, anti-finance capital demand first internationally called for by Fidel

Castro and the Cuban Communist Party.

We must also consider the new and exciting cooperation and militancy developing in the international trade union secretariats. The metal workers federation, the mining and energy federation, the public workers federation are breaking new ground in international cooperation in fighting against deregulation, privatization and many other "neo-liberal" imperialist policies.

But international solidarity will not fully emerge spontaneously. The left in the U.S. has a special responsibility to lead struggles against imperialism U.S. imperialism. This is an even greater challenge today given the new dominance of the U.S., politically and militarily in the world. In particular it is incumbent on the left and progressives to make the links in the labor movement between the struggle for peace, anti-imperialism, and the global economic struggles.

One concrete example is around NATO. The left cannot be satisfied with the response in this country to the U.S. and NATO bombing of Yugoslavia. Labor was, for the most part silent. The left, socialist and Communists did not do an adequate job of linking the economic and social assault on working people to the use of military might to enforce the anti-people policies of the global capitalist corporations and institutions. It was

not made clear enough that the WTO, the IMF and NATO all serve the same masters and have the same aims.

China

This is no simple problem. As the AFL-CIO's campaign against normal trade relations with China reveal, it will be a struggle with many zigs and zags. On the China issue, also, there was too little done by the left. Without getting into a detailed discussion of tactics, it is not a question of what you think about the developments in China. It is not a question of what you think about China's admission into the WTO. It is a question of who is the main common enemy of the Chinese and American working class. It was and is a question of building solidarity and normal trade union and working-class relations with the largest labor federation in the world against U.S. and other multinational corporations that are pitting us, one against the other, in a race to the bottom.

Anti-monopoly strategy

For many years the Communist Party, USA has followed an anti-monopoly coalition strategy. In essence it rests on the idea of uniting all who can be united against monopoly capital: workers, oppressed peoples, farmers and small business. It has meant building the strength of the working class as the center of as broad a coalition as possible to curb the power of monopoly. The idea is that a labor-led coalition of forces in militant struggle for reforms and curbs on monopoly lays the stage for building the fighting strength of the working class and its allies. Out of this process, comes the class consciousness needed to win the battle for socialism. This is not an automatic or spontaneous process. It requires the constant hard work of the left and the Communists to expose the class and systemic nature of capitalist rule. And it requires building a mass movement for socialism, especially based in the working class.



Women and children Chiappas, Mexico.

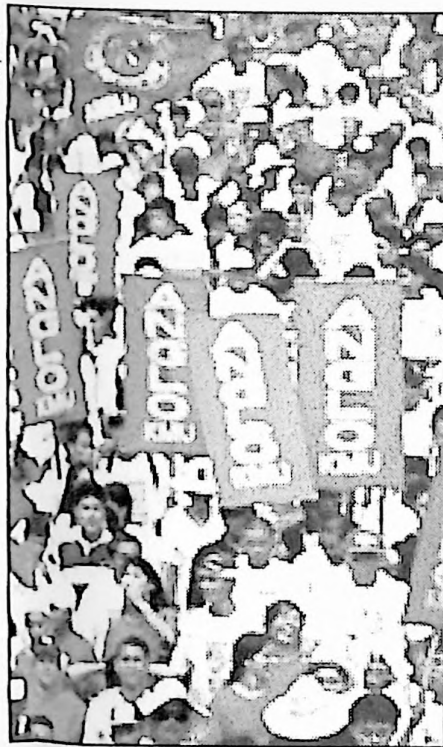
New labor-led, anti-monopoly coalitions will emerge out of Seattle and Prague, out of Bridgestone/Firestone, out of struggles against AIDS, global warming, the misuse of bio-engineering, and many other struggles for the economic, social and political needs of working families the world over.

Just as defeating George W. Bush and the extreme right of the Republican party will give us room to unite and maybe even go on the offensive in the class struggles at home, so winning global victories in curbing capitalist globalization and building these international coalitions are a critical part of giving the working class in every country the breathing room, the struggle room, and the strength to replace capitalism with socialism. And in turn every blow against monopoly capital at home is a blow for internationalism and human freedom.

There is a new and deeper meaning to the slogan, "Workers and oppressed people of the world unite." Today it has a new more developed meaning. ■

Rethinking

In the face of capitalist globalization, there is a need to broaden and refine the concept of anti-monopoly coalition. Science and technology, new revolutions in communications and the mobility of capital, the emergence of many new social movements, the sheer scale of world capitalism and finance capital today, and many other factors force us all to rethink, renew and broaden our strategies. Clearly anti-monopoly has new meaning in a global context. It is more international. It has to be broader to take into account the many new social movements that have emerged on a world scale. It has to be more rounded to see how the struggle to build international labor solidarity in the new situation is more important and more intertwined with the class struggle at home.



Workers in Phillipines demand higher wages.

NOT

Your Grandfather's Working Class

Fred Gaboury and Art Perlo

The landscape of the last half-century has been marked by rapid and far-reaching change. But nowhere have those changes been more far reaching than changes in the size, demographic composition and structure of the workforce. It is nearly three times as large today as it was 50 years ago, its numbers swelled by an influx of millions of women, African Americans, Latinos and members of other oppressed minorities, and immigrants.* Driven by new technology, whole new industries, production processes and occupations have appeared on the scene, forever changing the structure of the workforce, as terms like "downsizing," and "privatization" have taken their place along side "just-in-time delivery" and "contracting out."

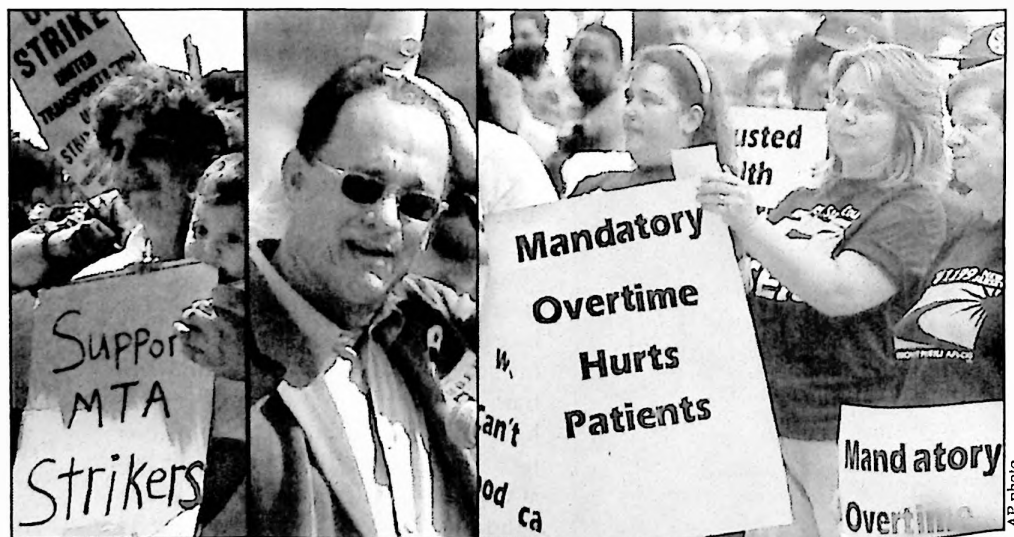
Today workers employed in what the Labor Department loosely defines as "service producing" industries outnumber those employed in the "goods-producing" industries of mining, construction and manufacturing by more than 4 to 1, up significantly from 1.5 to 1 in 1948. Most dramatic of all, although employment in good-producing industries has grown by some 6.5 million, employment in manufacturing industries has declined from 35 percent of the nation's non-farm workforce in 1948 to a little more than 14 percent today. These trends are going to continue. According to Labor Department projections for the period 1998-2008, service-producing industries will account for virtually all employment growth. Only construction will add jobs in the goods producing sector while employment in manufacturing will continue its

decline to about 12 percent of the non-farm workforce.

According to these same projections, 12 occupations ranging from systems analysts to home health aids and high school teachers will generate some five million jobs by 2008. Only three of these occupations will require a college education, two will require some post-high school education and the other six can be mastered after what the department calls "short term on-the-job training." The AFL-CIO says that most of these jobs are currently low-paid. As the 13.2-million member federation said in an article titled *The Face of the New Economy*, "Half of the dozen occupations expected to add the most jobs by 2008 pay poverty-level wages" of less than \$350 per week.

Workforce Demographics

There will be other changes as well. Women will increase their share of the workforce from 46 to 48 percent, while the number of Latino workers will increase by more than a third and African Americans by about one-fifth. This is shown in the table that follows.



Fred Gaboury and Art Perlo are members of the Economics Commission CPUSA.

CHART 1: Workforce Demographics

| | 1960 | 1983 | 1999 |
|---------------------|--------------|--------------|---------------|
| Black Workers | 9.7 million | 9.6 million | 15.1 million |
| Latino Workers | 9.7 million | 5.3 million | 13.7 million |
| Women Workers | 33.6 million | 43.7 million | 131.4 million |
| Black (% of total) | 9.7 million | 9.2% | 11.3% |
| Latino (% of total) | 9.7 million | 5.3% | 10.3% |
| Women (% of total) | 33.4% | 43.0% | 46.2% |

One trend evident from these figures is the continuing growth in the size of the Latino workforce, based on immigration from throughout Latin America, but primarily from Mexico. The proportion of Black workers is also growing, partially due to immigration from the Caribbean and Africa. But with all this, some things never change. In 1950, African Americans, Latinos and other people of color were clustered in occupations listed as operatives (18.6 percent), private household workers (17.7 percent) and other service workers (16.1 percent). Barely 3 percent were professional or technical workers, only 2.5 percent were managers and 1.2 percent sales people. (The Department

of Labor classified workers as "white" and "nonwhite" as late as 1962, which is why there are no figures given for African American and Latino in 1960.) That pattern has barely changed today, more than 30 years after legislation barring discrimination in employment became the law of the land. In 1999 workers of Mexican origin, together with those of Puerto Rican and other Latin American origin made up 10 percent of the employed work force, while African Americans made up 11.3 percent the same year. Each group was concentrated in service sector jobs in health care, food preparation and as building service workers or operators, fabricators and laborers in manufacturing industries. Many more were employed as taxi or bus drivers.

In several of these occupations (child care, tile setters and dry wall installers, food preparation and textile/apparel, among others) Latino workers make up more than a quarter of all workers. Although only 7.5 percent of Mexican Americans are farm workers, they make up 46 percent of all farm workers.

African American workers make up at least a fifth of several service-related occupations, among them dietitians, social workers, and laboratory technologists; shoe salespersons, postal clerks and guards. They are 35 percent of all nurses' aids and make up more than 35 percent of the nation's sanitation workers.

As was the case 50 years ago, several occupations such as heavy equipment operators, tool and die makers, sheet metal workers, dentists and surveyors, where they hold less than 5 percent of total jobs, are all but closed to African Americans and Latinos.

Structural Changes in the Workforce

Taken together, the core sectors of mining, manufacturing, construction, transport and utilities, continue

to grow slowly in numbers, but they are declining as a percentage of the workforce. Changes have been uneven, with some manufacturing declining sharply, others increasing.

There have been geographical changes along with the structural changes. Industry has moved from giant production complexes in cities, to smaller, scattered units in suburban industrial parks. Whole states and regions, formerly industrial, have been stripped almost bare. The South has emerged as the most industrial region of the country.

The Service Sector

It is widely known that "the service sector" now provides the most jobs and shows the fastest growth. Chart 2 shows the number of workers in the major sectors of the economy, from 1950 through 1996, and includes projections to the year 2006.

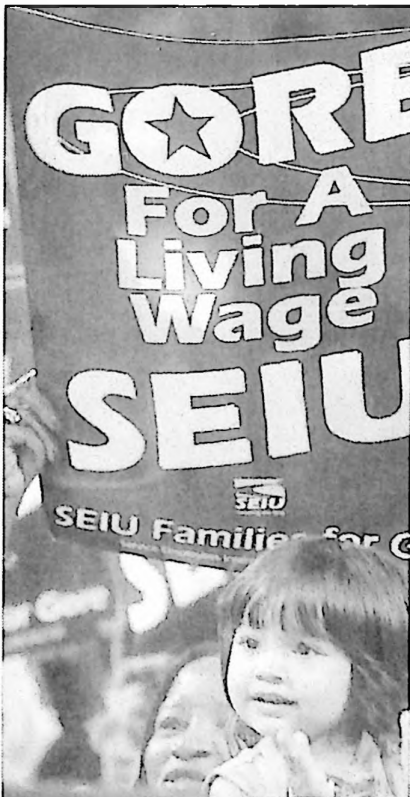
Wholesale and retail trade (mainly retail) have grown rapidly. There are now more people selling

CHART 2: Business Services

| | 1986 | 1996 | 2006 |
|---------------------------|------|------|------|
| Services to Buildings | 0.7 | 0.9 | 1.1 |
| Personnel Supply Services | 1.0 | 2.6 | 4.0 |
| Computer Services | 0.6 | 1.1 | 2.5 |

goods than there are producing and transporting them. Of the 21.6 million retail workers in 1996, 7.5 million worked in restaurants and bars. The service sector includes doctors and nurses' aides, computer specialists and janitors. There is rapid growth in both low and high-end jobs, but the greatest number are near the bottom. One of the largest groups is medical workers. Only 1.1 million in 1960, they were 9.5 million in 1996, and are projected to grow almost 25 percent to 12.6 million by 2006.

For another major service category, "Business Services," we get the following figures (in millions): Services to Buildings includes mainly low-wage janitorial jobs, but also a number of skilled maintenance jobs.



AP photo

Personnel Supply Services is a polite term for temp agencies. A large number of these are actually industrial workers. Others range from clerical workers to high-paid managers. This group is growing not only in numbers, but in impact its share of the workforce doubled between 1986 and 1996. Finally, nobody should be surprised at the growth of Computer Services. Not all of these are high-paid, high-tech workers. There are plenty of receptionists, mail clerks and janitors working for these companies.

Together with the change in numbers and composition, the nature of the work in many "service-producing" jobs has changed in several ways as these industries have been swept up in a frenzy of mergers and consolidation, specially in its health care, hospitality and building service sectors. Hospital chains dominate an ever-growing part of the industry, as do hotel chains and building service contractors, some with thousands of workers are developing a national reach.

In these workplaces, there is a general trend toward a more "industrial" style of work, with strictly defined, repetitious tasks that offer less room for advancement or satisfaction. Barbara Garson describes this process vividly in her book, *The Electronic Sweatshop*. In one chapter, she examines a large corporation in which secretaries with skilled, wide-ranging jobs were downgraded to word processors and clerks, with a narrow and regimented job description. National statistics provide backup for her anecdote. From 1983 to 1998, the number of secretaries dropped from 3.9 million to 2.9 million, while the number of receptionists and information clerks increased from 1.2 million to 2 million.

Other Sectors

Chart 3 shows the growth of government workers at the state and local level from less than five million in 1955 to more than 17 million in

1999. The following table shows some interesting details. It shows millions of workers, followed by their percentage of the total workforce.

These figures are very interesting. They show that "big government" is certainly not in Washington

CHART 3: Government Workers

| | 1950 | 1960 | 1980 | 1996 | 2006 |
|---------------|-----------|-----------|-------------|-------------|-------------|
| FEDERAL | 1.9(3.0%) | 2.3(3.3%) | 2.9(2.9%) | 2.8(2.1%) | 2.7(1.8%) |
| STATE & LOCAL | 4.1(6.5%) | 6.1(9.0%) | 13.8(13.9%) | 16.7(12.6%) | 18.5(12.2%) |

– far more people work for state and local governments. After 1980, under the attacks of Reagan and the elder Bush, federal employment declined in absolute numbers. State and local government employment is still increasing slowly, but it is no longer keeping up with the growth in the population. This probably reflects the decline in government services relative to need, and the privatization/subcontracting of remaining service. For example, a new Community College might not be built, even when population growth demands it. And the cafeteria at an existing state college may be contracted out, moving its workers from the state sector to the retail or service sector.

The FIRE sector represents Finance, Insurance, and Real Estate. Its rapid growth between 1960 and 1980 has now slowed. As fast as workers are hired to operate the Wall Street gambling houses, others are laid off as banks merge, closing branches and combining back office operations.

Unions

Four of the nation's largest unions - the Service Employees, State County and Municipal Employees, Food and Commercial Workers, and the American Federation of Teachers represent the overwhelming majority of workers in the non-goods-producing

industries.

Two others, the Teamsters and Communications Workers, represent many workers who, although categorized as "service-producing" workers, might better be characterized as "goods-producing" because of their role in the production process. Surely, the truck driver making a "just-in-time delivery" to an auto assembly plant is as key to auto production as the worker who unloads the truck. And what about the utility worker who keeps the juice flowing to the wheels of production? These unions are also among the fastest growing and the most militant – the campaign of the Service Employees that brought the protection of a union to 90,000 home care workers in Los Angeles last year, this year's strikes by janitors, many of whom are immigrants, in major cities across the country in 2000 and the recent strikes at UPS and Verizon.

And what about the campaigns in Las Vegas that saw culinary work-



All photos

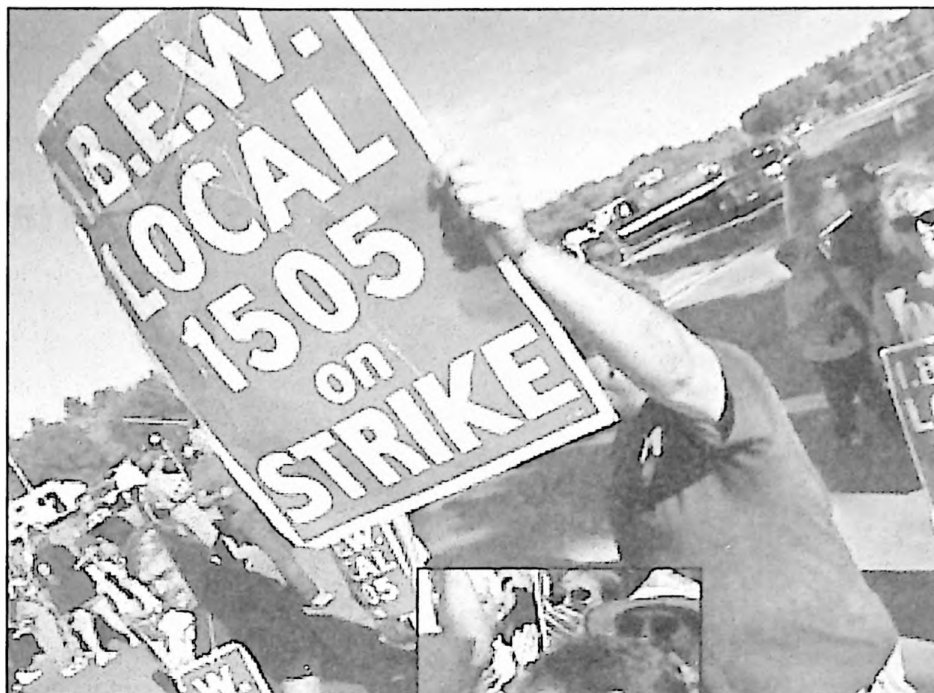
ers organize the city's casino/hotels and elect one of their own to the Nevada State Senate? It is probably no accident that many of labor's biggest gains have come from industries with a high concentration of immigrant workers and workers of color. Immigrants today, as throughout the history of the country, have brought radical ideas and experience with unions and political struggle in other countries. The African American and Latino people in the United States have a rich history of civil rights and community struggle which they bring with them to the workplace.

We hasten to add, however, that there is a new mood in the ranks of the entire labor movement since the election of John Sweeney's leadership team in 1995. Several other unions have contributed to the campaigns that saw AFL-CIO unions add more than a half-million workers to their ranks last year. The victory by the United Auto Workers at Mexican Industries in Detroit and by UNITE at Cannon Mills are two of the most important. And certainly the strike at Newport News shipyard by thousands of Steelworkers in Local 8888 was one of the most important victories of recent years.

Conclusion

Historically the Communist Party has seen production workers in manufacturing industry as the core of the working class because they are – and remain – that section of the class in most direct conflict with the capitalist class and still enjoy a relatively high level of union organization. And it is the millions of workers in mass production industries that made possible a 513 percent increase in the nation's gross domestic product in the last 50 years. Combined with workers in construction and transportation, no other sector of the working class possesses that power – the power to stop production.

We have seen that generalizations about "service workers" can be



AP photo

deceptive. There are wide variations of skill, income and conditions of work within this broad category. But on the whole, non-goods-producing workers are gaining both in numbers and in an understanding of the system, an understanding that reflects the objective conditions of their work and the background and composition of their members.



AP photo

We offer no definitive conclusions here. Rather, we have tried to paint the broad outlines of the changes taking

place in the U.S. working class. The implications of these changes are, and will remain, a topic of discussion in the Communist and broader working-class movements. ■

Endnotes

[1] We have used "workforce" throughout this article instead as a substitute for "working class" even though the two are not exactly synonymous. As used here – and in the government statistics we quote – workforce means the employed members of the working class, along with owners and management.

[2] Except where otherwise noted, statistics used in this article are taken from the Statistical Abstract of the United States (1999 and 1965), the January 2000 issue of Employment and Earnings published by the Bureau of Labor Statistics and Department of Labor press releases.

Around the Globe with U.S. Imperialism

Gerald Horne

The tumultuous and enthusiastic reception accorded President Fidel Castro in Harlem during his September 2000 visit was further evidence of the crumbling of the U.S.-imposed blockade on socialist Cuba. Thousands sat and listened to Castro's four-hour speech, while thousands more jammed adjacent streets listening on speakers.

This speech comes in the wake of a visit by a high-level delegation of parliamentarians and Communist Party members from Cuba who attended the annual gathering of the Congressional Black Caucus (CBC) – one of Cuba's staunchest defenders on Capitol Hill.

Today the effort to normalize relations with Havana is being joined by ever-broader sectors. In September the largest Cuban commercial delegation to visit the U.S. in recent years arrived to meet with farmers and agro-industry executives. The Texas Farm Bureau and the politically well-connected agro-industrial giant, Archer Daniels Midland, hosted this important meeting.

According to the *Financial Times* this meeting was part and parcel of an attempt by "farm-state Republican lawmakers and many Democrats to open up food sales to Cuba. Gene Hall of the Texas Farm Bureau acknowledged "we are proceeding as if the embargo will be lifted ... we are moving forward it's going to happen, it's just a matter of time."

It is understandable why Hall would express such optimism. In the wake of the failed attempt to kidnap Cuban child Elian Gonzalez, there has been a change in perceptions of the right-wing Miami Cubans who have played a key role in shaping U.S. policy toward Havana. Moreover, Washington is coming to realize that if it does not change its rela-

tions soon, it will only wind up providing a distinct advantage to real and imagined allies and antagonists.

Thus, the number of Japanese visitors to Cuba this year is expected to rise at least 25 percent. Tour companies booking seats on charter flights from Tokyo to Havana are nearly sold out. This stepped up tourist traffic has been accompanied by increased Japanese investment.

France has been more active than Japan in this realm. In 1994 there were only six French companies active in Cuba; the current total is 60, 38 of which are joint ventures in tourism, the construction of six hotels, energy, transportation, consumer goods and in other areas.

However, China has been ahead of most in tightening relations with Cuba. Indeed, given the recent downturn in relations between Beijing and Washington, the U.S. no doubt feels that improving relations with Cuba is in its own interest, perceiving that a hostile Havana is not to Washington's advantage and could hand a major advan-



Workers clench their fists during a demonstration called by the General Workers Union Confederation (CGT) in Paris.

Gerald Horne is a contributing editor of PA.

tage to Beijing on a silver platter.

President Castro has proclaimed that relations between Cuba and China are fruitful and constantly improving. These remarks were made after he attended the signing of an agreement to boost cooperation between the two socialist nations in the spheres of informatics, communications and broadcasting. China will provide \$200 million in credits for Cuba to purchase state-of-the-art technology to modernize its telecommunications network. According to Cuban vice-president Carlos Lage, cooperation with China has made it possible to put Cubans back to work in factories which had been closed down, such as a television plant now producing 170,000 units. Projects under consideration are the production of personal computers, the construction of two factories for the production of high-tech supplies for printing circuits and the reactivation of radio production.

Intervention in Colombia

Socialist Cuba complicates Washington's ambition to make Latin America its "backyard." Further evidence of this was revealed when President Bill Clinton traveled to Colombia in August 2000 to boost Bogota's attempt to squash a guerrilla insurgency. Demonstrations around the world and in the U.S. greeted his arrival in Cartagena. Colombia is the third largest recipient of U.S. military aid at \$1.3 billion annually. The "Plan Colombia" proposes to hike this amount to include supplying Bogota with 60 combat helicopters, counterinsurgency training by U.S. Special Forces and defoliation efforts with lethal chemicals and dangerous biological agents like the "Fusarium oxysporum fungus."

The militarization of Colombia at the behest of Washington is sparking grave concern in South America. A recent meeting in Brazil of continental leaders signaled this, as these leaders expressed anxiety that their

nations will be the recipients of increased numbers of refugees fleeing war in Colombia. Brazil has been causing consternation of late in Washington because of its deepening relations with Cuba and



Above cooks demonstrate, center indigenous family prepares dinner, below, homeless rally in New York.



its efforts to broker expansive deals with the European Union. Likewise, the U.S. has expressed irritation with Venezuelan leader Hugo Chavez, who has traveled to both Iraq and China in his effort to attain increased revenues from his nation's major export, oil.

In neighboring Ecuador, forced to accept the bitter medicine administered by the World Bank and the International Monetary Fund, the economic crisis has become so dire that it is desperately seeking to undercut its competitors in the banana exporting business. Ecuador is selling below cost price at around \$1.50 for a 40-pound box, while Costa Rican bananas cost \$4.40. This slashing in price has been accompanied by a slashing of wages. Ecuadorian workers now earn almost four times less than their Costa Rican counterparts. This "race to the bottom" is spreading throughout the region and is plunging Latin America into a maelstrom of despair and is pushing migrants north toward the U.S. and Canada.

Still, South American leaders' concerns about increased flows of refugees is not misplaced. Already

one can detect this trend in Miami. Last year, immigration attorneys estimated between 25,000 and 50,000 people from Colombia, Venezuela and other South American nations have arrived in South Florida – legally or illegally. Ira Kurzban, a prominent immigration lawyer in the region, has stated that "every immigration lawyer has more Colombian clients than they ever had before." Ominously, he attributed this development to "destabilization."

Kurzban's words were echoed by Colombia's most feared death squad leader, Carlos Castano, of the 5000-strong ultra-right United Self-Defense Forces of Colombia (AUC). The U.S. Drug Enforcement Administration (DEA) sought to enlist his outlaw paramilitary gang in military operation against alleged drug traffickers.

This revelation fomented further suspicion that U.S. agencies have

been carrying out secret operations behind the back of the Colombian government and the U.S. Congress. DEA agents were suspected of forging a covert alliance linking the Cali drug cartel, Castano's gangsters and Colombian security forces in the late 1980s and early 1990s and now are suspected of reviving this alliance as the guerrilla insurgency has spread. This kind of "destabilization" has led to the flight to Miami.

IMF and World Bank

The disastrous prescriptions of the World Bank and the International Monetary Fund are a major reason for the catastrophe that has befallen the billions who are compelled to eke out an existence on less than \$2 per day. The thousands that amassed in the streets of Seattle, Washington and Prague in protest of these policies have sent a loud message increasingly difficult to ignore. The World Bank has just published a 335-page report where it acknowledges sheepishly that its traditional recipes of "free" trade have failed significantly to reduce poverty around the world. "I think people oversold the benefits of market liberalization and growth," confesses Professor Michael Kremer of Harvard University.

Nations that were once viewed

as developed have suffered as a result of adhering to the mantras emanating from Washington. Over the past decade, New Zealand has dismantled what was once the world's most comprehensive welfare state, eviscerated labor law and swallowed the "Kool-Aid" of "free trade." The standard of living has fallen, newly privatized electricity distribution has led to repeated blackouts, and crime has skyrocketed. But like any other peddler of patent medicine, Washington continues to insist that not enough of this quackery has been ingested. The electorate responded by returning an old Labor-style government to power in the most recent election.

New Developments in Africa

Unfortunately, the continent that has been compelled to adhere most assiduously to IMF prescriptions, Africa, has suffered grievously as a result. The proliferation of HIV-AIDS is wiping out entire generations. The U.S.-based pharmaceutical giants have responded predictably by initially seeking to engage in shameless profiteering at the expense of the world's poorest continent by peddling medicines that cost more than the patient earns per year. After massive worldwide protest, the U.S. government offered to loan affected

nations billions to pay the pharmaceutical giants for these life-saving medicines. Yet Africa already is complaining about the crushing debt burden it faces and this plan would only exacerbate this trend. Both South Africa and Namibia rejected the scheme.

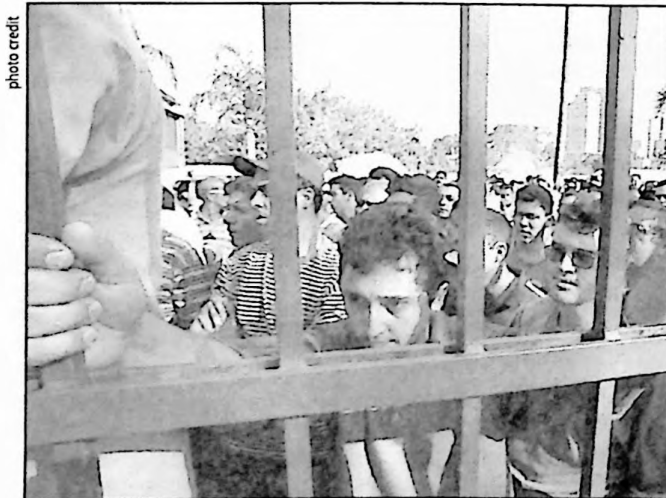
Nigeria has been in the forefront of the global crusade for debt forgiveness and its

insistent voice has begun to reap dividends. Yet, when President Clinton visited Abuja in August 2000, debt forgiveness was far from being his highest priority. Instead, he lobbied Nigeria to increase oil production and reduce the price, though this nation faces festering problems that require increased government revenues. U.S. crude oil inventories are at a 24-year low. The demonstrations in Europe against rising oil prices were a warning to the U.S. that the White House chose not to ignore. Steps toward debt forgiveness by the leading industrialized nations and OPEC's recent decision to increase production can be seen as a quid pro quo.

Debt and oil were not the only items on the White House agenda during this latest jaunt to Africa. The Clinton Administration plans to send hundreds of U.S. soldiers to Nigeria to train and equip West African battalions to be dispatched to Sierra Leone to bolster United Nations peacekeeping forces. There is a suspicion that these U.S. troops may also be part of a plan to protect oil facilities controlled by transnational corporations which have been facing ever more insistent protests from the populace in the Nigerian delta concerned about environmental degradation, paltry wages and terrible working conditions. Since Washington owes the UN almost \$2 billion, many are hard-pressed to understand why the U.S. is moving to buttress UN peacekeeping.

Recent U.S. interest in Africa must be viewed in the context of "oil and mineral diplomacy." In 1997, Congo-Brazzaville (Peoples Republic of the Congo) was rocked by a rebellion that devastated the capital, killed 10,000 people and displaced 60,000. This calamity in Africa's fourth largest oil producer was caused in part by then leader, Pascal Lissouba, who irritated France's oil giant, Elf Aquitaine, by seeking to broker deals with the U.S. corporation, Occidental Petroleum (historically close to Al Gore).

In neighboring Congo-Kinshasha



Drivers in Brazil protest outside City Hall, against the city government's refusal to legalize their service.

i.e. (the Democratic Republic of the Congo), President Laurent Kabila has run afoul of Washington and its chief regional ally, Rwanda, by alienating major U.S. business interests. Only assistance from Zimbabwe, Angola and Namibia has been able to save his regime.

US/EEC tensions

These catastrophic events in Africa are fueled in no small part by continued jousting between the European Union and the U.S. Disputes in all realms of exchange have surfaced. Tensions appear to be increasing. Paris blocked a U.S. proposal to create a senior position for a U.S. official in the UN's peacekeeping department – a maneuver that brought cries of outrage from Washington.

Brussels is threatening to slap sanctions on \$5 billion in U.S. exports, which could lead says the *Financial Times* of September 4, 2000 to a "violent response by the U.S." This stems from a dispute within the World Trade Organization (WTO) where the EU has challenged a U.S.-devised export tax-break scheme.

Washington is realizing that its effort to forge European unity as a bulwark against the then Soviet Union may prove to have been a calamitous idea. EU nations are objecting to arrangements spawned by the Cold War. In Germany, the U.S. National Security Agency installed a vast array of satellite communications gear to eavesdrop on the socialist bloc. Germany is charging that this equipment is being turned on Germany itself in a campaign of economic espionage. In 1994 the U.S. urged Saudi Arabia to break a \$6 billion deal for passenger jets with Airbus in which Germany plays a hegemonic role after U.S. intelligence passed along evidence that bribes were used to secure this lucrative contract, then awarded to Boeing, Airbus' chief rival. The French firm Thomson-CSF lost a major weapons contract to a U.S. rival, Raytheon, when the U.S.

provided Brazil with details of corruption picked up through eavesdropping. German imperialists are wondering why they should host U.S. eavesdropping devices that are used against them. One Green Party politician noted that "sometimes people even hear American voices in the background when they are having a telephone conversation."

It would be a mistake to assume that U.S. imperialism is winning every battle with its European competitors. Airbus continues to erode Boeing's market share, most recently when the United Arab Emirates announced that it would be the initial customer of Airbus' A3XXX super-jumbo jet, a plane "would break Boeing's 30 year monopoly" held by the 747.

The EU hostility toward the U.S. is tempered measurably since Washington plays a key role in bolstering the overall imperialist cause – e.g. by keeping oil prices comparatively low by bombarding Iraq, dominating Saudi Arabia, and holding Nigeria in thrall. The EU is loath to see these neo-colonial arrangements change.

It is apparent that the EU-U.S. tie is fraying. Massive inflows of foreign

investment from the EU are preventing a weakening of the dollar. An elimination of the U.S. current account deficit of \$400 billion – widely viewed as unsustainable – would probably require a dollar depreciation of some 25-40 percent. A weaker dollar, mirrored by a sharply rising euro, yen and other currencies would mean that the U.S. would start to export instead of importing deflation; this could spark a rise in interest rates and lead to another inevitable crisis of capitalism – along with increased tensions between Brussels and Washington.

The *Washington Post* of May 5, 2000 reported the Pentagon has begun a

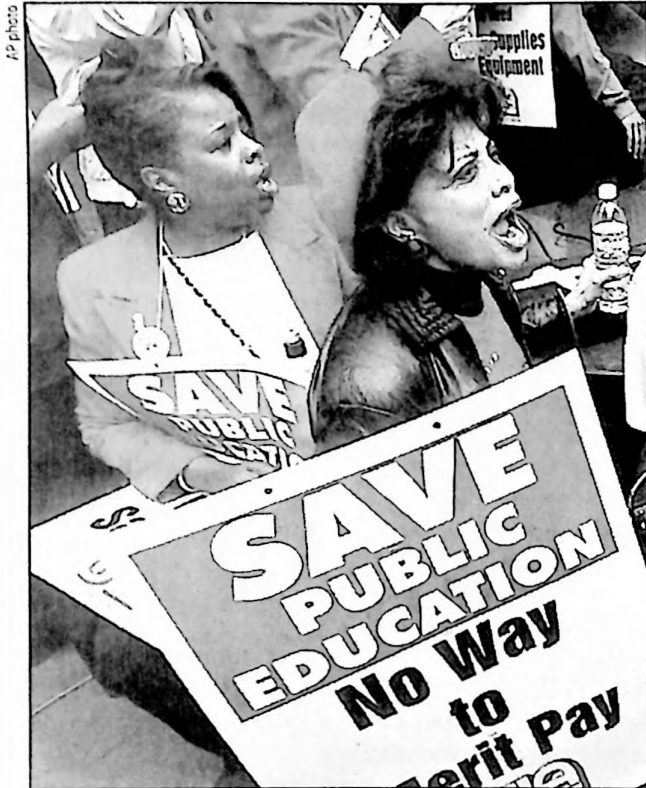
quiet shift away from its traditional focus on Europe, looking at Asia as the most likely arena for future military conflict.

Just a few years ago, the Navy kept 60 percent of its attack boats in the Atlantic. Now ... it has shifted to a 50-50 split between the Atlantic and Pacific fleets and before long the Pacific may get the majority.

Accelerating this is "a quiet



A supporter English only is surrounded by members of English Plus More Committee, who are protesting the filing of an initiative to dismantle bilingual education in Arizona, Jan. 6, 1999. English for the Children-Arizona is filing the initiative.



Thousands of school teachers rallied through the streets of downtown Los Angeles to protest unfair wages.

recognition that Japan may no longer unquestioningly follow the U.S. lead in the region. A recent classified national intelligence estimate concluded that Japan has several options available, among them seeking a separate accommodation with China, Pentagon officials disclosed." Tensions between Tokyo and Washington continue to mount over whaling, trade, U.S. occupation troops in Okinawa and related matters.

U.S. imperialism has scrambled to develop other relationships with Australia and Singapore, for example, with troop and naval base placements. The Pentagon is now plumping for more C-17 military cargo planes as a part of a reported hidden agenda of the U.S. military to use the rise of Asia to shore up its budget. This suspicion was not assuaged when the *Business Week* of August 28th, reported that "defense stocks are going great guns: investors figure spending will rise no matter who is elected. Litton Industries has

rocketed 103 percent.. Lockheed Martin, Northrop Grumman and General Dynamics are showing similar rises."

The bellicosity of U.S. imperialism provides a stiff challenge for the U.S. working population in the first place. It is their lives that will be sacrificed if this trend is not halted. Health and educational benefits will not be sustained as the military soaks up tax dollars. Furthermore, neo-colonial arrangements in developing nations drive down wages and working conditions as the U.S. working class feels the same pressures.

Though some would prefer to consign to the dustbin of history the priceless slogan "Workers of the World Unite!," developments suggest otherwise.

This particularly holds true for the nation that has been in the vanguard in the struggle against workers' power: the USA. A key weapon used by monopolies here to resist unionization is to threaten to move abroad. Two-thirds of U.S. companies that have faced unionization in the past two years threatened to relocate all or part of their operations ... contrasted with the late 1980s when less than 30 per cent of employers made similar threats. According to the *Financial Times* "only 3 percent of the employers facing organizing drives actually shut or relocated their operations." U.S. unions should continue their recent trend of forging global solidarity, for such will erode further the danger of "runaway shops."

Despite the constant clamor from Washington about "human rights" and "democracy," a recent study the International Confederation of Free

Trade Unions – once viewed as a reliable Cold War ally of U.S. imperialism – documents "massive, ongoing and appalling violations in the United States of the right of freedom of association and the right to organize" unions. ICFTU concludes that Latin America, which suffers unduly from U.S. influence, "remains the most dangerous place in the world for trade unionists."

These findings about the U.S. were confirmed by another study by Human Rights Watch that "each year thousands of workers in the United States are fired from their jobs or suffer other reprisals for trying to organize unions." Human Rights Watch called on the U.S. Congress to ratify International Labor Organization conventions on worker organizing and collective bargaining and to strengthen U.S. laws protecting these rights.

Of course, there is a dialectical relationship between U.S. war mongering in Colombia combined with trade union repression and the often-parlous state of unions in the U.S. itself.

It would be one-sided, however, to focus on this question unduly without recognizing that in LA last year "more people joined unions ... 91,000 than in any metropolis since ... auto workers [organized] in 1930s Detroit." This hopeful development, if magnified nationally and globally, could help to insure that imperialism's crisis will not be allowed to resolve itself through yet another world war. ■

The Ugly Truth Behind the Longest U.S. Expansion

Wadi'h Halabi

Through its newspapers and other media, and Hollywood, U.S. imperialism presents itself as prosperous, stable, and above all, in control. Its propaganda implies that this is the future for all capitalist countries, if only they follow U.S. rules.

This propaganda reached fever pitch earlier this year when the U.S. economy broke the previous record for the length of an expansion, set during the Vietnam war: nearly nine consecutive years without decline or crisis. (The 3.1 percent annual rate of growth in the 1990s, however, was lower than in the 1960s and several other decades.) The U.S. economy in recent years has appeared so stable that even some in the labor movement have wondered if capitalism has learned to regulate its cycles, if not overcome its contradictions.

Some have suggested that perhaps wage cuts are behind U.S. stability. But as Victor Perlo pointed out in *The Unstable Economy* and elsewhere, neither higher nor lower wages keep a capitalist economy from crisis: lower wages reduce demand, contributing to imbalances in the economy. The fundamental problem is the anarchy of capitalist production, which is powerless to prevent those inevitable imbalances from ballooning and throwing the economy into crisis.

This paper argues that the longest U.S. expansion is the temporary and unstable product of plunder, unequal exchange, and the idling and destruction

of productive capacity in other countries, as a worldwide capitalist crisis of over-production deepens. Only China, created by a socialist revolution, has maintained stability and significant growth since 1990. Considerable economic and social evidence points to a spiraling capitalist crisis worldwide in this period, beyond the control "even" of Wall Street and Washington. Only the working class, by taking power and reorganizing the economy, can bring an end to economic crises and the wars, racism and suffering they engender.

An expansion with growing homelessness and insecurity

First, it should be noted that this record expansion has not been a boom for



AP photo



AP photo

Riot police face off with protesters after breaking a barricade around the Crown Casino, in Melbourne, Australia - site of the World Economic Forum's Asia Pacific Economic Summit 2000.

Wadi'h Halabi is on the Economics Commission of the CPUSA.

workers in the U.S., and not by accident. Despite the lowest official unemployment rate in three decades, at least 9.6 million people remain either unemployed or wanting work, which are separate categories in government surveys. Fully one-third of U.S. employment today is considered extremely insecure, up from one-quarter in the (less stable) early 1980s. Adjusted for inflation, workers' wages are still below their 1973 level, while the real cost of housing and health insurance, in particular, ballooned.

As one consequence, homelessness and the number of uninsured people in the U.S. rose in this expansion. Perhaps ten million people suffered at least a "bout" of homelessness in 1999. (Not all ten million were homeless all year, or in the street, as many crowded in with family or friends.) But at the same time, nearly 15 million homes and apartments and another 1.4 million hotel rooms sat vacant on any one night in 1999 – a real crime of this system of private ownership. (About a third of those vacant homes and apartments were wealthier household's second or third homes; landlords awaited the "right" rental or sale price on most remaining vacancies.) And a record 44 million people lacked health insurance in 1999. Yet more and more U.S. hospitals and healthcare providers today face "over-capacity," losses, bankruptcies and closures.

Still, compared to other capitalist countries, the U.S. appears as an island of growth and stability in a world of instability, poverty, unemployment and wars. By one historian's count, of the eight worst crises since the 1930s, seven occurred in the 1990s – all outside the U.S. And there were at least 25 wars, and many more smaller conflicts, in every year of the 1990s.

Capitalist economists' reasons for longest U.S. expansion

Why has the U.S. been stable?

Capitalist economists have offered four major reasons, all of which imply that capitalism has gained control over economy: 1) regulation of interest rates by the Federal Reserve, with lower interest rates supposedly resulting in faster growth and higher rates slowing the economy; 2) government expenditures, sometimes called "Keynesian mechanisms"; 3) technological advances; and 4) insurance on bank deposits.

In fact, all four have contributed to U.S. stability and growth. But they are not the real reasons. One simple way to see this is to test them on other capitalist countries. Why doesn't Indonesia use the same mechanisms to stabilize its economy and achieve stable growth? Why doesn't Brazil? They're not developed economies, one may respond. But how about Japan? It boasts the second largest market economy. The Japanese economy has stagnated in the past decade, with several quarters of declining production. Unemployment has more than doubled.

Yet Japan has followed all U.S. "prescriptions" for stability and

growth. In the past decade its central bank lowered key interest rates to less than one percent, down even to virtually zero. No growth. Its government has spent several thousand billion dollars on programs to stimulate the economy. No growth. It is technologically advanced. No growth. And its bank insurance has been even more generous than that of the U.S. government. Still no growth. The main result is that the Japanese government is now in neck-deep in debt and facing a profound budgetary crisis. Interest alone on Japan's national debt is consuming 65 percent of tax receipts. (*Business Week*, June 19 2000)

Clearly, all of the capitalist economists "reasons" for U.S. growth and stability do not seem to apply to Japan. Nor do they appear to apply to Germany, the third largest capitalist economy, which has also stagnated or experienced declining production and rising unemployment in the past decade. Nor do they appear to apply to Brazil, Nigeria, Indonesia and so many other capitalist countries that suffered crises in the 1990s.



Anticapitalism protesters flash the v-sign during a rally in downtown Prague, Czech Republic, Wednesday, Sept. 27, 2000.

A single world economy with two social systems

The path to an accurate understanding of U.S. stability is by applying a materialist, class analysis to the world economy as a whole.

The starting point is that there is just a single world economy. Changes and developments in one region inevitably affect the whole, as they have for over four centuries, and especially with the development of rapid transport and the international telegraph system in the 19th century. True, the world economy is more unequal and unevenly developed than ever. But it is still one whole.

But since 1917 and to this day, the world economy has included two social systems, one capitalist, the other based on the working class taking power. The two systems are regulated internally by different laws. The capitalist system is governed by the cyclical, boom-bust laws of commodity production and exchange so well described by Marx. The economies formed by socialist revolutions are non-cyclical, regulated primarily by laws of planning, even when they include commodity production, as in China. Most importantly, the two social systems necessarily impact each other, because both are part of one world economy.

Even empirically, it is clear that the only real stability in the world economy since World War II has come from the economies formed by socialist revolutions. Compare the 70+ years without a business cycle in the USSR before the counter-revolution, or China's 50 years without a cycle, with the mere eight years, ten months of the longest U.S. expansion in two centuries. (Wars and political crises affected the economies of the USSR, Poland, China, etc., but that is not the same as a business cycle.)

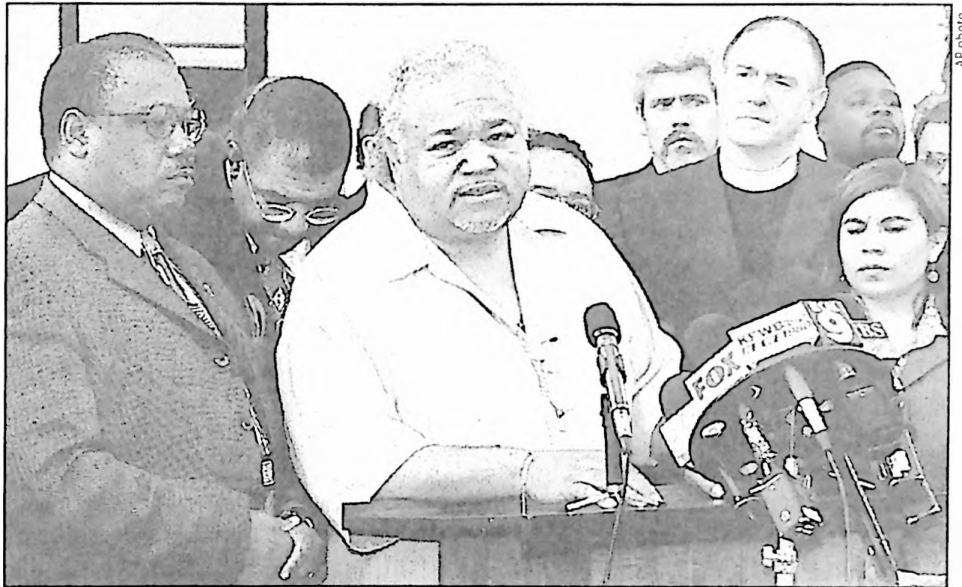
The years 1973, 1980, 1982 and 1990 have each marked qualitative turns for the worse in world capitalist overproduction. Each turn was accompanied by contradictions or crises in capitalist economies. But the Soviet and associated economies –

until they fell to counter-revolution – and the Chinese economy, while stressed and impacted by these turns, continued to grow.

Indeed, three years after the 1990 souring in world capitalist economies, the chief international economist for the Wall Street Bank Morgan Stanley admitted that without China's growth there would be "world chaos." (*Global Finance*,

rialism's growing problems with overproduction – and the connected military buildup – noticeably disrupted and stressed the Polish, Soviet and other Warsaw Pact economies. This was an important factor, although not the decisive one, in their collapse.

How then to explain the growth and relative stability of the U.S. economy in the past eight or nine years? As we have seen, the U.S. and Japan



The Rev. Norman Copeland, center, representing the Los Angeles Council of Churches, speaks urging the Metropolitan Transportation Authority to return to the bargaining table with the drivers union during the recent strike.

December 1993). He specifically pointed to China's growing purchases from capitalist countries and the fact that they were mainly intended to meet domestic needs. He contrasted China with "export-driven" south Korea, which imports primarily to export.

China's stabilizing role in the world economy became even clearer after 1997, when the capitalist crisis deepened, and the Thai, south Korean, Indonesian, Brazilian, Russian and other economies suffered deep plunges.

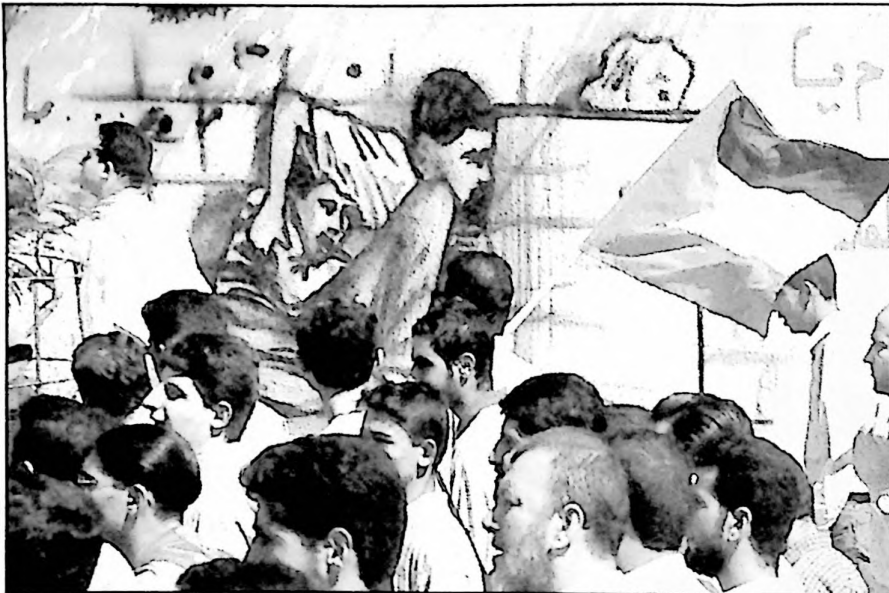
At the same time, as mentioned earlier, the non-cyclical economies created by socialist revolutions are inevitably affected by the growing anarchy and chaos of world capitalism. Starting in the mid-1970s, impe-

do not differ on the main supposed reasons for U.S. stability. How then do they differ?

Consider that the U.S. economy, with 4.5 percent of the world's population, brought in and used 72 percent of the world's profits and personal savings last year. (*Business Week*, November 1, 1999, based on a study by the bank Credit Suisse First Boston.) Japan, on the other hand, suffered a net outflow of savings, both to finance the U.S.'s trade deficit with Japan and to service Japan's huge national debt. Now there's a big difference!

Massive capital flight

In the three months after the U.S.-led NATO forces started bombing



Palestinian demonstrators walk past a wall with a painting showing 12-year-old Palestinian boy, Mohammed Aldura, who was killed by Israeli soldiers.

Yugoslavia in March 1999, capital streamed into the U.S. from Europe, Japan and the rest of the world at a record rate. How much? In the second quarter of 2000, it flooded in at an annual rate of \$1,109 billion; for 1999 as a whole, according to the U.S. Federal Reserve Bank's quarterly publication *Flow of Funds Accounts* (June 2000), \$699 billion flowed into the U.S. from the rest of the world, up from \$472 billion in 1998. This capital is being used for investments in industry, especially in high-tech, communications and the Internet, for speculation, purchases of real estate, etc. It is even used by U.S. capitalists to purchase Japanese or European or Brazilian corporations at bargain prices. Now there is another bit difference between the U.S. and Japan.

Not surprisingly, a few months after this massive outflow of capital, the U.S. economy's growth rate accelerated, even though the Federal Reserve had increased interest rates; while the Japanese economy slipped into its third recession in eight years, even though its central bank had dropped domestic interest rates to near-zero!

Nor is Europe exempt.

A torrent of money has rushed out of Europe as businesspeople and investors have fled the continent's anemic economies. Last year alone, a net \$160 billion in investment cash left Europe ... The missing billions poured mostly into the U.S. — its hot stock markets and bubbling economy ... (*Business Week*, May 15, 2000)

Paying tribute to the imperialist center

Japan today has to pay a premium to Wall Street on its huge loans, because those loans are considered risky. But U.S. capitalists have enjoyed practically free use of the massive capital fleeing into the country ever since the Gulf War. In 1993, for example, U.S. capitalists actually had a net income of over \$2 billion from the rest of the world, even though they owed the rest of the world some \$600 billion. In 1998, the U.S. paid less than \$12 billion on an external debt that had grown to over \$1,600 billion. Talk about the rest of the world "paying tribute" to the imperial power! Now here is another big difference between the U.S. and Japan!

U.S. monopolies are also engaged in massively unequal exchange with the rest of the world, Japan included. In unequal exchange, Marx explained, surplus value is transferred from weaker capitalists to stronger through the sale by the stronger party of commodities above their value, or the purchase of commodities from weaker parties below their value. There is reason to believe that through unequal exchange, debt service and other mechanisms, U.S. capitalists have been the main economic beneficiary of China's purchases from other capitalist countries, even when the direct sellers have been Japanese or European corporations. According to a recent report by the United Nations conference on Trade and Development (UNCTAD), there has been at least a 60 percent deterioration in "terms of trade" (unequal exchange) between imperialist monopolies and poor capitalist countries since 1960.

As for Japan, it must import 99 percent of its oil. It is presently paying over \$30 a barrel for oil that cost imperialist monopolies an average of perhaps \$2.60 a barrel to produce. Japan pays for U.S.-made anti-submarine warfare planes at two or three times their value, while it sells sophisticated machine tools or electronics to the U.S. below value.

Massive contribution from immigration

Immigration is another important source of U.S. "prosperity." And it is another way that it differs from Japan and most imperialist countries. According to a recent article in a regional Federal Reserve Bank publication (*Southwest Economy*, Federal Reserve Bank of Dallas, May-June 2000), the 1990s saw the largest wave of immigration into the U.S., documented and undocumented, since the beginning of the 20th century. Some 9 million documented and an estimated 2.8 million undocumented immigrants entered the U.S. in the 1990s. By contrast, fewer than 50,000 immi-

grants, less than one-tenth of one percent of the labor force entered Japan in the same period. Immigrants contributed over 25 percent of the growth in the U.S. labor force in the 1990s.

A 1997 study commissioned by the U.S. National Academy of Sciences (James Smith and Barry Edmonston, eds., *The New Americans*, National Academy Press) evaluated the fiscal effects of immigration on the U.S. economy. It estimated that each immigrant and descendants contribute (in "present dollar value") an average of \$80,000 in government coffers, or \$88,000 per immigrant after taking into account the effect of the 1996 welfare "reform." This is about \$1 trillion in net gains just from the 1990s immigration – plus profits. (As is typical for capitalist academics, the study does not estimate profits made off immigrants' labor.)

Idling and "enforced destruction" of other economies

In the *Manifesto of the Communist Party*, the young Marx and Engels pointed out the recurring crises under capitalism that "put on trial ... the existence of the entire bourgeois society," crises caused by "too much means of subsistence, too much industry, too much commerce." "And how does the bourgeoisie get over these crises?" Marx and Engels continue. "On the one hand, by the enforced destruction of a mass of productive forces; on the other, by the conquest of new markets and by the more thorough exploitation of the old ones."

Since 1990, the U.S. economy, and U.S. industrial output, has grown significantly. But there is considerable and consistent evidence, both economic and social, that a world capitalist crisis of overproduction has been unfolding since 1990, moderated only by China's remarkable growth.

This evidence includes the fact that at least 22 percent of the capitalist world's industrial capacity has been forcibly idled or destroyed since



Nguyen Thi Hop, 39, weeps by her makeshift shelter Saturday, Oct. 7, 2000 as she talks about the death of her 1-year-old daughter during a flood.

1990 – about 16 percent in the former Soviet Union and other Warsaw Pact states, which had accounted for one-third of world industrial and food production prior to their fall to capitalism; about 2 percent in Japan, where use of industrial capacity dropped from 90 percent to 70 percent in the 1990s; and the remainder as a result of imperialist destruction of the Iraqi and Yugoslav economies through war and sanctions, and the slowdowns in Indonesia and other states as a result of the 1997 crisis.

The huge rise in the 1990s of bad debts held by Japanese, French, Brazilian, Russian, south Korean and other banks is also, in the last analysis, evidence of rising imbalances in the world capitalist economy.

The ballooning of world unemployment is a social reflection of "overproduction," i.e. of the disproportionalities that ultimately lead to capitalist crises. Unemployment and "underemployment" has doubled worldwide since the mid-1980s, and now afflicts over one billion people.

"Absolute poverty" is another reflection. It rose some 40 percent in capitalist countries in the 1990s by World Bank count. Only in China and Vietnam, i.e. two products of socialist revolutions, were there significant declines in "absolute poverty" in the 1990s. According to the economic historian Angus Madison, income per person in 144 (capitalist) countries fell 0.8 percent per year between 1973 and 1995. (*Wall Street Journal*, January 11, 1999) This is almost certainly too low an estimate, as it is difficult to correctly estimate the dramatic fall in the standard of living in the former Soviet republics.

Not a peacetime expansion, either

One additional point requires attention. In celebrating the current record economic expansion, the U.S. monopoly media claimed that it took place with the U.S. "at peace," unlike the previous record expansion, which took place during the Vietnam war. But this too is untrue.

U.S. imperialism was the main force in two highly publicized (and by no means concluded) wars during the current expansion, in Iraq and Yugoslavia. It was and is the main force behind many more major conflicts, including in Latin America, Africa and Asia. Real expenditures on the Pentagon and associated agencies, at over U.S. \$300 billion annually, are at least as large as in 1965, during the Vietnam war.

If U.S. imperialism has no control over a deepening world capitalist crisis, what then does it control? Again, we can turn to Marx for guidance. Discussing in *Capital* how capitalist crises are settle short of revolution, Marx explains that the losses are "distributed in very different proportions and forms, depending on special advantages or previously captured positions, so that one capital is left unused, another is destroyed ..."

So how is the U.S. economy maintaining its relative stability? The evidence is that Wall Street is using its position of dominance among capitalist powers – the result of two World Wars and positions captured from previous crises – and the improvements in communications and transport, not to raise the general standard of living but instead, to push off capitalism's contradictions, starting with unemployment and poverty, onto weaker states, cheapening their labor, and destroying and idling their production while at the same time, exacerbating unequal exchange, looting them of surplus value and capital. The last includes looting of "intellectual capital," sometimes known as the "brain drain" of scientists and engineers moving from poorer countries, including China, into the U.S.

In a sense, then, the "Great American Depression" has not been avoided. It has been temporarily pushed off into Africa, Iran and Yugoslavia, and also onto Ukraine, Poland, Romania, and the states that fell to counter-revolution after 1989. Even Japan is caught between a growing



ertha Barron, center, and Modesto Beckett, right, march in support of displaced factory workers outside City Hall Tuesday June 6, 2000 in El Paso, Texas.

world crisis of overproduction and U.S. imperialism's "special advantages."

U.S. stability and growth is explainable, but not by capitalist economists. The laws of capitalism discovered by Marx and Engels have not been overthrown. "Prosperity" achieved through plunder and destruction is necessarily unstable, as it is not based on repeatable day-to-day economic activity. The future of capitalism, if left to itself, is hardly "U.S. Prosperity," but the poverty and wars of Africa or the former Soviet republics now under capitalist rule.

Summary

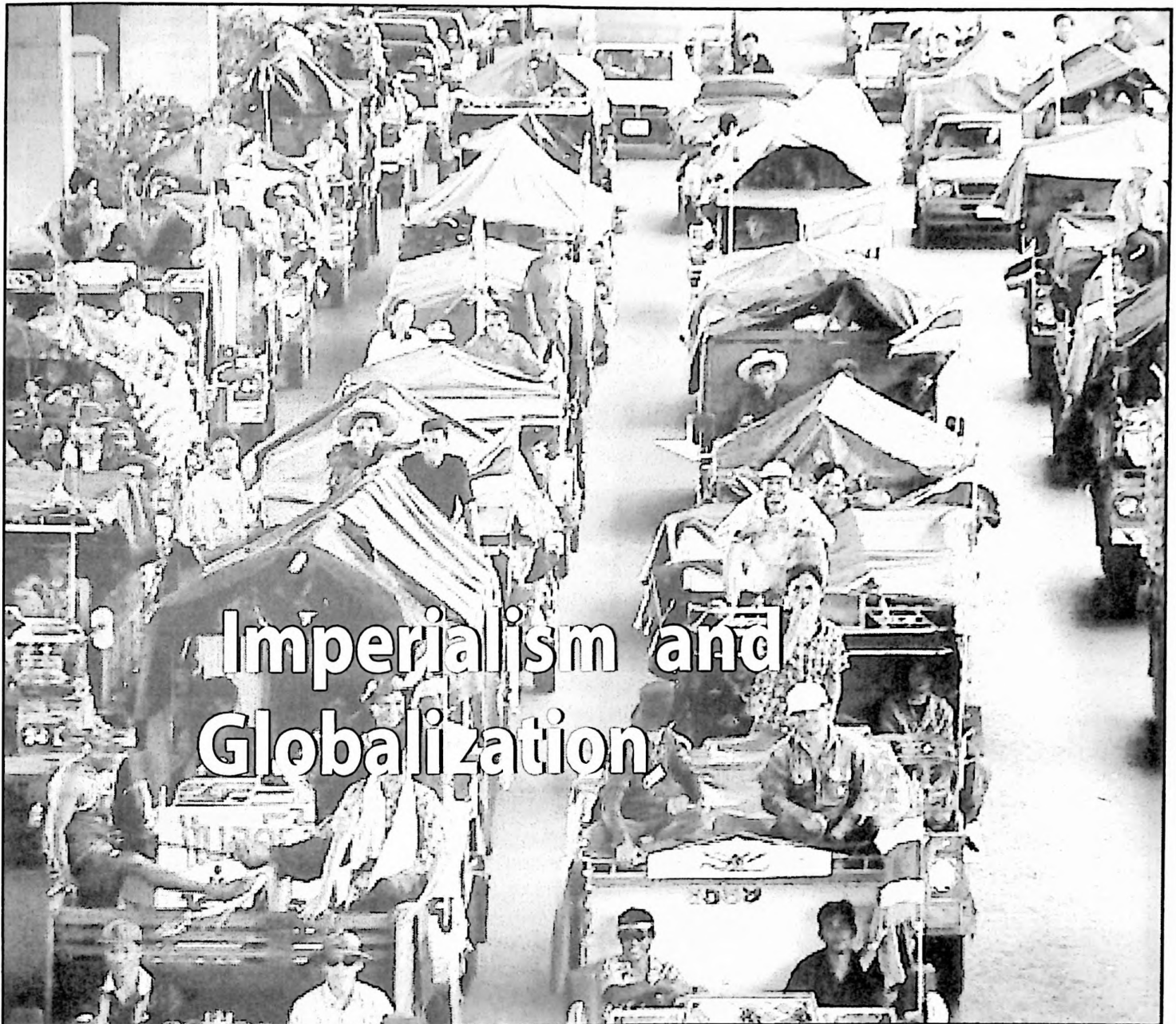
For the past decade, especially, Wall Street has enjoyed a magnificent view from its luxurious penthouse. But its skyscraper is built directly – and necessarily – atop the clashing tectonic plates that are capitalism's unavoidable contradictions. And there is absolutely nothing Wall

Street/Washington can do to prevent the coming earthquakes.

Wall Street is ultimately at risk for the huge losses and bad debts building up. Even capitalist accounting experts are warning that not only Japan, but the U.S. is facing what they sometimes call a 'debt bomb.'

As the crisis continues to unfold, imperialism is certain to make ever greater efforts to cheapen labor worldwide. ■

This article is based on a presentation made at the Chinese Academy of Social Sciences in Beijing, June 15, 2000



Imperialism and Globalization

by David Eisenhower

From Seattle to Washington D.C., Davos to Philadelphia, Los Angeles to Melbourne, wherever the honchos of "globalization" gather they are met with protest. Trade unions, members of nongovernment organizations, students, progressive intellectuals, politicians and religious communities are mobilizing against the corporate domination of the world's economy. Influential books like David Korten's *When Corporations Rule the World*, Kevin Danaher's *Corporations are Gonna' Get Your Mama*, and Charles Derber's *Corporate Nation* have helped to

establish an "anti-corporate" paradigm. Anti-corporatist sentiment runs through the agenda of the recent "International Forum on Globalization Teach-In," with panels entitled "Unchecked Power of Global Corporations" and the "Growing Domination of the UN by Corporations." It's a perspective that informed the *Declaration* of the 1350 NGOs who attended the United Nations' "Millennium Forum." The Declaration indites "corporation-driven globalization with causing increased inequality between and within countries" and further "marginalizing large numbers of people in

David Eisenhower is a contributor to PA.

rural and urban areas." It influences politicians like Ralph Nader who in his presidential nomination acceptance speech charged "the worsening concentration of global corporate power over government" with turning "that government frequently against its own people, denying its people their sovereignty to shape their future."

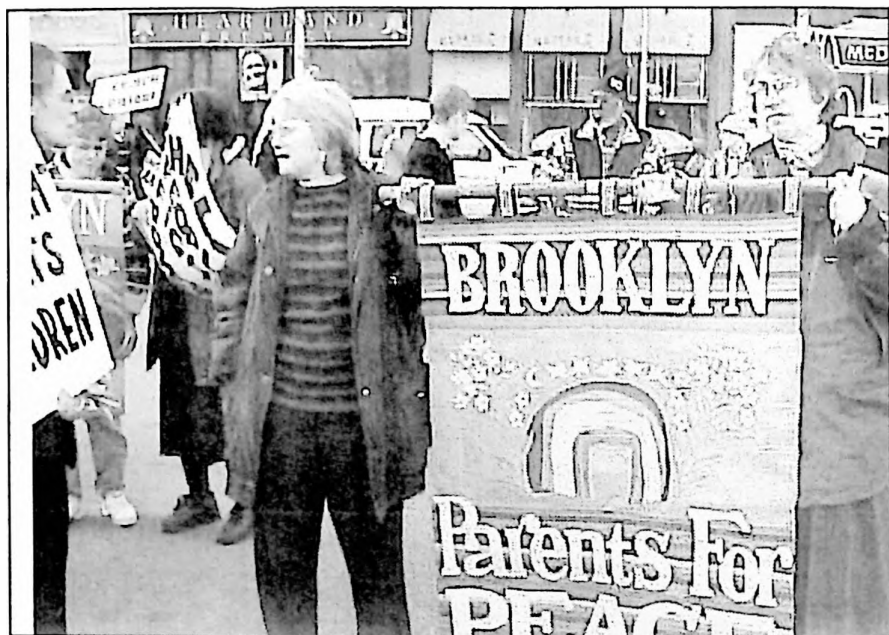
An anti-corporate perspective can also be seen in *The People's Declaration and Agenda for Action* drafted by the Millennium Forum to redress the problems of corporate-driven globalization. The Declaration argues that globalization can be made to work for the benefit of everyone "if global corporations, international financial and trade institutions and governments are subject to effective democratic control by the people." This, it is argued, can be achieved through a "strengthened and democratized" UN, which in combination with "a vibrant civil society," can give all stakeholders (not just shareholders) a voice and a veto.

The weakness of the anti-corporate perspective can be seen in Charles Derber's proposal of a "positive populism" to tame "corporate ascendancy." Derber writes,

The changes we need must defend society against the new corporate assault – while at the same time protecting the health of business enterprise itself." A movement guided by the principles of positive populism "affirms the virtues of business even as it seeks to humanize and democratize it.... It seeks to encourage corporations to take the high road to social justice ... [one which] will not always go hand in hand with maximizing profits.

Understanding the Real Problem

Given the retreat of socialism and the triumphal propaganda associated with the literature of "global-



Above: mothers demonstrate for peace.

ization," it's understandable how demands to "democratize and humanize corporations" would define this stage of struggle. However, because corporations are agents (puppets not puppeteers) in an historical process of capital accumulation subject to iron laws of motion, it won't be long until the real problem emerges and comes to define the new terms of struggle. What is the real problem? It is the stage of capitalist development classically referred to as "imperialism." This stage of the capitalist mode of production is one in which political and corporate planning is devoted to the rapid accumulation of unproductive or "parasitic" capital. This is a stage in capitalist development where the leading branch of capital consumes rather than produces value. The last time "imperialism" came into sharp focus was during the anti-Vietnam and Black liberation struggles of the 1960s and 1970s. The works of Marx, Lenin and Fanon, among others, came to supply many of the terms of struggle.

Lenin's Imperialism

In the gathering confrontation against "globalization" Lenin's *Imperialism: The Highest Stage of Capitalism* is bound to be rediscovered. When it is, the following features of imperialism identified by Lenin in 1916 will be found to be applicable in 2000. These features include: a period of capital accumulation dominated by a financial oligarchy during which banks greatly accelerate the process of the concentration of capital and the formation of monopolies; a period where financial monopolists engage in the conscious regulation of economic life; a period where the big profits go to the geniuses of financial manipulation; a stage where the export of capital, one of the most essential economic basis of imperialism, still more completely isolates the rentier from production and sets the seal of parasitism on the whole country that lives by the [global] exploitation of labor; a period where "the rentier state is a state of parasitic, decaying capitalism and these circumstances cannot fail to influence all the social-political conditions of the countries affected...."

Despite ups and downs and interruptions over the past century parasitic capital has fully consolidated its position as the economic overlord. It reached this stage by attaching itself to everything productive around the world – factories, shops, corporations, farms, households, workers, and peasants. The process was accelerated by a political-economic infrastructure composed of the Federal Reserve system, the Treasury Department, the World Bank, the International Monetary Fund, the World Trade Organization, and the Department of Defense. Each in its own way has contributed to the imposition of neoliberal policies (backed by structural adjustment programs) to reinforce a domestic and global structure of income inequality and arguments that “sweatshops offer a route to prosperity” where “a \$1 or \$2 a day can be a life-transforming wage.” (*New York Times Magazine*, 9/24/00)

Subsequent poverty and low wages in combination with predatory lending practices and rampant speculation has come to supply the “fuel” for unproductive accumulation. In the process personal and national savings have been looted. Economic refugees and capital have taken flight to core imperial countries. Exchange rates have been manipulated to ensure imperial currencies a governing system devoted to arranging life solely for the few who benefit from money capital can progressively purchase more (e.g., the U.S. dollar has risen 14 percent vs. other currencies since 1992). Maquilas have been established worldwide to provide low-cost imports, that then serve as “platforms” onto which parasitic costs and profits can be added.

In the U.S. finance capital takes the lion-share of household incomes in the form of interest on consumer, mortgage, home equity, credit card and margin debt. Gross consumer debt in the United States exceeds \$1.4 trillion while mortgage debt

exceeds \$5.6 trillion. According to Federal Reserve data 40 percent of U.S. families spend more than they earn. Household installment debt and stock margin debt together consume 24.5 percent of disposable income.

U.S. corporate debt has exploded as finance capital accelerated the formation of monopolies. Stock buybacks, leveraged buy-outs, and extravagant stock options, salaries and golden parachutes for top executives have helped to push corporate debt to \$4.47 trillion, growing at twice the rate over 5 years ago. This debt focuses the attention of CEOs who devise radical strategies to maintain profitability, relying of maquilas and shifting cost downward onto suppliers and quickly onto workers. (It is no mystery why wages and benefits have stagnated for U.S. workers and are in a free fall for much of the global workforce.)

The debt of developing countries stands at approximately \$2 trillion – the result of a pattern of unequal exchange enforced to reach the “profit goals” of imperial corporations. According to Jubilee 2000 approximately \$230 billion is “owed” by “heavily indebted poor countries,” 41 nations mostly in Africa. These HIPC nations transfer more to pay interest on their external debt than they spend on basic services for their people. Children, of course, experience the brunt of debt-driven poverty. On the other hand, impoverished conditions keep the cost of wages and raw materials low, helping Fortune 500 executives meet their profit targets, in the process keeping their stock prices high.

The stock market represents the “slot machines” for those whose income benefits from this unproductive stage of capital accumulation. There income is recycled into the financial markets thus helping to maintain the profitability of finance capital. In addition to buying and selling stocks and bonds the super rich (and corporations) invest in

highly speculative “financial products” (e.g., derivatives). According to *Business Week* (7/24/00), Wall Street makes billions of dollars setting up deals involving swaps and other financial derivatives as hedges against currency and interest-rate swings. The total, face value of these “products” is reported to be \$88 trillion.

In the meantime a monopoly media launches a propaganda offensive to lure everyone into the “market.” In a decade it has become “all finance all the time,” wedding the interest of working people to the interest of parasitic capital by tying retirement to 401Ks and trumpeting the “benefits” of a privatized Social Security System.

All of this enables financial outfits like Goldman Sachs to report third quarter 2000 net income of \$824 million on gross revenues of \$4.53 billion from trading stocks and bonds, advising fees on mergers and acquisitions, and underwriting new stock offerings.

The efforts of so many organizations to ameliorate the inevitable outcomes of imperialism will only deepen an understanding of what the real problem is and what needs to be done to resolve it. Whether their interim efforts succeed or fail, the results will force a reappraisal of the “corporate reform” approach. This will bring into sharper focus the solutions that alone can remove the historical obstacle (capitalism) blocking human progress, in the process lighting the path to socialism. ■

Some Thoughts on Women Under Capitalism

Heather Luna

Under capitalism, workers are not paid the value of their work. The less the owners have to pay the workers, the better (according to neoclassical economics 101). For example, if the boss requires factory workers to put out more products in the same amount of time as before, with no change in pay, the workers are getting paid less per product. Owners try to get away with this constantly. Just look at the number of American companies relocating to foreign soils to take advantage of lower costs, i.e., lower wages. And, of course, this applies to wages for men and women.

But work done in the home ("housework") by women (and some men) receives similar treatment. The people that these women (and some men) "work for" want the costs to be as low as possible. And, in fact, the "bosses" have figured out that patriarchy and sexism create a system such that these "workers" do not have to be paid at all! Talk about cheap labor! And it is in the interests of keeping costs down that this structure remains. Imagine if these "housespouses" were to get federal moneys equal to their contribution to society! The money would either have to come from hardworking middle-class Americans (!), or by cutting corporate welfare, thus cutting into the profit of the rich. Why should the people (mostly men) in power agree to that, when they are the ones currently benefiting the most from the system?

This misogynistic marriage between patriarchy and capitalism affects things on an even deeper level: Women and sexuality are commodified and used

to sell products. Hence the advertisements for beer or cars that show that the guy can get the girl (and not a "nice" girl, but a "fun" girl) by drinking a particular brand or driving a cool car. Men are supposed to flaunt money (to show they can afford the girl), while women are meant to flaunt beauty (to show they are worth the money).

The commodification of women means that women and their sexuality are for sale. So when a woman says no to a man, he feels that his "rights" have been violated – his rights as a consumer, that is. This attitude leads to rape, assault, prostitution, pornography, and poverty.

It's obvious that the answer is not as simple as just getting women out of the house most of the day and into the workplace. Besides the fact that, as of 1998, women were only making on average 73 cents for every dollar that men were paid, the workplace is alienating and exploitative – and dangerous. According to the Depart-

Mother and daughter last year outside the trailer they share with other children in Groveland Township, Mich. The park closes for the winter leaving the 6-member family homeless.



Heather Luna is a contributor to PA.

ment of Justice, over a quarter-million women are victims of violent crime in the workplace each year and homicide is the leading cause of death for women on the job. And coming home tired, alienated, and frustrated, a woman only has the children to take it all out on (not a wife as well). But this same woman's day would not even be over yet; the housework would be waiting for her - essentially providing a second (unpaid) job. Well, that's not entirely realistic. It could be her third or fourth job.

The worldview isn't much better. Here's an example: Capitalism, as Lenin and others have shown, is

imperialistic. Wars are fought over resources and power. And what happens in these wars? As recently as last decade's war in Yugoslavia, it was reported that over 20,000 women were raped (at least 20 rape/death camps existed). And not by just one of the sides - all three sides, the Muslims, Croats, and Bosnian Serbs - were guilty. Some saw it as a type of ethnic cleansing.

Rampant sexual inequality is to blame for all of these, largely, unpunished crimes. (And not just the war crimes, things like the wage gap, too.) It would be simplistic to think that overthrowing capitalism would automatically mean sexual equality.

After all, patriarchy existed before capitalism, and women could still do all the housework under socialism. No, life is more complicated than that. Just look at the oppression a woman of color with no independent means faces when immigrating to this country. Racism, sexism, and jingoism all serve to keep us divided on every level. We must fight against capitalism at the same time that we fight against all other forms of discrimination and oppression.

Let's move forward with the women's agenda and not backward, shall we? ■

continued from page 3

helped keep us on-track and confident that labor and the working-class movements would survive and rise again even stronger. Gus never wavered in his confidence that a "better world's in birth." Gus spent his whole life promoting the cause of socialism. He was an ardent internationalist who identified with the struggles of the working class and oppressed everywhere in the world. He and his generation of party leaders led our party in standing in full solidarity with those struggling the uncharted path of building socialism. They taught us unshakable solidarity with the national liberation and freedom movements throughout the world. While freely acknowledging the mistakes, the important accomplishments, and the tragedies of trying to build socialism in the Soviet

Union and Eastern Europe, Gus helped all progressives firmly reject any "end of history" notions that argued a permanent end to socialism and the triumph of capitalism. Firmly convinced that socialism arises out of class struggle and specific conditions of each country's working class and traditions, Gus pioneered the concept of "Bill of Rights Socialism, USA." He argued that the Bill of Rights came out of the mass struggles of the American people for democratic people's control. So too, socialism in America will expand the democratic rights and people's control of their lives and their country. Gus helped our party, and non-party socialists and progressives keep alive a vision of socialism, in the toughest of times. "Power concedes nothing without a demand." Gus understood well, that even the most militant day-to-day struggles needs to be informed with a bigger vision of fundamental change. You can fight City Hall, and the system can be changed in favor of working people and the oppressed.

Gus Hall represents for us an honor roll listing of the greatest generation, Communist and non-Communist alike: like Henry Winston, Elizabeth Gurley Flynn, George Meyers, Juan Chacon, W. E. B. Du Bois, John L. Lewis, Paul Robeson, Claudia Jones, Jesus Colon, Martin Luther King, Harry Bridges, William Z. Foster, Caesar Chavez, and thousands of other working -class fighters. Gus was in the thick of everything progressive that moved in his generation. This the generation that broke the back of monopoly capital's resistance to unions by organizing the great victories of the CIO in basic industry. This is the generation that defeated Hitler fascism. This is the generation that ended Jim Crow and legal segregation. This is the generation that helped end the war in Vietnam. And this is the generation that helped return the labor movement to it's class struggle roots. Gus greeted the changes in the new class struggle AFL-CIO and the youthful, anti-capitalist character of the "Battle in Seattle" with tremendous pride and optimism.

We join with all progressives to celebrate Gus and this greatest generation of fighters. We recognize that the weight of the struggles gets a little heavier for all the people's movements with his passing. But we also know that we build on his generation's great legacy. We know that thousands will learn of Gus and his generation's vision and activism every day. We are inspired and confident, we will fight with all our might for their dream of a better world of peace, justice, equality and socialism. We will sorely miss this great fighter.

An Old Fire Still Burns in Berlin Neo-Nazism Today

Victor Grossman

The anti-foreigner poison has hit hardest in the east, where there were always far fewer immigrants and foreign workers. Joblessness there (officially at 17 percent) is double the west German rate and the resultant economic fears and insecurity are therefore much greater.

Alarm bells in Berlin are ringing loudly – neo-Nazis have gone too far again. The alarm is more than justified: again and again people with dark skins are jeered, chased, beaten and sometimes murdered! Many have justified fears of walking down dark streets or riding in late streetcars or subways. Far too many citizens look away fearfully when attacks take place. Jews, hearing of the desecration of cemeteries which miraculously survived the Nazis, must cope with bloody memories and wonder how long it will be wise to stay.

The Internet is now a vehicle for vicious tracts, songs, "games" and directions for new mob rallies. The names, photos and addresses of active antifascists are shown – as targets. Sadly enough, these websites are often supplied, as with leaflets and nazi mementoes, by groups in other countries, not least of all the U.S. They are beefing up their international links.

People who believe in freedom, democracy and internationalism wonder how strong the Neo-Nazi parties can become and whether a continuing or worsening economic slump could increase their

numbers. Some are checking their history books: How was it in the years leading up to the Nazi seizure of power in 1933? But the worried looks on prominent TV faces and the worried words emerging from them also give rise to angry comments from the left.

Uniformed parades with Hitler salutes and bloody threats are nothing new! People of color – Germans with Black fathers, ethnic minorities like the Turks, often in their second or third generation, tourists, athletes, people on temporary jobs – have been attacked, injured and sometimes killed in West Germany for years and in east Germany since the Wall went down (occasionally, though very rarely, on earlier occasions). Every new storm of violence was followed by waves of worried looks,



Victor Grossman lives in Berlin.



foreigner issue." They have followed this advice until today. Roland Koch, CDU boss in Hesse, won his election last year using a phony referendum aimed at arousing anti-foreigner feelings, rejecting citizenship rights for people who

Ford workers in Cologne, Germany demonstrate in a token strike to increase pressure for a significant wage hike. Above right, demonstrators mimic former chancellor Kohl.

grave declarations and slightly coded hints that such events might frighten away investors or even hurt German's position in world trade. "We must really do something to stop those skinheads, drunken arsonists and anti-Semites!" But after a candlelight procession or two the matter was forgotten until the next storm.

were not "ethnic Germans." His campaign used slush funds from bribe money stashed in Swiss banks; when this was revealed a lie was spread that it was money from "grateful Jewish donors!" In the neighboring province of North Rhine-Westfalia the CDU ran its election campaign earlier this year with a slogan which rhymes handily in German - "Kinder statt Inder" (Children

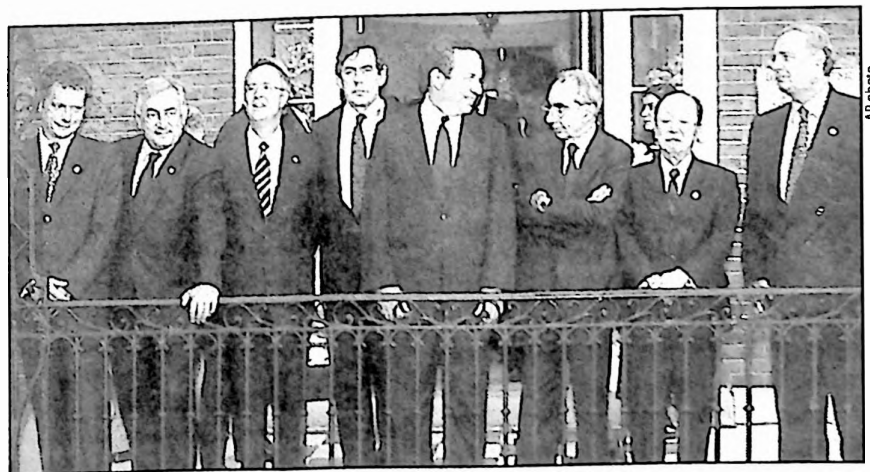
Rise of Anti-Immigrant Racism

And even worse, Angela Merkel, Helmut Kohl's successor as head of the Christian Democratic Union (CDU) loudly attacks the present government for doing too little. She neglects to say that it was this same party which for decades permitted, tolerated and even promoted hatred against the foreigners who were allegedly "over-running Germany." "The boat is full," was their mantra, or "Germany is not an immigrant land." Years ago in an election year, it was Volker Ruehe, CDU secretary general at the time, who advised local campaign managers to "use the

instead of Indians") - which tried (with no success this time) to ride on sentiment against admitting computer experts from other countries (like India) for 5-year jobs: "foreigners" in other words. The know-nothing CDU has been using such nationalist, xenophobic bigotry ever since the 1950s and 1960s when most of its leaders - from judges and generals to journalists and big businessmen - were former Nazis. It has constantly tried to lure racists into voting for the CDU by adopting their policies, slightly watered down or lightly coded, into its own speeches and programs. The poignant words of its new leader recall the pickpocket who pointed down the street shouting loudly "Stop the thief!"

The Social Democrats, during 16 years in opposition, did not exactly climb onto this same dangerous steer, but neither did they ever really grasp it by the horns and tie it down. Worried about losing working-class voters whose job insecurity plus media baiting led them into fear or hatred of foreigners, they shrank, with honorable exceptions, from any real rough riding on this issue and preferred to slink cautiously down the back canyons.

There were high hopes all the same when they were elected to office nearly two years ago. After all, the new Chancellor, Schroeder, and his Interior Minister Schily, were



G-7 financial ministers pose at the top of the steps of the Decatur House in Washington.

both radical leftists in the 1968 student movement.

But once in office they forget most of the principles they may once have had. One watered-down law on citizenship was indeed passed, but much remained the same: the tired clichés about “the overfilled boat,” the defense of old-time German culture, the questioning of the motives of asylum-seekers. Kurdish, Afghani and African refugees still had to submit to confusing and bureaucratic cross-examinations about their sufferings and while they waited for decisions, often lasting many weary years, they were forbidden to work, given barely enough to live on and often housed in dreary barracks isolated from the general population.

Those turned down were often imprisoned for months without trial or any other justification, then forcibly returned to their home countries, far too often to arrest, torture or execution. The same old police methods used by CDU officials to get rid of them resulted in pathetic attempts at resistance and even the death of some refugees by suicide.

The methods of the SPD government, are hardly different from those of its CDU predecessor. Their words, only slightly less vicious, plus constant mass media stress on crimes committed by immigrants were signals to extreme rightists that they were on the winning track. Their only mistake was to go a little too far. The government didn't really want world press headlines about battered or dead bodies and burning refugee barracks – and certainly not about the desecration of Jewish cemeteries which had survived the Hitler years. But SPD speeches deploring such excesses had nearly as hollow a ring as those of the CDU hypocrites.

The Greens, it is true, the junior partners in Schroeder's coalition, never joined in the general foreigner-bashing. But they are now so fearful of losing their positions in the Schroeder government, with all the perks that go with them, that they have spoken a lot but achieved very

little.

The 40 members of the only leftist party in the Bundestag, the Party of Democratic Socialism (PDS), has done what it could in the Bundestag, exposing the alarming facts through constant interrogations and introducing one bill against discrimination after another. But it is not a member of the coalition government, its activities are rarely reported by the media (it has the support of only one daily newspaper, in east Berlin) and in western areas it is treated like a pariah. Of course, it too needs to do a lot of educating among its voters and even its members, for the anti-foreigner poison has hit hardest in the east, where there were always far fewer immigrants and foreign workers. Joblessness there (officially at 17 percent) is double the west German rate and the resultant economic fears and insecurity are therefore much greater. That and young people's frequent lack of orientation from parents or teachers since 1990 offer good pickings for the three neo-Nazi parties, which are financed and organized in the West but hunt for converts in the East. This also applies to a loose network of subterranean groups with their drunken thugs growling anti-Semitic songs, chanting threats to foreigners and leftists and committing the violence. They are so strong they call some villages, towns and even urban areas “liberated areas” – where they exercise at least partial control of the streets, youth clubs and school classes, with either fearsome toleration, cooperation or even connivance by the CDU and some SPD mayors and city councillors.

District attorneys and judges frequently play along, downplaying violence as an “individual aber-

ration” or “drunkenness” and handing down light sentences for attacks on foreigners, often with immediate parole, or letting trials drag on for months and even years. All this encourages the neo-Nazis. Even in cases where a courageous judge hands down a longer sentence, the thugs are treated as martyrs by their organizations.

Until now anti-fascism always met up with discrimination and snooping in the Federal Republic. Older anti-fascists were regarded with suspicion, thrown out of work, deprived of their pensions and in earlier years even imprisoned; veterans of the International Brigades (in Spain) got no pensions, for example, while veterans of Hitler's “volunteer” Condor Legion got top army ranks and big pensions. The consciously anti-fascist course in the GDR was castigated with the buzz-

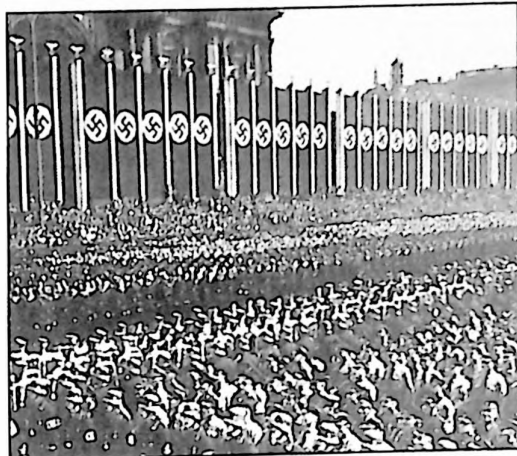
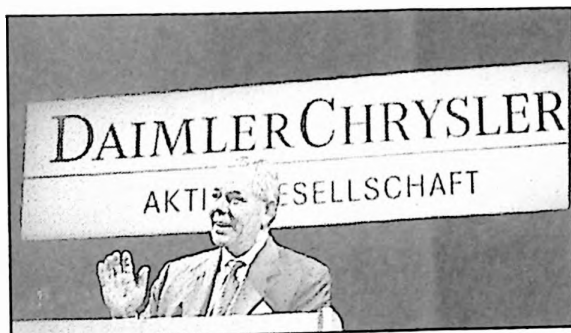


Demonstrators stand in front of police before a shareholders meeting of IG Farben the successor of the chemical concern that worked thousands of slave laborers to death in Nazi Germany demanding liquidation of the company.

word “pre-
scribed anti-fas-
cism” and
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fication. The
only accepted
resistance to
Hitler was that
of the officers’
attempt to kill

Hitler on July 20, 1944. The danger-
ous underground years and time
spent in concentration camps by
Communists and other leftists were
usually rejected as “totalitarian.” The
hypocrisy is even clearer because the
police are usually toughest not
against neo-Nazis but against the
antifascists, mostly young people
who kept their anti-fascist principles
and gathered to protest every neo-
Nazi provocation by Sieg Heil skin-
heads. One incident is revealing. A
high school student was arrested
while demonstrating against the
recent purchase by a neo-Nazi party
of an east Berlin villa owned before
the Nazi years by a prominent Jewish
family. She was soon released; jailing
her would have been too embarrass-
ing! But the police sent her a letter
warning that her participation had
“shown such an intense connection
with the anti-fascist milieu as to
cause concern about her committing
relevant unlawful deeds in future”
and to raise the “possibility that she
may have already taken part in such
acts in the past.” Both the police and
the Federal Office for Protection of
the Constitution, Germany’s political
FBI, have always concentrated more
on what they call “extremism of the
left” than on extremism of the right
and have fat dossiers on members of
the organizations of old anti-Nazis,
groups of young anti-fascists, the
German Communist Party and the
Party of Democratic Socialism, espe-
cially its left-wing group, known as
the Communist Platform.

It is ludicrous today to hear big
party politicians debate what mea-
sures are needed to fight a neo-Nazi



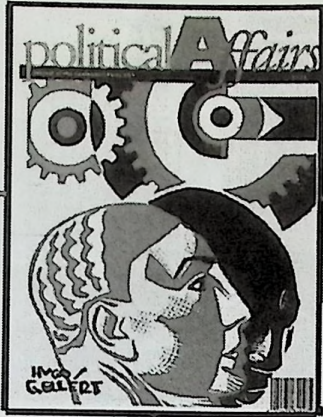
Above left, Chrysler Corporation Chairman Robert
Eaton. Center, European Bank for Reconstruction
and Development chairman Horst Koehler of Ger-
many, right, Nazi troops assemble during 1930s.

undercurrent which they have until
now ignored, denied or failed to take
seriously, despite periodic oratory.
And it is bitterly ironic to hear wor-
ried suggestions on fighting neo-
Nazis from big businessmen whose
companies have been dragging their
feet to this day in paying even token
compensation to slave and forced
laborers who made their companies
rich during World War II! It is diffi-
cult to predict what measures if any
may be taken. A hotly-debated pro-
posal to outlaw the NPD, the most
violent of three neo-Nazi parties, was
made by the Interior Minister of
Bavaria, hitherto the most rabid
exponent of keeping out or throwing
out any refugees seeking asylum in
Germany. His possible motivation,
aside from personal headlines, is to
win as many far right votes as possi-
ble for his Bavarian wing of the CDU.
But there is a danger that measures
like limitations on rallies and protest
marches will be written to apply to

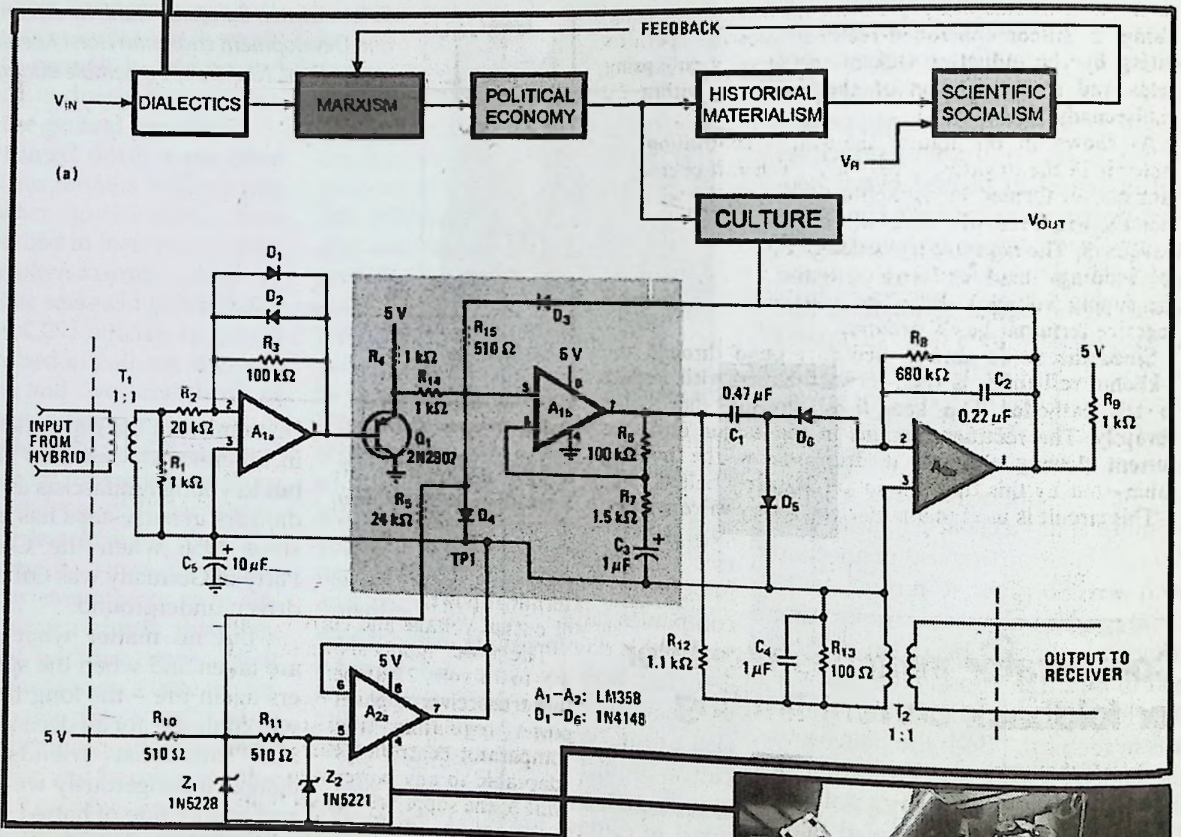
“extremists of the right and the left,”
in other words not only to fascists
but to young antifascists as well. The
dangers in such steps has been clear
since 1956 when the Communist
Party of Germany was outlawed and
driven underground.

But no matter what measures
are taken and when the speechmak-
ers again tire – the long tough fight
will continue, for all decent Germans
and antifascist friends abroad,
against a dangerously well-financed
and murky tide of hatred. ■

INPUT



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