

political affairs

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The Stock Market crash: What happens now?

GEORGE KRIKORIAN

*One thing is certain
—the U.S. has stepped
more fully
into a period
of wrenching instability.*

They said it could never happen again. But nearly 58 years to the day from the stock market debacle of 1929, the New York Stock Exchange crashed and brought the exchanges of the rest of the capitalist world with it.

It was stark proof that the contradictions of capitalism still operate with cataclysmic potential.

Between August 25th and October 19th, over \$1 trillion in stock values were slaughtered in the U.S. Half of that took place on October 19th alone, when the Dow Jones Industrials lost more than one-fifth of their value. The one-day 508 point drop was the largest in history, both absolutely and in percentage terms.

Whether a protracted depression on the order of the 1930s will result is still unclear. But one thing is certain—the U.S. economy has stepped more deeply into a period of wrenching adjustment and instability.

As the *New York Times* headline of Sunday October 25th put it, the crash has brought "The End of Business as Usual . . . Uncertainty Will Not End Soon."

The dollars lost in the stock market crash will have a direct negative impact on the economy, leaving many people with less to spend or to borrow against. Equally significant, the market plunge has deeply shaken the confidence of

investors and consumers. Not only do they have less wealth, but even if the market regains a good portion of what it lost, there will be a new fear of making long-term and large financial commitments. The future is now extremely precarious. As a result, the crash will mean fewer jobs and lower living standards for U.S. workers, unless radical action is taken.

Despite popular perceptions, stock market crashes do not come out of thin air. The mass psychology of investors on a given day—such as October 19th—is connected to real economic problems. In this case, the source of the panic on Wall Street, and the continued instability since, is the intensification of contradictions in both the productive and financial spheres of the economy.

The crash came at the point where investor expectations were overcome by a pervasive feeling of uncertainty about the economic future. In particular, there was a growing consensus that the Reagan Administration had no so-



lution to the budget or trade deficits, that these twin deficits were wreaking havoc in foreign exchange and domestic capital markets, and threatened recession and the re-ignition of inflation.

Hastening the crash was the fact that the Reagan presidency is in political crisis. Thus no amount of wishful rhetoric on the part of the

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President could erase the fears of investors. The uncertainty—which overnight became a panic—was generated by the realization that the Reagan Administration lacked both the will and ability—both domestically and internationally—to solve the economic problems facing our nation.

At one and the same time, then, the stock market crash reflected a simultaneous build-up in economic problems and a crisis of confidence in the administration on the part of the business interests.

While the statement of Treasury Secretary Baker, the weekend before the crash, concerning the intransigence of the West German monetary authorities was viewed as the straw that broke the camel's back, the truth is that the conditions for a crash had been ripening for several years. Indeed, the very factors which led to the most incredible run-up in stock prices in U.S. history—from 1982 to 1987 the value of the Dow Jones Average nearly quadrupled—were also the source of the growing economic instability which led to the crash.

The crash of the stock market was, in the first place, generated by the intensification of a multitude of economic contradictions which were themselves intensified by the specific policies of the Reagan Administration.

Most economists knew that a major decline in stock prices was coming; the question was when would it happen and how severe would it be.

There were some who openly talked about another crash on the order of 1929—but they were generally dismissed as ideologues. Now they are being lauded as prophets.

THE DANGER SIGNS WERE EVERYWHERE

In order to understand why the market crashed, and what the potential effects of that crash are, it is necessary to understand why the market quadrupled in value in such a short span of time.

The fall in interest rates, spurred by the deep recession of the early 1980s, was a key factor in the early stages of the bull market, which

began in the summer of 1982. Along with making stocks financially attractive, the fall in interest rates bolstered investor confidence, since it was assumed that companies would be more likely to undertake new investment. These investments, it was expected, would encourage economic growth and increase profits. The fall in the inflation rate also encouraged investors, since it gave them more confidence in the future value of stocks they held in the market.

While lower interest rates and inflation were important factors in pushing stock prices up, they do not completely account for the unprecedented surge in stock prices which took place over the last five years.

In fact, the main source of the bull market was the reactionary economic policy of the Reagan Administration. The administration's policies of shifting wealth from the working class to the capitalist class; encouraging the deregulation of financial and other markets; massively building up the military; cutting taxes for the rich and attacking the labor movement; all combined to make investors bullish. It did this because it gave them the money with which to exercise that bullishness. In a word, Reaganism was good for Wall Street—at least for a time.

Reagan's 1981 tax cut insured larger corporate profits and cash flow, and, therefore, rising stock values. It gave the companies more money—which led to increased stock buy-backs—and made outside investors more interested in owning stock. It also made the rich richer, thereby allowing them to purchase more stock. At one and the same time, the tax cut resulted in a curtailment in the supply of stock, and a rise in the demand for stock, thus fueling stock prices.

Deregulation and the relaxation of anti-trust enforcement gave corporations the go-ahead to do as they please in their pursuit of profit. The unprecedented corporate cannibalism that resulted further pushed up stock prices. Investors, again, were bullish on the new freedoms the administration gave to capitalists. And the elimination of government controls resulted in the most incredible merger and takeover binge in U.S. history.

Corporate debt has skyrocketed in recent

years due, in large part, to this merger and takeover movement. In the last three years, 9,000 companies worth \$480 billion changed hands, increasing corporate debt by about \$350 billion. The takeover movement also pushed stock prices up directly, and indirectly, as many corporate managements were forced into stock buy-back schemes to avert a takeover. Between 1983 and 1986 corporate debt rose from 95 percent to 120 percent of net worth.

CORPORATE PROFITS AND EXPLOITATION

While it is rarely discussed in the financial press, a fundamental factor in explaining the bull market is the corporate and government as-

The foundation of the market boom was the unprecedented increase in the rate of exploitation of U.S. workers.

sault on the labor movement and the living standards of workers. This, along with the factors mentioned above, contributed to the most dramatic rise in corporate profits in post-war history. Since investors are most concerned with rising profits, the nearly 50 percent increase in profits during the upturn in the business cycle, in late 1982, led to a tremendous shift of assets into the stock market.

Under Reagan, millions of workers have been thrown out of work. Fewer workers now produce a greater amount of goods, while real wages have fallen more than 10 percent on average, and up to 50 percent in some industries. Manufacturing productivity has risen at a faster rate than at any time in two decades, while annual changes in real wages and benefits per hour are lower since 1982 than at any time since World War II. The combination of rising productivity and falling real wages reduced unit labor cost increases to their lowest level in 20

years.

The rise in corporate profits is particularly pronounced when viewed from the perspective of the relatively slow economic growth that has taken place during the present recovery. The economy has grown at a 3.6 percent average rate since 1983, compared to a 4.4 percent average in a similar four year period between 1976 and 1979. This slower rate is despite the fact that the amount of outstanding debt has tripled since 1983. On the other hand, profits grew 25 percent more in 1983-6 period than they did in the 1976-79 period.

The rise in profits in the context of slow growth is due to the tremendous pressure on wages and the dramatic increase in productivity. *In a word, the foundation of the stock market boom was the unprecedented increase in the rate of exploitation of U.S. workers.*

Part and parcel of the attack on the living standards of workers has been the restructuring of American industrial corporations through plant closings and the introduction of new technology. As one corporate economist put it:

Restructuring has clearly made many firms leaner and improved their performance. By writing off unproductive facilities, cutting labor and overhead costs, and investing in state of the art equipment, companies have generally boosted their underlying profitability.

TRANSFER OF WEALTH AND ITS IMPACT

Like the period before 1929, the 1980s has witnessed an increasing shift in the distribution of income and wealth to the rich and away from workers. The rising profits and falling wages noted above, reflect that shift. At the same time, between 1976 and 1983, the share of wealth held by the richest 1 percent of the population more than doubled, from 18 percent to 42 percent. The more affluent upper one half of 1 percent increased their share of wealth from 14 percent to 35 percent. This shift has increased even more since 1983, although figures are not yet available. One indication of this is the fact that the number of billionaires has more than

doubled in that period.

This redistribution of wealth also encouraged the rise in the stock market, at the same time as it reflected the rise in the market itself.

BUDGET AND TRADE DEFICITS, AND THE NATIONAL WEALTH

Fears about budget and trade deficits were the immediate source of the panic on Wall Street. Under Reagan, the federal government debt has doubled due to successive \$125-\$225 billion annual budget deficits. This was the result of the combination of tax cuts for the rich and a doubling of the military budget. For a time, the deficits had the effect of stimulating the economy. Over time, however, they could not help but contribute to instability in world financial and currency markets and in U.S. trade relations.

The growing budget deficit was the chief cause of the rise in the value of the dollar in the first half of the Reagan Administration. This overvaluation led to a surge in foreign purchases of U.S. securities. The U.S. went from being the largest creditor nation when Reagan took office to the largest debtor nation. Consequently, the foreign purchase of U.S. government and corporate bonds increased more than 1,000 percent between 1982 and 1986.

The budget and trade deficits were not a problem for the stock market as long as interest rates and inflation remained relatively low. In the last year, however, the stock market has been rising against the barrier of rising interest rates and inflation, and a falling dollar. The decline in stock prices was foreshadowed six months earlier by the decline in bond prices induced by rising interest rates and fears of inflation. The stock market rise had to come to an end at some point.

When the value of the dollar was high relative to other currencies, foreign corporations made tremendous profits as their trade surpluses with the U.S. soared. Those surpluses then began to find their way into the U.S. stock market as the value of the dollar began to decline. Consequently, foreign money was a chief

cause of the continued rise in stock prices from 1986-1987. In 1986, foreign purchases of U.S. stock totalled \$148 billion, up from \$82 billion only a year earlier.

The foreign holding of U.S. stocks contributed to the crash of the stock market in the aftermath of Treasury Secretary Baker's threat to let the dollar fall further against the German Mark. This frightened foreign investors—whose dollar assets would then be worth less—into taking large sums out of the market, which snowballed and affected all investors.

Investors are fearful of the budget deficit and trade deficits because of their combined inflationary and recessionary potential. The continuation of the trade deficit can only lead to a further fall in the value of the dollar, which will result in increased prices. The continuation of the budget deficits leads to a rise in interest rates because of the excess demand for credit, which will also lead to increased inflation. But at the same time the rise in rates will tend to choke off investment and lead to recession. Just as the fall in interest rates and inflation led to the stock market surge, the fear of a rise in inflation and interest rates led to a flow of money out of the stock market. Consequently, when the market crashed on Monday the 19th, the price of gold—a hedge against inflation and economic crisis—skyrocketed.

SPECULATION CONTRIBUTED TO THE CRISIS

Bull markets tend, after a point, to be self-generating. This happens when speculative investing takes hold. Thus, the tremendous increase in stock prices in the first months of 1987 fed on itself. Speculative investors who did not want to miss out on further increases got into the market at this time, or extended themselves on credit purchases. As a result, the rise in the market led to tremendous borrowing against the value of those stocks already held by investors. For example, the amount of margin credit extended to brokers and dealers more than doubled between 1984 and 1986 from \$22 to \$45 billion dollars. This means that investors are buying stock on credit. The more stock is

bought on margin, the more unstable the market becomes, since when it declines margin buyers must sell whatever they have in order to pay off their debt.

CONTRADICTIONS IN THE ECONOMY

Karl Marx said that the accumulation of capital begets its opposite—namely crisis. Each of the factors mentioned above, as a source of the tremendous rise in stock prices, was also a source of the crash.

While the budget deficit was a source of economic stimulation, which helped prolong the recovery, it also was a source of market uncertainty and looming recession. It was only a matter of time before investors became frightened about the inflationary nature of the budget deficits or the recessionary potential of rising interest rates and would withdraw their money from the market in search of safer haven.

The administration and the big business press are now focusing on the need to reduce the deficit in order to allay the fears of investors and reassure world financial markets that the U.S. is capable of putting its house in order. The problem is that under current conditions a reduction of the deficit that is significant enough to stabilize the financial markets will help throw the U.S. economy into a deep recession, which in turn will produce financial instability. No matter how the deficit is reduced, a reduction in spending and/or an increase in taxes will have a contractionary effect on the economy. Either way, the Reagan administration is caught in a gridlock of its own making. It either cuts the deficit and induces a deeper recession and a financial crisis, or it ignores it and induces a financial crisis and a recession. There is simply no way out on the basis of current policy. With or without deficit reduction, the economy is heading for a deeper crisis.

The attack on the working class that has been so pronounced under the Reagan administration is affecting all aspects of the economy. While the rising rate of exploitation led to increased profits, it has also had the effect of slowing economic growth and increasing consumer

debt. Sapping consumer purchasing power, the increased exploitation is a limitation on the objective basis for the rise in the stock market. In the final analysis, the bull market was rising out of proportion to the increase in economic growth. While the market quadrupled in value, the nominal GNP grew by only a third. While profits can rise for a period under conditions of slow growth, they cannot do so indefinitely. In order for profits to continue to be realized on a larger scale, mass markets must be expanding rapidly, not stagnating or contracting.

At the same time, consumer debt cannot increase unchecked either. We are cresting at the historic peak of consumer indebtedness. Under Reagan, household debt has grown from 25 percent to 31 percent of desposable income, and personal bankruptcy filings in 1986 were at a post-war high of 450,000. If consumers curtail their spending, the economy suffers; if they continue to increase their borrowing, the economy will suffer. As in the case of the deficit, there is no way out of this vise under current policies.

Rising corporate debt has been a great boon to the stock market and the economy. Corporate debt is now at an all time high. With the market crash, however, corporations are going to be less willing to take on new debt, and banks are going to be less willing to give it out. As Marx said, credit is both spur to, and constraint on, the accumulation of capital. Corporate bankruptcies and bank failures were higher in 1986 than in any year since the Great Depression. The financial uncertainty generated by the tremendous indebtedness of U.S. corporations, in the context of the stock market crash, will inhibit the accumulation of capital.

INTER-IMPERIALIST RIVALRIES AND THE ECONOMIC CRISIS

Of central importance in the current situation are the rivalries between the three centers of world capitalism—the U.S., Japan, and Germany. It was no accident that two struggles between two U.S. officials and representatives of other capitalist nations played a crucial role in setting off the market crash. Treasury Secretary

James Baker's dispute with the Federal Republic of Germany over the stabilization of the dollar and Federal Reserve Chairman Alan Greenspan's comments about the trade deficit were two trigger points in the frenzy that gripped the market.

The U.S. economy is more vulnerable to international pressures than at any time in its history. No longer is the U.S. the unrivaled economic power of the capitalist world. This is reflected in the over \$500 billion in trade deficits our nation has wracked up under Reagan, and the \$300 billion the U.S. has come to owe the rest of the world.

In order for the U.S. economy to stay out of a depression it would be necessary to have increased cooperation between the U.S., the FRG and Japan. Rivalries between competing capitalist interests makes this difficult in the best of times. At a moment when world markets are growing more slowly than worldwide production capacity such cooperation would be particularly difficult. Infact, in the present world situation, such "cooperation" would amount to little more than an attempt to force the FRG and Japan to pay the cost of the crisis, something they are not likely to respond to positively. Growing protectionist trends in our country also contribute to greater disunity.

The fact that Japan and the FRG depend on the U.S. market for their economic growth, and the U.S. depends on these two nation's capital to avert financial catastrophe creates a very unstable situation. As long as the U.S. runs \$170 billion trade deficits there will be pressure for the dollar to fall. But the further the dollar falls the more difficult it will be to attract foreign capital to purchase U.S. debt. Without an increased flow of foreign capital, interest rates will begin to rise even faster. This will propel the U.S. into a deep recession. The future of the U.S. economy and, indeed, the world economy is closely related to a resolution of the problem of trade deficits and foreign debt. But under the present conditions, the only solutions appear to be runaway inflation or severe recession or depression. In essence, the international cooperation between capitalist countries is limited by the competition between transnational corporations

from the different nations.

ADMINISTRATION POLICY OPTIONS

The stock market crash has shocked the administration into some less than bold action. Its first act was to call together a bi-partisan committee to reduce the deficit. As noted, a significant reduction in the deficit, however it is done, would send the economy into a deeper recession than might otherwise occur. Consequently, the bi-partisan meeting is more for show than anything. It is not likely to result in reductions in excess of the \$23 billion called for in Gramm-Ruddman. It is geared to stabilize the foreign exchange markets and to allay the fears of investors that the administration is not in control.

There are two ways to reduce the deficit. Increase taxes and/or cut spending. The critical questions are: whose taxes will be raised and what spending will be cut. Even with a small reduction in the deficit, someone will have to pay. It is clear that the ruling class is intent on continuing to make the working class pay.

Wherever the spending is cut, deficit reduction will be contractionary unless new sources of domestic or foreign demand are found. It is therefore up to the working class movement to defend social programs and hold the line on increased taxes on working people. If the budget is to be cut, it should be through a reduction in military spending and increased taxes on the wealthy and the corporations. After all, increased military spending and cuts in taxes on the ruling class were the causes of the rising budget deficits in the first place.

Whatever the outcome of the debate on the budget deficit, it will not be enough to stem the tide of crisis. The financial instability will continue, and the economy will move into another cyclical crisis. Moreover, with a recession the deficit will begin another upward spiral. In a word, under the current administration and Congressional leadership the budget deficit will remain a central problem for the U.S. and the world economies.

The second administration option is to flood the financial markets with money. This might

avert a deep recession for the moment, but it will also bring rising inflation with it and further devaluation of the dollar. The further fall in the dollar will hurt the Japanese and German economies—since they are so dependent on exports—unless they also reflate their economies and induce faster economic growth. One of the causes of the bulging trade deficit and instability in world financial markets has been the fact that the U.S. economy has grown faster than those of its major rivals due to its extraordinary debt build-up. This dynamic will have to be reversed. But it presupposes cooperation in a the Group of Seven industrialized capitalist countries under the leadership of the United States. As noted above, this is becoming more and more difficult to achieve.

THE LOOMING ECONOMIC CRISIS

One of the causes of the crash was the fear that a recession lurked around the corner in the wake of rising interest rates. The statistical odds were that the next recession would come in the near term since the current expansion had gone on longer than any other peacetime recovery. The main thing tempering the forecasts of economists was the fact that we were entering an election year, and it was assumed that the Federal Reserve under Alan Greenspan would increase the money supply to keep the economy going through November 1988. Most bourgeois economic forecasters see a negative aftershock from the stock market crash. But their forecasts are based on simple multiplier effects. Consequently, few are predicting a recession in 1986.

Central to the smooth operation of the capitalist economy is confidence. If the crash of the market was a simple decline in stock prices it would be one thing. But the crash was a crash. As Wall Street seer Henry Kaufman recently put it, "When we see moves beyond anything we've seen before, that leaves a mark on economic expectations, the financial system, and even on the body politic." In other words, a 508 point crash in one day is a major economic turning point. It turns economic expectations upside down. There is no doubt that the bullish psy-

chology which led to, and was spurred by, the rise in stock values has vanished and has been replaced with weariness. This can have the effect of multiplying the negative impact of a normal fall in stock values many times. The parameters for all economic decision-making have been radically and forever altered.

Many are pointing to the fact that the market has recovered some of the value it lost in recent weeks. But it is important to note that the same thing happened in 1929. In the first half of 1930 the market rallied. In May, of that year, President Hoover said he was sure the worst was over. But actually it was just beginning. By 1933 Wall Street had lost 80 percent of its value and America's GNP was about a third lower than in 1929. This history is important when one considers that the crash of October 19, 1987 was twice as great as that of October 1929 in percentage terms.

Fears are also being allayed by those who claim the government now has powers to avert calamity. But this, too, may be more wishful thinking. The powers that the government now has were those it achieved in the context of an economy which was relatively insulated from the rest of the world. The fact is that even if the Reagan Administration takes all necessary precautions to avert disaster, it does not control the actions of governments and central banks around the world. In order to be sure that disaster is averted, worldwide coordination between the capitalist powers is necessary. While it may appear that such coordination is more likely in a period of crisis, this is not necessarily the case. In fact, history shows that in periods of crisis inter-imperialist rivalries tend to heighten. The only control the U.S. has over the rest of the capitalist world is military control. But such action would do anything but stabilize the world's financial markets.

At the same time, in 1929 the capitalist world did not harbor a developing world with more than \$1 trillion in debt. The potential for financial catastrophe was great before the crash. It is even greater today.

While a depression is not inevitable, it is nonetheless necessary to prepare people for its possibility. Moreover, whether or not a depres-

sion occurs, we can be certain that the next recession is around the corner and we can say with certainty that it will be deep and prolonged. While the media tends to focus on those investors who are wiped out in a crash, the fact is that it is the working class that bears the burden of the crisis. While some capitalists are wiped out, others move in to pick up the pieces. This has already been seen in the current stock market decline, as big investors and corporations moved in to buy back stocks at low prices. Donald Trump boasts that he got out with a \$200 million profit. Scores of Fortune 500 companies are now involved in stock buy-backs to solidify their own position. Such a situation requires that the trade union movement and the working class in general be armed with a program that can blunt the anti-labor effects of the coming economic downturn, and be placed on an organizational footing sufficient to implement it. The 1988 elections provide an opportunity to advance such a program and force the candidates to respond.

SOLUTIONS THAT AID WORKING PEOPLE

First, it is necessary to make sure that any budget reductions or tax increases do not come at the expense of the working class. Tax increases should be on the rich and the corporations. Spending cuts should come from the military budget. In fact, a deep recession will require new funding for social programs, and a renewed push for advanced legislation to protect workers from economic calamity.

One of the key aspects of reversing the negative economic spiral is increased demand. One way for this to be brought about is the abolition, or radical restructuring, of the debts of the developing countries so that they are able to import more from the U.S. and are less obliged to export to the U.S. Moreover, elimination of restrictions on trade with the socialist countries will open up large markets for our country. Each of these measures would lead to more jobs, and consequently increase demand.

The crisis atmosphere engendered by the-

crash now opens the door to mass acceptance of new and more radical demands. The continued large trade deficits, for example, can and must be countered with a determined struggle to place controls on the operations of the transnational corporations and banks in the interest of jobs and rising living standards at home. The instability in the world financial and currency markets make such controls necessary since it is the banks and corporations that account for the bulk of capital flows across borders. These capital flows are a cause of wild fluctuations in the value of the dollar and in interest rates. At the same time, forcing the TNCs to pay adequate wages in the developing countries will open up new sources of demand in the economy.

The crash also opens possibilities for a major push to cut the arms budget and force Reagan to negotiate a 50 percent reduction in nuclear arms while insuring the passage of an INF agreement. New momentum on arms reduction and towards international peace may be the most significant move the crumbling Reagan Administration could make to stabilize the international financial markets, especially since it is the only realistic way to curb the deficit.

As a result of the stock market crash working people and others concerned with the direction of the economy are beginning to raise concern about the concept of free markets and free competition. As *Business Week* put it:

In a matter of days the markets have brought an era of unbridled laissez-fair to a spectacular end. For too long prosperity was built on the notion that there was no tomorrow.

Business Week's assessment notwithstanding, without a mass struggle new regulations and government intervention will be guided by the interests hostile to those of the working class. This means that stepped up agitation and organization around a crisis program and crisis response are the order of the day. As the *Economist*, mouthpiece of the British bourgeoisie put it—"If America is to be led by Mr. Reagan's wrath for the next 15 months, the soup kitchens of the 1930s may make an unwelcome return."

It is up to the working class to make sure this doesn't happen. □

The Bork Rejection A Victory for All-People's Unity

RON JOHNSON

The historic people's victory against Robert Bork sets the stage for many dramatic struggles leading up to and including the 1988 elections. The Senate's 58-42 refusal to confirm Bork to the Supreme Court demonstrates how all-people's unity, including workingclass unity, can be built and maintained to sweep the Reaganites out of the White House and Capitol.

The anti-Bork fight enhanced the struggle for peace because the it united the same class forces that objectively and subjectively stand together against the transnationals, the sole beneficiaries of the huge Reagan war budgets.

The anti-Bork battle pitted the majority of Americans against the ultra-Right. It was a class confrontation of a new type, one in which the components of the all-people's front took on the transnational corporations; one in which workers, farmers, small businesses aligned with the communities of oppressed minorities, with the movement for women's equality, civil libertarians, et al., against a perceived common enemy.

That this new form of class confrontation would occur on the 200th anniversary of the Constitution was a clear lesson for the American people on why the Constitution is a living document which must be defended from ultra-Right shredders. After all, Bork was the judicial counterpart of the conspirators in the White House basement.

It was within this broad array of multi-class unity, combining the long-term allies of the working class—Afro-Americans, Chicanos, other nationally oppressed, women, youth, seniors—that the majority of American people were able to express their basic concern for democracy.

This mass current for democracy was initially downgraded even by the most liberal of

Senators. When Supreme Court Justice Lewis Powell first resigned, Sen. Joseph Biden (D-Del), chairman of the Senate Judiciary Committee and Sen. Edward Kennedy (D-Mass) said that they would oppose Reagan tilting the high court to the Right, but that Reagan's nominee would probably be confirmed. What is important to record is that their mood of resignation changed when the Bork nomination was made and immediately met with mass opposition.

There was, however, no miscalculation by the people's organizations. The Leadership Conference on Civil Rights immediately began holding discussions. Leading women's equality organizations, including the National Organization for Women and the Abortion Rights Action League, began planning their strategies. Intense discussions started within the trade union movement, where the only differences expressed were on whether to wait for the confirmation hearings before opposing a Reaganite nominee.

There existed this degree and quality of activity even before Bork's name was mentioned because the President had made the 1986 Senatorial elections a referendum on his intent to pack the Supreme Court with justices who would imprint Reaganism on U.S. law well into the 21st century.

ISSUES
NOT PERSONALITIES
DETERMINED THE STAKES

The united people's political action movement, therefore, was geared up early on because Reagan had already politicized the confirmation process. The battlelines were drawn on political issues, not personalities. Common concern about the President's views on civil rights, women's equality, trade union rights, anti-trust

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laws, the right to privacy, an all powerful presidency, etc. was the magnet that pulled together the people's forces.

After Bork was nominated, his record was revealed. Americans involved in struggles—for peace, jobs, against racism, for housing, workers' rights, saving the environment—became



aroused against Bork. They organized local anti-Bork committees around the nation.

In addition there were state-wide formations. For example, in Kentucky there was an anti-Bork coalition of 50 trade union, women's, civil rights, and lawyers' organizations; the New Hampshire Block Bork Coalition represented nearly 20 statewide organizations; Marylanders Mobilized to Block Bork consisted of 40 organizations.

These committees organized vigils, held rallies, built and operated telephone trees, generated petition and letter writing campaigns to the Senate. Some committees, like The West Virginia Block Bork Campaign, published newspapers, newsletters and even pamphlets.

This growing movement was reinforced by the conventions of the National Education Association and the National Association for the Advancement of Colored People which called on their members to mobilize to block Bork. Other conventions of people's movements which joined and strengthened the anti-Bork campaign were: the National Organization for Women, the Communist Party, USA, the Na-

tional Urban League, Communication Workers of America and the National Rainbow Coalition. Other organizations, ranging over a wide spectrum—such as the American Association of Bookbinders, the Nation Institute, the National Alliance Against Racist and Political Repression, the Mexican American Legal Defense and Education Fund and Planned Parenthood—fought against Bork.

Organizations in nearly every religious denomination called for Bork's defeat. Among them were the United Methodist Church, the United Church of Christ and Catholics for a Free Choice.

Major Jewish organizations were opposed to Bork, including the American Jewish Congress, the Union of American Hebrew Congregations and the Jewish Women's Caucus.

In the legal community, the American Civil Liberties Union and several affiliates of the national and state-wide American Bar Association organizations also opposed Bork.

Communists participated in statewide and local anti-Bork committees with an unprecedented (for recent times) acceptance. In some areas, the Party and YCL were recognized openly as valued allies. Even where local circumstances thrust them into anonymity, Communists were welcomed into leadership and full participation. And, they invariably were recognized for the quality of their contributions as fighters for unity.

In one dramatic instance, Angela Davis, Communist leader and co-chair of the National Alliance Against Racist and Political Repression, was one of five people elected to present thousands of anti-Bork petitions to Sen. Pete Wilson (R-Calif).

With influential newspapers like the *New York Times* and *Long Island Newsday* opposed to Bork, new conditions were created with people's organizations—most notably People for the American Way—joining forces with news-media and Madison-Avenue advertising professionals.

"People for the American Way," featuring the actor Gregory Peck in opposition to Bork, was shown 86 times on television across the na-

tion. While not in itself decisive, this aroused liberal style of political advertising challenged the Reagan administration's virtual monopoly hold on the media.

Duplicating what they had done in 1776, the American people smashed the concept of an imperial presidency.

Conservatives began opposing Bork in greater numbers, according to the Roper Poll and the *Washington Post/ABC News Poll*, after Bork held firm to his view that there was no generalized right to privacy in the Constitution. As a Southern conservative caller told Sen. Arlen Specter (R-Pa.) on a C-Span cable television show, "I am against abortion, but I can't agree with somebody going on the Supreme Court who doesn't believe in privacy rights."

Thus the anti-Bork battle became the most comprehensive expression to date of the anti-Reagan movement. The polls, showing that the American people had increasingly lost confidence in the President during the Iran-contra and Wall Street scandals, were reaffirmed as Senators received a record number of letters—2.6 million per week—and telephone calls about Bork.

BREAKUP HITS THE REAGAN COALITION

Side by side with the gains of the people's movement, were the devastating setbacks dealt the Reagan coalition and especially the ultra-Right.

Bork's defeat signalled the beginning of the breakup of the Reagan coalition of ultra-rightists and conservatives. According to some polls, 57 percent of conservatives opposed Bork. In other polls, the best Bork could do was get 31 percent of Americans to support him.

When the Reagan administration's anti-democratic character became clearer to millions of Americans through the exposure of a secret government in the Iran-contra scandal and the anti-Constitutional pronouncements by Bork, a majority of conservatives concluded that the

President's interests and theirs were not the same.

Ultra-Right senators' frustrations became noticeable when several of them lost their cool during the hearings and lashed out against people's organizations. The Republican Party suffered further because the ultra-Right prolonged the campaign for Bork, in an apparent effort to raise funds for the National Conservative Political Action Caucus. The caucus, which is now \$3 million in debt, has been charged by some Southerners with using a phone solicitor who falsely identified himself as Sen. Howell Heflin of Alabama.

The polls showed that Reagan became even more isolated after he stepped up his attack against Southern Senate Democrats for opposing Bork on the ground that they were giving into the "fears" of their Black constituents. Reagan and the ultra-Right Senators refused to admit that a plurality of Southern whites, including conservatives, also opposed Bork.

Thus the ultra-Right failed to take into account that Black Southerners were expressing views shared by the majority of their white peers. After the ultra-Right launched its attack against Southern Senators on this basis, Bork's support dropped 10 percentage points among conservatives, according to the October *Washington Post/ABC News Poll*. It was a clear example of whites rejecting racism, whatever the level of their comprehension of it.

Following the Bork rejection there was a redbaiting attack on the coalition. It was wide-ranging, from a Senate floor tirade by Jesse Helms against the *People's Daily World* and James Steele, secretary of the CPUSA's Legislative Commission, to the broadcasts of Rev. Rex Humbard's ultra-Right radio network in Akron, Ohio. But this attempt flopped.

The White House infighting, admitted by the President in a Cable News Network interview, is another aspect of the breakup of Reagan's coalition. White House Chief of Staff Howard Baker did not originally favor Bork and advised the President to find a "mainstream conservative." When that did not work, Baker tried to shield the President from association

with Bork's certain defeat. Now Baker has argued again for Reagan to select a "mainstream conservative."

But the ultra-Right, blaming Baker for Bork's defeat, is pushing the President to nominate "a Bork without a beard." Inside the administration, Attorney General Edwin Meese, himself under possible criminal investigations, and Assistant Attorney General William Bradford Reynolds are struggling for a Bork clone to be nominated.

THE
KEY FACTOR OF
WORKINGCLASS UNITY

When the AFL-CIO entered the battle against Bork, Ralph Neas, executive director of the Leadership Council on Civil Rights said, the AFL-CIO will be "especially effective on the grassroots level. We expect it to make a critical difference."

Political analysts agreed that labor was able to reach out and politically influence the vast majority of working Americans, who are not organized. Such influence reveals that, with the proper program and organization, labor could significantly organize the unorganized, thereby increasing its ranks, its national economic clout and its political influence.

The AFL-CIO, with its structure in all 50 states, was the organizational cement of the local anti-Bork coalitions. The labor press reached an estimated 40 million Americans monthly, informing workers about Bork's views.

In the August 1987 issue of *The Machinist*, newspaper of the International Association of Machinists, the following was pointed out:

Judge Bork scoured the law to find a loophole that led him to rule that the cost of cleaning the environment by a company which had polluted that environment should be taken into consideration, thus relieving the company of full responsibility.

Bork also took an activist role on behalf of the employer when he overturned a longstanding National Labor Relations Board (NLRB) policy protecting employees from being fired for union organizing.

In the industrial centers, the United Steelworkers of America, the United Auto Workers and the United Mine Workers of America were among those unions which were indispensable in launching and maintaining the anti-Bork coalitions.

Trade unions voted money into the campaign to block Bork. In a dramatic example, the American Federation of State, County and Municipal Employees allocated \$40,000 to that effort.

Without the trade union movement and its particular experiences in struggles, the anti-Bork movement would not have been successful. Furthermore, if the trade union movement had acted alone, the anti-Bork movement would not have been successful.

As in most cities, the New York City anti-Bork coalition was launched by the labor movement in concert with a broad array of forces, including New York State Attorney General Robert Abrams.

Local union meetings across the country began having a special agenda point on Bork as the Senate Judiciary Committee's hearings came closer. In union meetings and conferences, the speakers were not limited to trade unionists. Guest speakers from the NAACP, NOW, National Lawyers Guild, ACLU and other organizations addressed union meetings.

This is an example of how labor, while benefiting itself, also lays the basis for better working relations with all of its allies. Labor's role in the anti-Bork coalitions resulted in a new confidence among different people's organizations that labor can get the job done.

For a long time the Alabama labor movement has been conservative. It takes action on major issues, but not always in step with the rest of the nation. For example, the Alabama AFL-CIO did not mobilize for the historic Solidarity Day demonstration in 1981.

Yet, on Bork the Alabama AFL-CIO was in step with the nation. Asa Trammel, president of the Alabama AFL-CIO, said,

The AFL-CIO would like to point out that Judge Bork is no friend to the working man and woman in our state and nation, no friend to the 13.5 million mem-

bers of the AFL-CIO.

In a review of many cases involving the rights of workers, Judge Bork tends to favor business over workers, and big business over small business.

Our review of Judge Bork's academic work and his public career make it plain that he is moved not by deference to the democratic process, nor by allegiance to any recognized theory of jurisprudence, but by overriding commitment to the interests of the wealthy and powerful. The causes that have engaged him are those of big business and of the executive branch of government. For those reasons, the millions of union members in our country and certainly those in Alabama oppose the nomination of Judge Robert Bork to the Supreme Court.

The unity of the working class also laid the basis for labor's involvement in local and state-wide movements like the campaign to recall Arizona Gov. Evan Mecham for his racist, anti-labor and anti-women policies.

In its October 9 issue the *UE News* of the United Electrical, Radio and Machine Workers of America, summed up labor's concern with the anti-Bork fight in the following sentence: "Reports reaching the *UE News* indicate that few issues in recent years have dominated shop conversation as much as this one."

THE PART
PLAYED BY
AFRO-AMERICANS

The effort to block Bork was extensive among Afro-Americans. Typical was the opposition of the National Black Leadership Roundtable, which comprises leaders from 300 Black organizations.

From the beginning, Afro-Americans played a dynamic role in the fight, whether as trade unionists, farmers, businesspeople, students, seniors, clergy and other sections of the multi-class nationality.

It was symbolic that the National Education Association, the organization which took the first convention stand against Bork has a Black woman, Mary Futrell, as its president.

Equally symbolic was the fact that the

NAACP was the second organization whose convention took a stand against Bork. Thus the alliance against Bork took shape.

It was the NAACP convention where several Democratic presidential candidates spoke out against Bork and helped energize the block-Bork movement. The Reagan administration also understood that convention was key and dispatched Baker to ask the delegates to give Bork a chance. The NAACP delegates responded with a resounding "no!"

The role and importance of Black people inside the anti-Bork movement and the effect of the movement upon Black Americans resulted in no Black lawyers testifying for Bork during the Senate Judiciary Committee hearings. Even the Republican Black Caucus opposed Bork.

The Reagan administration had to dig up Roy Innis, who recruited mercenaries to fight on South Africa's behalf in Angola, and Thomas Sowell, an economist who admitted he didn't know Bork's positions, as its key Black supporters. Among Afro-Americans, the ultra-Right had no base of support for Bork.

Members of Black churches, sororities and fraternities not only lobbied their Senators, but visited Black newspapers and urged them to write editorials against Bork. Many of those editorials became calls to action.

For instance the *Kansas City Call* repeatedly issued editorials urging people to write and lobby their Senators.

Syndicated columnists, including Carl Rowan, argued against Bork's record and explained how Bork's views could rollback the clock on rights achieved through decades of struggle.

Black elected officials, including but not limited to the Congressional Black Caucus, also organized lobby efforts and held forums to discuss how to stop Bork.

Black business people were alarmed by Bork's views that would allow bigger companies to continuously eat up smaller companies. The National Urban League, Operation PUSH and other organizations expressed their concerns

about the impact of Bork's views on small businesses.

For Afro-Americans the anti-Bork movement became a way to express why affirmative action is necessary. Their contributions to save democratic rights also made white Americans understand a little better why equality is a hollow phrase without affirmative action to help Black people overcome historical discrimination.

THE ROLE OF THE MOVEMENT FOR WOMEN'S EQUALITY

The women's equality movement became stronger as a result of the anti-Bork coalition. Without its contribution, the struggle could not have been won. Women were an indispensable part of the labor and Afro-American components of the anti-Bork fight. Members of organizations like Coalition of Labor Union Women and Women for Racial and Economic Equality were extremely active.

The Reagan administration and the ultra-Right tried to split women from the coalition by a male supremacist attack which singled out the fight against abortions. But, as pointed out earlier in this article, that tactic backfired.

National Organization for Women President Molly Yard, captured the mass mood about the decline of the presidency when she told a Dallas anti-Bork rally that the Senate must not confirm "a man nominated to the Supreme Court by a disgraced president."

A highlight in expanding the involvement of the women's equality movement came on August 11 when 22 national women's organizations jointly declared their opposition to Bork.

On that occasion Irene Natividad, national chair of the National Women's Political Caucus, said the "unprecedented coalition" of organizations unified because Bork "threatens our hard-won battles for equity and impedes our future progress."

Among the participating organizations were B'nai B'rith Women, the American Asso-

ciation of University Women, National Coalition for Women and Girls in Education, National Organization for Women, Mexican American Women's National Association, National Abortion Rights Action League, National Conference of Women's Bar Associations, 9 to 5 National Association of Working Women and the Black Women's Agenda.

REAGAN FOUND NO SOUTHERN COMFORT

A second center of leadership emerged among the Senate Democrats during the fight against Bork. While Senate Majority Leader Robert Byrd (D-WVa) is a conservative Southern Democrat, the leadership did not come from him, but rather another conservative, Sen. Bennett Johnston (D-La).

When Johnston declared, "I don't believe the new South or indeed the old South would vote for Judge Bork," it sent a signal that was quickly responded to by most of his fellow Southern Democrats.

Even Sen. John Stennis (D-Miss), a right-winger, voted against Bork.

The *Peoples Daily World* editorial of October 28 took note of Stennis' significance when it said:

The Dixiecrats, like George Wallace, Lester Maddox, Orval Faubus, James Eastland, and Stennis, were the grim visage of Jim Crow. It was they who defiantly refused to enforce federal laws and court rulings designed to break down the doors of segregation, who sanctioned the use of dogs and violent repression against peaceful protesters, who encouraged by their immorality and lawlessness murder and mayhem by the Ku Klux Klan and other racists.

In Congress, just as the Dixiecrats barred progress and democracy at home, so did they support militarist policies abroad. Stennis, longtime chair of the crucial Armed Services Committee, provided critical support for the war policies of the Johnson and Nixon administrations.

But their power in Congress, based on long seniority, was rooted in fraud—the systematic depriva-

tion of the right of the large Black population of the South to vote.

Under the power and pressure of the civil rights movement and its allies, the walls came crumbling down. Today, though racism is far from eradicated in the South, and elsewhere in the U.S., no Southern Democrat can be elected without both white and Black votes, and must be accountable to both. Mississippi, once the main target of the Freedom Riders, last year elected its first Black Congressman since Reconstruction. Even the crusty Stennis in his final years had to tone down his tune, opposing Reagan, for example, on his policy in Lebanon, and voting "no" on Bork.

With the shifting of political gravity in the Senate, Byrd has been compelled to stand up to Reagan. After the Bork vote, Byrd said, "I urge the President to back away from a policy of defiance" by nominating a Bork clone.

Because of this winning fight, Senate Democrats can now be more comfortable in opposing the President's policies where they disagree.

This has emerged already over the economy, cutting wasteful military spending, contra-aid, sanctions against South Africa, and a host of other issues.

The anti-Bork coalition is not breaking up. As one lobbyist said, "new friendships and working relationships were forged."

While Rep. Jack Kemp (R-NY), a presidential candidate, wants to make Bork a major campaign issue in 1988, Bush disagrees, assessing that to be elected next year he must be perceived as anti-Bork. Leaders in the anti-Bork movement are focusing on what is next in the Supreme Court situation, they are also looking down the road—toward 1600 Pennsylvania Ave. In all conventions held so far this year by organizations which are a part of the anti-Bork movement, the 1988 elections was a central feature. For instance at the NOW convention, the defeat of Bork was coupled with a drive for Rep. Patricia Schroeder (D-Colo) to seek the presidency.

It is natural, therefore, that some people's

leaders are already talking about working to let the next president select the person to fill the court vacancy.

John Clay, who heads the Chicago Lawyer's Committee for the Judiciary, which was part of the Chicago Anti-Bork Coalition, said the rejection of Bork has "set up the possibility of delaying the process."

Nan Aron, executive director of the Alliance for Justice, said, "We encourage the President to nominate a person who possesses an open mind, is forward looking and has a vision of the Constitution which respects individual rights." The Alliance for Justice coalition includes the National Education Association, Children's Defense Fund and the National Wildlife Federation.

Philip Johns, special assistant to the Chicago Urban League president, said Reagan's "dogged insistence on a Bork-like nominee should move the Senate not to take any action on any nominee until Reagan is out of office."

Kate Michelman, executive director of the National Abortion Rights Action League, said, "Americans want a mainstream judge who will protect their rights and not threaten them. The President should heed this lesson in the choice of the next nominee."

Additionally, the 400 national organizations opposed to Bork will find a variety of ways to work together to preserve democratic rights and the Constitution.

Gus Hall, general secretary of the Communist Party USA, agrees with that outlook and adds that the anti-Bork movements have become "broad action-oriented coalitions on most issues of the day, including the struggle against racism, for women's rights, trade union rights, the right to privacy, in many major cities and small towns."

Hall predicted: "The broad-based, united all-people's coalitions will have a tremendous impact on the political and electoral arena well into the future." □

Communists discuss tactics for 88: Unity, an idea whose time has come

FROM THE EDITORIAL BOARD

*"Monopoly capital
created the crisis.
Let them pay the cost."*

There was a mood of confidence and anticipation in the air—the way marathon runners feel as they step up to the starting line.

Within days the nomination of Robert Bork to the Supreme Court had been defeated, the stock market had quickly and rudely crashed, the U.S. and the Soviet Union had agreed to sign an intermediate arms agreement; it was clear, Reaganism was in shambles.

The conclusion was inescapable. Important, developments were unfolding in the nation—the chief question was exactly what role the Communist Party would now play. This shaped the agenda of the the first Central Committee meeting after the CPUSA's 24th National Convention convention in August. The meeting began on October 17, 1987.

Said Gus Hall, in the opening Political Bureau report:

There is no question the stock market crash will move the date of the cyclical economic crisis up. But we should not wait for the crisis to hit. The aftershocks of the crash will create crisis enough. They will add to all the problems the people face.

The aftershocks will have a racist edge. The aftershocks will deepen the crisis of the cities. There will be cuts in funds for social services and programs, for schools, hospitals, housing, unemployment, welfare and relief payments. These cuts also have a racist edge. We should take steps now to initiate movements and struggles to block such cuts.

Monopoly capital created the crisis. Let them pay the cost.

Developing this theme, the report, later

adopted by the Central Committee, pointed out that bourgeois economists were now coming forward with various proposals for "correcting" Reaganomics. All of these proposals, however, are at the expense of the people, sharply cutting living standards, and raising taxes.

Communists, the Central Committee agreed, must fight for the opposite approach, raising the standard of living and increasing the buying power of the working class, the consumers.

The report also pointed out that there will be political fallout from the crisis—and not all of it will be in one direction.

The more conservative forces associated with Reaganomics will lose support. At the same time, unless confronted by mass struggle, many Democrats will tend to move to the right, hiding behind concepts like "this is not the time to rock the boat."

"Mass thought patterns," however, "will tend to move towards the left." The report concluded:

The crash will shake people's already shaky confidence in capitalism even more. People will be more open to new ideas, new and more radical solutions. Public ownership and nationalization will more and more appear as realistic solutions. And the popularity of ESOPs (Employee Stock Options Plans) will continue to decline.

We have to pay special attention to how this crash will impact on the electoral scene. We have to take a new look at the possibilities of fielding more left, workingclass, racially and nationally oppressed, women and youth candidates.

Calling on the Party to organize protests and rallies, the Central Committee also heard a report from a group of economists from the Economics and Labor Departments. Their report proposed a plan to meet the growing economic

crisis in a way that benefits working people and makes the rich pay for the crisis.

The plan, which was warmly greeted by the Central Committee, was adopted as the basis for a workingclass response to the crisis.

It included such points as expanding mass purchasing power by cutting the war budget and using the money to build housing and repair the nation's infrastructure; double the minimum wage and hike unemployment insurance to 80 percent of wages. The program also called for a major overhaul of the tax system. This overhaul should include a repeal of the tax cuts for the rich passed by the Congress last year combined an end to all tax giveaways to the wealthy. At the same time it urges a halt to taxes on wage and salary income of those with moderate incomes.

*"The crash will shake
people's confidence
in capitalism
even more.
People will be more
open to new and more
radical solutions."*

Emphasizing the importance of a quick and determined response to the stock market crash the report argued:

Historically, Communist and working class revolutionary parties become mass parties on the basis of how they react in periods of crisis. It is always the parties that respond fastest, with the clearest most popular explanations and the best workingclass solutions that become mass parties.

THE UNITY THEME WAS AGAIN EMPHASIZED

The National Convention, the Central Committee meeting once again emphasized the critical

importance of striving for unity of the people's movement.

Further developing the concepts of the 24th Convention, which mainly stressed the general direction the Party must travel, the Central Committee meeting, concentrated on analyzing and solving the specific problems of building unity that are now emerging in the people's movement.

ur focus here this weekend must be centered on application and implementation," Gus Hall declared.

Unity is an idea whose time has come. But there are many good ideas whose times have come that do not become a material force.

The concept of unity is not a self-perpetuating concept. The idea is only as good as the initiatives we take to make it an organized force . . .

Every discussion must lead to some initiative, that in turn leads to action, that leads to unity, that leads to victories. Only a Party of initiatives and action can lead majorities in motion.

In discussing the tactics of building unity, the meeting agreed that, while the Communist Party must strive to introduce new and advanced concepts to the movement, it must always consider the best moment and the form of doing this. In the coming period, the Party will be working with many broad mass struggles, as well as Left formations. In these movements Party members, while always presenting the Party's views, should take into account the unity of these movements, and the different perspectives of the participants.

Said the report:

The usual mistakes we make are that we either remain silent or speak without raising any of our more advanced ideas. We have to think about when to raise our more advanced ideas. It is certainly not possible to raise them at every meeting.

In response, members of the Central Committee took the floor to discuss the many problems and approaches that have emerged in their states in the fight for unity, particularly in the anti-Bork and electoral movements.

THE ANTI-BORK STRUGGLE AND ITS LESSONS

"Yesterday," said the report, "with the defeat of Bork in the Senate...that battle officially ended in a people's victory." This victory, the meeting concluded, "expanded the broad democratic sentiments that surfaced in response to the White House secret junta conspiracy."

Throughout the meeting, members of the Party's leading body, reported on the work and activities of anti-Bork coalitions in their respective states, and the role of Communist Party members in them. These reports showed that in almost every case, the committees had become truly mass movements reflecting the massive breadth of the democratic majority of our country. The reports also showed a high level of Communist participation, in most cases as part of the official leadership, and in many cases as initiators of the activities. In most instances, Communist participation was warmly welcomed. In some instances, however, the coalitions involved such a wide spread of opinion that it also included some who opposed Communist participation. In those cases, the discussion showed, Communists had to make difficult decisions about their form of participation, defending their right to participate and yet working for the broadest possible unity. The Central Committee agreed that in most cases state organizations showed a higher level of skill in combining these two areas of struggle.

Pointing to the broad participation in the anti-Bork committees the meeting concluded that "labor-Afro American unity was the initiating and leading force within the broader coalitions." This coalition, the discussion agreed, was especially reflected in the anti-Bork votes delivered by Southern Senators.

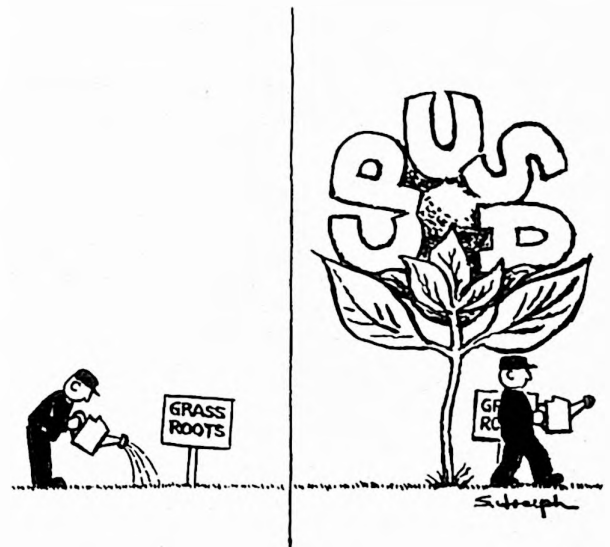
"In many ways, the Afro American workers in the South are the glue that holds this united political power together" the report argued.

NEW POLITICAL ALIGNMENTS ARE NOW EMERGING

Examining the impact of the anti-Bork struggle

the meeting concluded that this movement both reflected and in turn affected a new process in U.S. political life—this is the tendency toward a new political alignment. Through this struggle the peoples forces have come closer together. And at the same time there is a widening division emerging between conservatives and the ultra-right.

This was dramatically illustrated in the anti-Bork struggle where there was a wide division between the ultra-Right which backed Bork to



the end, and the conservatives, who in their majority, separated themselves from him, and finally voted against him. Said the report:

The domination by the ultra-Right forces over the conservative sector of the political spectrum has been the power base for Reaganism.

The ultra-Right takeover of all the conservative forces started at the Goldwater-dominated GOP convention. It was further solidified at the Reagan "whiff of fascism" convention in 1983 . . . This conservative camp is now cracking up.

The meeting also concluded that this "crack up" is not limited to the Bork nomination, but reflects a more basic shift in the alignment of political forces in the country. In this process the

ultra-right is being slowly pushed into isolated corners. This trend, the meeting agreed, shows up in the Republican primaries where the most extreme candidates, such as Jack Kemp (R-NY), Pete DuPont and Alexander Haig are doing poorly.

It is also reflected in the religious community, where the Right-wing now finds itself in disarray and with declining political clout. This has allowed the more positive forces to come forward, especially in the fight for peace. In the Jewish community, the meeting concluded, major organizations and leaders are separating themselves from the ultra-Right Zionist groups.

THE INF AGREEMENT AND REAGAN'S MANEUVERS

In the field of foreign policy too, the meeting concluded, the new alignment will be felt. Its view was that, although the Pentagon and the ultra-Right will step up their campaign against an Intermediate Nuclear Arms Force agreement, it will most likely be signed.

The meeting agreed that the signing of such an agreement would be an historic accomplishment, since it would, for the first time, eliminate from the face of the earth an entire category of nuclear weapons. These weapons, it was pointed out, stand only minutes in flying time away from each other. Thus the agreement also eliminates one of the most volatile points of nuclear confrontation. Said the report:

The great majority of the American people, a majority in Congress, Reagan, Schultz and Bush are for signing the agreement. Each for their own reasons. The people because they want peace. Reagan, to secure his place in history as a "peace president." Bush, to boost his candidacy. And, Shultz, for the Bechtel Corporation.

But one should not have illusions. There are some problems. The ultra-right has not given up. Far from it. They will continue trying to sabotage the agreement even after it is signed by Reagan and Gorbachev.

The report also pointed out that while the administration has agreed to the INF pact, it still

remains committed to the Star Wars program—and this program remains an obstacle to a more deep-going curb on the arms race.

The report and discussion, however, also noted that not all problems in the fight for this agreement come from the far Right. Some from the Left also oppose the agreement, arguing that it will allow Reagan to evade responsibility for the arms race and will ease pressure for full disarmament and an end to Star Wars. Said the report:

Such an approach misses many salient factors, including that the forces and pressures that compelled Reagan and Schultz to sign the short and medium range missile agreement will continue to build pressure for the next steps in eliminating all nuclear missiles.

In fact, the Soviet Union is already building up pressure to start the elimination of strategic missiles with an immediate 40 percent cut and is also proposing cut backs on conventional weapons.

All or nothing sounds good. But it is not an effective tactic. In fact, it plays into the hands of the warhawks. . . .

The slogan, "Total disarmament or nothing" comes to nothing.

The meeting also urged all progressives to do

**PEACE THROUGH
STRENGTH!**

**STRENGTH THROUGH
PEACE!**



everything possible to develop actions and visible support for Senate approval of the INF agreement, and to demand an end to the Star Wars program.

It said:

We all agree the objective developments favor the peace sentiment. But without initiatives, the sentiment will not turn into actions spontaneously. And sentiment and concern without action is not enough to influence the votes and positions of public officials.

The meeting also discussed emergency action to defeat a new bid by the administration to win added funding for the contras.

100 COMMUNIST CANDIDATES PROJECTED FOR 1988 RACE

Looking ahead to the 1988 elections, the Central Committee affirmed the decisions of the 24th Convention, to mount the widest struggle to defeat the Right-wing in the Presidential race and to further shift the balance in the Senate and House of Representatives.

In his report to the meeting, James Steele, legislative and political action director of the CPUSA, argued that the possibilities of making such a shift now exist.

The GOP has slightly fewer seats to defend. But more Republican seats appear vulnerable. Most of the liberal and progressive Democrats are safe. But at least six seats now held by ultra-right Republican incumbents could be lost . . . The 1988 elections as a whole could turn into a referendum on Reaganism and Reaganomics, resulting in mass repudiation of "all the President's men."

While calling for mobilization of progressive forces against the Right-wing the meeting also emphasized the importance of fighting for the quality of those elected.

In analyzing the direction of the pre-election period to date, the report emphasized that with the notable exception of Senator Albert Gore (D-TN), the bulk of Democratic candidates have separated themselves from the ultra-Right. The task of Communists, the report argued, is to avoid narrowly pitting one candidate against

the other, instead to fight for unity of the progressive forces who are, at this point, still divided between the candidates.

While not coming out for any of the two-old-party candidates, the meeting did note that of all the Democrats in the race Jesse Jackson had the most advanced stands, and as a result, attracted around himself the more advanced sections of the peoples movement.

Said Steele:

Jesse Jackson's campaign objectively acquires growing importance . . . It is emerging as the chief instrumentality through which the people can intervene to influence both the direction and outcome of the primaries.

Agreeing that Communists must play an active role in all stages of the election battle, the meeting discussed the new problems that confront the Communist Party as a result of the upsurge on the one hand and the new electoral restrictions on the other.

The meeting, for example, took note that Pat Schroeder (D-CO) had decided not to run for President because of what she called "the process," referring to the undemocratic character of the electoral system, especially.

Reports from members of the C.C. emphasized that the undemocratic nature of the "process" had increased. In California, for example, it was reported that for an independent party to be on the ballot it would have to collect 158,000 "valid" signatures. This means that a minimum total of 220,000 signatures would have to be collected in less than two months.

In Washington state, which used to be one of the least difficult states to obtain ballot status, the law has also been changed. In the past it was necessary only to hold a convention of 180-190 participants. Today, such a convention can only designate candidates to run in the pre-election primary round, in which the party must obtain 1 to 2 percent of the vote to qualify for ballot status in the elections itself. This law not only puts new obstacles in the way of winning ballot status, it forces independent minded voters to choose between casting a vote for an independent candidate or voting for an advanced candi-

date in the primary—since the procedure compels the voter to do one or the other. Such new restrictions, the C.C. noted, were now in place in many of the critical states.

Many of these laws, it was pointed out are aimed not only at eliminating independent candidates in the Presidential race, but at compelling the movements behind these candidates to choose between independently building their own base or participating in other stages of the elections. The latter choice would isolate them from the maturing independent movement within the two-party orbit. The members of the C.C. agreed that the Communist Party must not be forced to make such a choice in this election.

Thus the meeting concluded that the Party must find ways of participating in the broad movement and at the same time working for the largest possible Communist vote. To do this the CC agreed the Communist Party would work to field 100 local Communist candidates across the country. The meeting emphasized that, unlike past elections, greater emphasis would be placed on building a Communist vote and a Communist electoral constituency. It also emphasized that the possibilities of electing Communists to office is growing, and that demands a high priority.

To build a coordinated movement, it was also agreed that the Communist Party should set up a national election campaign committee to raise money and coordinate the local campaigns.

TOWARD 1,000 NEW MEMBERS, A PDW CIRCULATION OF 125,000

In his opening report Gus Hall reminded the Party leadership of the decisions of the 24th Convention in this area of work. Said Gus Hall:

Again, I think the key sentence on the Party in the Main Report is in the Summary to the Convention. "If this convention does nothing else but comes up with some answers to the question of Party growth and party function it will be a very successful convention. Without answers all the talk about a mass Party is meaningless."

For this Central Committee meeting this is a checkup point.

What have we done since the convention?

To checkup on its work the C.C heard two reports, one on Party building by Judith Leblanc organizational secretary of the Party, and one

*"To put winning
tactics into effect
we need a larger
Communist Party"*

from Arnold Becchetti, member of the Political Bureau on the campaign to build the Peoples Daily World into a more mass circulation paper. The two reports were followed by extensive discussion and reports from Party leaders and activists of different state organizations.

The discussion showed since the Convention the Party had raised its Party building consciousness, and as a result the recruitment rate also increased.

Nevertheless, despite advances, the meeting agreed that a much greater rate of Party growth was possible, because of increasing mass activities and increasing Party participation in them. The belief that the Party can and must grow at a faster rate was also bolstered by the economic situation, which showed every indication of deteriorating, and thus giving rise to even greater mass activity in the period ahead.

Illustrating the possibilities, New York State Chairman Jarvis Tyner, reported on a series of meetings taking place that evening, with 150 non Party activists to discuss joining the Party. As in many states, many of those now considering membership in the Party were deeply affected by the Irangate developments and worked with Communists in the anti-Bork campaign.

As a result of the discussion the meeting concluded that the Party must deal with Party building with a "new revolutionary style."

LeBlanc presented specifics of a proposed six-month integrated building drive aimed at in-

creasing the Party's size by 1,500 new members, the YCL by 300 and the circulation of the *Peoples Daily World* by 125,000 regular readers. This drive, it was agreed will run simultaneously with the PDW fund drive, enabling the Party to speak to the wide range of Party friends on the press and the Party simultaneously. Said LeBlanc:

In this meeting we have given a great deal of attention to tactics. But to put winning tactics into affect we need a larger Communist Party . . . It is only natural that this campaign would be launched at the same moment we are proposing a drive for 100 candidates in the 1988 elections. Without a larger Party, without a Communist constituency we just simply can not affect the big struggles that are developing across the country.

As a result of the discussion, the Central Committee agreed that the Party would build a campaign which would extend throughout 1988, with special emphasis on the period of January through May.

During this period the Party will organize rallies and protests in as many cities as possible, mobilizing opposition to proposals of the administration to cut back living conditions as a result of the stock market crash and building support for Party candidates. To help build these meetings members of the Party's Political Bureau will travel to districts across the country and will hold discussions with people interested in knowing more about the Party.

During this period also the PDW will produce several special editions highlighting the fight against the planned austerity drive. In addition to this the Party will be producing new material on the Party itself and the nation's deteriorating economy.

In the course of this discussion, Sid Taylor, Treasurer of the Party also reported on the financial problems of the Party, and the need to bolster fund raising activities if the Party is to expand it work. This activity, Taylor pointed out is a natural part of Party building, since it too requires the Party to reach out to friends and speak to them about the importance of the Party's work.

ELECTION OF LEADERSHIP AFTER THE 24th CONVENTION

As the first Central Committee meeting after the 24th Convention, the C.C., itself elected by the Convention, had the task of electing the Party's daily leadership.

In discussing a report presented by Political Bureau member Danny Rubin, the C.C. reviewed methods and forms of organization. At the end of the discussion the C.C. elected a new Political Bureau, the highest policy making body between C.C. meetings. It also elected a new Secretariat, a leadership body charged with implementing policy and coordinating the work of the Central Committee's various commissions.

A NEW RELATIONSHIP TO THE MASS MOVEMENTS

"This meeting has been on an exceptionally high level, stimulating, exciting and enjoyable," Gus Hall, told the members of the Central Committee, in his summary. They agreed. And to express it, the 120 members and guests broke into applause. Commenting on the reports of the Party's leaders from across the country earlier in the meeting, Hall drew this conclusion:

In this meeting there is so much evidence that the relationship between the Party and the organized mass movements continues to improve. These relations reached a new high in the anti-Bork, grass roots movements. What is new is that the Party is not only accepted, but is asked to join movements and coalitions.

Expanding on the theme that emerged throughout the meeting, Hall pointed out that with this new relationship to the movements also goes a new responsibility to improve the mass tactics of the Party in building unity.

Commenting on the discussion on the elections, Hall pointed out that the forces of political independence will face some difficult problems in the Presidential race. From now until the Democratic convention the trade union movement and the Jackson forces will be busy elect-

ing delegates to the Democratic convention. This requires these forces to work with the Democratic machine, he pointed out. The Right-wing forces, including in the trade union movement, he said, will want to tail the Democratic Party, and this will cause problems for these movements.

The Rainbow Coalition, however, does not face the problem in the same way, since they are not part of the structure of the Democratic Party, and this means they can play a special role in that movement.

Hall also emphasized the role of labor Political Action Committees (PACs). They can play a

*“Running Communist
candidates
will force us
to work with
coalition forces”*

more independent role, he said. After the primaries, these PACs could play an even greater role if they become permanent structures, carrying on activities during and after the DECEMBER elections. Hall emphasized that in all these movements Communists must work to build independence and broad unity against the Right.

Commenting on the C.C.'s decision to expand the number of local Communist candidates in the coming elections, Hall projected the aim of winning a million votes and building a mass Communist constituency. But to build it, he said, we will have to run candidates in places we might not have considered just two years ago.

To field 100 candidates means we cannot limit our candidates to areas where there are only extremely reactionary candidates in the race.

We should not a run against candidates who have a clearly progressive program. We have always correctly been careful not to run against anyone who is not ultra-Right. Now, however, in some cases we should ask others to step aside, to withdraw, and let Communists run. We should negotiate, for example, “you run there, we’ll run here.”

Of course, we should continue the policy of running on broader Left slates as Communists, depending on the situation. And we have to defend the right of Communists to be part of the broad coalitions.

Again emphasizing his earlier theme, Hall said that running more Communist candidates was part of sharpening the skills of the Party in building broad unity. “Running Communist and Young Communist League candidates will force us to work with coalition forces, with the grass roots, more than in a national campaign,” he said.

Earlier in the meeting Illinois Party leader Ish Flory reported on some experiences in building the PDW in Chicago. Highly appraising Flory’s remarks and the general discussion, Hall urged a national campaign designed to inspire readers of the paper and members of the Party.

Trade unions were built with drives. The Civil Rights movement was made up of drives. We need this element in our recruiting and circulation.

A drive includes hoopla, competition, awards, public meetings, publicity and checkup.

Because there are so many explosive events taking place in the nation, Hall emphasized, it will be difficult to keep the focus of the Party on application of the Convention’s decisions, on developing winning tactics and on Party and press building. But that is the central challenge to the Party leadership, he said.

“We can respond to the explosive developments only if we correct our weaknesses, build the Party and press and do it fast!” □

Communist work in the Black community

Robert Lindsay

The fight for equality and against racism has always been an essential component of Communist work. This is because the class struggle is indivisible from the fight for equality. The Black community is not only a key ally of the workingclass but its overwhelming majority constitutes a leading sector of the class, strategically concentrated in the industrial heartlands. Developing correct tactics on this front—to more fully intertwine the struggles of the working class with the movement for equality—is of vital importance to the overall people's movement. This relationship affects all the other movements.

The Communist Party, therefore, constantly appraises its activities on this front, working to guarantee that its tactics correspond with the changing conditions and developments.

Today, for example, there are many new developments in the Afro-American people's movement both of an objective and subjective character. Conditions changed so much that one could conclude that the movement for equality has entered a new stage.

Black people and their allies are seeking equality today under different, and in many ways more difficult, conditions. This is because the struggle today occurs during the era of crisis, a period of decline for world capitalism, a period in which the militarist-corporations rule the day. With the introduction of the scientific-technological revolution, older plants with large percentages of Black workers are being coldheartedly shut down. At the same time, in the newly created industries requiring newer skills, the most blatant discrimination in hiring, wages, and upgrading is being instituted. Many of the gains won during the past 50 years against Jim Crowism are being systematically wiped out resulting in increasing crises in employment, income, education and life expectancy.

Robert Lindsay is a member of the Political Bureau CPUSA.

During this period of decline, monopoly corporations are more resistant to making concessions. On the contrary, they struggle with greater ferocity to take back everything possible, with the aim of restructuring racism to create a division of labor which fits the interests of the transnational corporations in the era of the scientific-technological revolution.

But just as all things have their contradictory aspects, this struggle too has two sides. From the workingclass point of view the struggle for equality does not start from scratch, but is built on the decades of long experience and past victories. As such, it stands on much higher ground with its direction focused on the very essence of inequality: the economic relations which breed inequality and resuscitate racist ideology in all its new forms. This gives rise to a shift in tactics by the peoples movement which opens up great possibilities.

In the past the big monopolies were able to keep intact, and in some cases reinforce, their system of extracting superprofits from national and racial oppression even though they were forced to make concessions on the legal and political fronts. Today, the struggle for new gains is leading the movement for equality to raise demands which must, by necessity, cut and eventually eliminate, these superprofits.

In this period, more fundamental, radical programs are required if the movement is to go forward. Piecemeal solutions cannot eliminate the "ghettoes," the never-ending unemployment lines, and the languid, miserable life that a whole generation of youth now suffer. To end such conditions requires not only new demands, but a new relation of forces within the Black community and between the Black community and other sectors of the people's movement.

DEMOCRACY AND PEACE

The Afro-American people's movement for freedom and equality has always been part and

parcel of the fight for democracy. Advances in the democratic rights of Afro-Americans favorably affect all sectors of the U.S. people—it expands the “circle of democracy” to ever higher levels and to broader forces. With each victory against racism and segregation the Afro-American people’s movement flows more freely into the common struggle. As the Afro-American people are integrated into the labor movement, the struggle for equality becomes more intertwined, more merged, with the class and broad democratic majority movements.

At the same time, the integration of Afro-Americans into the labor movement has added a new quality to the relations between Black people and their allies, on the one hand, and within the Black community on the other.

Increasingly, the movement for equality merges with all the different issues and sectors of the population in the fight for peace and democracy. The merger makes the Afro-American people’s movement both more intertwined and yet more critical to the interests of the progressive forces.

Today no issue can be solved outside the framework of preventing a nuclear war and saving all life on this planet and defending the Constitution and democracy from attack by the most reactionary sector of monopoly capital. This is true of the Afro-American people’s movement as well.

The challenge, therefore, is to deepen these relations. The struggle for equality has to be consciously broadened and its specific demands linked with all the other issues to fully realize its potential and achieve the widest possible alliance. And, vice versa, other sectors of the movement, must take up the equality struggle to both bolster the struggle for democracy and to build stronger alliances with the Afro-American people’s movement. On no front of struggle can Black people move forward—the electoral in particular—without broadening their appeal to include the struggle for peace and democracy for all the people, without showing the common cause and the common enemy. Any hint of posing the movement for equality against the interests of other sectors of the people leads only to failure.

Let us take, for example, the fight for peace. Reaction has always sought to keep Black people out of this arena. It pushes the line that “peace is one thing” and “civil rights is another.” In their view Black people should concern themselves only with civil rights.

Unfortunately, this view found support from some in the Black community who sought to use the threat of involvement in the peace struggle as a “bargaining tool for civil rights.” Thus they sought to trade involvement in one movement for gains in the other.

And what has life shown about this approach? A huge military budget has gobbled up funds for “civil rights,” a strengthened military has bolstered the extreme Right in politics and all of humanity has been left hanging by a precarious thread.

Just as capitulation to racism or war strengthens the Right-wing, so does the struggle for peace and equality strengthen the whole progressive movement.

This was shown most clearly in the fight to defeat the nomination of Robert Bork to the Supreme Court. At the very heart of this fight was the defense of the Constitution, democracy and peace.

Thus, there grew up a broad cross section of forces united to defeat the ultra-Right Reaganite nominee: labor, Afro-Americans, women, other nationally oppressed people, peace forces, ecologists, farmers and youth. And because of this unity one of the most insidious challenges from the ultra-Right was defeated. In a sense, the anti-Bork movement was a demonstration of what is both possible and necessary for today’s struggle. It showed the potential power of the all-peoples unity, urged by the Communist Party.

THE WORKING CLASS

Because the Afro-American people’s movement is increasingly intertwined with the struggle of the working class as a whole, it is natural that certain questions should arise. Does, for example, the fight for equality lessen in importance as it intertwines and merges with class struggle? Where must the fight for equality lie

on the people's agenda?

The 24th Convention of the Communist Party addressed these questions. The convention concluded that the fight for equality increases in importance precisely because it has become more intertwined with the class struggle and the future of the labor movement.

Thus, Gus Hall began his main report to the convention by restating the basic principle of historical development: "The class struggle is the central question" in capitalist society. It has always been that way, he argued, and it will remain as such as long as capitalism exists. Only by placing the movement for equality within the framework of the centrality of the class struggle can the correct estimation of the struggle for equality be gained. Without the working class the struggle for equality cannot progress. Without the struggle for equality the unity of the class is impossible, and thus the class struggle cannot progress. This relationship now affects all tactics in both aspects of the struggle. This becomes more true as the working class continues to come forward and take its rightful place at the center of the anti-monopoly movement.

Around the labor movement, all the other movements are revolving and being further drawn into a united struggle. This was born out by the April 25th demonstration for peace, non-intervention and economic rights, the anti-Bork campaign, and the experiences in the 1986 elections. In all these developments labor rose to become both initiator and locomotive in the progressive struggle.

At the very center of these democratic majority coalitions is the labor-Black alliance. This alliance is growing in strength, precisely because of the greater intertwining of interests of both Afro-Americans and labor, a growing level of class consciousness, and the heightened connections that each sector of the multiracial, multinational male-female labor movement has to its corresponding community.

Understanding the centrality of the class struggle does not just affect the way one approaches the issue of relations between the Black community and labor. It is also critical to correctly understanding the new relations within the Black community. Within the Afro-

American community there are also class divisions. And these divisions affect how various sectors see the path to equality.

What is especially important is that with the growing importance of the economic front of struggle, the role of Black workers has also moved center stage. Just as in the nation as a whole, all sectors are being united around the initiatives of labor, in the Black community as well, unity around a more advanced program depends on the decisive role of Black workers. This is especially true as some sectors in the Afro-American people's movement find that their immediate narrow interests clash with more basic interests of the needs of the movement as a whole.

Thus, to build unity of the Black community, and unfold a winning struggle for equality, the task must be to deepen the labor-Black alliance. A high priority in this area is to develop greater cooperation and coordination between labor and the Black community with formalized structures. Though this exists to some extent at the national level, it needs to be expanded to all levels. To develop this, the role of Black workers must be elevated both within the Black community and the labor movement as a whole.

Furthermore, labor needs to forthrightly take up the demands for equality within its own ranks. Without this a higher level of unity is impossible. Thus labor must strive to raise the level of its affirmative action program and its agenda tackling the problems of massive unemployment, eliminating the wage gap and organizing the unorganized.

ROLE OF BLACK WORKERS

The increasing radicalization of the labor movement is inseparable from the qualitatively new role now being played by Black trade unionists, both in the labor movement and the Black community. As one would imagine, these two developments are closely linked. Thus the most profound development in the Black community is due to the thorough integration of Black workers throughout the ranks of labor. Black workers are now to be found at all levels of leadership, including the largest internation-

als and locals where they are elected by coalitions of Black and white, in many cases with the support of a majority of the white workers.

The integration of Black people in organized labor, is not a new process. It began in earnest with the organization of the industrial unions in the 1930. This process took another leap with the victories for affirmative action in the 1960s and 70s.

Says the *Encyclopedia of Black America*:

The largest gains for Black men between 1963 and 1970 were as factory operatives, especially in durable goods manufacturing. 185,000 new jobs were opened to Blacks in durable goods factories in the seven-year period and another 94,000 in nondurable goods. (*Encyclopedia of Black America*, Low and Clift; paperback, 1981 p358)

Kenneth C. Crowe in an article in September 7th edition of *Newsday*, gives the relevant statistics:

Black union membership has increased from 1,695,000 in 1966 to 2,435,000 in 1986—a jump of almost 44 percent. Although union representation is diminishing as a percentage of the workforce, total membership rose by 9 percent in that period. Black people accounted for almost half of that growth and made up 14.3 percent of total union membership. There are Blacks on the executive boards of virtually every major union in the United States.

The role of Black trade unionists has increased dramatically in the Black community and has a heavy impact on its overall direction. Trade unions, for example, have become the most powerful organizations and mobilizers of Black people. This was graphically shown in the the April 25th demonstration, and in the sharp electoral battles in the recent years. As labor increases its initiatives, so will the role and leverage of Black workers grow in the Black community.

The Coalition of Black Trade Unionists, though a relatively new formation, plays a decisive role in building unity between Black people and organized labor and Black-white unity within the labor movement. In many cases it acts as the structure that weds labor-Black unity and coordination. An example of this is the 1988 elections and the Jesse Jackson campaign. Sing-

ling out the issues around which labor and Black people can unite, it seeks to get as many delegates for Jackson as possible from Black and white workers.

As a result of the influence of Black trade unionists, the main direction of the Black community is toward wider identification with the working class and the labor movement.

The Black community is more united, mature and sophisticated in its organizing and tactics on all fronts of struggle, especially in political and legislative action.

It is a highly organized community. But it is not a uniform one—socially speaking. It is diverse in classes and strata, opinion, programs and interests. It contains different levels of political independence. What is important above all else, is that most Black organizations are moving in a leftward direction. This was witnessed at the recent conventions of the NAACP and the Urban League where the concepts of “self-help” and “bootstrap” programs received much less emphasis than before. The vast majority of Afro-American people are fed up, radicalized, and are seeking more basic solutions. Therefore, there has to be a greater appreciation of the new concepts of unity that take into consideration the broad range of opinions and different levels of consciousness within the Black community. Within most Black organizations political opinions cross the whole political spectrum of thought patterns.

The Left current is growing in size and influence. It is found in most organizations and fronts of struggle. It, however, remains largely unorganized, lacking in most instances even informal relations. This at a time when the majority of Black people are seeking more radical solutions and respond to radical demands, when most Black organizations are open to all who genuinely seek to advance the positions of Afro-Americans. As a result a tremendous vacuum has been created that beckons demagogues to jump in.

An organized left is needed in all struggles and organizations to help give leadership and put forth militant programs that strike at the very heart of the problem. A consistent anti-monopoly, anti-imperialist line is what is most

needed—a class conscious force to help build unity especially between Black people and labor.

THE FIGHT AGAINST RACISM

The fight against racism takes on new characteristics as well. It is much deeper and broader than ever before. It now involves a majority of U.S. people. The battle against racism has shifted the center of gravity to the point of production where profits are produced. It occurs on a different terrain where Black workers are to a great degree integrated throughout the job market and organized labor.

With this shift, the commonality of the plight of both Black and white workers is easier to understand.

The 24th Convention of the CPUSA singled out the fight against racism as a decisive front of struggle. It concluded that the struggle against racism must be elevated to a higher level.

Focusing on the decisive role of the trade union movement as the leading force for all-people's unity, the convention emphasized that the trade unions can not give this leadership unless its own ranks are united. The main components of this united trade union movement is Black and white unity.

Witnessing the brutal increase in racist violence in the recent period in all the major cities, it is easy to draw the wrong conclusion that racist influence in the working class is on the rise. The anti-Bork campaign, the '86 and '88 elections, the position of organized labor in support of affirmative action all belie such a reaction. While racism remains a powerful weapon of monopoly capital, its grip has weakened.

Racist violence is, in most instances, organized by the ultra-Right, consisting of the armed police, vigilante mobs, and gangsters. While the Right-wing at times has been able to whip up the most depraved elements to do its bidding, it would be wrong to confuse these elements with the masses of white people.

One of the important achievements of the past decades of struggle is that today most white people reject the idea of racism and consider it an insult to be called a racist. This new

factor should influence the tactics of those who fight racism.

At the heart of our tactics should be the fight to isolate the ultra-Right. As experience in the past two years indicate, to direct the fire against a whole neighborhood, where racist assaults have been organized, only hardens positions, makes it appear as if the struggle is of Black against whites and thus aids the ultra-Right.

The Jesse Jackson campaign holds many lessons as well. To the degree that he responds to the broad economic issues, places the blame on the monopoly capitalists, white workers, farmers, ecologists, peace forces all give him their support and see the link between the specific demands of Black people and the general democratic demands, thus strengthening the Afro-American peoples movement and the general democratic movement, as well.

Thus, the Jesse Jackson campaign confirms that the masses of whites do respond to Black peoples' specific demands when these concerns are placed correctly.

Naturally, there are different levels of understanding and different levels of racist influence among white working people.

In all cases the best headway is made when the burden of solving the crisis is placed squarely on the ruling class. In the struggle for equality, we have to show where the money will come from to eliminate the gap in wages and conditions between white and Black. In all struggles the target should be the super-profits of big business.

There are different levels of understanding of racism. In some cases white workers respond on a purely spontaneous level. In other cases the fightback is based on a rising level of class consciousness. Many are for equality as long as they "don't pay for it." Others are against racism for purely moral reasons. The different levels need thorough assessment including the forces propelling them. But while the assessment goes on, one thing is clear, the overall direction is toward greater consciousness of the need for unity. And this growing awareness is propelling the progressive movement forward.

THE WORK OF THE CPUSA

New developments are affecting the Black community and the labor movement. These developments must cause Communists also to reassess our work.

Today the Party works under much different conditions than it did in the past. It blazed the trail in the fight against racism, set the example in standards of organization and sensitivity. It demonstrated in its own ranks what real equality was all about. These were important and unique contributions.

Many of the immediate demands fought for then are now part of life. A majority of the people are now opposed to racism, even if they do not always understand how it is manifested. Many of the legal and political battles have been won. Black people are now mayors of some of the largest cities in the country, and the Black community is highly organized in struggle.

As the masses of people grow angrier, class consciousness grows stronger and broader. So does the desire for greater organization, radical programs, slogans and unity. It is the molding of this increasing class consciousness that is the unique contribution of the Party.

The Communist Party has to help move this process forward in a fundamental way. To uncover the forces behind racism and oppression is the number one task today.

Thus, the times demand a larger, more active Marxist trend, a socialist perspective, within the Afro-American community, if the struggle for equality is to make greater progress.

At important junctures all movements are thrust into debate and discussion. In the Afro-American community debate and discussion is everywhere. On every street corner, shop, campus the discussion goes on. What is the debate about? What direction, alliances, program must the movement embrace to achieve success. In this debate the Communist Party must be more active. Without this contribution, those who want to go further and seek deeper answers will find themselves trapped and cornered. Schemes and far-fetched ideas, too easily spread, too often result in a loss of momentum.

Only those who give leadership in helping

to solve the myriad of day-to-day crisis problems will be widely respected. More initiatives are wanting on this front. Bold initiatives that involve the energy and creativity of the masses of people at the grassroot level to solve the problems of homelessness, plant closing, gentrification, police brutality are badly needed. It is around such initiatives that Left unity can be built and consolidated and concrete forms of unity crystallized, forms that grow out of struggle.

Recognizing and fighting for the all-class unity of the movement is inseparable from a class approach. In the struggle for equality, each class and strata plays its own role. This is true of the working class as well. As a working class party, the CPUSA injects its confidence and optimism into the struggle.

Appreciating the role of the working class gives the Party its bearings in the fight for equality. It strengthens ones resolve and appreciation for the leading role of Black workers, the need for radical solutions and how to build maximum unity around them.

The Communist Party fights to uphold the special interest of Black people and must be seen as such. Because racism comes from without, how the Party fights for Black-white unity in other organizations is very important. The Communist Party must strive to be seen as a party that works to place the needs of the Afro-American community high on the agenda of all the peoples forces.

In recognizing the crucial nature of unity and the role of our Party in this struggle, Gus Hall stated that unity is not maintained spontaneously or given for all times. It has to be molded and fought for. In this sense, Communists must strive to be the foremost fighters for unity at all levels of the peoples forces.

BUILDING THE COMMUNIST PARTY

Communist presence is growing in the Black community. In many areas there are noticeable increases in membership. But no where does it correspond to the possibilities. There must be a qualitative shift in this area of activity.

As a result of the 24th Convention impor-

tant conclusions were drawn in this respect.

- In his summary remarks Gus Hall pointed out that building the Party in the Black community is a function of industrial concentration.

It is in the industrial areas where we are the weakest in the Afro-American community, yet it is here where the crisis is sharpest.

The recent Plant Closing Assembly in Detroit confirms that Black people and all working people will respond to actions that attempt to solve the problems of mass layoffs, plant closing, cutbacks, homelessness, and hunger.

But in this general struggle, a special approach to the unequal conditions that Black workers find themselves in is required. It is in the Midwest industrial centers where the conditions of inequality are greatest. As smoke stack industries close and new technology is introduced in new industries, Black workers are facing renewed discrimination in the job market—and thus new and sharper forms of discrimination.

The injection of the Communist "Plus" (a term coined to indicate the special Communist contribution to the mass struggles) requires special measures in the Black community. These measures are required to counter incorrect concepts often projected in the Black community and to help the Party raise the level of its sensitivity to racism.

Thus there are some tendencies to confuse militancy with class consciousness. These are not the same. Equating the two leads to underplaying the need for special forms to bring Afro-Americans into the Communist Party. It argues against education, consolidation and leadership development. Thus under the guise of "championing" the ideological level of Afro-Americans this concept leads to holding back the development of Black people in and around the Party.

Existing in unison with this idea are concepts that mask the multi class and strata characteristics of the Black community. These concepts result in blurring the role of the Communist Party and reducing it to that of an onlooker.

- Where we have made breakthroughs, the

People's Daily World has been at the center of our work. It serves as a door-opener, an introducer of the Communist Party to a given neighborhood, shop, or school.

This is the lesson of Party building in Hartford, Connecticut, and Cleveland, Ohio, where the Party has made important gains. In these cases, the Party and the Peoples Daily World, involved a significant number of Afro-Americans in struggle for their needs. This resulted in the building of new Party organizations in the Afro-American community, where previously no Party organization existed.

- There needs to be a planned, systematic approach to Party building among Afro-Americans. This includes concentration plans and regular checkup.

Relations of a social character in addition to political ones have to be developed to make it as easy as possible for people to join and feel comfortable in the Party.

A plan for recruitment should include building special forms to bring people around and into the Communist Party. Given the various levels of political consciousness, as people develop and seek deeper answers we should have in place educational programs, forums, discussion groups—all able to take those interested in the Party's views to a higher level and eventually into the ranks of our Party.

- The building of the Communist Party in the Black community is the responsibility of the whole Party, of every Party organization. The history of our Party proves this. It is incorrect to place Party building in the Black community on this or that club that is located in the Black community.

To the degree that such ideas are accepted, we accept a wrong assessment of where Black people are at. A club cannot carry out its unique function to build unity of our class and people without the proper attention to the plight of Black workers and Black people in general, no matter where such a club is located.

- The Party must work with existing Black organizations. It is within such organizations, trade unions, churches, and civil rights organizations, that the most advanced forces are to be found. □

The Profit Epidemic in Health Care

DAVID LAWRENCE

"I would now like to ask you a few questions."

"When you were ill and needed medical treatment from the House Physician's staff, did you receive it free?"

"Yes."

"Did the gentleman receive free medication from the House physician?"

"Yes."

"When the gentleman needed dental services at Walter Reed or Bethesda Hospital, did the gentleman receive this free?"

"Yes."

"I would then say, 'I thank my distinguished colleague for his candid and honest response to my questions. Mr. Chairman, members of the Committee, if that is not creeping socialism, what the hell is?'"

[Congressman Ron Dellums, musing over a hypothetical exchange with a fellow congressional representative on the floor of the House, in an address to the American Public Health Association Convention, October 23, 1947.]¹

The unmitigated quest for profit is the driving force of capitalism. In the United States today health care has become yet another commodity to be bought and sold in the marketplace like automobiles or table cloths. Those with the cash can purchase a longer life or a better life, and those without cannot. The system that controls the distribution of the commodity of health care, in order to maximize profit is immune to ethical considerations implied by the system. The principle of the universal right to comprehensive health care is vastly overshadowed by the principle of the universal right to property ownership and profit. This is, in the crudest sense, profit before people.

In the last fifteen years or so, health care as a commodity has undergone a profound change in the United States. That change has resulted

from the growth and influence of monopoly and finance capital in the U.S. health care industry. Monopoly capital involves the growth of huge corporations, largely by gobbling up smaller corporations. Eventually these giant corporations control enough of the market to control pricing and supply of the commodity, and the politics of the commodity as well. That is precisely what has happened in U.S. health care.

With the development of finance capital, enterprises such as insurance companies and banks which accumulate monumental sums of money for use by other industries, has also grabbed a strangle hold on U.S. health care. The results of this development have been disastrous for the health and well being of the U.S. public.

This article will outline the recent developments of monopoly and finance capital as they have affected the delivery of health care to the U.S. people. The focus is on the destructive exploitation of illness for profit. In addition two proposed alternatives to the problems arising from health care for profit will be briefly examined; National Health Insurance (NHI), and National Health Service (NHS.)

The development of any branch of industry under capitalism results in a number of general processes or tendencies. These include, for example:

- Monopolization
- Proletarianization
- Increasing exploitation of the worker
- Uneven development
- Utilization of the state apparatus to assist capitalist development
- Development of anti-labor ideology and the development of contradictions.

All these tendencies can be seen in the merging monopolized health care industry today in the United States, and all can be documented. These processes arise from the relentless drive for profits. The immense damage caused by them can only be ameliorated by the development of a health care system where the

David Lawrence is a health care professional.

well-being of people, rather than the rate of profit, is the "bottom line."

A national weekly news magazine has characterized the health care industry as "an industry bigger than defense and growing faster than computers."² This same article quotes an influential member of the conservative health care establishment, Dr. Arnold Relman, editor of the *New England Journal of Medicine*, warning the public and health professionals to beware of 10617703 "the new medical-industrial complex."

Currently only 13 per cent of all hospitals and 9 per cent of all beds are investor owned.³ However, these statistics are somewhat deceiving. Because of their size, resources, ambitions growth strategies, and centralized control of multiple institutions for profit, health care conglomerates are very powerful. In addition, in the course of the last decade their growth has been astronomical.

Moreover, there is little evidence that the rate of increasing monopolization of the market by for-profit health care corporations is slowing down. The American College of Hospital Administrators has projected that for-profit hospital chains will attain 60 per cent of the market share by 1995.⁴

Monopoly control of an industry translates into higher profit margins, which of course is the driving force of monopoly capital. The fabulous profits being raked in by the health care industry indicates how high the stakes are for corporations jockeying for greater market shares of the growing pie.

Aggressive marketing techniques and higher prices help fuel the profits of the health care monopolies. For-profit hospitals typically charge much more than non-profit hospitals. Drugs, for example, are routinely priced so that they yield a profit margin of as much as 80 per cent, versus 20 per cent at not-for-profit hospitals.

Most studies show that daily expenses incurred in for-profit hospitals are 3 to 10 per cent higher than in non-profit hospitals. These statistics represent studies both before and after highly touted government efforts to reduce the

costs of health care.⁵

A common method monopoly capital uses to increase profits is to cheapen the cost of labor, or increase the exploitation of labor. This is the process of proletarianization of labor. A contemporary physician might view the process like this:

Practitioners face increased cost controls and bureaucratic obstacles in collecting fees. The conditions of practice have become more constrained, incomes have tended to plateau or even to decline, and individuals entering practice face financial uncertainty. More than half of all physicians now work in salaried positions, often within for-profit organizations that closely regulate productivity.⁶

Physicians who have hospital privileges or are hospital employees, will increasingly suffer the loss of autonomy and professional judgement to the mandate of corporate profit maximization.

The health care corporations wrest control over more than just the physicians' professional judgement, however. Increasingly, the for-profit health corporations are attacking physicians' salaries as another source of higher profits. For the first time since the American Medical Association (AMA) started tracking income data in 1970, the records show a decline in physicians' incomes. Average annual net income for all specialties fell 3 per cent (after expenses, before taxes) during the second quarter of 1983, compared to the previous year.

The trend toward lower incomes for physicians results primarily from the parallel trend toward salaried physicians. Beginning with the decade of the 1980s, for the first time in American history, more physicians worked on salary than in fee-for-service practices. At least 209,520 physicians in 1979 were working in salaried positions, 53.2 per cent of the total. Even if the 22,477 first-year residents, who are ineligible to practice independently, are removed from the calculation, salaried physicians nevertheless were a 50.4 per cent majority. The for-profit health care corporations have played no small role in this historic transformation of the self-employed physician to wage-labor physician.

Many physicians, (not to mention other health care providers) do not have the financial ability to establish themselves in their own practices, and yet can not find full-time wage employment either. For-profit corporate health care chains increasingly replace full-time staff with part-timers who work without benefits and are called in only when needed. This growing practice is not in the best interests of patient care, and certainly does not build a stable, professional work force.⁷

The maximization of profits in the health care industry comes in part from increasing exploitation of health care professionals, cutting back employment and a deliberate policy of proletarianization. For example, health care institutions acquired by National Medical Enterprises (NME) in recent years have cut the number of licensed registered nurses from 40 per cent of staff to 25 per cent and have hired as many lower-paid aides and other unlicensed medical workers as possible.

The corporate attack on labor in the health care industry can be seen in nation-wide statistics which indicate that annual hospital labor cost increases fell from 11.3 per cent in 1983 to 3.3 per cent in 1984, and there was a decrease in the number of hospital workers for the first time in history. In addition:

While the annual increase in fulltime equivalent employees averaged 4.3 per cent from 1971 to 1982, they fell in 1984 for the first time, down 2.3 per cent that year and 3.5 per cent a year later. Hospital unions now predict a 20 per cent drop in full-time equivalents over the next ten years.⁸

The monopoly health care corporations have huge amounts of cash and resources at their command. The sole acceptable use of these resources in the eyes of the investors is to maximize profits. It follows that maximum health care profits are to be found where the maximum amount of health care dollars are to be spent. The for-profit health care corporations are highly mobile and have moved rapidly and decisively to where the health care dollars are the greatest. They have moved just as rapidly and decisively away from those populations which

desperately require their services, but can not produce an "effective demand," i.e. they don't have the cash.

As monopolies increasingly take over the provision of health care, the production of medicines, and the manufacturing of medical devices, both the corporation and the individual physician-entrepreneur increasingly avoid the areas of greatest need and flee to where the health care dollar is spent with abandon.

The for-profit health care corporations maximize profits in part by minimizing or excluding treatment altogether for low-income and uninsured populations which need health care. Florida Insurance Commissioner Bill Gunter has observed that "they have been skimming the market [for] the most profitable cases and pushing public duty aside for gold at the end of the rainbow."⁹

Studies conducted in four states where for-profit hospitals account for at least 30 per cent of the total, Florida, Tennessee, Texas and Virginia, indicate:

. . . levels of uncompensated care in investor-owned hospitals ranged from 3.4 to 3.8 per cent of gross patient-care revenues, whereas the levels in not-for-profit hospitals ranged from 5.5 to 9.0 per cent.¹⁰

The for-profits make certain that uninsured patients never get in the door. A study of court-collection documents for hospitals in Nashville found, that while two local not-for-profit hospitals were pressing to collect a large number of bills, HCA's Park View Hospital didn't appear on the dockets at all. The researcher concluded that "people don't even bother to go there because the moat is so deep and the walls are so high."¹¹

At every opportunity, monopoly capital uses state power to maximize profits. In terms of health care at the national level this results in suppressing any serious debate about a national health service (NHS), which would remove profit from health care, thereby depriving billions to the for-profit sector.

The debate about health care in the U.S.

has been formulated around the assumption, that the state would dispense grants, subsidies and fees to the for-profit sector only where the profit margin was high enough. Medicare has fallen neatly into this framework. The DRG system of fixed Medicare payments for standardized diagnoses has helped maximize profits for the monopolies while forcing less "efficient" competitors to close their doors. This has had the additional effect of allowing for-profit chains to take over bankrupt private and public hospitals and other facilities at rock bottom prices:

The Congressional Budget Office estimates that hospital profit rates under Medicare were at least 15.7 per cent last year and at least 17.6 per cent in 1985. An Ohio hospital showed a profit margin of 31 per cent on Medicare patients in a recent study.¹²

Government managed insurance schemes such as Medicare virtually guarantee payment for services, insuring a regular and profitable cash flow for the corporate health care chains. During the late 1970s and early 1980s, public funds have become the principal source of income for many, if not most, private hospitals.

Another aspect of Medicare which has proven a tremendous windfall for the for-profit monopolies are the built-in formulas for depreciation. These formulas underwrite remodeling and construction of new facilities.

During the late 1970s, for example, between 6 and 10 per cent of Medicare payments to private hospitals went for depreciation. These public funds for depreciation of private facilities represented four times the annual payments for construction under Hill-Burton.¹³

On the one hand, approximately three million patients are dumped each year from private to public sector hospitals, greatly increasing profits in the for-profit sector by getting rid of the uninsured, the unemployed or the otherwise unprofitable patients. On the other hand, the for-profit corporations are buying out or managing by contract more and more public hospitals to the detriment of low-income patients, and those who formerly worked at these public hospitals.

The for-profit health care monopolies en-

courage and exacerbate racism in a multitude of ways. The dangerous practice of dumping low-income patients into public hospitals is an attack on minorities. The practice of exploiting low paid health care workers, such as health aides and file clerks, hits those who are racially oppressed particularly hard. The practice of destroying low-income neighborhoods to promote health care facility expansion is at the expense of minorities, particularly when the expanded facility is not adequately serving the community. The practice of locating new hospitals in affluent white neighborhoods, while avoiding minority neighborhoods, is racism. And the list goes on:

Besides geography, there is maldistribution based on income. Low-income patients can not buy health care and medications as easily as can higher-income patients. In addition, poor people often have to use emergency rooms and out-patient departments of public hospitals for their care. Here they frequently face bureaucracy, impersonality and lack of continuity . . . The effects of past and present racism reinforce those of poverty; Blacks, Hispanics, Asians, Native Americans, and other racial minorities face inaccessibility and communication barriers to obtaining services . . . private practitioners often refuse to accept Medicaid or Medicare patients because of paperwork and delays in payment.¹⁴

Last year, a study published in the *New England Journal of Medicine* analyzed 467 medical and surgical patients who were transferred or dumped from Chicago area hospitals to the public Cook County Hospital. Ninety per cent of those dumped were Black, Hispanic or of other ethnic or racial origins.¹⁵

The corporate pursuit of profits instead of health care, politically, economically and ideologically has had a devastating effect on the health care of the nation, particularly minority low-income working people and unemployed. The United States has slipped to last place among 20 industrialized nations in reducing overall infant death rates, the Children's Defense Fund recently reported. This culminates a 30-year decline from 6th place. The report said

nearly 40,000 of the 3.7 million babies born in 1986 died before their first birthday. It concluded:

Of all industrialized countries the United States stands alone in its failure to assure pregnant women access to prenatal care and delivery services through either a public health service or universal health insurance.¹⁶

As for-profit corporations have come to dominate health care in the U.S., the cost of health care has risen faster than almost every other consumer purchase. Simultaneously, the quality and breadth of health care has begun a precipitous decline.

During the 1980s, the cost of health care in the United States has risen from approximately 10 per cent of the Gross National Product to nearly 15 per cent of the GNP. The principle explanation for that incredible rise in costs is the unmitigated quest for profits by the for-profit sector of the health care industry. The current proportion of the GNP spent for health care is approximately double Canada's, and approaching three times that of England. Both these countries have strong national health programs.

While profit-taking has soared in the U.S. health care industry, its benefits have been narrowly focused on those with higher incomes and more bountiful insurance policies. The trends have been exacerbated by Reagan's shift of health and social service funds to the military and by placement of additional obstacles on the use of Medicare and related programs.

The American Medical Association (AMA) and its local groupings historically have represented the anachronistic entrepreneur-physician and, increasingly, the interests of the profit-making medical-care corporations. They have failed, however, to represent the very different interests of the growing sector of salaried physicians. As physicians are squeezed more and more by monopoly-controlled skyrocketing costs which bar them from opening their own offices, and by the increasingly intrusive control of their clinical practice by the same corporations, they will be impelled to support national

health care systems.

The proletarianization and subsequent militant organizing of health care professionals was well under way prior to Reagan. The President's pro-big-business policies, however, and his massive diversion of social service funds to the military accelerated the trend. The attacks on labor by the huge health care corporations have accelerated the trend even more. Labor's fight-back, however, has also accelerated.

Health professionals and health care consumer groups are not standing idly by while for-profit health care corporations cripple health care to maximize profits. For example, a few years ago, testimony was given on behalf of the 50,000-member American Public Health Association (APHA) at a public hearing sponsored by the Institute of Medicine Committee on the Implications of For-Profit Enterprise in health care. The testimony notes in part:

The resolution [passed by the APHA membership in November 1983] deplores the recent great growth in the size and scope of for-profit health care institutions and programs because of our belief that the over-riding drive of private investment in health services is to maximize profit—a controlling operating principle which we consider inappropriate to decision-making in delivering health care. That is why we are opposed to the growth of for-profit health care institutions and programs and have called upon Congress to investigate the health, economic and political implications of recent trends through studies and research supported by the Department of Health and Human Services and other appropriate agencies.

APHA has also passed several resolutions that specifically endorse, or favorably comment upon, the establishment of a national health service. Sampling of other activities across the nation includes:

□ Massachusetts voters, last year, approved by 67 per cent to 33 per cent a statewide ballot question urging:

... the United States Congress to enact a national health program which provides high quality comprehensive personal health care including preventive, curative and occupational health services; is universal in coverage, community controlled, rationally organ-

ized, equitably financed, with no out-of-pocket charges, is sensitive to the particular health needs of all, and is efficient in containing its costs; and whose yearly expenditure does not exceed the proportion of the Gross National Product spent on health care in the immediately preceding fiscal year.¹⁷

□ Leaders and members of senior citizen groups including Gray Panthers, the American Association of Retired Persons, the Congress of California Seniors have taken strong positions for a national health service and other national programs.

□ Coalition for a National Health System is a nationwide organization that is coordinating educational and organizing efforts throughout the country. It sponsored its first annual conference in May of this year for organizing a national health system.

□ The Health Policy Advisory Center and the NYU School of Law sponsored, in June 1987, a conference on "Rethinking a National Health Program: Health Care in the Post-Reagan Era."

National Health Insurance plans that have been proposed since the late 1970s generally share a number of distinctive features. In general these plans are little more than extensions of existing public and private health insurance plans. They propose to change payment mechanisms, but leave the structure and organization of health care untouched. These plans generally share the following features:

□ The federal government must guarantee payment for most health services but most of these NHI plans would not pay for all needed medical services.

□ Co-insurance provisions would require out-of-pocket payment for some fixed percentage of health spending. For example, that a person pay 25 per cent of all medical bills out-of-pocket, up to a maximum liability of \$1,000 per year.

□ Fixed payroll deductions would pay for NHI. This is an extremely regressive form of taxation, putting the heaviest burden on lower

income workers.

□ For-profit insurance companies would handle claims and pursue maximum profits just as they do now. For-profit health care corporations would continue to grow in size and influence, introducing increasingly greater distortions in health care in order to maximize profits.

□ Minimal provisions to address the serious geographical maldistribution of health care services. For example, proposed increased payments for rural practice would not guarantee a redistribution of health care services.

□ Because under these NHIs the structure and organization of health care would remain unchanged, a number of distortions of health care would not be addressed at all. These include inadequate occupational and environmental health protection; inadequate preventive health care, ineffective cost containment.

□ There would be no provisions for community control of health care services.

As far back as 1974, Congressman Ron Dellums (D-CA), outlined the principle features of National Health Service in his speech delivered that year to the APHA.¹⁸ These features are included in bills for a National Health Service introduced by Congressman Dellums in every subsequent Congress. They are:

□ Complete accessible community based health care for all persons with no charge ever for any service

□ Financing through fully progressive taxes

□ Elimination of all profit-making in health

□ Institutions controlled by the provider, not by bureaucrats, not by the federal government, but by workers and the community

□ No restrictions whatsoever on eligibility. An NHS open to anyone irrespective of residence, race, creed, color, sex or national origin.

□ No restrictions whatsoever on benefits

□ Control of quality not only by the medical profession but also by the community and other health workers

□ Strict control over quality, price and distribution of all drugs, medical appliances and equipment with sanctions against violators, including the possibility of receivership into the

public sector.

Contrary to a popularly held belief that insurance companies want to keep medical costs down, just the reverse is true. According to an investigative reporter for the *New York Times*, insurance-for-profit corporations have powerful incentives to allow medical costs to escalate:

The insurers thrive as long as they can raise their premiums at rates commensurate with rising medical costs and, as a rule, they do not require any government approval to do so. Thus, while the larger sums may not increase profit margins, they do permit insurers' profits to out-pace inflation. Larger premiums and expanded coverage, furthermore, enlarge the pool of money available for investment, a matter of critical interest to insurers. In fact, the interests of the insurers and those who provide health care at times coincide far more than is desirable or, in some cases, legal under anti-trust laws, according to health care economists and other experts.¹⁹

Another researcher discusses the degree of monopolization of the health insurance industry by some of the largest for-profit insurance corporations.

Among commercial insurance companies, capital is highly concentrated: about 60 per cent of the health-insurance industry is controlled by the 10 largest insurers. Metropolitan Life and Prudential, each control more than \$30 billion in assets, more than those of General Motors, Standard Oil of New Jersey or International Telephone and Telegraph.²⁰

In the speech to the APHA, mentioned above, Congressman Dellums criticized a variety of bills, concerning NHI legislation, that were being then considered in Congress. These bills, similar to some circulating today, would be a boon to the for-profit hospital insurance companies, the giant for-profit hospital chains and, in general, those who seek to exploit ill health for profit. His criticisms were accurate and to the point and are equally as valid for the rehashed versions of NHI that are currently circulating:

□ The proposals focus on the means of financing health, rather than the quality of the system itself and, as such, tend to pump funds

back into existing structures which already do not service minority communities

□ There seems to be a perception of the need for improved health care, but few bills really acknowledge health care as a basic human right and there is an absolute difference between recognizing the universal need for such access to health care and actually providing that access

□ There appears to be acceptance without question for the necessity of the profit motive as the means for allocating health services and relying upon privately provided services and upon some big cost-plus mechanism

□ Consumers are excluded from any input into the health delivery system except for some illusory advisory capacity

□ Enormous attention will be devoted to clerical and bookkeeping chores rather than using scarce resources for the actual delivery of services

□ Eligibility is by no means universal; there are limits because of nationality, income and working status. The net result is that those with lower incomes and those who face racial oppression also face the greatest possibility of not getting full coverage

□ Benefits are controlled in many ways, usually in specialty areas, and there seems to be little recognition of the need for preventative services

□ Financing devices rely upon regressive payroll deductions which fall heavily on low income levels

□ Even the bill most widely supported by the majority of labor, does not provide any protection to the workers at the work place, nor is occupational health even mentioned

Profit and health care are a deadly combination, particularly monopoly capital in the form of huge health care corporations, and finance capital in the form of health insurance monopolies and banks. Profit maximization in health care results in the inadequate delivery of health care to tens of millions of low income, minority, elderly, unemployed and underinsured adults and their children. Profit maxi-

zation in health care also results in a vicious attack on health workers at all levels and the implementation of racist actions and attitudes toward patients and health care providers alike.

The notion of some kind of national health insurance scheme is often brought up as a desirable solution to the problems with health care in the U.S.A. Most formulations of such insurance schemes, however, would further enrich monopoly and finance capital. Ultimately, they would do very little for those currently being underserved. Furthermore, such insurance programs would strengthen the hold of monopoly and finance capital on health care and would be powerless to implement significant cost savings based on the elimination of profits in health care.

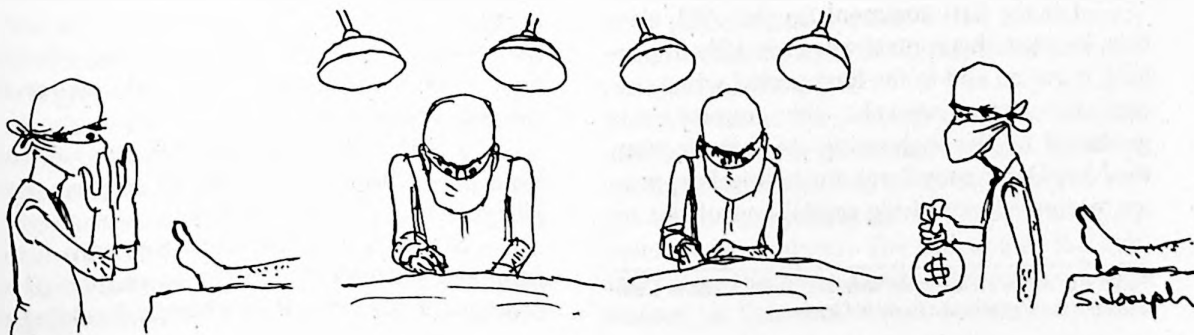
A National Health Service bill similar to that outlined in Congressman Dellum's bill would largely restrict the destructive deadly role that profit plays in today's health care industry. NHS would encourage new facilities to be built in underserved areas, and increased services to correct existing inadequacies. Preventive health care would be stressed, and occupational and environmental health would receive far greater attention than under the present system. Racism as a significant element in the provision of adequate health care facilities and services would be curtailed since health care facilities would be democratically controlled by those who receive them and those who provide them.

It is clear that a National Health Service must be a people's objective since only NHS is best capable of contributing to the health of

working people, the unemployed, low-income, the uninsured, racially oppressed peoples and most residents of the U.S. The task is not blindly to support NHS schemes, but rather to support those progressive elements of health insurance schemes that replace the role of the for-profit sector in health care with a democratically controlled not for-profit public service sector. □

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Electoral strategy: Communist experiences in Greece

An interview
with Toula Kontou

*"Thus a heavy blow
was struck against
the 'lesser evil' concept"*

Question

Your Party has had many a rich experiences in electoral struggles. Can you tell us about the general direction of these struggles over the past period? What were the issues involved?

Answer

In the past six years we have had five big electoral confrontations on an all-Greece level. Included were two general parliamentary elections which took place in 1981 and 1985. The first of these (1981), was a "double". In other words, the electorate voted for members of the Greek Parliament, and simultaneously for members of the European Parliament. Elections for the European Parliament were also held in 1984. In 1982 and 1986, we had elections for Local Self Government.

Let me first comment on the 1981 election, because this contest was especially important; it put an end to the long period when, except for some intervals, the country was governed by the Right-wing. In that election, the New Democracy Party, the political expression par excellence of big capital and of the re-

gime of dependence [on the USA-ed.], lost its parliamentary majority.

New Democracy's defeat was the result of the development of a broad and militant popular movement in support of change. The CPG made a decisive contribution this movement.

As a result of the election, a parliamentary majority was won by PASOK, a social-reformist party, which put forward slogans that paralleled those of our Party: "Change," "Greece out of NATO," "Out with the bases," "No, to the EEC (European Economic Community) of the monopolies."

In the pre-election campaign our Party stressed that it was not enough for the Right-wing to lose the elections. We argued, what was needed was a policy of national independence and peace, of democratization, ending the privileges of the monopolies, and economic development to the benefit the people. The course followed by PASOK afterwards revealed, in the most negative way, the importance of our emphasis on these points.

The CPG increased its strength in what was truly a difficult election battle. We polled approximately 11 percent of the vote. As a result of the elections, PASOK was able to form a one-party government. In great part, this reflected the people's intense desire to see "the Right ousted and then—as they said—worry about the rest afterwards."

In the 1985 elections, our aim was to frustrate the ruling class' plan to impose a two-party system on our country.

It was our view that this aim could be achieved with through the formation of a "democratic government of change," relying on all

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the progressive forces and the popular movements striving for national independence, democracy and development. The conditions under which this election battle was fought were intolerable. Psychological coercion was wide spread. Most often it featured propaganda projecting the concept that the voters faced a "dilemma"—either accept "Right or vote for PASOK." As a result a part of the electorate's attitude was determined by this choice—to be part of "the Right or anti-Right" force. The



electoral law, the imported foreign style of pre-election campaigning used by the two big parties, the discrimination against the CPG, the creeping rumormongering—all these played their role in shaping the election results. Although it suffered a reduction in its percentage of the vote, PASOK, thanks to the undemocratic aspects of the electoral law, once again was able to form a one-party government.

In these difficult conditions, the CPG had a small, 1 percent, drop in its share of the vote. Of course we assessed the weak aspects of our own work. These consisted mainly in our unconvincing and incomplete exposure of the role of the two-party game. In addition, we did not always convincingly present to the people the solutions our Party proposed. Nor did we fully appreciate the consequences of the crisis in the country on the consciousness of the people.

As we see it, the electoral returns for a Communist Party in a capitalist country, in the last analysis, are a reflection of the development

and character of the mass movement in that nation. The mass movement is a basic factor for the realization of our immediate and ultimate goals. In rejecting the "electoralistic" conception which measures the activities of the Party "from one election to the next," we do not, in the slightest, underestimate either the importance of elections or who sits in the Parliament.

The Local Self Government elections had their own characteristics. In our country there is a tradition of Communists polling a much higher percentage in local races than in those for Parliament. Many important and densely populated towns elect Communists as mayors. The experience in the elections of 1986 were of special interest for us because a Left alliance, achieved on a wide scale, had very positive results. In that election our candidates received more than 20 percent of the vote. Even more important is that this alliance had a significant impact beyond the elections.

Question

As you point out, your Party has participated in united-front alliances. How did you go about developing these relationships? What problems did you confront?

Answer

Yes, our Party has participated in electoral alliances. Yet, in most cases these have not been restricted to electoral fronts. We made—and make—big efforts to promote unity and common action of the forces of the Left. This is central to making advances—mainly in the trade union movement—in support of the demand for a just electoral system, in the peace movement, and in the fight for the democratization of the mass media, etc.

We would like, especially at the present moment, to stress the discussions and the rallying together of the Left forces because new negotiations are opening on the future of the U.S. bases in our country. The demand of the Left and progressive forces and of the broad popular masses, is that these bases be removed from

Greece when the present agreement expires.

Of course, there are other fronts of struggle in which we are working to develop cooperation. These include economic development, environmental protection, education and health issues.

Our Party recently called all the forces of the Left to joint action on three issues:

- The adoption of an electoral system of direct proportional representation.
 - The removal of the U.S. bases.
 - The defense of the working people's living standards.

*"We needed to free our
selves from narrowness
. . . the view that "it's
better to go it alone."*

In the field of the elections in particular, several first steps were taken in the parliamentary elections of 1985, with the inclusion of non-Party, Left candidates on the Party's electoral tickets. However, the election fronts of the 1986 local campaigns are of greater interest, because, as they unfolded, concepts of cooperation greatly matured and conditions allowed them to be expressed in a more advanced way.

Thus, the CPG played a decisive role in the formation of the unity tickets. We contributed to the ideological and political preparation of the people for unity by building and promoting appropriate initiatives, mainly in the trade union movement.

Our Party stressed the importance of cooperation, not only in the struggle for Local Self Government seats, but for achieving the broader aim of change—especially in the areas of improving living conditions, combatting unemployment, the high cost of living, struggling to save the environment, provide decent housing, health and education for all the people.

As the biggest section of the Left, the CPG had to be first in setting an example of respect for the principle of equality. It worked creatively and positively for common programs and candidates of common acceptance.

The result was, in most cases, the achievement of joint participation with almost all the forces of the Left.

A characteristic example was the Left alignment in Thessaloniki, the second most populated town in Greece. In Thessaloniki, the Left alignment acquired the greatest possible breadth.

The local elections, as a result, marked an important advance for the Left. In all, one out of every three elected mayors won office based on support of the aligned Left.

As a result of the bold position of the Party, a long standing imprint was left on the entire election process. Our Party, wherever it was not participating in the second round, refused to lend unconditional support to the PASOK tickets.

Thus a heavy blow was struck against the "lesser evil" concept and the idea that the sole choice in the election was between "PASOK or the Right."

Naturally, we faced many problems. The most outstanding were related to the position of a certain section of the Left which refused cooperation in Athens and the Piraeus, choosing to stand alone. It was also necessary for us to do serious ideological work among our own forces in order to remove reservations about those who cooperated with us. We needed to free ourselves from a spirit of narrowness which was expressed in the view that "it is better if we go it alone," or which, in the name of a narrow arithmetical conception regarding the relationship of forces, questioned the projection of non-Party candidates.

Question

How do you now see the broadening and deepening of the electoral alliance developing in Greece? What is the path to developing it into a national majority?

Answer

Our Party is striving for the formation of a political coalition of the Left. This coalition, how-

ever, as we see it, can not be limited simply to electoral cooperation. Our goal is to move Greece in the direction of socialism.

The stratic prerequisite for the achievement of this goal is building a socio-political coalition of the Left. By this we mean the alliance both of the social forces which are interested in an independent democratic course of development in our country, as well as of the forces of the progressive Left.

These two fronts—social and political—are indivisibly bound together. Without alliances at the base with the social forces of change, the political initiatives needed will be limited simply to the leadership; they will be of temporary value, and lacking in strong foundations. Without political alliances, the social fronts cannot be achieved; they cannot find their political expression; they are not able to pose effectively any question of change not, most all, change in governmental power. Our Party is active in both these directions without over, or under, estimating either of them.

We consider that the cooperation of the forces of the Left and Progress in the mass popu-

*"Only by combining it
with ideological work by
the Left, can a coalition
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lar movement give an important impulse to the progress of the coalition of the Left on the political level. Thus, the reactionary assault will be confronted in common as far as possible, and the people's consciousness be raised to the utmost, by acquiring experience of mass struggle.

In our view, only by doing this, only by raising the level of mass experience, combining it with daily ideological work by the Left, can a political and electoral coalition have any future.

In as far as the Left itself is concerned, things have been in a great state of flux. New parties and movements are being formed, many of them have broken away from the ruling party. However, some healthy Left forces are still trapped in PASOK. The possibilites of their

changing and being won for the cause of the Left alliance and change are great. There are also citizens who are not organized in political parties. In our view there must be a place for all of them in the coalition of the Left.

Today we are in a phase of seeking—of exchanging views developing common action on smaller questions—with the other forces of the Left. But on a local level we have proceeded much further. In the towns, suburbs, enterprises, factories, public institutions and educational institutions, joint political committees of the Left are organized on the basis of common positions which go beyond the limited problems of the local areas themselves. We believe that these committees are the rudimentary nuclei upon which a new alignment on a national scale will be built.

In the effort to build and strengthen the political coalition, our Party has called on all in the Left, without exception, to add their strength. We believe that it must be a coalition of equal, and self-contained forces; that the different opinions of each ally must be respected, as well as their right to project them; that an open dialogue must be set in motion along with action in any area where there is agreement.

In this way we hope to pass from unity on lesser questions to the formulation of a common program, which will lay the basis for a struggle for governmental power. This procedure is not at all easy. Some forces have refused to cooperate, mainly those of the Eurocommunist tradition, on the excuse that they have differences and disagreements on questions of a strategic nature, which do, indeed, exist. We are conscious of the fact that this process of building unity needs time and a lot of work. Nevertheless, we are optimistic.

This optimism is based on objective necessity, which is immediate and imperative. As we stressed at the 12th Congress of our Party, which was held last May; two roads are open to Greek society, the road of big capital and dependence, or the road of change in the direction of socialism.

There can be no third alternative. □

Even More Power to the Workers

CARL BLOICE

Alan Greenspan, the new chair of the U.S. Federal Reserve Board, in September, decided to raise interest rates. Soon after, the *Washington Post* commented:

Even after last week's increase in rates, Mr. Greenspan has no margin for error. The consumption boom has brought unemployment down much faster than most people expected at the beginning of the year. It's now 6 percent of the labor force, and it probably can't go much lower without beginning to generate wage inflation.

If the whole job of restraining inflation is left to Mr. Greenspan, interest rates will have to go a good deal higher. They are his only weapon. He will have to let them go high enough to chill consumption by Americans and to persuade foreigners to keep investing here. That would risk a recession.

Of course, more than 6 percent of the U.S. workforce is jobless—and even that figure would be higher if it were not for various forms of "statistical tampering." Further, not taken into consideration are the millions that are underemployed, or working—not by choice—less than a full workweek. Unemployment affects well over seven million people in the United States. Apparently, with the support of the editors of the *Washington Post*, Mr. Greenspan intends to keep it that way. According to them it's important for the "health" of the economy.

There was a time, a couple of decades ago, when 3 percent unemployment was considered acceptable. Gone are the days.

The question arises: who decides that seven out of every hundred able-bodied people in the U.S. should be denied the opportunity to be constructive and earn a decent living? How is it decided that, as a matter of national economic policy many people, an estimated three million of them, should walk the streets idle, without housing? Evidently, Mr. Greenspan. Clearly,

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not the Congress or the people.

Has there been a national discussion of the morality—or lack of it—involved in using unemployment as an economic tool? How is it decided that joblessness should be utilized as a means of coercion in keeping wages down?

Has there been a public debate over whether factories, mines and offices should be allowed to close down operations and run away to low wage areas, usually abroad—or what to do with those made "redundant" by the scientific-technological revolution? Over the past year, all of these questions have been openly debated in the Soviet Union and an overwhelming national consensus has emerged.

Even the concept of using unemployment as a coercive tool, though alien to socialism, was aired, then rejected. Some topics, no matter how widespread the discussion, just never arose, of course. Even with the airing of all possibilities, the choice of considering runaway shops never came up—since there just is no such thing in the Soviet Union, and no one seemed eager to start it.

Employment is not the only subject being openly debated in the Soviet Union today. A new policy on setting the prices of consumer goods, prices artificially low, has been worked out and is being presented to the public for full discussion. Thus, the cost of goods in the market place is being decided through the democratic and political process and not through the manipulation of interest rates and joblessness by an economic "czar."

In the Soviet Union today, democracy is considered an inviolable principle, an indispensable aspect of socialism as a system. Periods in the past, when today's fuller democracy was denied, are looked upon as negative aspects of the country's history.

Wrote Moscow Professor A. Mishin in a September 18 commentary for the Novosti news agency:

Socialist democracy emerged from its bourgeois predecessor, having overcome its narrow-mindedness and having absorbed all the positive ideas conceived by mankind over the preceding period.

Noting that the development of socialist democracy was retarded by the civil war that followed the 1917 revolution and the intervention by western capitalist armies trying to crush the new Soviet state, Mishin wrote: "The years of the personality cult adulterated socialist democracy with methods of bureaucratic oppression."

The potentialities of socialist democracy so far have exceeded those of capitalist democracy because of the difference in the class character of the two systems. Bourgeois democracy greatly extended the political rights and individual liberties beyond that of feudalism and monarchy. However, it enshrined "private property" rights, excluding democracy in economic life.

Socialist democracy is premised on the existence of socialism. Social (or collective) ownership of the means of production makes possible economic planning; economic planning makes possible collective (thus, democratic) decision-making in the sphere of production. Socialist democracy precludes private ownership and appropriation of the means of production.

The notion of a right to work and share in the product of society in proportion to the work done, does not exist in capitalist democracy. As our country marks the 200th anniversary of the Constitution, people in our country—as in other capitalist countries—are raising the question of the lack of guaranteed rights to the fundamentals of existence.

Socialist democracy and the socialist concept of "human rights" includes the concept of economic justice.

"Today a Soviet citizen is well protected socially," Communist Party General Secretary Gorbachev told a group of visiting French public figures, September 29:

His right to work is guaranteed. He has access to housing, although there are a lot of problems here. It

should be born in mind that housing is free or inexpensive, education, secondary and higher, is free. So is health care. This is what creates social guarantees, ensuring humankind's confidence.

In an interview with the Italian Communist newspaper *L'Unita* in May, Gorbachev made the following point:

Sure, there have been setbacks and errors in our history, which have impeded the development of socialist democracy, and there have been violations of socialist law and democratic norms. These are realities of our historical path and this is how we see them.

The restructuring encompasses everything. We are carrying it out, both absorbing the accomplishments in social development and learning the lessons of the past. *Perestroika* stands for the broadening of socialist democracy and the development of peoples self-government.

Gorbachev allowed that democracy "has its own value" because for one thing, it "promotes the conditions for the all-round development of every individual, his civic activity and responsibility."

He added:

At the same time democratization is real when it rests on a solid basis of social ownership and absence of exploitation, whereby it ensures the mobilization of all of society's intellectual and spiritual forces with the aim of reorganizing it, lending socialism the most modern form.

"We do not have exploitation of man by man," declared the March 13th *Address to the Soviet People* from the CPSU Central Committee, issued in connection with the 70th Anniversary of the October Socialist Revolution.

We do not have unemployment, we do not have national oppression and we do not have poverty and illiteracy. The working people enjoy social protection and have confidence in the future.

In short, democracy under socialism and democracy under capitalism (bourgeois democracy) are not the same thing. They are two different kettles of fish.

In the context of *perestroika*, or restructur-

ing, *glasnost*, or openness, is viewed as a principle means of perfecting and expanding socialist democracy.

Glasnost itself has a class character. "The distinctive feature of socialist democracy is, above all, that it ensures the decisive say of working people, of the people," Gorbachev told the visiting French.

Speaking of previous efforts to carry out economic social reforms, especially in the post World War II years, the Soviet leader said:

The chief lesson is that the process which originated in the past and the attempts at reform concerning political, economic and social spheres were not substantiated by the broadening and development of democracy by drawing the entire society and the working people themselves into the process through the mechanisms of democracy. This is the main cause of setbacks in the past.

Socialism is such a social system under which the working man should be the chief character . . . This is why we are so attentive to the processes of openness and democracy. Reorganization without democracy and openness is doomed to failure . . .

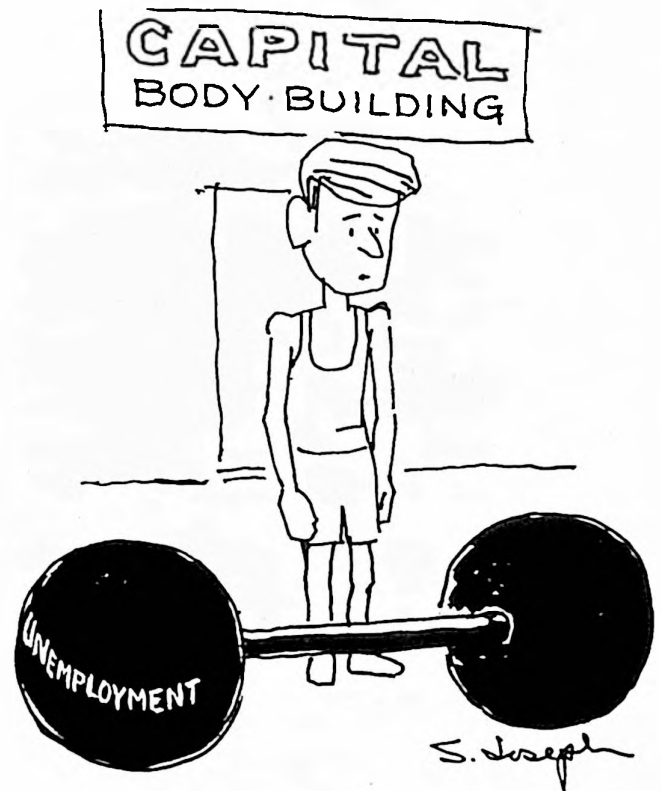
Democracy, in and of itself—even socialist democracy as practiced in the past—is not, said Gorbachev, sufficient to *perestroika*.

He added:

We want the working people at the enterprise (factory, mine, farm, office etc. C.B.) to feel themselves the real masters, that they are to elect the managers, starting from the foreman to the enterprise director . . . We want them, having formed a council, to decide questions of planning, determine prospects of their development, to participate in the distribution of profits; to resolve social issues. This is how we intend to advance the process of democracy, to deepen and broaden it.

In a sense, the widening of democracy at the workplace is the most striking advance of *perestroika*. As is clear from Gorbachev's statement, it extends far beyond merely electing management. Work collectives and councils are being empowered to decide production schedules, set wage rates and determine the use of

the collective income for such things as housing, childcare centers, the building of vacation resorts and cultural recreational facilities. The changes are sweeping and qualitative. Throughout the country working men and women are gradually, democratically taking control of the day-to-day operation of the economy.



Workplace democracy is not intended to supplant central economic planning, a key feature of socialism, the means of guaranteeing the healthy and effective development of the national economy and providing for the general welfare. Central economic bodies will continue to determine the general plan and priorities of production and distribution. However, the aim is to end the administrative direction of all aspects of production from above.

Said the July 3, 1987 *Izvestia*:

The essence of the change is the shift from administrative to economic methods of management. Not commands from above, not petty regulation, but the interest or, more precisely, combining the interest of each worker of the production group with the interests of society as a whole is becoming the impulse of

the economy . . . It must assure its dynamic, accelerated growth, reveal the potential of the people and of each honest person for restructuring.

Democracy in the workplace and openness in its operation is not the full measure of the new stage of socialist democracy. Restructuring and openness is being extended to all aspects of society with the same end in mind: the active involvement of the mass of people in determining the direction of the country.

In his report to the January 1987 plenum of the Central Committee of the CPSU, Gorbachev said:

It is only through the consistent development of the democratic forms inherent in socialism and more extensive self-government that our progress in production, science and technology, literature, culture and the arts, in all areas of social life is possible . . . It is only this way that ensures conscientious discipline. The reorganization itself is possible only through democracy and due to democracy. It is only in this way that it is possible to open broad vistas of socialism's most creative force—free labor and free thought in a free country.

Therefore, the further democratization of Soviet society is becoming the Party's urgent task . . . The point at issue is, certainly, not any breakup of our political system. We should use with maximum effectiveness of all its potentialities, fill the work of the Party, the Soviets and government bodies, public organizations and work collectives with deep democratic content, breathe new life into all cells of our social organism.

On August 30, Pravda called for "radical reorganization" of the Soviets (governing councils) at every level in order to better realize "the creative possibilities of socialist democracy—power of the people, power in the people's interest.

Soviet power—these proud words sounded in the world for the first time 70 years ago. They express the live connection of the times, the continuity of our great aims and ideals. Our firm confidence in the future lies in them. More socialism signifies more democracy. This means the full implementation of the

richest potentialities inherent in the Soviet form of democracy.

The changes being brought about through the extension of socialist democracy and the enlargement of openness in the USSR stands in sharp contrast to the pronounced tendencies in the major capitalist societies. While open discussion and democratic functioning increasingly marks the character of socialism, "Western democracy" moves in the opposite direction. The "Irangate" crisis in the U.S. is only the most sensational example of the growing tendency of bourgeois states to operate in a more closed manner, disdaining and subverting the democratic expression of the people. Indeed, the Watergate and the Iran-Contra conspiracies reveal a growing trend toward secret government with a fascist-like character.

Soviet Communists characterize perestroika as a necessary next stage in the development of socialism and not merely a response to current problems. Still, a major impetus for the revolutionary changes now underway was the serious economic problems, coupled with growing social problems that developed in the country. Over the recent decades, said Gorbachev, "the country began to lose momentum, difficulties and unresolved problems started to pile up, and there appeared elements of stagnation and other phenomena alien to socialism. All that had a most adverse effect on the economy and social, cultural and intellectual life."

Perestroika is, Gorbachev said, "a complex and contradictory process" and its success is dependent on how things develop at the grass roots level. "At the local level," he told the Central Committee in June, "restructuring is only beginning to unfold and not everywhere is it proceeding uniformly."

A.N. Yakovlev, member of the Political Bureau of the CPSU, told a meeting of Party activists in Kaluga on July 14:

Restructuring has become an integral part of our everyday life. It did not just appear. There was not smooth sailing. The reform has aroused not only enthusiasm and hope; it has also brought on its own contradictions which underscore the depth of social

processes, and induces people to live and work according to their conscience and to overcome passivity and indifference. It raises quite a few difficult, unpleasant, sometimes even painful questions, but inspires us with its prospects.

On September 29, Gorbachev traveled to the city of Murmansk in the frigid far north. There he addressed a meeting of workers, managers, specialists and scientists:

We have worked out documents through which this policy is translated into life in all fields: in the economy, politics, and cultural and social spheres . . . Everything is the business of working people . . . It is their country, it is their system, it is their society. They are the masters. Party organizations, cadres serve the people, not the other way around. In production, members of work collectives should feel and behave as real masters. Any attempts—no matter from what quarter—to hinder the exercising of this right, or the working people's initiative, should be resolutely curbed.

For the most part, the image of the current atmosphere in the USSR projected in the capitalist world is one of extreme gravity, reflecting an outpouring of negative assessments of the country's past, and present—and forbidding for the future. Where this is not intentional, cynical, hostile propaganda, it is a result of misreading of the current level and intensity of discussion and debate. In fact, changes underway have begun to steadily reflect a new dynamism and optimism about the future.

"Our social vision has widened," said Pravda editorially in April. "We gave a fuller and surer view of the past and a more realistic view of the future. We are still learning a lot of things. But there are many things we have learned, understood, and appreciated. We have grown more worldly—wise, more mature, yet younger in our hearts, emotions and expectations." □



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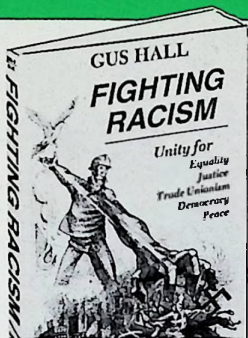
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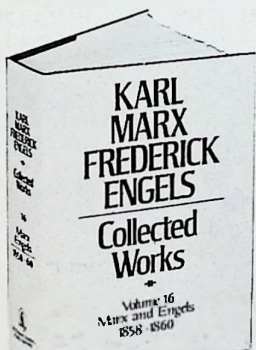
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