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The Heat is On!



Political Affairs

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Organize Against the Ultra Right and Corporate America

Gus Hall



Starting with the January National Committee meeting, I have been raising the issue of new developments, new processes, ideological, political, tactical and theoretical questions in my reports, articles and openings to various events.

The reports and articles relate to what is new and changing on a global scale, on the U.S. political scene and in our Party. Most have to do with the dramatic changes taking place that are continually moving into qualitatively new stages, and what they mean for our Party. The main part of this report will deal further with these changes, developments and processes.

I think it is important to point out first where we are having some outstanding successes in the process of change, and then where we need some special attention to move things onto a higher level.

I think we have won most of the Party to the concept that we can build a mass Party. In many areas we are already doing it. The re-establishment of our Party in the South and the fact that Rhode Island, Connecticut and some others have organized new members into new clubs, including shop clubs, shows what can be done when new concepts are translated into life.

The re-establishment of the Party in the South shows that conditions are ripe for building a mass Party in every region of the country. In the South we have reached the point of establishing a Party structure, new clubs and leadership bodies that are doing some fine work.

Although we have still not added new elements to our recruiting, like regular mass media coverage, we are still spontaneously recruiting over 50 new members a week, from all over the country, mainly from the Internet Party web site. I will further discuss the question of new members in the section of the report on the Party.

Gus Hall is the national chairman of the Communist Party.

The centennial tributes to Paul Robeson, organized by the Party around the country, were all breakthrough events – in size, content and composition. The New York event had an overflow crowd of 500 Party members and friends, Black, Brown and white, many of whom I did not recognize. There were people who have not been to Party events in years, and some totally new members. The composition was perhaps the best ever. These events went a long way toward restoring Comrade Robeson's full legacy as a great American Communist.

The founding of the Black Radical Congress (BRC) was a great success. The fact that over 2,000 delegates participated, when the organizers expected under 1,000, shows that there is deep concern about the crisis conditions in the African American community and the racist attack of the right wing against civil rights, human rights and on issues like welfare.

The founding of the BRC on the basis of an anti-racist, pro-working-class radical program is an important element in the new radicalization. The working-class and trade union panel was the largest, with over 200 participants.

There were some ideological differences and some attempts to disrupt. Despite this, the founding of the BRC is a real contribution to the whole fight to defeat the fascist danger and advance the struggle against racism and for African American equality.

The Party, the *PWW* and *Political Affairs* were very well received at the event. All the comrades who attended – and especially those from the national African American Equality Commission – are to be commended for a job well done.

The founding of the Black Radical Congress is a real step forward and will have a positive effect on the entire movement. It was a truly historic event that can determine the direction of the African American people's movement toward unity between the working class and the struggle against racism, for equality. The Party must continue to support this new movement.

The 6th National YCL Convention was also a great success that will help move the YCL forward. It was an organizers' convention, which set a mili-



YCL 6th convention demanded a youth bill of rights.

tant tone and raised confidence. It was a high point for unity, collectivity and the political leadership of the YCL. The Convention also shows that the YCL can take initiatives that will help unite the growing militancy among youth. With the Party's help, it can become a truly mass youth organization.

The regional conferences held around the country in the spring were great successes and brought together both experienced and new members to discuss the main issues of building a mass Party, as well as the main political and ideological questions we face.

The National Training Seminar, held on the Memorial Day holiday weekend, attracted over 50 comrades. It was a good mix of older, more experienced comrades and newer ones. This school, more than many others, used different methods of teaching. And, within each session, the more seasoned comrades were both teachers and students. It worked very well, and everyone agrees we should have another one soon.

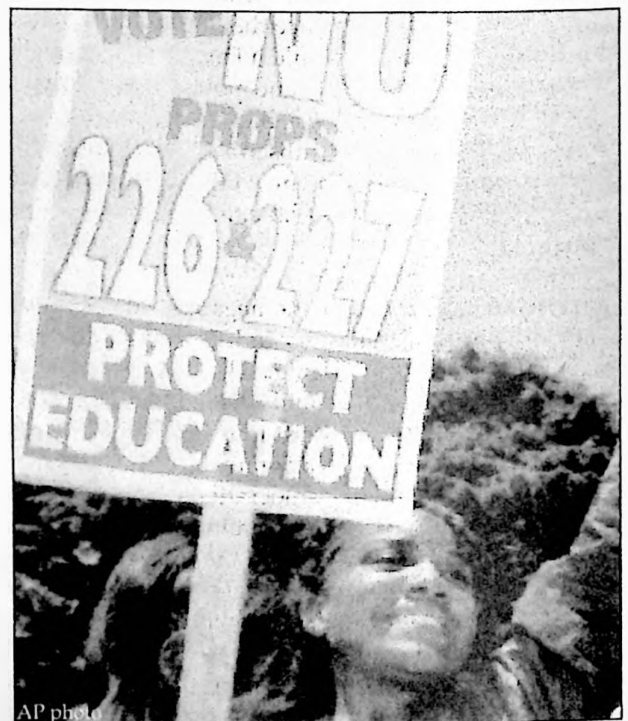
And, of course, in the electoral field we have had some stunning victories in Pennsylvania and Ohio, where Communists won public office.

During this past period our relations with the trade unions have continued to improve. We are building increasingly warm relations with trade union leaders, especially at local and central labor body levels.

Communists are now invited to take part in union-organized mass actions and strike actions. They are accepted as part of coalitions, like the May Day coalition in New York. Also in New York, comrades meet regularly with leading forces in trade union bodies. And some of these leaders are taking subscriptions to our paper. The *PWW* is given out at more local unions than ever before.

WORKERS' VICTORY AGAINST THE RIGHT ■ California's Proposition 226, part of the overall attack on the labor movement, would have prevented the unions from being an effective force in the electoral arena by prohibiting them from using union finances in electoral campaigns. Aside from everything else, it was an attack on basic democratic rights of workers.

This proposition was supported by the most reactionary business and political forces in California, who invested billions to put this over on the people. And for a while the odds were in their favor. Then the unions decided this was a fight that would have ramifications, not only for California, but would greatly impair the whole trade union movement, so they jumped in with both resources and cadre, launched an all-out campaign, and won. This



California labor scored victory of national importance in defeating Prop. 226.

victory dealt a serious blow to this anti-union movement. The coalition that achieved this great victory was made up of the trade union, African American and Mexican American movements.

The California voters also defeated a proposition that would have mandated school prayer.

The *People's Weekly World* is becoming the newspaper trade union leaders read and increasingly subscribe to. It has become an influence within the trade union movement. Articles are posted on bulletin boards in workplaces and plants, papers are passed from hand to hand, and they are passed out and well received at meetings and conferences, including AFL-CIO and union conventions, central labor bodies and local unions.

The other day one comrade said, "I read a lot of newspapers but the *People's Weekly World* is by far my favorite." Well, it's mine, too.

Political Affairs is the most widely read theoretical magazine in the Communist and workers' movements. Now, its cover has had a face lift, and plans for making the magazine more popular can put it into competition on the newsstands and bookstores.

Lastly, on another positive development, I have some good news. In today's USA, the decisive task of shaping class consciousness is not achievable without gaining a foothold in the mass media. We are very happy to announce that long overdue steps are now being taken to build a Party television show for broadcasting on cable and public access stations across the country. It is a big challenge, but with Party districts acting as subscribers and also as contributors to the show, we are confident we can build a distribution network of 60 cities by this time next year.

POLITICAL SCENE ■ On the negative side of developments, the fascist danger in U.S. politics does not show signs of diminishing. The latest fascist-like political developments and the corporate merger mania are related. The racist murders and racist violence are related to the corporate mergers, globalization and the more undemocratic characteristics of capitalism today. The new gigantic concentration of wealth and power is related to the ultra right and to the rise of the extreme right fascist fringe, like the militias, the hate groups, right-wing religious organizations, cults and think tanks.

Thus, global corporations are the support base for ultra-right forces. The bigger the corporate monopolies, the less democratic, more anti-union,

anti-labor and anti-working class they become.

Politics in the U.S. is more and more a reflection of the new role and power of the global corporations, the new level of state-monopoly capital. This is the essence of the fascist danger.

The fascist-like leanings of a section of the Republican right wing was evident in the new federal budget. The Republicans introduced a more reactionary anti-people budget which was ultimately passed. Welfare, health care, social security and public education are under severe attack.

A House panel this week approved a drastic proposal to cut education funds in half, to eliminate home-heat subsidies and to terminate the Summer Youth jobs program. At the same time, Congressional leaders agreed to give investors a new break on capital gains taxes and Republican House leader Dick Armey managed to retain a little-known inheritance law that gives the beneficiaries of the top 100 wealthiest families big estate tax breaks.

Clinton and the Democrats have called the cuts so "extreme" that they set the stage for a confrontation that could result in the kind of standoff that shut down the government two years ago and greatly damaged the Republicans in the public eye.

The Republican right wing admitted the bill was written to attract maximum support of conservatives in order to bring them to the polls. *The New York Times* says, "The problem is that the proposal is so appealing to extreme Republicans that it may alienate Republican moderates and deepen the factions within the Party."

All the budget cuts, already passed and proposed, are in people-helping programs. In essence, this budget continues the "Contract on America."

With the coming elections and so much at stake, the Republican ultra right is becoming more aggressively anti-labor, more openly anti-democratic and anti-people in order to win votes.

In fact, the Christian right and arch-conservative forces are threatening to withdraw their support from the Republican Party if the right wing doesn't move toward even more extreme positions on issues like abortion and school prayer. This is causing an even greater split in the Republican Party between the most extreme right and more moderate forces.

More and more the Republican right is using religion for reactionary political purposes. This includes Christian Coalition politics and the recent Baptist Convention, which mandated that a woman's place is "in the home obeying her husband

and accepting his leadership."

Increasingly, we hear fascist-like speeches by the likes of Gingrich, and most recently, by reactionary politician-actor Charlton Heston, the new president of the National Rifle Association. At the NRA convention he pledged to change the image of the biggest gun lobby with his Hollywood script that "guns don't kill people, people kill people."

The game plan of the ultra-right offensive is in full swing. They have taken over much of the mass media, including press, TV and radio. Corporate interests are increasingly and secretly buying off popular media personalities and anchor people. Their success in stalling any campaign finance reform has resulted in the rapid increase in buying public offices on every level.

The Republican right is taking advantage of the Clinton-Lewinsky mess for its fascist-like anti-labor, anti-democratic drive. However, the 12 percent popularity of Ken Starr, the so-called independent prosecutor, and 65 percent approval rating of Clinton show that the people are still more afraid of the fascist danger than they are angry at Clinton.

The most solid base for the Democrats is the working class, the trade unions, the African American, Mexican American, Latino and American Indian communities, as well as women in general. This lays the basis for electoral coalitions that can defeat the extreme right candidates.

There is also not much we can be proud of in foreign affairs. The ruling right-wing Republicans are dominating foreign policy decisions. For example, Gingrich traveled to Israel to attack the Palestinians and take his stand on the right side of Netanyahu and the extreme right in his Cabinet, in order to win the Jewish vote for the Republican Party. Even the *New York Times* took issue with this blatant pandering. Netanyahu's latest announcement that Israel will expand further into Jerusalem widens the crisis in the Mideast.

The exposés of the atrocities committed in the Vietnam War continue. The U.S. is vehemently denying the CNN exposés of the use of sarin nerve gas to kill and maim in Laos and Vietnam. But everyone knows that it was even more widespread than the exposés said.

U.S. spokesmen make speeches about the danger of producing and using nerve gas. But now it turns out that the U.S. is the only country that has already used nerve gas to wipe out whole villages of innocent men, women and children. They try to

cover up the crimes by asserting it was only used against U.S. soldiers who had defected. Yes, it was used to kill U.S. soldiers, but mainly it was aimed at annihilating whole villages in Laos and Vietnam.

These exposés of the mass use of nerve gas show the utter bestiality and the hypocrisy of the U.S. ruling class. They demonstrate, once again, the monstrous, inhuman and racist nature of the U.S. monopoly capitalist ruling class. Some of the criminals in high places responsible for this atrocity should be brought to justice and punished. Some of them were and are still in the U.S. government.

The recent nuclear detonations by India and Pakistan are a threat to world peace, but the positions and sanctions policies of the U.S. in its attempt to appear as the world's peacemaker have a very hollow sound.

U.S. representatives keep talking about the danger of nuclear bombs, but it is the height of hypocrisy, because the U.S. is the only country that has already used nuclear bombs against civilians and big cities, killing and maiming millions in Nagasaki and Hiroshima.

We cannot support positions of U.S. imperialism that help it to hide the fact that it produces, tests and sells more weapons of destruction, including nuclear, biological and chemical, than all other countries combined.

U.S. ECONOMY ▣ Here I want to put together all the new, mainly economic, mainly negative developments and processes I have been talking about over the past months that are having a profound impact on the working-class and trade union movements, as well as the overall class struggle. Then I want to draw some conclusions and take a look at the future.

First, the size, number and extent of the continuing process of mergers and acquisitions is greatly expanding the power, influence and domination of the monopolies over every area of economic activity and life in the U.S.

Just this past week the tobacco industry and Microsoft won victories over attempts to impose some restraint on monopolies, even though in the case of tobacco it will cost the health and lives of countless people. And, the acquisition of TCI Communications by AT&T signals the rebuilding of AT&T's worldwide empire.

This merger frenzy has led to the multi-process of conglomeration, globalization and the internationalization of production.

Globalization is a new word that also describes the new form and content of imperialism. Global corporations are different than the monopoly corporations. Their structures, policies and actions are different. These new global giants have developed new strategies to fit this new structure and these processes.

One is the strategy of fragmentation by diversifying their production locations so that the work force is scattered in different plants owned by the same corporation, producing the same product or products.

Also, multi-nationals are constantly spinning off subsidiaries to create the appearance of different ownership so as to make it difficult to determine who really owns, controls and runs the corporation.

Then there is the rise of huge financial empires which are mainly the result of bank de-regulation and bank mergers. These relatively new bigger banks and financial institutions make mergers and globalization possible.

And, there is the privatization process, whereby various schemes are used to privatize education, hospitals, schools, prisons, sanitation, public transportation, postal services, social services, welfare, social security and more. This is to turn public, socially owned institutions over to private, for-profit-only corporations.

Then, of course, there is the scientific and technological revolution, perhaps the most dramatic and profound process, because it is increasingly replac-

ing human labor with computer chips and robots.

These processes have increasingly narrowed the already thin line between finance capital, corporate capital, the monopolies, the military and the state. Together, these developments are changing the basic economic structure of U.S. capitalism and the form and content of U.S. imperialism. These relatively new processes are resulting in the basic restructuring of capitalism.

Following are some schemes that facilitate these processes. One is the operation of a plant assembly line entirely by sub-contractors so that in an auto assembly plant, for example, one station making wheels and tires is run by one company; another station, run by another company, adds suspension; then another company adds chassis modules and so on until many major sub-contractors have added their products. The purpose is to make it easier for all the contractors to keep out unions, and it enables the over-all plant owner to put pressure on the sub-contractors to keep down wages and costs by threatening to switch to cheaper sub-contractors.

Another strategy makes it possible for a U.S. corporation to sub-contract its production to other U.S. companies operating sweatshops in countries where workers are paid, for example, seven cents an hour to make a shirt sold in the U.S. for \$11.99.

Yet another is sub-contracting all production to foreign-owned sweatshops. For example, Nike sub-contracts all its production to companies operating in low-wage, non-union countries.

Two others – outsourcing and foreign imports – are issues in the GM strike. The third is the most devastating and crucial issue: new technology.

The GM strike is an example of the new kind of economic problems workers face. The new technology keeps replacing workers so GM keeps laying off workers, while it increases productivity and profits. This is a new phenomenon.

It is estimated that the strike is costing GM \$75 million dollars a day in profits. That gives us an idea of what corporate profits are, year in and year out.

Increasingly, GM sets up production facilities in countries where the wages of workers are sometimes as little as \$100 a month. Thus, the exploitation of workers by GM is becoming more and more global.

The 115,000 auto workers who are out of work because of the GM strike and plant closings are being forced to think what the future will be like. In a sense, the GM workers are striking also for future



Bell Atlantic workers struck against outsourcing.

jobs, for their families and all future workers.

An example of what is to come is the fact that right in the middle of the strike, GM just signed a contract with China to build a production facility that can eventually produce up to 100,000 trucks a year. This will obviously have an impact on truck production in the United States. Because of the new technology it is now much easier for corporations to transfer their production facilities to low-wage, non-union areas. The strike slogan "GM is leaving America" says it all.

It is clear that to fight these new conditions the trade unions will have to come up with new global forms of struggle. The World Federation of Trade Unions must find some new methods and forms of struggle. Issuing statements is not enough.

TECHNOLOGICAL REVOLUTION ■ Machines replacing human labor on a mass scale will bring on the next crisis of capitalism because under capitalism the continually higher level of productivity is bringing with it an escalating level of unemployment and pauperization, while at the same time it is making the rich richer and producing huge profits for the transnationals.

The new technology is replacing workers in all basic mass production industries. The havoc created by capitalist use and misuse of technology and the ups and downs of the stock market are warning signs of crises to come.

The overall wage scale keeps declining as workers are laid off from mass production industries and are forced to find jobs in unorganized, mainly low-wage, service industries. This has been happening for 20 years. The work done by part-time workers and outsourcing to small shops is another corporate scheme to make bigger profits at the expense of full-time union labor.

There are also developments that are a direct outcome of these processes. Corporate downsizing continues apace, laying off hundreds of thousands, moving operations to lower-wage, non-union and sweatshop areas of the US and overseas, while the wages and working conditions of the remaining workforce continue to decline and speedup and forced overtime continue to accelerate. Meanwhile, in the last ten years, corporate profits have risen over 165 percent.

The unprecedented huge numbers being thrown into the ranks of the unemployed changes the very nature of unemployment and of the unemployed

and thus raises a whole new question for the trade union movement.

Add to this the creation of a part-time work force, using especially minority and women workers, sub-contractors and consultants on an hourly basis, which increases the rate of exploitation and profits because these workers are not paid benefits and don't receive overtime rates.

The explosive growth of the temporary and part-time work force is a prime example of capitalism's misuse of technology. In a rational system of production, under socialism, technology would be used to shorten the work week, while at the same time raising the living standard of all workers.

Under capitalism, the higher level of productivity is resulting, simultaneously, in a high level of joblessness and poverty. As new technology produces more advanced automated and computerized systems, layoffs and plant closings will vastly increase.

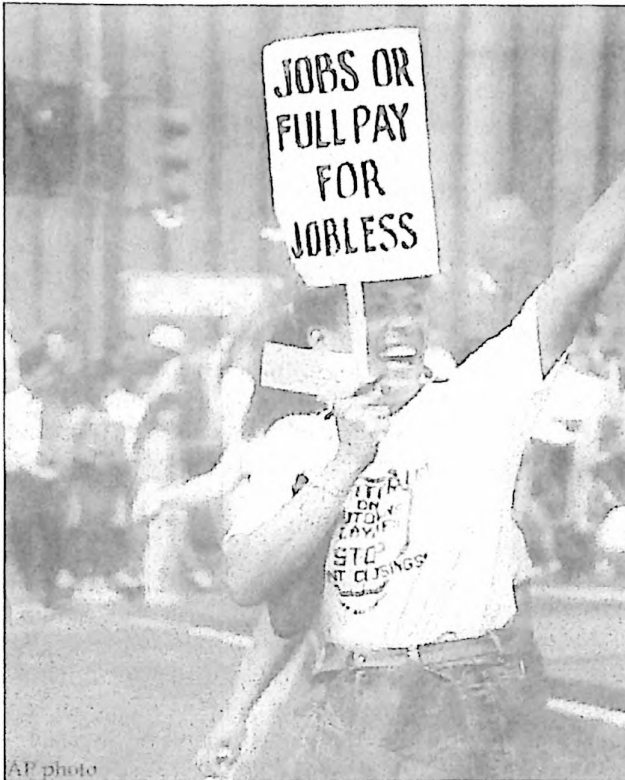
Capitalists and management determine whether to release or apply new technology, based strictly on what is profitable. And, capitalism distorts what kind of technology is developed in the first place. Technology that makes for safer and healthier workplaces, or technologies that can clean up production processes, are only implemented under tremendous pressure from labor and consumers.

Perhaps the biggest distortion of all is the hundreds of billions poured down the rathole of military technology. Not only is it wasted, dangerous and even criminal technology, but it weighs like a giant ball and chain on the economy and on social and human development.

In addition, public education is being attacked, privatized and phased out. It is no longer necessary to create a better educated and skilled work force, because the system no longer needs more mass production workers, but instead only a much smaller technological elite.

The underlying question this raises is, what will be the effect of all these negative developments? The many-sided processes I have been discussing will result in ever bigger monopolies. They will result in the attempted destruction of unions on a global scale. They will result in continuing declining wages and closing of factories. There will be more factories overseas and more exporting of new technology.

These processes have already resulted in longer strikes and more bitter class battles. And the fact is that all the new developments and processes put together will not result in solutions to the serious



AP photo
A workers science and technology Bill of Rights would help end joblessness.

problems faced by the working class. They may result, however, in some workers having jobs while the rest of the class is worse off.

All these processes point up the need for international working-class solidarity, demands for the shorter work week with no cut in pay, for nationalization of monopolies and industries, for internationalization of the trade unions, for new strategies and tactics in the sharpening class struggle. It has become a life-and-death struggle. In the long run, however, socialism is the only solution.

SOCIALIST SOLUTION ■ Under socialism a solution in the interests of the working class will be found for all these problems. Thus, the socialist solution will increasingly become more urgent, more necessary. We have to learn to project socialism as the long-term solution to the new, concrete problems.

Let's just take a deeper look at how socialism will solve the biggest problem facing the working class today: new technology.

Socialism and the scientific and technological revolution go together. Only socialism can make decisions to research, investigate, discover, invent

and apply without considering profitability, but only practicability and benefit for the people and society as a whole. Increase in productivity is passed on to the people by way of wage increases.

When machines replace workers, the hours of work are cut, without any real cut in wages. Under socialism, the work force of a mechanized factory or industry would simply be retrained and relocated. Technology enables society to assign the dirtiest, hardest jobs to machines and robots, while humans will increasingly do the work that requires creativity and ever higher skills. Technology creates much greater career opportunities and greater leisure time for workers.

The costs involved in making such major adjustments in machinery, technology and human labor come out of social profits that under capitalism are privately confiscated, stolen, by the ruling class through exploitation of labor.

Thus, the scientific and technological revolution makes it possible to project a new kind of socialist future that was not foreseeable till now.

ADVANCED DEMANDS ■ However, short of socialism we need advanced demands and a national, perhaps international conference, called by the trade unions, that would come up with ways to counter the devastating effects of technology under capitalism.

For example, federal laws that would place restrictions on the monopolies and stop them from stealing all the fruits of technological breakthroughs; commensurate price cuts and wage increases as a result of application of new technologies; affirmative action programs that would apply to every application of new technology and the development of a "Science and Technology Bill of Rights for Workers and Consumers" that would eventually become law.

It is only through a united struggle of the labor movement, the trade unions, of all working people, including on an international scale, that the negative effects of the technological revolution and all the negative processes sweeping our economy can be successfully resisted.

This is a new era of class struggle, where the over-all setting, context and conditions are very different from what they were a few decades ago. In fact, they are so different that the working class has to rethink completely its strategy, tactics, and demands. And, in a larger sense, the working class also has to rethink its role in this new situation. Not to do so would reduce labor to an insignificant play-

er in the great struggles that are shaping over the political and economic direction of our country.

Aware of this, the labor movement is changing to meet the new challenges as the century comes to a close. More and more, our nation's working people are confronting problems that are altogether new to them with militancy, courage and creative tactics.

Of course, there are some hitches and unevenness in labor's revitalization process. Some Cold War residue lingers in the thinking of some trade unionists. Class collaboration has a hold on fewer, but still too many labor leaders. Anti-Communism surfaces once in a great while. And even some good leaders, accustomed to the old way of doing things, find it difficult to fight in a new way.

But the main and dominant trend – and this is what we should not lose sight of – is that millions of trade unionists are ready to fight, to unite, to put their jobs on the line, to stay out one day longer than the boss, to dump the ultra right. In fact, not since the early period of the CIO, have we seen such bitter and militant clashes between the working class and its class enemies.

And it is not just one battle, but a whole series of battles. What we see – and this is important when we are making an estimate of the level of the class struggle and the degree of radicalization – is an escalating pattern of militant struggles, involving broad sections of labor, rather than a single battle of one or another sector of labor. If it were confined to a single sector – no matter how militant the struggle – our assessment would be quite different, but that is not the case. The class struggle is broad in scope and gaining in intensity.

One day it's the steelworkers at Ravenswood and Warren victoriously battling corporate conglomerates. Another day it's the Boeing workers. Last year, the UPS workers routed their corporate enemy and in so doing set a new standard in terms of strike tactics, militancy, and outreach. A few weeks ago, young activists attending the convention of the Young Communist League met in a city where the public transportation system was shut-down by striking transit workers.

Just last week the building trades workers blocked 9th Avenue in New York, to be followed the next day by the hospital workers who, not to be outdone, brought traffic in midtown Manhattan to a grinding halt.

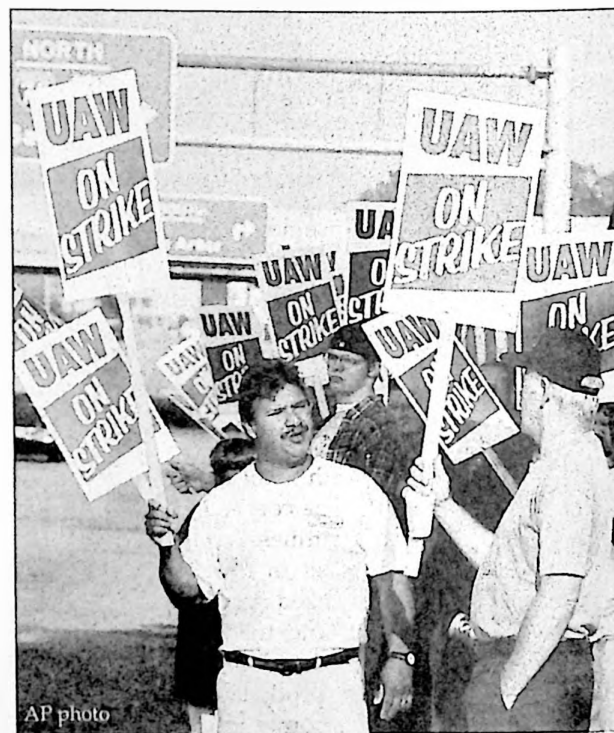
GM STRIKE ■ And now the auto strike is shaking the

country. Nearly a quarter of a million GM workers are on the front line of the class struggle. Its shock waves are not only reverberating nationwide, but are also changing the terrain on which the great battles of the coming period will be fought.

To see the auto strike as confined to 10,000 auto workers in Flint, or even to a quarter of a million GM workers nationwide, is to view the strike much too narrowly. This strike is a pivotal confrontation between the working class and monopoly capital. Its outcome is sure to leave its mark on the course of the class struggle in our country. If ever there was a strike in recent memory that brings into bold relief both the new trends in the global economy and the new framework of the class struggle, this strike is it. In a nutshell, the auto strike is a defining moment for the entire working class.

And this is how all of labor, this is how all of labor's allies, this is how our Party and YCL should see this strike. Everyone should plan accordingly. Emergency meetings and mobilizations are necessary.

At the core of this bitter clash is the issue of jobs. GM wants to eliminate them by bringing in a whole new family of labor-displacing technology, by outsourcing to semi-independent suppliers in countries



Auto strike reflected many new problems in fighting a transnational corporation.

like Mexico, Brazil, China, Thailand, and the newest preserve of exploitation, Eastern Europe. And they want to do so by exhausting speedup, increased workload and job combination.

GM workers, on the other hand, are determined to protect their jobs for themselves and their children. The GM strike brings to the surface a longer term and broader transformation that is taking place in the way corporations are structured, do business, and exploit workers. This transformation is global in nature even though it develops at a different pace from country to country.

NEW FORMS OF CORPORATE STRUCTURE ■ Step by step, the way in which production is organized is changing under the impact of the scientific and technological revolution and the new level of inter-capitalist competition.

The vertically organized corporation which was standard for most of the 20th century is less and less the dominant form of corporate and industrial organization as we enter the 21st century. An example is Ford Motor Company. Under Ford's roof was nearly every phase of the production process in the making of cars. And most of its assembly and sub-assembly operations were concentrated in metropolitan Detroit. At the close of WW II, for example, nearly 100,000 workers were employed at the giant Rouge plant.

But that is not the case now. Ford and most corporations are trimming down their in-house operations to what they call their "core competencies", even as they merge with rival corporate giants at home and abroad. Meanwhile, other production tasks are outsourced to an outer ring of low-wage, sweat-shop producers on a regional and global scale.

What we end up with is an industrial pyramid at the top of which sit large corporate multi-national giants who not only ruthlessly exploit workers, including children not yet in their teens, but also dominate the less capitalized shops in the rings. In this new production scheme, the decentralization of production goes hand in hand with increasing control of all phases of the production process by the biggest transnational corporations and accounts for

their enormous profits.

All of this is made much easier because of new computer and information technologies. Such technologies allow corporations to coordinate far-flung activities, enter and exit markets quickly, alter production designs rapidly, install just-in-time delivery systems, and monitor work performance on the shop floor.

This new form of industrial organization, as you would expect, translates into growing income inequality, widespread impoverishment, ruthless intensification of labor, the growth in the number of contingent workers, and the massive displacement of workers in the production process.

Not since the Great Depression have so many people felt such economic insecurity. Thus, conditions are not only worsening for the entire working class and strike with a special vengeance the communities of the racially and nationally oppressed, but also are the objective grounds for labor's upsurge.

KEY DEMAND: A SHORTER WORK WEEK ■ What then

"What we see – and this is important when we are making an estimate of the level of the class struggle and the degree of radicalization – is an escalating pattern of militant struggles, involving broad sections of labor rather than a single battle of one or another sector of labor."

is needed to preserve and create jobs in these new circumstances? First of all, the present approach of the labor movement is inadequate. Major international unions, like the UAW, are

pursuing an approach that slows down, but does not stop, the loss of jobs. Their strategy is more like an orderly retreat than a direct struggle over the issue of job preservation and creation. What adds to the problem is that issues of outsourcing, new technology, and job loading – in other words the main causes of the job crisis – are pushed down to the local union level. This gives a huge advantage to the corporations. And, not surprisingly, they use it to whipsaw and squeeze concessions from local unions.

No better is the AFL-CIO's approach to the question of jobs. The issue barely has a place on its agenda. To some degree the leadership has bought the spin of Wall Street and the Clinton administration that a booming economy has put the issue of jobs on the back burner for now.

But the economy is not booming. And even if it

were, the present-day jobs crisis is a long-term structural problem that operates during all phases of the economic cycle. To resolve this crisis in the interests of the working class calls for a different approach. First of all, new demands are necessary that take into account the new economic realities, beginning with the shorter workweek with no cut in pay. Some say that the trade union leadership is not ready to fight for shorter hours. If that is the case, then we have to convince them.

We have no other choice. The new developments in the capitalist economy, and especially the revolution in science and technology, are forcing the issue of shorter hours to center stage. In Europe, shorter hours has been a fundamental demand of the labor movement for some time and some victories have been won. So our labor movement has some catching up to do. For that to happen we have to become a tribune for shorter hours. If we don't, who else will?

In addition, we should raise the demand for workers' control over technology and capital flight, as well as dust off the demand for public ownership under democratic control of auto and other mass production industries. Taken together, these demands, if won, would shift the cost of corporate restructuring to where it belongs – the pocketbooks and bank accounts of the transnational corporations.

Another aspect of any approach to preserving jobs must include a broad appeal to the entire working class and its allies – and especially the racially and nationally oppressed communities. Limited mobilizations of labor and labor's friends will not curb the power of the transnational corporations. Because of the new global realities, narrow approaches have defeat inscribed on them almost from the start. A labor-led, all-people's concept fits today's situation.

Finally, industry-wide collective bargaining has to be restored. Otherwise, mass production workers will experience death by a thousand cuts. "One Industry, One Contract, One Class" must become once again the battle cry of the labor movement as a whole.

All of this is a big challenge to every supporter of the labor movement. But the immediate task is to win broad support and solidarity for the GM workers.

It is very possible that the GM strikers could win the same kind of working-class and public support that the UPS workers had. Though this time it

would not be spontaneous because every neighborhood does not already know their GM workers.

In this regard, we would like to propose the following: First, that the comrades in Michigan organize an emergency membership meeting and invite Comrade Scott to speak on behalf of the National Board. Second, that the steel commission meet immediately to discuss how to stimulate solidarity initiatives by the steel union. Third, that every district board or committee put the auto strike on its agenda and work out concrete plans in support of the striking GM workers. Fourth, that we send an emergency appeal to every club and new member to find ways to express solidarity. Fifth, that we feature the strike on our Web site. And, finally, that the PWW Editorial Board and the Organization Department come up with a plan for the distribution of the paper to working-class areas and plant gates.

LABOR LEADING THE WAY ■ While the GM strike and other recent strike struggles are the most dramatic examples of labor's upsurge, labor is also in the forefront in other arenas of struggle. A notable example is labor's role in the fight against Proposition 226, as mentioned earlier. Elsewhere in the country, labor is fighting on a broad range of issues and usually in coalition with other organizations. Of course, its top priority for this year is Labor '98 and the defeat of the ultra-right in the fall elections, which, from what I can see is only now getting off the ground. We should make it our top priority, too. The doors are open and there is plenty of room for initiatives.

What can we conclude from all this? One conclusion is that labor is leading the present upsurge. Unlike the 1960's when it was saddled with the leadership of George Meany and was not a major player in the struggles of that time, labor is now increasingly assuming the position of leader of a broader people's movement. This represents a sea change in the politics of our country and bodes well for the future.

Needless to say, not everyone sees this change. Some, because they have a blindspot in their political lens when it comes to the working class or find it nearly impossible to acknowledge that the working class is leading struggles on many fronts. Others, because their image of a mass upsurge remains shaped by the upheavals of the 1960s – an upsurge that for many reasons, including who was leading it, had a different quality and texture than the labor-

led upsurge of the 1990s.

In any case, a labor-led upsurge will develop differently. Its focus will be more consistently anti-corporate and anti-ultra right. Its tactics will be broader and more flexible. It will be less prone to adventurist tactics which in the end isolate and weaken a mass movement. It will be more conscious of the issue of unity. It will more carefully pick its fights. And it will represent a more fundamental challenge to the power and profits of the transnational corporations.

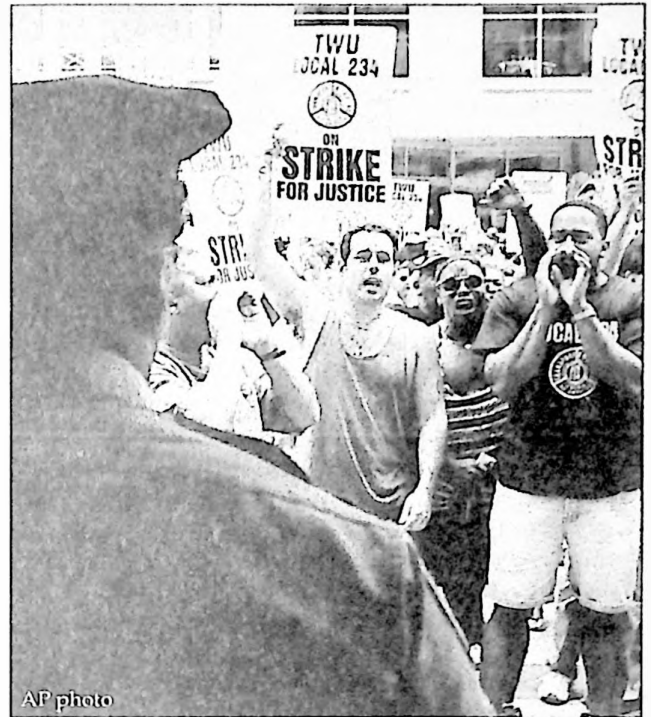
Our task then is to deepen and broaden this labor-led upsurge. And here we can make a special contribution because of our strategic concepts, our tactical flexibility, our consistent fight for multiracial unity, and our anti-capitalist outlook. But I would add that how well we do this depends in no small measure on how quickly we build our Party and press among the main sections of our working class.

A larger Party in the shops is the best insurance that today's labor-led upsurge will not get diverted or stall out. The problem, however, is that we are not much further ahead in terms of recruiting workers than where we were a year ago. It's still slow. But the slowness is not completely explained by the fear factor, by the lingering image of the Party as a semi-legal, semi-underground organization.

Part of the slowness is explained by the fact that we are not doing enough either to change the image of the Party among workers or to recruit them. The problem of bringing workers into the Party will not solve itself, even in the best circumstances. We have to take initiatives. We have to take special steps to bring the Party to workers and workers into the Party. This should be one of the main objectives of this fall's Party and press-building drive.

INDUSTRIAL CONCENTRATION ▣ The thought patterns, especially of industrial workers, are changing. If anything, the pace of change is increasing. We find new attitudes among workers almost daily. In part this is due to an underlying sense of impending crisis and a general sense of insecurity and lack of confidence in the system. And it seems clear that it is a worldwide capitalist phenomenon.

However, the new economic developments bring two kinds of change. On the one hand, workers become more militant, more radical, more anti-corporate and anti-monopoly. On the other, some workers become more worried about their jobs and, therefore, more hesitant to take on struggles. We



AP photo

Philadelphia transit workers won important strike victory.

have to take both into consideration, especially when dealing with the fear factor and recruiting.

While there is a big change in the legal status of the Party, workers do not necessarily see their own legal status in the same way. We cannot yet insist that every member of our Party become publicly active as Communists. Under such circumstances workers who are fearful of losing their jobs will not join.

For some time we will have members who feel they cannot function openly. This is not in contradiction to our over-all efforts to function legally and openly. That should be our direction and our goal.

This year the entire House of Representatives, one-third of the U.S. Senate, 36 governors and 24 state legislative bodies are up for election. According to the AFL-CIO, if the ultra right picks up just five additional Senate seats the body would become "filibuster proof" for the Republican right-wing majority. If there is a switch of just 11 seats in the House, Newt Gingrich is out as the speaker.

The fight on the state legislature level is also very important because reapportionment is coming up in 2000. There are also numerous ballot propositions and initiatives all across the country, most of which have been initiated by ultra-right corporate forces. They are out to promote their privatization,

anti-trade union, anti-civil rights, right-wing, pro-corporate agenda in order to hold their own in '98 and win the White House in 2000. Without exception, every Republican who is considering a run for the presidency so far is a right-winger.

Taken together, the fact that Prop. 226 was defeated, that there was a pro-affirmative action vote in Houston last year, that labor and other progressive forces are more active this year and there is a new split in the ranks of the right-wing Republicans means that with unity and a lot of hard work a great victory against the right could be scored this year.

Labor '98, which aims to register four million union household voters, is gearing up to put more organizers in the field in 102 Congressional districts, two gubernatorial and 14 Senate races across the country. They will also be fielding many labor candidates across the country this year, as part of the "2,000 (candidates) by (the year) 2000" program.

THE ROLE OF THE PARTY ■ Across the country Party districts are active in a number of important races. In some instances we can make a big difference. In Pennsylvania, Ohio, California, Connecticut, Washington state and New York there are important House races we can affect. The Senate races in New York and California as very decisive to defeating the right.

The problem is that in district after district we are not running Party candidates. It is as if we have drawn no lessons from the breakthrough elections in Pennsylvania and Ohio. Where are the Communist candidates in 1998? So far only one is running in Northern California and there is an effort to put the Party on the ballot in Arizona. It is rather late now to do much more this year. Does this not show that we are not convinced of the importance of the electoral presence of the Party and the whole mass party concept?

We do have plenty of time to prepare for 1999 and 2000. There will be many local races coming up in the next two years that are winnable if we start to prepare now. The campaign of Ras Baraka for city council in Newark shows that the voters are more willing to vote for pro-working class, left candidates.

We cannot be a mass party without a strong, visible electoral presence. This includes fighting for campaign finance legislation, proportional representation and ballot access efforts.

It is also clear that the progressive third parties that have been active running candidates for local office across the country have made some very important gains.

DEMOCRACY ■ I think our lack of involvement in the electoral field shows a weakness in our understanding of democracy. The fact is that all the new developments and processes have a big impact on U.S. politics, especially bourgeois democracy.

The basis for the ultra-right fascist developments is in the monopolization and globalization process. The bigger and more powerful, the more worldwide, the more anti-labor, anti-democratic and anti-people the corporations become.

Fascism always lurks in the bowels of the capitalist system. Fascist elements and forces arise and subside in accord with the power and strength of state-monopoly capital, on one side of the equation, and the vigilance and active resistance of the people, especially the working class, on the other. The counterforce to fascism is the fight to preserve, defend and expand all the democratic laws, rights, institutions and structures that make up our bourgeois democracy.

There are some concepts that narrow our approach to building a mass Party. Since they are obstacles to recruitment, to electoral work and the struggle for democracy itself, I want to put them on the table for discussion.

The struggle for reforms in most cases includes the struggle for democracy. Different world parties use different formulations.



The right to organize is a basic democratic right.

For example, we just received an important program document from the South African Communist Party. They view the present stage of their struggle as a "democratic revolution," led by the "hegemony (a word that is not popular in the U.S.) of the working class."

The SACP used the following quote from Lenin to substantiate its concept of a socialist approach to their "National Democratic Revolution."

The proletariat alone is capable of carrying the democratic revolution to the end ... the main task of the proletariat at the current historical moment is to carry the democratic revolution forward to the end ... Any minimization of this task inevitably results in the working class being transformed from the leader of the people's revolution into a passive participant in the revolution tailing behind the liberal bourgeoisie. (1919)

The fact is that there can be no struggle for socialism without the struggle for democratic rights. The struggles to defend and expand democratic rights prepare the working class for the fight for socialism. Socialism is the highest form of democracy.

I believe that the slogan, "Bill of Rights Socialism," didn't catch on in our Party because there is some lack of understanding of the role of democratic struggles. The struggle for democracy and the struggle against fascist-like politics are closely related. In a sense they are two sides of the same coin.

FASCIST-LIKE DEVELOPMENTS ■ Most of the extreme right-wing Republicans are fascist-like. The level of their anti-working class, anti-labor positions is fascist-like. The new level of racist killings, racist violence and police brutality is fascist-like. Congressional handling of the main issues like the "Contract on America" budget, the vicious cuts, etc., are fascist-like.

Many TV and radio programs, especially talk shows, are fascist-like. Howard Stern and Jerry Springer are extreme examples of promoting a fascist-like culture and an atmosphere of extolling violence. But there is also a lot of popular culture – films, books, music, poetry and theater – that exudes violence, perversions of sexuality, extreme language and are inherently anti-working class, sexist and often racist.

The processes of globalization, privatization and monopolization of our society, and the sprouting of right-wing militias and religious movements, prepare the soil for fascism.

Ken Starr and Newt Gingrich are both fascist-leaning forces. Starr ignores and violates the Constitution and our country's laws and legal structure whenever it suits his evil purposes.

In gross violation of basic democratic rights, Starr subpoenas all kinds of people with impunity, orders bookstores to turn over lists of book purchases, and conducts intrusive investigations into people's lives. He does this within an atmosphere of increasing surveillance and harassment. With and without search warrants, prosecutors and police bust into people's homes, especially in racially and nationally oppressed communities, check people's mail, get banks to turn over credit records and the telephone company to give lists of calls people get and make, and more.

The abuse of people's basic rights has definitely accelerated. The prisons are full of poor and oppressed people who have been railroaded and framed. The number of political prisoners is on the rise.

For example, the Rockefeller drug law in New York allows law enforcement agencies to arrest and automatically throw into jail people arrested for drug use or possession. Under this law there is no trial, no judge, no jury. The verdict comes down from the bureaucracy. There is no recourse or appeal. Most of the thousands who are automatically imprisoned are either drug users or victims of frameups. Frameups are easy because witnesses and evidence are not necessary since there's no trial. Jails have almost totally replaced rehabilitation and drug treatment facilities.

There is an increase in all kinds of fascist-like think tanks, funds, militias and religious movements.

On the other hand, there are growing anti-fascist movements. The new leadership and policies of the AFL-CIO contain elements of challenging fascist-like forces and ideas, especially when they directly affect the working class.

The movements and struggles against racism and inequality expose and fight elements of fascism. The struggle to save public education is related to the struggle against fascism. The struggle to defend the rights of immigrants has elements of resistance. The struggle for the legal rights of the Communist Party has elements of the struggle against fascism. This includes the mass image of the Party. In a real sense the struggle for a mass party is related to the anti-fascist struggle.

The change in how our Party functions, including the concept of a mass party, are not subjective questions. The changes we are making are a response to the changes taking place in the mass thought patterns of the American people.

We cannot be too late, or too early, in responding to these struggles.

Contrary to some beliefs, in Germany in the 1930s the united social-democratic and Communist ticket was the biggest vote getter. It was not by popular vote that Hitler came to power. The fact is that the anti-fascist coalition won the election, but the fascists were able to bully Hindenburg and then use sheer, brute fascist force and coercion to take power. It was a takeover by the open, terrorist dictatorship of capitalism.

WORLD SCENE ■ There are new, antagonistic contradictions in the crisis of capitalism that are fast becoming explosive, not only in the United States, but on a world scale.

The world situation is increasingly unstable and volatile because of the process of globalization, which is monopolization on a world scale, and the process of privatization. The machinations of global finance capital, especially through the International Monetary Fund, are creating serious financial and economic instability in every part of the world.

The world is becoming increasingly interconnected. The crisis in one country affects most of the other countries. For example, there cannot be a recession in Japan, a financial crisis and a crisis of overproduction and under consumption in Southeast Asia, and an economic and political crisis in Indonesia and South Korea without serious ripple effects in the economies of most capitalist countries.

There is the beginning of a new collapse in oil prices, which will add to the instability. The capitalist crises in the ex-socialist countries are having an impact on the whole capitalist world.

In the United States the unprecedented instability – the ups and downs of the U.S. stock market – is a sure sign that the world crisis is already negatively impacting Wall Street.

The world crisis will eventually negatively impact the level of production, foreign trade, consumer prices and jobs. It is a sure sign that all is not going well for U.S. capitalism. The unprecedented glut of profits, huge broker salaries and fees, high stock prices, the inflated values of stocks and whole companies that boom and then crash, come and go,

all this and more are heavy weights on a system already in deep structural crisis.

In the United States there is a new level of convergence of finance capital, monopoly, the state and the military that is vastly increasing the reach and power of U.S. imperialism. There is a restructuring of capitalism taking place.

U.S. IMPERIALISM ■ There is no explanation for the new developments outside an understanding of U.S. imperialism. Thus, a strengthened U.S. imperialism is now out to impose the "New World Order" through globalization, the International Monetary Fund, the World Bank, the World Trade Organization, GATT and, of course, direct military intervention, which it is now considering in the Balkans. The U.S. blockades of Cuba, North Korea, Vietnam, India, Pakistan and others are examples of this raw power being used economically to punish especially socialist, but also other countries.

The U.S. drive to expand NATO is for the purpose of putting military might behind globalization. That is one reason why the Pentagon, the government and corporate forces oppose any attempts to reduce the out-of-control military budget.

However, a growing opposition and resistance



Puerto Rican workers conducted general strike against privatization. Puerto Rico is the last U.S. colony.

to the one world superpower and New World Order is being expressed in the United Nations, in the battles over NATO, the defeat of fast-track authority for Clinton and, now, the setback to the Multilateral Agreement on Investment (MAI).

The IMF, under the domination of the United States, is trying to do what the MAI would have done by using the "carrot" of loans in order to force countries to submit to its "stick" of austerity – cuts in wages, living conditions and social programs.

The IMF imposes such harsh conditions on countries like Thailand, Indonesia, South Korea, Mexico and others for their bailouts that they fall head over heels into debt, financial crisis and economic ruin. All the while, the global monsters are gobbling up their industries, factories, agriculture and natural resources. These same global corporations and banks are making huge profits on the loans. Great-power chauvinism produces superprofits.

The fall of whole economies and financial systems and, with them, the social fabric of whole countries adds a new dimension to the developing crisis in the capitalist world, including the U.S.

This is also happening in the ex-socialist world. A prime example is Russia, where the global monopolies are now sinking their teeth into its oil and gas resources, mines and basic industries. The IMF is accelerating this process with its high-cost loans.

The crisis in Russia and the other former republics is a crisis of capitalist privatization. This process of privatizing has created massive corruption which did not exist under socialism. Socialist enterprises are being stolen by big swindlers, both domestic and foreign

Between the capitalist developments, the decline and privatization of industry, the extreme corruption, the threat to the ruble, unemployment, rising prices, a tax system in shambles and growing poverty, Russia is on the brink of economic collapse.

There is a wave of strikes among the Russian oil, gas, and steel workers, and most recently the Siberian miners, who have threatened to demonstrate until Yeltsin resigns and they are paid for up to a year's back wages.

Falling into debt to the IMF and other private banks, continued privatization of socially-owned industries and enterprises and the penetration of capitalism is bringing the country to its knees. Only a return to socialism can save Russia and the other



May Day in Russia.

socialist countries, most of which are having many of the same capitalist problems.

I think we have to say now that China seems to be falling into the same trap. All the fuss being made about the Chinese visit to the U.S. and, now, Clinton's visit there does not bode well for socialist China. And China's talk about building "market socialism" is just a cover for taking a capitalist path. The huge deal to build a GM factory in China, right in the middle of the GM strike, is at the very least an abandonment of the principle of international working-class solidarity.

WORLD COMMUNIST CONFERENCE ■ The recent Athens Conference of over 40 Communist and Workers Parties demonstrated how vital such gatherings are at this moment. There was total agreement on global capitalism and the need for a united, international fight against it, as well as the validity of the *Communist Manifesto*. Comrade Scott Marshall, a national secretary and district organizer in Illinois, our delegate to this conference, gave a well-received speech and was able to meet with many parties and to discuss many questions.

It is clear that in order to fight against these new conditions the trade unions must develop some

global forms of struggle. Also, the World Federation of Trade Unions must find some new forms and methods of struggle. Issuing statements is not enough.

It has been suggested that we follow up this good beginning with an initiative sponsored by our Party, something like, "The Impact of Technology and Globalization on the Political Economy of Capitalism – How workers, their organizations, families and communities are affected."

THE PARTY AND THE CLUBS ■ The Party has to be a reflection of what is new in the mass thought patterns of the people. The big changes in how people react to reality affect most serious movements.

Many who in the past were antagonistic to the Party are now willing and even eager to talk and to participate in mass activities with Communists. So it is not just Communists that have been changing, but every individual activist and mass organization that is in any way involved in movements and struggles. This includes change in the direction of working with the Party.

As I said, we are still mass recruiting by the hundreds, mostly on the Internet, since we do very little active recruiting on the streets. More districts and Party institutions are developing web pages and you will hear a special point about the new project to produce cable TV shows on a regular basis. This will greatly enhance our ability to reach millions and to recruit.

However, for the most part, we still strongly resist working with new members. If we don't make a breakthrough in consolidating and activating new

members into the life of our Party, we will only tread water when we should be taking bigger and bigger strokes swimming in the mainstream.

There are some districts, including North Carolina, Connecticut and Rhode Island, that have done some good initial follow-up work with new members, getting them to meetings and events and setting up new clubs. And many regional meetings had sizable numbers of new members, some of whom were attending a Party meeting for the first time.

But I am afraid some of our older members, and even district leaderships, have a wrong attitude towards new members, especially because many of them have joined on the Internet. It is true, some of them are somewhat different because they have never been in organized contact with members of our Party. Many of them are completely new to our movement. Many have never even been involved in struggle before.

Well, first of all, becoming a Communist is a process that takes time. It takes ideological change, which is a much longer-term process. Industrial workers change faster because of the collective nature of their work and exploitation at the point of production. But, even for workers, becoming a mature Communist takes time.

It is true that recruiting and keeping workers requires different methods, including dealing with the fear factor. However, if workers see that we don't actively work to get new members involved in struggle and in the Party organization, then how can we expect to recruit large numbers of them?

Changing to grow doesn't mean, "let's wait to change when shop workers join, and until then we ignore most of the new members," many of whom are workers or come from working-class families. If we do that we'll never get workers to join en masse. Workers have to see us functioning publicly, on the streets, in struggle, bringing in and training new members. Workers won't join a "secret" organization that they can't see growing.

Of course, the new members also need education. Yet, how many districts and clubs have organized schools and classes? How many districts and clubs have brought new people close enough to even think about classes? In most cases, we haven't personally visited the new members.

Will there be ideological and tactical problems with the new members? Of course. Will all the new members stay in the Party? No. Some will, some won't – that's the nature of a mass party.



Party clubs face the challenge of integrating new members who have signed up all over the country.

What will be determining factors in whether they stay? To a great degree, how we integrate them into the Party, activate them into struggle and how fast we start to educate them in a way that they will find stimulating, easy to grasp and relevant to their lives.

Thus, how to consolidate and integrate new members has become the main question for the grass roots of our Party.

As of now, on a national level all new members receive a monthly new members newsletter and three-month free trial sub to the *People's Weekly World*. But that is not enough.

Although some districts bring new members into clubs, and some invite new members to political and social events, most have no regular, consistent system for staying in contact and bringing them closer to the everyday life of the Party.

In unorganized areas, especially, we have to find ways to establish regular contact and organize clubs. The fact is that most of our new members live in areas where we have no organized Party clubs yet. Therefore, it is necessary to help organize these clubs. Even if there are only two members in an area or community, they should become a club officially.

Most districts still have no structure to concentrate on new members and clubs. This structure should include plans for organized visits to new members. We should involve most of our older members in this work. As a minimum, every Party district should have at least one comrade in charge of new members. Since education is an absolute necessity for new members, this comrade should also spend time organizing study groups, classes, discussions, forums and readers groups.

Recruiting and becoming a mass party are inseparable. Clubs of a mass party have to function openly. Clubs have to become mass clubs. The relations of clubs with united front and coalition formations have to be different. Even how we express our basic ideological concepts has to be different. Clubs have to take into consideration that most new members have little or no experience in political struggles.

Because so much is new and changing we have to do some bold experimentation. We have to see ourselves in a pioneering period. Most of us have never been through such a period before.

Some clubs are going through this process. Connecticut reports that "our method is for the district to follow up on new members by phone and then refer them to the clubs. Some clubs are out in front

testing the waters and experimenting and others are still grasping the concept."

New York reports that although the district has had tremendous successes with mass events, with PWW distributions, especially to unions and at union-sponsored demonstrations and has established closer working relations with union forces, there are still considerable rubberbands holding back the clubs from taking similar initiatives. The positive developments have not yet trickled down to the clubs. Rather, the tremendous success at the district level has only revealed weaknesses and shortcomings in clubs, as well as in the district leadership itself.

To make a breakthrough, they have decided to initiate a seven-point plan which will go a long way toward making the necessary changes, especially at the club level. It includes visits to all the new members; visits to every club and working with the clubs to establish functioning execs; building new clubs; establishment of an organization department that will focus on clubs; building left-center-Communist coalitions in the 1998 elections, nationally and statewide, and one-day summer schools.

The clubs, in New York and all over the country, have to begin to reflect the mass character of the national Party. If we let them, new members will make big changes in how clubs function.

Thus, with new members I don't think biweekly meetings are possible. The club executive should function and organize between club meetings. Meetings should have fewer debates and more discussion and exchange of experiences and ideas on mass work. The main part of the meeting should be taken up with discussions of mass work and Party work and they should end with concrete plans for activity.

One of the principles new members and even some old-timers have to grasp is that the Communist Party itself carries on mass work. We are a party of action. However, Party members are also active in mass organizations. Communists are the best coalition builders, the best organizers.

In the Party we take the struggles to a higher level. We deal, for example, with the concepts of superexploitation, working-class unity and socialism. This is not always necessary or possible in the broader movements. We must at all times reflect reality. However, there is no contradiction between the two levels - between the movements and struggles, and the Party.

The Party's overall contribution to movements is

the critical role of the working class and trade unions in all the struggles. And in all this, advocacy of socialism is the more advanced position of the Party.

The fascist danger is directly related to the struggles against the ultra-right wing of the Republican Party. The ultra-right Republicans are becoming more open, bolder, more extreme, more anti-democratic, anti-labor, more racist and more fascist-like. Fascist-like positions, actions, speeches and votes of the Republican right wing come up daily.

The moderate wing of the Republican Party recognizes the deep revulsion among the people against the anti-democratic, anti-people agenda of the right-wing extremists. If there are labor and people's candidates to vote for, it could mean the end of Republican control of the House and Senate. On the other hand, if people don't think they have an alternative, we could wind up with right-wing control of both houses.

As the extreme right becomes more rabid, the split between it and the moderate wing becomes deeper. Their divisions are sharper because the differing positions are much sharper.

For example, the extreme right voted with the tobacco lobby and defeated the tobacco legislation, thereby condemning 3,000 young people to die from tobacco-related illnesses yearly. The Republican majority claims this bill would force the tobacco industry to raise the price of cigarettes, but they hide the fact that the people are paying \$40 billion yearly for all the deadly diseases caused by tobacco.

The extreme right voted with the monopolies on the finance reform bill to prevent the loss of their billion dollar campaign treasure chests. And, they have now set up a tax cut lobby for the rich that will cut corporate taxes and increase taxes on working and poor people.

And, the extreme right is fighting to cut from the federal budget all the monies that support people-helping programs.

At this point, the trade union movement is not moving fast enough, with enough candidates and resources, into the electoral arena. This is where coalition building becomes critical.

Coalition building is very much related to the struggle to preserve democracy and to defeat the ultra right in the 1998 elections. And we certainly

cannot advocate socialism effectively if we are not involved.

To mobilize and educate people, to develop class consciousness and militancy, we have to be working in coalitions and building united-front relations. We have to build our reputation, win respect and trust from within movements and struggles. Communists must be in the thick of things – in neighborhoods, in the workplace, in the mass media. Because of the tremendous interest in the Party and the numbers joining on the Internet the potential for building coalition relations is bigger than ever.

The *People's Weekly World* events, our Robeson celebrations, the recent electoral victories, the labor-community coalitions around the Martinez Public Works Jobs Bill, the Black Radical Congress, the successful May 1st coalition in New York – all are examples of our new coalition relations. They reflect the ties we have established. Wherever we are active we are welcomed and our contributions become an important factor in molding unity and influencing the political path of struggle.

About the status of coalitions in our country: I think we can say generally that there is a growing, loose working-class unity, most evident in the GM strike. There is, especially now, a new overall African American unity. There is a loose coalition of women, and youth took a big step working towards youth and student unity at the YCL Convention.

In every arena – women's equality, peace, electoral – the movements are struggling to find new ways to organize the vast majority who have become more and more aware of the dangerous, anti-democratic, anti-people role of the ultra right.

Given the new political moment, we can play a big role in helping movements to establish focus and build unity.

The fascist-like developments have created new challenges and new opportunities. They have opened the door for broad electoral coalitions.

We need to take a closer look at our concepts of unity: left-center, left-center-Communist, left and left-Communist unity. Our strongest recent experiences that move in the direction of left-center-Communist unity are in the labor movement and in areas where we are involved in industrial concentration.

“Without coalition building we are an isolated sect. It is that critical. It is only within coalition formations that we can make our Communist-plus contributions to movements and struggles.”

The concept of left-center-Communist unity is a new question. I still think we have to consider whether this is the future direction of coalitions, always keeping in mind specific forces, specific issues, specific situations.

The militancy and spontaneity of the GM strike raises the level of this possibility. Hundreds of thousands of workers are thinking in much more basic terms now. Our Party and our paper can have a tremendous effect on workers' consciousness at such a moment.

Our emphasis must always be on the unity of labor and community and on strengthening the unity of our class. We should take a look at the AFL-CIO's Union Cities project and our relationship to it.

We can't build a truly mass party without coalitions, alliances and all kinds of unity relations. Without coalition building we are an isolated sect. It is that critical. It is only within coalition formations that we can make our Communist-plus contributions to movements and struggles. Communists add something to coalitions that no other force can – class struggle, class-struggle trade unionism, militancy, class unity based on Black, Brown and white unity, and, of course, in more advanced situations, our vision of socialism.

There are many different kinds of coalitions, based on specific issues, forces and situations. Coalitions must accurately reflect and express these specifics. The basis of coalitions must be struggle around issues, like jobs and affirmative action – the basic issues confronting people.

At this point, the basis of unity is not socialism. But this doesn't mean there won't be more advanced situations in which raising socialism will be appropriate and have a unifying, positive effect.

The Party's participation must always broaden coalitions and movements. The false concept that the Party's involvement narrows movements is being constantly exposed in this new period.

In fact, the Party's new, fully legal status raises the question of public, open participation. Public, open participation as Communists should be on the agenda in just about every movement, struggle or event in which the Party is a participant, a leading force, or both. The Black Radical Congress is a successful example of the unifying, broadening and leadership role of the Party.

This doesn't mean an open role is appropriate in every situation, but the question should be discussed as a coalition develops. And, we should

work towards this goal.

The *People's Weekly World* can be the greatest coalition builder. But its circulation does not reflect this, partly because the base of the Party is not involved enough in building coalitions.

I still think that perhaps half our members, especially the large, new sections, do not know about coalitions. There also seems to be some confusion about the difference between mass and Party work. Some seem to think that if they are active in mass work, there is nothing left for Party work. Others reverse this and do not participate in broader mass activities. But both these approaches are wrong. One does not replace the other.

The issues that coalitions work on are mainly on the level of reforms. Coalitions cannot deal with the question of socialism. This is the responsibility of the Party. The changes in mass thought patterns have made it more possible to do both mass and Party work, and to do so more openly.

How openly the Party should advocate socialism depends on the level of thought patterns. Mass thought patterns should determine not if, but how we advocate socialism. We Communists should be active in the struggles for reforms and in the advocacy of socialism. In fact, we should explain that the struggles for reforms and for democracy would be integrated into a socialist constitution.

Although I have raised it, we have not yet given the necessary leadership to discuss and help clubs and districts take these initiatives. Many older members and old timers are still fearful of going out and initiating unity relations, just as they are fearful of new members. I am convinced that our new members and our new relations will force us to change.

We should decide at this meeting to initiate planned discussions within the Party, especially in the clubs, about coalitions and how to build them about mass work and Party work.

To achieve all the big changes necessary to develop new methods, new styles of work and leadership, working collectively is an absolute necessity.

We have to keep in mind that the Communist Party is a working-class organization. Workers tend to work collectively in the Party, just as they are forced to work collectively on the job. Others must learn the art of working collectively.

Our Party is built upon collectives and it can only thrive with a collective style of work. Collectives think deeper than individuals. And collective thinking, collective analysis and conclusions are more thorough,

deeper, more rounded out, more many-sided. So, with that, let us put our thinking caps on and begin a productive collective discussion.

SUMMARY ■ This has been an excellent meeting of the National Board. The meeting dealt with basic questions about capitalism and socialism. It is a new period when capitalism faces some new problems and crises that require changes in our thinking and functioning. Making such changes is not easy. It takes a lot of collective discussion and struggle before changes are actually made. This meeting showed that our leadership is able to keep up with the new reality, to change and adjust accordingly.

As we discussed, one of the big changes is the rise of class-consciousness. This is part of the change in mass thought patterns. And it is mainly spontaneous. For example, spontaneity was a big factor in the unexpected response to the Black Radical Congress.

In the GM strike spontaneity was also a big factor. Rank-and-file workers made the decision to go out. They did not wait for the leadership to give the go-ahead. It was class consciousness that propelled this spontaneity; an understanding of the class stakes in the struggle.

We have to look at this new phenomenon of spontaneity in relation to every development and movement. Since class-consciousness is higher, therefore the possibility of unity, of coalition and alliance relations, is much greater. The time for discussion of alliances and united-front formations is over. It is time now to talk concretely – who, what, where and when.

About the decision this weekend to start a new cable TV show, what we are saying is that we will now speak, weekly, to millions. We will speak weekly to millions of workers and their families. This is totally new for us. In most cases, we are still speaking to audiences of dozens, or at most, hundreds. I had some experience with this years ago. I had a radio show on Marxist education every Saturday morning in Cleveland. The response was just tremendous.

But, now, the possibility of getting millions to watch us is a totally new ball game. Well, we are finally moving into the mass media in a mass way. Millions of working people will be interested in seeing us, and receptive to our ideas and solutions. If we can get 500 responses from C-SPAN and 200 a week from the Internet, I think such a show will get thousands a week to inquire about the Party, and to join.

The big question is how to organize this work;

how to get on 60 stations across the country, what kind of work must the districts and clubs do? How should we go about educating and organizing millions on TV?

One thing is for sure. We will have some new problems functioning because we are not used to a different kind of party. We have to learn to be more flexible, more popular, more open to new ways of functioning. New members will force us to function differently. As we become bigger we will have to take new members into consideration in everything we do. I wish we would publish more of the great letters we get, especially from young people joining the Party and YCL. Their letters show that they are the very best of our youth.

Another change we will have to consider is how to keep the focus of our whole Party on the main questions – on our relations with trade unions, with coalitions – and not get stuck on secondary questions. For example, the elections must be our immediate focus.

With this kind of approach everything changes. Our relations with the trade unions will deepen. They will work much more closely with us. I am convinced that this is the direction we are moving in the U.S.

Our relationships with coalitions will change. They will be much different than even a few years ago. This is because of the higher level of class consciousness and changes in thought patterns.

We have to look objectively at everything we do, including our relations with liberals, because they are changing. And we have to change how we work with them.

Finally, on change: we are not doing it fast enough. We should consider making an in-depth study of how a district works, and then have a discussion on how the district should change. As I said, it is time to talk about the concretes that I raised in the report and that were taken up in the discussion.

We should be very proud of our Party. It is on solid ground. Our work in the movements and struggles of our people, as well as our Party's reception at the Athens World Conference, show we are right on the mark.

These are the most dynamic of times and we have shown in this meeting that we are up to giving the kind of leadership and making the advanced contributions that can help move our class onto an even higher level of class struggle, and build our Party in the process. □

U.S. Imperialism

Gerald Horne

Though some in the ruling class have cheered the recent economic problems that have afflicted certain Asian economies, their delight is rather short sighted and ignores that the present crisis is not that of a continent – Asia – but that of a system: imperialism. Still, the point remains that Asian difficulties and a strong dollar have led to a record buying spree by U.S. transnationals in Asia.

By mid-1998 the dollar value of announced U.S. acquisitions of Asian companies totaled \$4.85 billion; this surpasses the previous record of \$4.25 billion in 1996.¹ Simultaneously, purchases of U.S. entities by Asian corporations has plummeted precipitously. “Subsidiaries and real estate are being sold, branch offices closed, people laid off or brought home, and once-ambitious investment plans are being scaled back or put on hold.” This retreat has been primarily by the South Korean monopoly, Samsung, but has included Japanese real estate barons that are estimated to have sold about \$3-5 billion of their U.S. properties in the last year.² Nissan, Japan’s second largest carmaker, recently announced that it is curbing production in the U.S. and reducing exports from Japan. This will severely impact their plant in Smyrna, Tennessee.³

Despite these setbacks, concern persists in Japan that U.S. imperialism remains extremely dissatisfied with a trade imbalance that favors Tokyo. One Japanese writer recently complained about “U.S. hypocrisy” because the United States has sought to impose one-sided trade agreements on Tokyo in everything from tobacco to automobiles to semiconductors.⁴ There is still grumbling in Tokyo about the \$12 billion that Japan was pressured to contribute to the U.S.-led effort during the Gulf War.

Japan is officially in recession and it is feared that its difficulties could easily spread across the Pacific, given its linkages with the U.S. economy. Still, it does appear that some of Japan’s economic difficulties have been inflated by Washington in order to facilitate the penetration of that nation’s economy by U.S. monopolies. For example, the

overheated hysteria about Japan’s economic problems notwithstanding, the fact is that Japan – for the seventh straight year – sits atop the imperialist heap as the world’s largest creditor nation. Japan’s net external assets at the end of 1997 – those held by the Japanese government and businesses abroad minus their liabilities – stood at \$922.9 billion, up 20.5 percent from the previous year. Germany was a distant second with \$79.6 billion, while the U.S. – sheepishly – remained the G-7’s largest debtor nation with a deficit of \$714.3 billion.⁵

Though the U.S. desperately needs Japan if it is to pursue a consistent anti-China campaign, the nagging tensions between Washington and Tokyo often seem to preclude a viable and fruitful alliance between the two. Moody’s, a primary international credit rating agency, has threatened to downgrade Japan’s bond rating, thus complicating its ability to borrow in capital markets at reasonable rates. This possibility was greeted with stunned disbelief in Tokyo. As the *Financial Times* put it, “conspiracy theories were already emerging ... suggesting that Moody’s was being used by the U.S. government to put pressure on Japan.”⁶

This would not be the first time that the U.S. had manipulated its hegemonic control over important international agencies to pressure a sovereign state, as a cursory inspection of the International Monetary Fund would show. In fact, many in Asia have noted that IMF advice has tracked precisely the needs of U.S. transnationals. For example, this agency has instructed Japan to cut taxes, increase the deficit and reduce savings so that Japanese consumers can buy more U.S. goods; meanwhile, other Asian nations have been told to raise taxes, cut government spending and save more, as they are seen as platforms for making goods to ship to the U.S. and these taxes and savings are viewed as essential for building infrastructure – roads, airports, etc. – for this purpose.⁷ In mock seriousness it has been suggested that the name of the IMF should be changed to the “U.S. Monetary Fund.”

In response, public opinion in Asia, generally, and Japan, particularly, has become increasingly critical of the bullying tactics of U.S. imperialism.

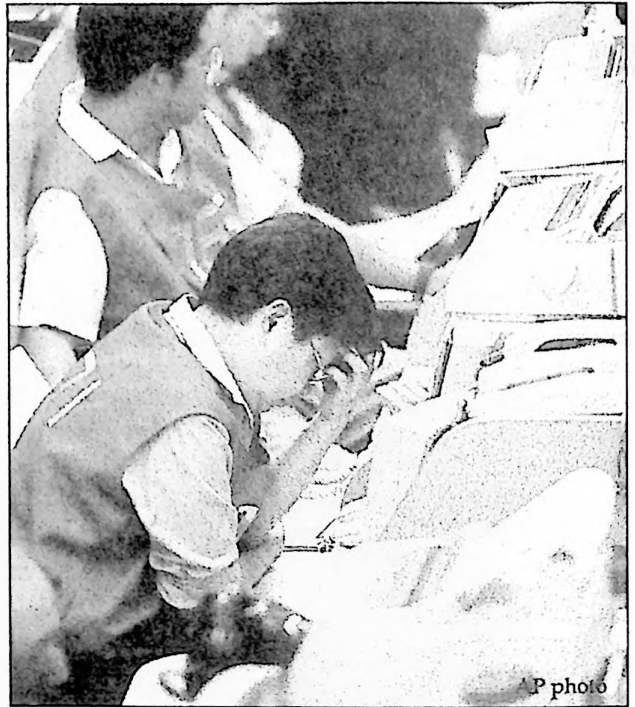
Gerald Horne is a contributor to PA.

This has provided an opening in Tokyo for ultranationalists and gangsters, whose alliance plunged the nation into a disastrous war with the U.S. over 50 years ago. The right wing has just funded a major motion picture – provocatively titled *Pride* – praising the bloodthirsty leader, Hideki Tojo, the infamous Japanese militarist whose very name is associated with war crimes. In addition to putting forward the capital to fund this film, the ultra right has guaranteed that it will be seen by buying and distributing 900,000 tickets.⁸ And in another development that sparked grave interest in the U.S., it was reported that Japanese gangsters have begun to “target U.S. buyers of bad loans” from Japanese banks; some of the property used as collateral for these loans is property linked to the notorious *yakuza* – the Japanese Mob – who are known to employ violence to block attempts to foreclose on loans. A recent fire at the Tokyo house of an executive of the U.S.-based monopoly, Cargill – which has been “aggressive in Japan’s bad loan market” – was thought to be linked to these gangsters. Other U.S. interests buying up these loans include Goldman Sachs (the firm of Secretary of the Treasury Robert Rubin), Morgan Stanley, Bankers Trust, etc. Others have speculated that these U.S. interests will ultimately make peace with the *yakuza* and join them as partners.⁹

The dislocation brought by the currency crisis in Asia has been a big boost to gangsters, who thrive in such environments. Piracy on the high seas has returned with a vengeance to Asia. In the spring of 1998, for example, a 12,357-ton tanker with a crew of 21 and a cargo of 11,000 tons of diesel and kerosene simply disappeared en route from Singapore to Vietnam. It was the third vessel to disappear since November 1997. “Organized crime” was thought to have been the culprit.¹⁰

GROWING MILITARISM ■ Japan’s neighbors are not just worried about the *yakuza*, however, They are increasingly worried about the militarist trends there that have been encouraged by a U.S. right wing which is seeking to beef up the alliance against China. This worry did not abate when Japan commissioned a new amphibious landing ship, which others in the region consider to be an aircraft carrier – a first for Tokyo. Other such vessels are on the way and many are wondering to what end these ships will be put.¹¹

This worry has been particularly sharp in South Korea, which historically has viewed Tokyo’s inten-



Hong Kong stock crashes deepen imperialist financial crisis.

tions with suspicion. Of late, however, this nation has been worried as well by the behavior of rapacious U.S. monopolies, which have been trying to buy whatever businesses they could. Daewoo has offered interests in its factories in Eastern Europe and the former Soviet Union to General Motors. Hyundai has sold its Colorado semiconductor subsidiary, Symbios Logic to Adaptec of Silicon Valley.¹² Such sales have inspired anxiety in South Korea, as many have fretted that the end result of this U.S. onslaught would be a “colonization” of South Korea itself; public opinion surveys in South Korea reveal deep suspicion about the intentions of foreign transnationals. Such worry, no doubt, has led directly to recent moves in Seoul to improve relations with North Korea, so as to strengthen the Korean people against U.S. imperialism. The U.S. ultra right, which desperately seeks to maintain tens of thousands of U.S. troops in Korea as a potential weapon to be wielded against China and Korea itself, has discouraged rapprochement between the two Koreas.¹³

Ironically, the financial difficulties in Asia have not been a total boon for U.S. imperialism. The strong dollar has complicated U.S. export expansion and the problems in Asia have meant a drop in orders for U.S. airplanes, software, agricultural

products, etc. Again, this has hit California particularly hard, as half of that state's farm exports go to Asia.¹⁴ Orders for electricity generator plants are expected to fall 30 percent or more. In turn, this has spurred ever sharper competition and sparked mergers, as the weaker corporations are being gobbled up by the stronger. Siemens, the German monopoly, has sought to take over Westinghouse's generator division in order to better compete with General Electric and Mitsubishi of Japan.¹⁵ Moreover, these developments have spurred chauvinism, as some in this nation chafe at the prospect of a German corporation attempting to swallow a long-time pillar of the U.S. business community.

Similarly, even when the crisis in Asia seemingly has opened doors wider for U.S. monopolies, complications have arisen. For example, Coca-Cola in the past six months has moved to increase its equity in operations in Thailand, South Korea and Vietnam. Yet, in India, where there was a great outcry about U.S. opposition to that nation's nuclear blast, a boycott of Coke has gathered steam of late.¹⁶

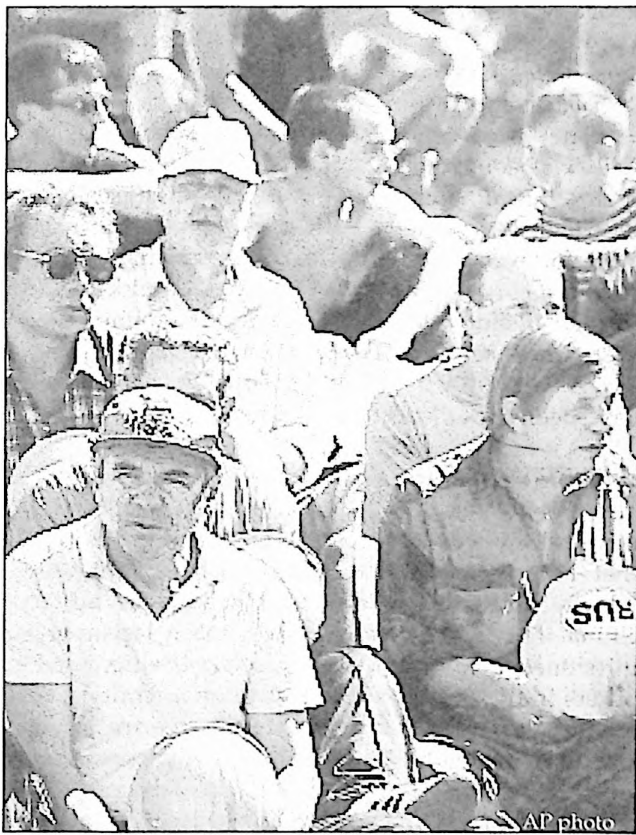
This blast, initiated by the Hindu chauvinist ruling part in New Delhi, was greeted with outrage by Indian progressive circles; inevitably it led to a counter-blast by Pakistan, which suggested that "going nuclear" may have worsened India's security. Still, like so many global problems today, these events were a direct outgrowth of the dissolution of the Soviet Union, as the elimination of the USSR removed from the scene one of India's major allies, spurring significant insecurity in what may be the most populous nation of the 21st century. Likewise, the attempt to freeze in place a system of nuclear "haves" and "have nots" was a direct refutation of the Non-Proliferation Treaty regime which specifically called for steps toward disarmament – steps that have not been taken, most notably by the U.S., which also has refused to ratify the Comprehensive Test Ban Treaty. Supposedly, Washington will be imposing sanctions on both India and Pakistan, though there is some doubt if the full complement of sanctions will be sought by the Clinton administration. New Delhi moved to gain allies within the U.S. by hurriedly moving to approve a series of contracts with U.S.-based monopolies; this put the lie to the ruling party's claim to be defenders of the Indian national interest, as their nuclear blast inexorably pushed them into the arms of transnational capital.¹⁷ Inevitably such maneuvers will worsen the already difficult conditions endured by India's working

class.

Such difficult conditions have afflicted many Asian nations. Thailand – where the crisis hit first in the summer of 1997 – is a case in point. Children have been forced into begging, prostitution and worse; as a result, HIV infection has skyrocketed. School dropout rates have increased. Drug dealing and domestic conflict alike have spiraled. The price of rice, cooking oil and sugar have risen almost two-thirds since last year. Loan sharks have attacked borrowers who could not repay loans. Neighbors who once cooperated are now competing viciously: Thailand, among other nations, is witnessing a true crisis of capitalism.¹⁸

And just as in much of Asia, the response has been a concerted fightback by the working class. Unions have become more militant. State sector unions have been in the vanguard of those resisting privatization and – as in South Korea – have expressed staunch opposition to further imperialist domination of the economy.¹⁹

Unfortunately, other regions across the Pacific have responded with a different kind of militancy to



Russian miners are leading increasingly political strikes against the Yeltsin regime.



The destruction of former Yugoslav republics deepens as fighting continues.

this crisis. In Queensland, Australia, recent elections witnessed a sharp increase in votes for the anti-Asian, anti-indigenous "One Nation" party headed by the white chauvinist Pauline Hanson. Strikingly, her rhetoric – castigating "multiculturalism" and "political correctness" – is eerily reminiscent of the language used by her counterparts in the U.S. In particular, her anti-Asian rhetoric has provoked an angry outcry throughout the region and is viewed by many Australians as an unwise policy for this nation of 17 million to follow, especially given the extensive trade relations of this island continent with Asia.²⁰

CRISIS IN FORMER SOCIALIST COUNTRIES ■

Though the U.S. press persists in acting as if this crisis is a problem for Asia alone, reality does not bear out this assumption. Actually, Eastern Europe has been in a veritable crisis almost from the day Communist parties were ousted from power. In Bulgaria, for example – which has assiduously sought to follow U.S. prescriptions – inflation-adjusted wages have dropped from an average of \$120 a month one year ago to less than \$20 today. When inflation rates

hit 350 percent in January students and workers took to the streets in angry protest. Nevertheless, Sofia continues to swallow the bitter medicine of the IMF and, predictably, layoffs have continued unabated. One rural farmer, Stefana Champarova, sadly recalled that "we lived better after the Communist party came to power in 1944. We began for the first time to receive money for working and got benefits like medical care and pensions." But now no one has money to invest in seeds and fertilizers. Bulgarian agricultural production has dropped by 50 percent between 1989 and 1996. Understandably, this has caused severe disillusionment with U.S. imperialism.²¹

Similar scenarios have unfolded throughout Eastern Europe. A few months ago a synagogue was bombed in Riga, Latvia, just the latest expression of a startling rise of neo-Nazism and anti-Semitism throughout the former Soviet Union.²² In Russia itself, the fabled stock market has been in a free fall, militant miners have been on the march and President Boris Yeltsin's imperiled health seems to match the economic health of the nation he leads.

Though Yeltsin has shamelessly followed the U.S. line in destroying his nation's state sector, some of his latest actions have caused anger in Washington, D.C., Moscow's dealings from China to Iraq to Serbia have not been accepted with equanimity. A recent "summit" between Russia, Germany and France saw Yeltsin boasting of the creation of a "Greater Europe," a concept that mirrors the development of the European Union and its euro, which are viewed widely as a serious threat to the dollar.²³

HYSTERIA OVER EURO ■ The looming euro seemingly has caused even more than the normal amount of hysteria and desperation in Washington. Though this story was not broached widely in the U.S., much of Europe was abuzz when the Italian publication, *Il Mondo* revealed that the U.S. – and its so-called "Anglo-Saxon" allies: Britain, Canada, Australia and New Zealand – had knocked together a grouping called "UKUSA" which had established a sophisticated surveillance network designed to intercept "every phone call, every fax and every email message, whether in code or otherwise" made in Europe. Their computers were programmed to monitor some 2 million communications per minute and focus specifically on messages carrying key words, like "airplane contracts" or "Communists." European nations took particular umbrage at the



AP photo
The fight for the 35-hour work week is gaining momentum across Europe as seen by the this year's May Day demonstration in France.

fact that Britain – a member of the EU – was spying on its erstwhile fellow states; this was seen as akin to California working with Mexico in spying on New York.²⁴ Britain has been slow to sign on to the euro and in the recent period has been seen as a poodle of the U.S. This brazen spying was particularly distressing to Britain's neighbors.

Such audacity is an outgrowth of gathering ferment among the U.S. ruling class about the common European currency. *Der Spiegel*, the German periodical which was once a reliable Cold War ally of Washington, now states sarcastically about Wall Street's response to the euro: "At first they laughed; now they are afraid." Happily, they have concluded,

as much as 41 trillion may be shifted into the euro ... the euro could also compete with the dollar in world capital markets. The time would be gone when the U.S. could effortlessly get credit all over the world to pay for its wars or its high-tech defense spending and later manipulate exchange rates to reduce these debts.²⁵

Lord David Owen of Great Britain has warned his EU compatriots about happily predicting the dollar's decline. "Wall Street is not going to give up its supremacy – they will fight," he has warned omi-

nously. As the Western European Union – which can best be described as the EU's military arm or NATO without the U.S. and Canada – continues to grow, Lord Owen's words seem even more disturbing.²⁶

Certainly, it does seem that relations between the EU and U.S. have become a bit more strained of late. When some in the U.S. proposed a "North Atlantic Free Trade Association" that would bind the EU and U.S. closer together, France – almost peremptorily – blocked the idea.²⁷ In turn when the EU sought to send 30,000 tonnes of subsidized barley to this country, Secretary of State Madeline Albright sent a bitter letter of reproach to Jacques Santer, European Commission chairman and the specter of a "trade war" was raised.²⁸ An "acrimonious...war of words" was the way one journal described EU and U.S. jousting over airline routes between the two.²⁹ The military-industrial complex in the U.S. is justifiably worried about the development of the "Eurofighter," a project of leading EU nations. Arms manufacturers in various EU nations are combining for the express purpose of challenging Lockheed Martin and Hughes Raytheon; these U.S. firms merged, it was said, so as to better compete with their EU counterparts.³⁰

The increasingly assertive EU has pressured the U.S. to back down on its unilaterally imposed sanctions against Cuba, Libya and Iran, that have sought to punish European nations that deal with these three nations; it is charged – with some justification – that such measures are an expression of "extra territoriality" or the attempt to impose U.S. laws abroad.³¹ These EU-U.S. tensions have gotten caught up in the understandable attempt in the U.S. to recover assets of Holocaust victims confiscated unjustly in Europe during World War II. One writer in the *Financial Times* on June 6, 1998 chided the U.S. for its vigor in this effort since "U.S. companies were significant players in Germany" and the "Germans...[obtained] most of their machine tool technology...from the U.S." Moreover, "U.S. investors were big investors in German war industry before and after the war." So how can Washington be so self-righteous, it was asked? Why not try these cases in the European Court of Human Rights, it was suggested, rather than U.S. courts?³²

With the Social Democrats poised to take leadership in Germany and the Socialists already administering the government of France, it is difficult to predict that tensions between the EU and U.S. will

cease. Indeed, the underlying economic tensions between the two have become so sharp – particularly as the euro comes on line – it is much easier to predict that tensions between the two will become ever sharper.

CONFLICTS OVER CUBA ■ The EU has balked at following the U.S. lead in isolating socialist Cuba. In May 1998 the major confederation of French business sent its fourth delegation to Havana since 1994. The results were described as “spectacular” and included a plethora of deals ranging from maintaining and modernizing Soviet-era thermoelectric plants, to selling Peugeot automobiles, to tourism, to producing beer and malt.³³ This breakthrough was matched by the delegation from Canada that arrived weeks earlier, headed by Prime Minister Jean Chretien; the Canadian leader gave a firm rebuff to the Helms-Burton legislation that has sought to choke off investment in Cuba. There are currently 30 joint investment projects between the two nations, totaling several hundred million dollars and this number is on the rise.³⁴

Japan too has edged away from the U.S.-imposed blockade of Cuba. A few months ago Cuba’s debt to Japan was rescheduled and this has been viewed as opening the door to more extensive investment.³⁵

Relations between China and Cuba continue to flourish, with biotechnology being at the center of recent developments. Strikingly, high-level military delegations from Beijing also have been in Havana recently.³⁶

Today, the polls show that the Workers party candidate Lula Da Silva, is running neck and neck with incumbent Fernando Cardoso in the elections for Brazil’s presidency in the fall; if the former triumphs, this will be one more nail in the coffin of Washington’s anti-Cuba policy; even Cardoso cannot be viewed as anti-Cuba, in any case, as a trend toward diplomatic recognition and friendly relations with Havana has been dominant in the hemisphere over the past decade.³⁷

South Africa has been one of the staunchest opponents of the blockade against Cuba, a point made most emphatically by President Nelson Mandela during President Clinton’s visit to Cape Town. Perhaps this is why Pretoria has complained of late that Washington continues to impose military sanctions on South Africa despite the lapsing of apartheid. Defense Minister Joe Modise has



Workers in Brazil may elect new left government in fall elections

reproached the U.S. about this but his protestations have fallen on deaf ears.³⁸

It is not only Pretoria’s friendship with Havana that has irked the U.S. South African monopolies consistently have beaten their U.S. counterparts to the punch in Kenya, Congo and other new markets in Africa. Likewise, South Africa has been seen as a “haven” in the midst of economic turmoil in Asia, which has accelerated Pretoria’s willingness to stand up to Washington.³⁹ Of course, South Africa is not without severe problems, not the least being an extreme maldistribution of wealth exacerbated by the dividing line of race. The apartheid authorities – who had many friends in Washington – fought political foes more vigorously than crime and allowed a number of powerful criminal syndicates to arise that now are bedeviling the Mandela government. In response, Pretoria has called on Kroll Associates, a U.S.-based firm, to work with the police. The downside of this arrangement is that these consultants include a number who have had long-term relationships with the Central Intelligence Agency and it is feared that this may allow for penetration – and destabilization – of the Mandela government.⁴⁰

Despite these mounting challenges to U.S. imperialism – from Africa, Asia, Latin America and

Europe alike – Washington somehow seems to feel that it is the “sole remaining superpower” that can impose its rule anywhere it so chooses. Even now, the U.S. Congress is considering 26 sets of sanctions on countries as diverse as China, Mexico and Russia for various alleged transgressions. When President Clinton sought to waive sanctions against Iran, the Republican-led Congress objected vehemently. Big business, which is fearful that it will lose out to European and Asian competitors in various markets if this proliferation of sanctions is not lifted, cried foul – which deepened the ongoing crisis in the GOP between the so-called “social” and “economic” conservatives, a rift revealed most dramatically during the gubernatorial primary in Alabama.⁴¹ The GOP was even more irate when pressure from the EU at the G-7 summit in Britain forced Clinton to back down on imposing sanctions on France, Malaysia and Russia because of their joint oil-gas deal in Iran. These right-wingers find it difficult to accept that in today’s world the U.S. cannot always call the tune and must at times yield to international public opinion.⁴²

The GOP is desperately looking for issues for the November 1998 elections and, now that they find scandals involving allegations about the presi-

dent’s personal behavior are not resonating with the electorate, they have resorted even more to the tired bromide that the Democrats are veritable traitors who will not and cannot protect “national security.” In partial response, some Fortune 500 companies have organized “USAEngage” to lobby against sanctions often pushed by their erstwhile GOP allies. Caterpillar has complained, for example, that sanctions against the Soviet Union in the 1980s allowed Komatsu of Japan to seize that market. This group is worried about the impending passage of the so-called “Religious Persecution Act,” which is aimed primarily at China and, it is feared, would block U.S. business from this emerging market. Agribusiness, in particular, is scared stiff that this bill will pass.⁴³

President Clinton’s recent trip to China – the longest ever taken by a U.S. president to one nation – was at once suggestive of the rapidly shifting correlation of forces globally and the importance of Washington’s relationship with Beijing. While minions of the ruling class have chortled shamelessly about the “death of Communism,” somehow they had neglected to notice that Communists continued to rule in the world’s largest nation and that the U.S. and its allies during the Cold War had pursued a strategy of aiding Beijing as part of an explicitly anti-Soviet policy. Now, as the Republicans search for an issue to use during the November elections, they have seized upon the administration’s policy toward China in a demagogic maneuver that revives the worst aspects of anti-Communism and racism.

As early as 1996 China was being charged with interfering in U.S. elections in direct collaboration with Chinese-Americans; conveniently neglected was the fact that the U.S. has made a habit of interfering in elections from Poland to Mongolia to Nicaragua. No matter. Immediately a series of congressional investigations were launched. Then, the Clinton administration – in an evocation of the worst days of the Cold War – was charged by some less than tactful Republicans with committing treason for approving sales involving satellites to Beijing. This was said to jeopardize U.S. national security.

The U.S. relationship with China is suffused with contradiction nowadays. For, along with demagogic Republicans on the hunt for winning electoral issues, there are numerous Fortune 500 corporations who fear they will lose out to Japanese and European Union competitors in this new gold rush for



The exploitation of child labor from U.S. corporations like Nike has stirred worldwide condemnation.

Chinese markets.

DISMANTLING SOCIALISM ▣ The fears of both camps have merged sharply in the wake of recent Chinese decisions about their sprawling state sector. China's 305,000 state-owned enterprises employ 70 percent of the urban workforce (a whopping 109 million workers) and generate 30 percent of total industrial output. At the 15th Communist Party Congress in September 1997 it was announced that 1,000 of the larger enterprises – of which 120 will be turned into big business groups – will be nurtured, an outgrowth of the slogan “grasp the big, release the small.” The remaining 304,000 small and medium-sized enterprises are being “released” from state ownership and left to sink or swim. Contrary to negative propaganda about the state sector, some of these Chinese businesses are real jewels. Sichuan Changhong is the world's seventh-largest producer of color television sets, for example. The Fortune 500 corporations are salivating over the prospect of picking up enterprises on the cheap, while GOP demagogues remain irate about the fact that China's state sector has not been totally liquidated.⁴⁴

Still, what is fueling GOP ire at China are recent decisions from Beijing that are perceived as harming the interests of some of the more formidable backers of the U.S. ultra right. The De Vos family that controls Amway, the consumer products company that specializes in door-to-door selling of household detergents, had sales in China of a hefty \$178 million last year. Yet, just recently Beijing banned Amway's distribution method, called “direct marketing,” which it was felt could easily be turned into a pyramid scheme or form the basis for distributing anti-Communist propaganda – along with soap.

According to the *Far Eastern Economic Review*, this decision by itself

will likely incite a nasty trade spat with the United States that could undo much of the political progress Washington and Beijing have achieved over the past year. It will surely join China's copyright infringement [sic] and trade surplus atop the agenda ... since Amway's sellers in America form a powerful pressure group. In the days before the ban, the U.S. embassy's fax machines spun out anxious missives from congressmen demanding action.⁴⁵

Despite the momentum of this anti-China campaign, there are other barriers operating against this crusade – besides the opposition of many Fortune

500 corporations. Laura D'Andrea Tyson, formerly President Clinton's chief economic adviser, has spoken to this matter. Put simply, because of the U.S.'s often conflictual, consistently contradictory relationship with its erstwhile ally, Japan, the U.S. finds it necessary to play down anti-China sentiment, lest it drive these two Asian giants into a tighter embrace. Besides, as Tyson has noted, “in contrast to Japan, China has opened its doors to foreign direct investment.”⁴⁶

While Eastman Kodak has declared a veritable war on its chief global competitor, Japan's Fuji, this Rochester-based transnational has committed to investing \$1 billion in China. According to CEO George Fisher, “in 10 years you will find this is the most important thing Kodak has ever done.” In a mere three years, China has moved in terms of number of exposures from 17th to third behind the U.S. and Japan and is “experiencing accelerating growth.” “China,” says Fisher, “offers more potential [for] photography than any other market in the world.”⁴⁷

Despite this perspective, there are real antagonisms that complicate the Clinton administration's effort to forge a “strategic partnership” with Beijing. As the Gulf War amply demonstrated, the oil monopolies have out-sized influence on U.S. foreign policy and they have not been exactly pleased with Beijing's recent dabbling in petroleum politics. Indeed, one analyst has pointed to what appears to be a developing “strategic partnership” between nations of the former Soviet Union (particularly Russia) and China “involving the sale of arms and nuclear technology” from the former to the latter. This relationship has been accompanied by a pending agreement with the Chinese state oil company, CNPC, to construct a pipeline eastward from Kazakhstan to China and a gas line from Turkmenistan to this Asian giant. Simultaneously, China is obtaining 40 percent of its oil from the Gulf States and has developed, as a partial result, closer relations in this region – including closer relations with both Iran and Iraq. The existence of CNPC provides these states with a partner with deep pockets, thus providing a challenge to their existing dependence on Mobil, Exxon and other U.S.-based trans-nationals. Likewise, this allows these states the opportunity to escape the suffocating diplomatic embrace of the U.S.⁴⁸

This is suggested by the fact that in the last year alone CNPC has pledged more than \$8 billion for oil concessions – not only in the Gulf but in areas con-

sidered to be the U.S. "backyard" (e.g. Venezuela) and other nations with which the U.S. has relations (e.g. Sudan).⁴⁹

Given these conflicting pressures, it is easy to predict that Beijing-Washington relations will be extremely complicated in the coming period. Understandably, Beijing fears that the U.S. and Japan will reconcile at its expense; China fears that the evident trend of the cheap yen and strong dollar is part of this arrangement, which allows Japanese exports to soar and allows the U.S. to buy up Asian properties cheaply.

Certainly, Beijing has good reason to be wary about the U.S. posture nowadays. Despite the fact that Cosco, a state-owned shipping company in China, would bring hundreds of jobs for U.S. workers if allowed to operate in Long Beach, "anti-China fever" has delayed this project. This suggests another factor that must be weighed when considering U.S.-China relations: as the *Los Angeles Times* put it, "any hiccup in trade between China and the United States would hit California disproportionately."⁵⁰

Nevertheless, ultra-right ideologues like Congressman Dana Rohrbacher of Orange County have been in the forefront of the anti-Beijing crusade.

Beijing has been obligated to improve relations with other nations; this not only includes Russia and Japan but the increasingly powerful European Union as well. In the spring of 1998 Premier Zhu Rongli visited Paris and cemented deals that raised more than one eyebrow in the U.S. Boeing, which has been fighting the EU's Airbus for contracts around the world, was concerned particularly by France's decision to help China "become the third largest airplane manufacturing center" behind the Seattle based transnational and its European competitor. U.S.-based banks and insurance were concerned about the decision to invite their French-based counterparts to China. The U.S. has seen megamergers in this sector – e.g., NationsBank and Bank of America; Travelers and Citibank; and others; supposedly the pressure of global competition was a prime factor impelling these combines; concern was expressed that, despite such mergers, EU competitors would steal a march on their U.S. counterparts in the largest market of all – China.⁵¹ This concern was not alleviated when Beijing "signaled its intention gradually to convert a proportion of its huge foreign currency into euros" – the EU currency that is primed to provide a stiff challenge to dollar hegemony, a prospect that has given nightmares to



The Netanyahu government's ultra-right policies have wrecked the peace process dramatically escalating tensions.

more than one imperialist in the U.S.⁵²

THE ULTRA RIGHT AND THE IMF ■ In another area of imperialist contradictions, big business is also upset with the reluctance of the GOP-led Congress to authorize funds intended for the IMF. In a typical burst of demagoguery, House Speaker Newt Gingrich has termed the IMF a "self-selected oligarchy" with no accountability. With typical sleight of hand, the GOP is playing on fears about runaway shops – expressed most dramatically during the UAW strike in Flint, Michigan – in order to distract attention away from Republican Party support for policies that have provided monopoly capital with its every wish and whim, thus exacerbating the already tenuous conditions of the working class. Still, the actions of these congressional Republicans are fomenting a crisis with their GOP puppeteers – monopoly capital – with consequences that are yet difficult to predict.⁵³

Though Pat Buchanan and other right-wingers have been posing lately as defenders of the working class, they have been strangely silent on some of the key questions involving the continuing struggle between labor and capital. Take the MAI (Multilateral Agreement on Investment), for example; if rati-

fied, this agreement would give capital carte blanche to ride roughshod over whatever protections labor has managed to develop over the past few decades, including consumer and environmental protection, labor rights, etc.⁵⁴

Similarly, the GOP has not uttered a word of protest in the face of a recent report indicating that repression of unions is "on the increase" globally. Unions in 79 nations have been subject to blatant interference or restrictions contrary to International Labor Organization guidelines; almost 300 people – minimally – were murdered last year because of their union activities.⁵⁵ Though Washington pushed avidly for "trade union rights" in Poland during the 1980s, the AFL-CIO has complained bitterly about the concerted attempt to nullify the right to organize unions in the U.S.

The megamergers that have been the byword for U.S. imperialism in recent months have led to an escalating series of layoffs and it is evident that monopoly capital feels that strong unions are a major obstruction to the merger process. Though Federal Reserve Chairman Alan Greenspan has claimed that this economy is the best he has seen in decades, a recent analysis reveals that "large-scale firings are almost up to what they were at the depths of the recession. Over the last half a year, the monthly average has been 48,900, compared with 51,000 per month in 1993" when the term "downsizing" entered the national lexicon.⁵⁶

Simultaneously, key commodities like copper, oil, soybeans, etc. continue to endure an astounding deflationary spiral. With Asian nations desperate for dollars, it is expected that this will continue; Indonesia is selling more oil and cocoa; South Korea has unloaded gold. This will make it difficult for many nations to finance current account deficits as their export income drops. They'll be forced to rein in, cutting global growth and commodities demand still further.⁵⁷ This will not leave U.S. imperialism unaffected, as the agricultural sector in particular will take a hit. But this will also mean that these nations will not be able to purchase commercial aircraft and other big ticket items that are at the heart of U.S. exports. This will make some firms weaker and spur another round of mergers – and layoffs. This will spur union activism and, if history is any guide, repression will be one answer to this upsurge.

Thus, despite spending trillions to subdue the USSR, U.S. imperialism has not been able to escape the contradictions of capitalism. Besieged on all

fronts by imperialist and socialist rivals abroad and a newly energized working class at home, U.S. imperialism finds that challenges mount daily. □

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Saving Today's Family Farms

Lem Harris

In Communist Party National Chairman Gus Hall's talk to a recent National Leadership Training School, he included a pregnant one-liner to the effect that "Farming as we know it will disappear." This is already happening, as any examination of American agriculture, crop by crop, will reveal.

Poultry is a good example. During the Depression of the '30s, a number of Jewish garment workers found themselves unemployed. They took their savings, bought land in southern New Jersey and became chicken farmers. They farmed efficiently and prospered.

Then, in the '50s, egg and chicken broiler production became industrialized. Incubators capable of producing 40,000 chicks per hatch appeared on the market. This required battery brooders to raise the day-old chicks. This led to operations with a capacity of 100,000 laying hens. Southern Jersey's new chicken farmers found themselves in the position of "mom and pop stores" - unable to compete. Many returned to their former employment.

Similar developments are occurring in many other agricultural fields. I recall the chairman of the North Dakota Communist Party pointing to his herd of whiteface beef cattle. "They are so fat," he said "that they sway in the wind." I won't dwell on the marbled beef from such animals encouraging the buildup of cholesterol in the arteries of the consuming public. Today most yearlings are fattened in huge feed lots where many thousands of animals are closely confined and "finished" for meat-packing plants. Herds on family farms are becoming rarer.

These giant feed lots cause immense concentrations of manure and urine that stink up whole surrounding communities. But the demands of the bottom line eliminate any possibility of a return to family-operated herds.

Hog production is beginning to follow the same course. In guiding a group of Soviet tourists around our Midwest, we visited a hog farm near Des Moines, Iowa. Here was a mechanized operation, in

which 3,000 hogs were housed, fed and watered and manure disposed of mechanically. Believing his operation to be not large enough, the owner was building more housing for another 1500 hogs.

Dairy farms too are growing in size and decreasing in number. The number of dairy farms in Minnesota, a major dairy state, decreased from 15,000 in 1991 to 10,000 in 1997. In the same period the average number of milking cows per dairy farm in that state rose from 47 to 58.

I heard of a recent development in California where a man with ample capital built a plant which houses, feeds and milks 1,000 cows. Meanwhile, family-type dairy farms in the area continue to disappear. Such a huge dairy operation is made possible by the development of "milking parlors," designed so that all the hired worker has to do is attach the automatic milking machine on the cow's udder and after a given interval to remove it. One man can handle the milking of 50 cows at a time. This is possible because cows quickly become creatures of habit. When their stanchion opens, they know they should follow the others into the milking parlor. When finished they know that by going to the next area they will get their hay, grain concentrate and water.

Corporations manage other crops that still require large numbers of field hands, especially for harvesting. Small farmers are virtually non-existent. This goes for many truck crops such as lettuce, onions, tomatoes and grapes. These field workers, often migratory as they follow the harvesting crops, are the poorest paid and their work is physically one of the most difficult. These workers are largely African-American or Hispanic and include many thousand of undocumented immigrants. Most managers of farms requiring such temporary labor are quite ready to employ illegals who often will accept lower than "going" pay.

I once visited a lemon orchard in Arizona, owned in part by Senator and former presidential candidate Barry Goldwater. There at work harvesting lemons were undocumented Mexican workers who lived and slept in the orchards.

There are still important crops where family-

Lem Harris is a contributor to PA.

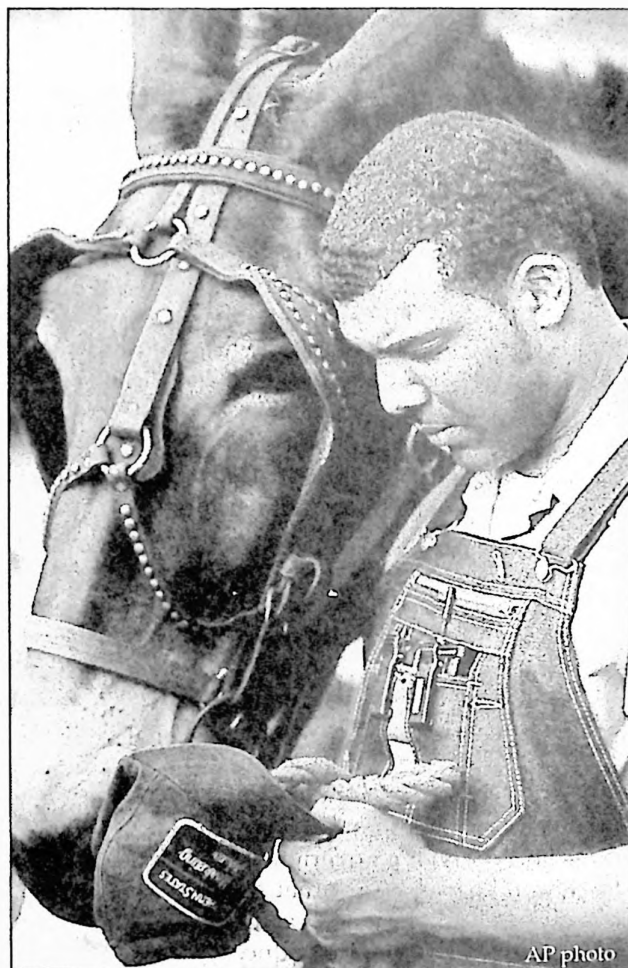
operated farms persist. These are mainly grain, corn, soybean and cotton farms. The reason they have not been eliminated is because big business is not attracted to these crops. The returns are too small and the hazards of climate, pests and plant diseases are too formidable. Corporations tried their luck running big grain farms. Once there was the Kansas Wheat Farming Corporation, with enough acreage to require 50 combines at harvest time. A year of drought, an infestation of wheat rust, and falling prices put that corporation out of business.

I knew a New York businessman who, during the Great Depression, decided he would try his hand at raising wheat at a profit. He rented good black earth land in the Texas panhandle. He bought a full line of used but rebuilt implements, and arranged to sell his crop directly to grain terminals rather than to the local elevators. He did raise wheat very cheaply. His costs were around 35 cents a bushel. The first year of his operation saw wheat hit a record low. He sold his crop for 23 cents a bushel and promptly retired from the field.

U.S. census figures tell the story: When I first became involved in agriculture, there were six million farms in all categories in the United States. Today, there are less than two million that the census calls farms. Of these around 1.3 million are "farms" that produce a very small portion of the nation's commercial crop because the income of these "farmers" is primarily from jobs in nearby towns.

The plain fact is that about 700,000 farms produce the American commercial crop! These 700,000 are wonderfully productive. Their numbers continue to fall but not their total production. Our 20th century has seen astounding technical advances. Hybrid seed corn, associated with the Wallace family of Iowa, was a major factor in rising production per acre. Unfortunately, but pleasing for the producers of hybrid varieties, though heavy producers, the harvested grain cannot be used for seed for the next planting. The seed from hybrid stock reverts to one of its parents and never produces bumper crops.

All the small grains have benefited by new strains developed by our agricultural colleges. Also there is a continuous improvement of farm implements, notably grain combines, corn pickers and cotton pickers. Also fertilizers, pesticides and herbicides have come into increasing use, but pests quickly develop immunities, so the poison dose has increased or more lethal chemicals developed.



Black farmers faced with near extinction are waging a fierce campaign for survival

These chemicals have seriously polluted nearby areas and watercourses. It is hoped that technical improvements in organic and sustainable agriculture will attain the same productivity as present over-use of chemicals. A government study of 30 Iowa farms employing organic methods reports some loss of production, but sufficient economies from dispensing with chemicals and adopting "no-till" and organic method lower cost so that income of such farms is about the same as the other farms.

The obvious conclusion from the above exposition, and, of course, inherent in Gus Hall's observation "Farming as we know it will disappear," is that this situation is normal capitalist development. Similarly, any effort to restore the yeoman farmers of our early days, so extolled by Thomas Jefferson, will not happen.

Should we sit back and watch the condition of

workers and farmers deteriorate and sadly conclude: "Nothing can be done?" Were our efforts over the years to take part in the farmers' fight for their costs of production, to help save their farm homes from foreclosure and their families from eviction a waste of time? On the contrary, we proudly recall working with sharecroppers and tenants of the Deep South who fought the oppression of landlords. The struggle was bitter, but gains were made. Years later, one of the veterans of the Alabama Sharecroppers' Union recalled: "The sheriff and white courthouse gang fought us, but in those days we really lived."

We also recall the great victory won by Nebraska farmers during the depths of the Great Depression. Confronted by growing numbers of forced sales and foreclosures, several thousand farmers, very much aware that they too were insolvent and could be foreclosed, massed at the State Capitol in Lincoln, demanding a three-year statewide moratorium on all farm foreclosures.

This great mass of farmers, supported by some of Lincoln's workers, crowded into the uni-cameral chamber of the Nebraska legislature while it was in session. Their spokesmen were given the rostrum and made their demand.

The lieutenant governor rose to announce that the date had passed for that session when new bills could be introduced. Great shouts came from all around the chamber, "Introduce it anyway." "This is a crisis - our homes are endangered" ...

The lieutenant governor held up his hands for silence and then announced: "The governor has authorized me to state that he has the power to introduce a new bill and will introduce the one you want, a three-year moratorium of farm foreclosures for the state of Nebraska." Great cheers and clapping from the crowd. The lieutenant governor further explained that the governor was ill and otherwise would have been on hand to make the announcement himself. That governor was Bryan, a brother of the "Great Commoner" William Jennings Bryan. The bill was introduced, passed and signed into law by Bryan.

That event may well have stirred Washington into action. President Roosevelt used one of his "fireside radio talks" to the nation to invite any farmer facing foreclosure to call the White House for help. Foreclosure actions slowed down and thousands of farm homes were saved.

The present farm crisis differs from that of the

past. Today's farm problem is not the surviving of a depression, but how to survive in a market controlled by food processing and marketing monopolies which hold prices far below farmers' costs. The market for farm products is anything but free.

As a consequence, farmers are urging government intervention to control prices. Unfortunately, the American Agricultural Movement, which backed its demands for government action by "tractorcades" to Washington, has gone out of existence.

Today the National Farmers Union regularly sends planeloads of farmers to lobby Congress and the administration. But, though they urge government intervention to guarantee fair farm prices, they give equal emphasis to issues that are good but not as vital as are farm prices. Thus far the government has ignored the farmers' demands for price regulation.

Long ago, agribusiness succeeded in inducing the government to eliminate loans on farm-stored crops. These government loans, which were always repaid in full as farmers sold their stored crops, were replaced by government subsidies paid to farmers from the government treasury.

This suited agribusiness because from then on they could resume buying storable farm products at



AP photo

Farm workers protest corporate agribusiness practices.

rates below farmers' costs. The cost to the government for this change reached its peak of \$28 billion in Nixon's administration, which also gives a notion of the scale of profit enjoyed by agribusiness. Such subsidies replacing loans also created Congressional sentiment to wipe out both loans and subsidies.

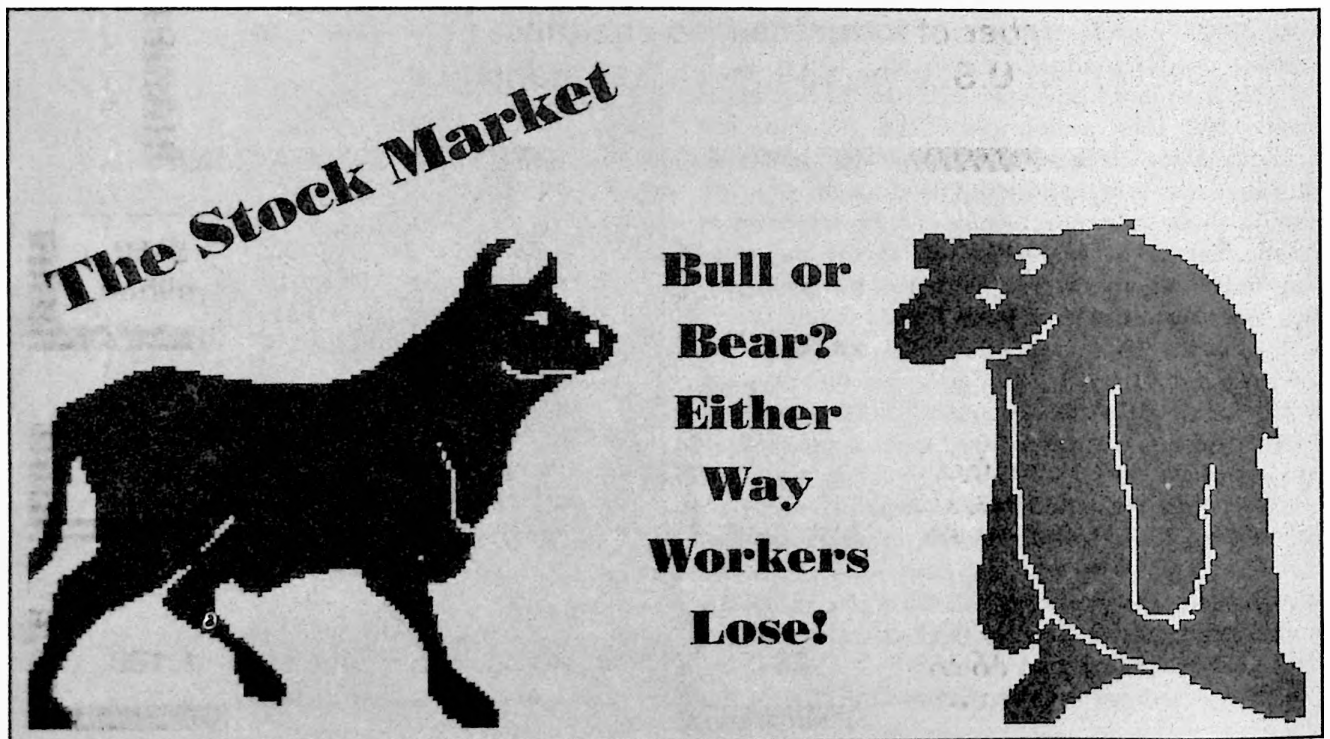
One might well wonder why farmers under these conditions continue to struggle to keep producing as they see neighbors all around them throwing in the towel. Many do quit in order to save what equity is left to them. Don Eliason, a lifetime farmer from Buxton, North Dakota, answers that question eloquently. *The New York Times* interviewed him as he watched all his equipment being auctioned off to pay his debts: "I loved my job. It's in your blood. I always said that if I could make one dollar over expenses and living, I'd had a good year. Last year I lost over \$100,000. You are not going to make it that way. And I couldn't."

Last year in North and South Dakota and parts of Minnesota, severe drought had destroyed much of the grain crop. President Clinton flew to Grand Forks, North Dakota, (ironically the city that was recently the victim of a disastrous flood) to announce government emergency aid. It seemed reminiscent of the kind of aid President Herbert Hoover offered when farm prices collapsed in 1930 - aid that aided agribusiness more than farmers.

Clinton announced the government would purchase 2.5 million tons of wheat for humanitarian aid. It is expected this will boost farm prices for wheat by 13 cents a bushel, but the price remains far below their costs. Also he is recommending that Congress authorize \$500 million in farm aid in areas of distress, which may or may not be passed by the Congress, and which, if passed, is really a loan which must be repaid.

It should be noted that the multi-million tons of humanitarian aid delights the grain trade. It will sell to the government the 2.5 million tons of grain, and it will be the agency for shipping it to various parts of the world.

For farmers, these measures are but band-aids that stop the bleeding, but in no way treat the disease. The process of farm bankruptcy will continue. Farmers action to protect their homes and livelihood continues, but today's urgent need is a coalition of farmers and labor which can force the government to ignore agribusiness and give farmers parity prices once more. The policy of the AFL-CIO in the Midwest, which urges solidarity with farmers' struggles and asks farmers to support candidates for political office endorsed by labor, can be the starting point for such a struggle. Only then will today's family farms survive. □



Size Matters

By
Don
Sloan

• Votes at the UN this year for the U.S. blockade of Cuba

3

• Votes this year at the UN against the blockade of Cuba

143

• Wealth of Nike CEO Phil Knight

\$5.3
Billion

• Yearly salaries paid to all Nike workers

Under
\$14 million

• Severance package paid by Disney to parting VP Michael Ovitz 1996-97

Over
\$90 million

• Salaries to all Third World Disney workers in their collective lifetimes

Under
\$90 million

Number of industrialized capitalist nations other than U.S. which allow civilian hand guns: 0

• Year-end bonus 1997 to Oxford Health Service president

\$9 million

• Amount now known that is delinquent to Oxford doctors and clinics

\$150
million

• Average number of Death Row inmates, U.S. prisons currently per state

61

• Number of Death Row inmates at present time in the state of Texas

404

• Number of doctors per patients in USA

1:381

• Number of doctors per patient in Cuba

1:180

WORKING CLASS MUST SAVE THE EARTH

I think the Zeitlin and Sloan articles, February/March, on the transnational devastation of our environment and the despoliation of our food supply, bring up an important task for the international working class. I strongly believe that this class can lead the movement to save humanity from environmental destruction. A unified effort on the part of the international Communist parties is needed. International unity requires that the horrors of corporate filth and destruction not be heaped on workers and peasants in developing countries.

The authors, I think, raise new ideological tasks: Many environmentalists are deeply influenced by a revised mysticism, a primitive worship of mother nature – a *deja vu* negation of negation. Labor must influence the movement against the non-mystical common enemy, corporate greed. More than ever we need modern science and industry to solve our problems. Going back to a subsistence mode of production isn't going to do it.

Neither will a going back to fundamentalist Bhuddism, Hinduism, or Judeo-Islamism. Filthy meat comes from non-mystical, filthy corporate greed. The international working class should take the lead in this struggle. Corporate filth kills slaughterhouse workers. Corporate filth kills farm workers and their children in the fields.

Another ideological task: I believe we must realize that environmental destruction is not simply an external problem for the working class. Internal and external contradictions are not hard and fast unconnected categories. In a wider context, they merge into one another; in this case, at the humankind-versus-nature level. Historically, we have a negation of negation from a primitive Communist to a higher Communist level. (By the way, restudying dialectics is a good idea.)

Having said all this, I still believe that our main task remains: Advancing our own internal multiracial, multi-ethnic, women's and men's working-class struggle, so that together we can join the international working class in leading the struggle to save all humanity, not only from environmental destruc-

tion, but from the horrors of poverty, wars and wage slavery, from capitalism itself.

Dan Matsuda

FOUR THINGS THAT WILL SHAKE THE WORLD

I am of the opinion that there are four events in our near future, the convergence of which will trigger a severe depression in the United States and perhaps the entire world.

The insatiable greed of the capitalist class which makes itself plainly evident by the buying out of major corporations by the leaders in each field, causing the downsizing of workers, the shipping of jobs to the lowest possible wage area, the monopoly status which will eventually price products out of the reach of purchasers.

The challenge from the new and improved Euro capitalists in their effort to compete and beat the dominant U.S. leaders.

The coming catastrophe of the year 2000. Our computer-dominated society will be impacted by a previous error in dating. This phenomenon may force a chaotic scene on the financial, service and manufacturing components of our systems. There are dire predictions coming from computer experts as to its effect on our society.

The easy money play on Wall Street, forcing the increased value of stocks beyond the wildest expectations of most financial gurus.

These next few years will probably see the working class and the middle class punished beyond all expectations. It is in the interest of those desiring a socialist economy to be involved in the organizing of the unemployed, underemployed, and low-wage workers, along with efforts to bolster and advance the existing unions in basic industry. The prospect of vast increases in the numbers of those who will find themselves as the throwaways of our social system should give impetus to our organizational efforts in that direction.

Yours for a better world.

Karl Dennis

ON THE VERGE

The collapse of the Soviet Union in 1991 was heralded by reactionaries and capitalists as the dawning of a new era. They were right, for the dissolution of the first workers state has led the once proud Soviet people into the misery and futility of a market-oriented economy. The social guarantees that the Soviet leaders had worked to give the people: free education, health care, vacations, and socialist prosperity have been rendered asunder by the robber-barons that now occupy the Kremlin.

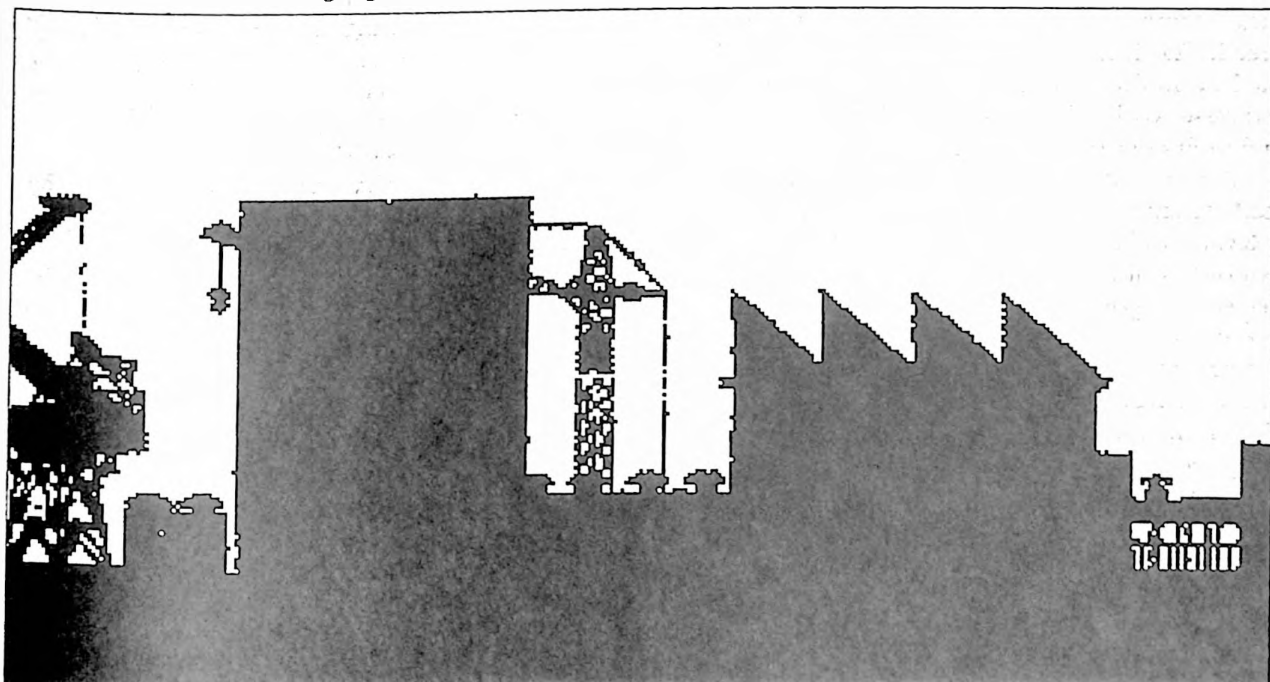
Recent events have thrown the error of Russian capitalism into high relief. Russian miners blocked the Trans-Siberian railway in protest over unpaid wages, soldiers wander the streets in a drunken stupor, and the proletariat is being crushed under the wheel of Yeltsin's policies. All of this while people like Boris Berezovsky and Sergei Kiriyenko amass huge fortunes through arbitrage (The buying of state-owned companies at rock bottom prices). These wealthy capitalists have reaped a monetary windfall as a result of the criminally-sponsored breakup of the Soviet Union, but they have refused to be responsible for their ill-gotten gains.

Russian tax collection is hopelessly impotent, for the arrears amount is a staggering \$57 billion. Couple this with the Russian reliance on stock market speculation, and you have a recipe for disaster. The wholesale flight of Russian capital has forced Yeltsin and his band of gangsters to raise interest

rates to 150 percent. Although this was seen in the West as a step in the right direction, it is really just a palliative. The amount of receipts that will have to be allocated to paying this debt will drown the Russian Federation.

In the West there is an outward show of concern for Russian capitalism, but that is a cruel facade. In reality the Western political establishment is ecstatic over Russia's predicament. Retaining the Cold War mentality that colored perceptions of the Soviet Union for 40 years, these same people revel in the fact that the economic might of the United States and Western Europe crushed the Soviet Union. We Communists know that this was not the case, but when a lie has been told for almost a decade it begins to become the truth. Facts notwithstanding, the Western nations have a vested interest in keeping Russia "under their thumb." The rush of the International Monetary Fund to rescue the Russian economy will only lead to the subjugation of the Russian people. As those debt payments begin to come due, it will not be the Russian capitalists who will bear the brunt of the payments, but the poor, disenfranchised people of the once great Soviet Union. It seems ironic that the Marxian dictum that capitalism bears the seeds of its demise should emanate from the first nation to apply the science of Marxism and Leninism.

Sean Birmingham



FOOD FOR THOUGHT



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