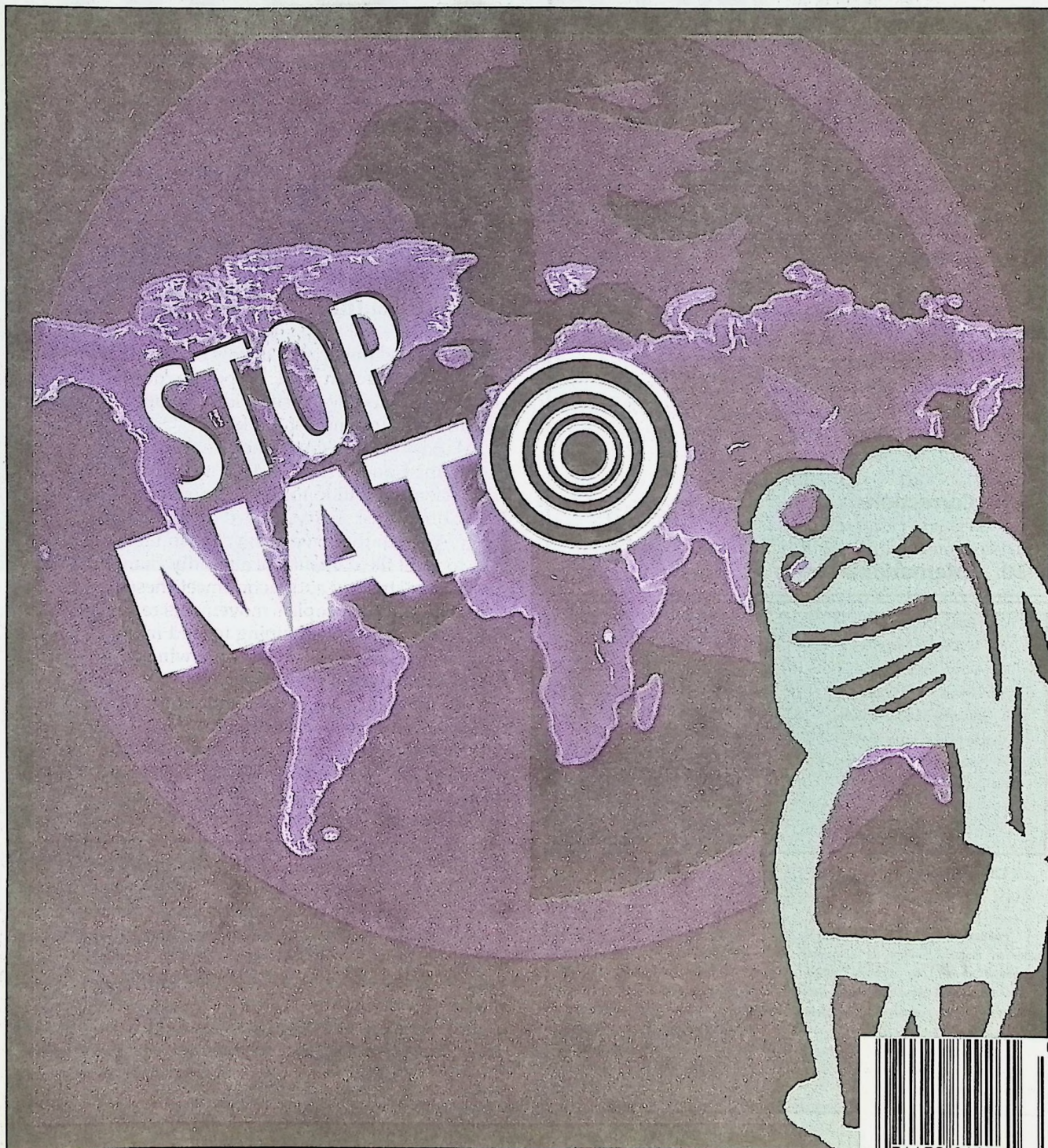


# political *Affairs*

Journal of the Communist Party USA

\$1.75



# C O N T E N T S

## 3 War and the U.S. Economy

*Vic Perlo*

## 9 Globalization and the New World Order

*Morris Zeitlin*

## 12 Who the Hell are You Calling Corrupt?

*Phil Benjamin*

## 19 Is the Cold War Still Over

*Phillip Bonosky*

## 24 Poetry Notebook

*Pak Nohae*

*Chris Butters*

*Genevieve Taggard*

## 28 Bookends

## 29 Corrections

## 30 International Notes



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## Political Affairs May 1999 vol 78 No. 5

*Political Affairs* (ISSN 0032 3128) is published monthly, except for combined September/October, by Political Affairs Publishers, Inc., 235 West 23rd Street, New York, NY 10011. [This address is for all correspondence.] 212 989-4994

Manuscripts are invited. If a manuscript return is requested, please enclose a postage-paid, self-addressed envelope.

Subscription rates: \$18 for one year (individuals); \$27 for one year (institutions); foreign subscriptions: Canada and Mexico, \$20 a year; all others, on request; single issues, \$1.75. Periodical postage paid at New York, NY and additional mailing offices.

Postmaster: Send changes of address to: Political Affairs, 235 West 23 St., New York, NY 10011.

# CPUSA Ideological Conference

# CALL

It's time for a Communist Party Ideological Conference. A mighty battle of ideas confronts us at the beginning of the 21st Century. The mammoth challenge to defeat and replace a dying and rotting system of capitalism must be met. We have every confidence that it will be the "millennium of socialism." The Communist Party and the Young Communist League have an awesome responsibility ahead to lead the working class in this transformation. Come join us in debating and discussing the theory and ideas we'll need to get the job done.

Great global changes ... Growing capitalist economic crisis ... Rapidly shifting thought patterns ... Rising mass struggles. With the speed of technology and the impact of a U.S. cruise missile, there is a sharpening class struggle for hearts and minds. Working-class and Communist ideology are developing to challenge the bankruptcy of capitalist thinking. New imperialist threats of globalization, war, nationalism, racism and corporate domination are being confronted by a rising tide of working-class left, socialist and Communist thinking.

Marxism-Leninism is the ideological compass of Communist and working-class movements. It is creative science; a guide to what is new and developing. The Communist Party and the Young Communist League constantly strive to develop and refresh our science to meet the demands of a rapidly changing world.

Do our strategy and tactics meet these new times? Are labor and the people's movements ready for a shift to the offense? We are helping to lead many struggles. Can the working class and people win some? What is the fascist danger at this moment?

We are building a mass, revolutionary Communist Party. Are our mass Party building activities in tune with the new developments in labor and the people's movements? The *People's Weekly World* and *Political Affairs* are the two finest ideological weapons of the working class. Are they used enough? Are they mass enough? Are we giving our thousands of new members what they need to become active Communists?

What are the new challenges of war and peace? How have U.S. and world imperialism changed? How do we sharpen our role in ending the war in Yugoslavia and abolishing NATO? We are centered on the multinational, multiracial working class in the basic mass production industries. How can we strengthen industrial concentration? A core idea for us is working-class unity. How do we strengthen the natural role of indus

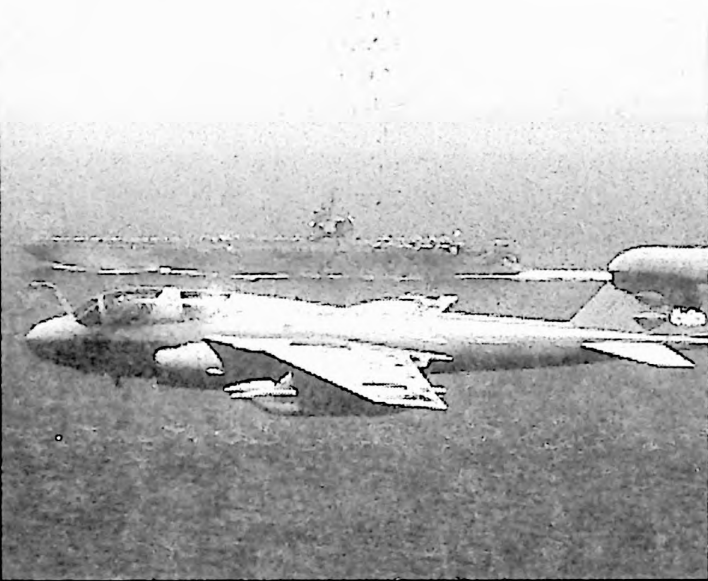
*continued on page 23*

# WAR

# and the U.S. ECONOMY

By Vic Perlo

## U.S. Imperialism brings spring tidings of Profits and War



AP photo

# A

lan Abelson's weekly column in *Barron's Magazine* of March 29th was headed: "Gunboat Rally." It begins:

"As it demonstrated so res-

olutely last week, Wall Street is nothing if not patriotic. Hardly had the rain of missiles and bombs begun to fall on Kosovo than the stock market struck the columns with a blazing rally." Abelson reviews past wars, each one stimulating a huge rally in the stock

market: World War II, the Korean War, the Vietnam War - until the United States began to lose. Abelson continues:

"An exception was the Gulf War early in this decade, when blue chips suffered a loss of 3.2 percent."

But that war was not really an exception. There had been some bombing of Iraq late in 1990 when a cyclical crisis was still unfolding. But in January 1991, when the all-out U.S. assault, "Desert Storm," began, the market took off, leaping up 50 percent in two months. It has not stopped since, except for temporary minor interruptions.

At this writing Clinton is stepping up the bombing and starting border incursions in preparation for a ground invasion that could result in a major war, conceivably on the scale of Vietnam. To what extent the U.S. will have the support of its NATO allies -

aside from its British "laborite" toadies and Germany - remains to be seen. The spreading mass protests against the aggression could possibly cause Washington to back off, although that seems unlikely. The propaganda used to justify the action is similar to the canard used against Vietnam, e.g., the discredited Tonkin Gulf "incident." The United States has accelerated its military aggressions, emboldened by the lack of opposition from its former formidable superpower opponent, the Soviet Union, and disdain for the weak protests of the chaotic bankrupt Russia.

**CAPITAL EXPORTS** ■ Monopoly capital is the ultimate driving force behind U.S. aggression. Lenin's stated characteristic of imperialism: "The export of capital ... has become extremely important, as distinguished from the export of commodities"

Victor Perlo is a contributor to PA.

- has been markedly more decisive in the case of American imperialism.

During the past decade the balance of trade has become increasingly negative. That is, imports of commodities exceed exports, with a serious impact on employment in manufacturing and other commodity-producing-and-transporting industries.

However, in the export of capital and the profits therefrom, the opposite trend is apparent. The export of capital multiplied nearly five times between the 1980s and the 1990s, while import of capital fell short of doubling. The export of direct capital in the 1980s was half the import of direct capital; during the 1990s export of direct investments was 1.4 times larger than imports.

More striking was the huge excess of profits received by U.S. corporations from their foreign investments over profits of foreign companies in the U.S.: 4.6 times greater in the 1980s and 1.6 times greater in the 1990s, when Europe and Japan were afflicted by long depressions, followed by the financial crisis that erupted in 1997 while the U.S. economy boomed.

**VITAL CORPORATE INTERESTS** ■ The extension of U.S. military presence abroad, notably its aggression against Iraq and against Yugoslavia (in Bosnia and Kosovo), strengthened the support for American corporations expanding their positions overseas. And the foreign expansion of U.S. companies, in turn, fosters more and more military spending and foreign incursions to protect the American companies from possible popular uprisings. These private profits and plunder are dubbed "a vital national interest," justifying U.S. aggression.

Clinton rationalized his aerial blitz against Yugoslavia by stating that the control of this European country is in our "vital national interest," that it is in the "soft underbelly of Europe," requiring U.S. defensive action and the expansion of NATO's sphere of operation.

The importance of Europe is

explained in part by its dominant position in U.S. foreign investments: Europe, 50 percent; Latin America, 20 percent; Asia, Africa, Australia, 15 percent; Canada, 10 percent; miscellaneous and unspecified, 5 percent.

In essence, U.S. taxpayers are underwriting the death and destruction by American forces to protect U.S. corporations abroad. This, in turn, diminishes U.S. manufacturing at home and causes the unemployment of hundreds of thousands of American workers.

Obviously the multiplication of direct capital investment abroad has substantially raised the power of U.S. monopoly capital. The following factors made possible and stimulated this major development:

- The successful betrayal of the USSR by Gorbachev, Yeltsin and Co.; the consequent downfall of the Soviet Union along with the capitalist counter-revolution there and in the East European allies of the USSR. This catastrophe eliminated the decisive anti-imperialist global force, making U.S. corporations confident that their investments would not be seized by revolutions.

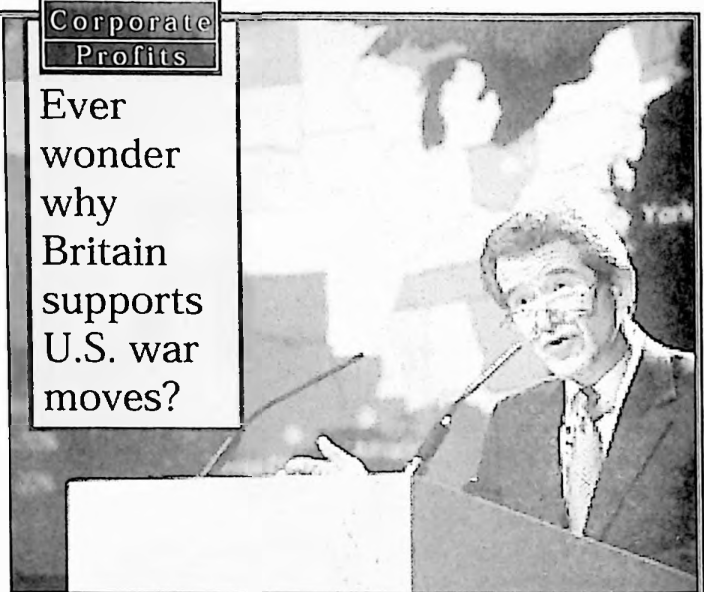
- Acceleration of U.S. military aggression, continuous since the attacks on Iraq in 1991, strengthening the security for operations of U.S. companies.

- The U.S. economic recovery and boom, in contrast to cyclical crises and depressions in Japan and most European countries. The world financial crises erupting in 1997 created new opportunities for U.S. corporations to buy up depressed properties on the cheap.

- The growing importance and monopoly position of the United

## Corporate Profits

### Ever wonder why Britain supports U.S. war moves?



John Browne, BP Amoco Corp. chief executive, stands in front of a map of the United States showing marketing plan at a news conference in London.

States in "high-tech" computerization and communication facilities.

**DOMESTIC IMPACT** ■ U.S. global expansion abroad has significant consequences for U.S. workers. On the one hand, the primacy of U.S. corporations results in lower prices of some imported goods.

On the other hand, the accompanying reactionary political climate results in a real intensification of racism and discrimination against Blacks, Native Americans and Hispanics, especially immigrants. A large section of the working class is doomed to work in low-wage occupations - with stagnant or sub-minimum wages.

Also, the growth of American corporations abroad accelerates the export of jobs from the United States to African, Asian and Latin American countries, where wages are a pittance, reducing U.S. employment measurably in important manufacturing industries.

The growing importance of high tech necessitates advanced education. But frugal government budgeting and soaring costs of educational institutions make it impossible for a large share of working-class youth to obtain the needed skills.

These factors, combined, result in an increase in the political and eco-

“The rate of surplus value has soared: U.S. corporations receive 44 percent of the profits of all corporations. The value of stocks on American exchanges amounts to 50 percent of the value of all stocks on all exchanges globally.”

## Corporate Thieves



Dunlap



Biondi



Case



Gates

From left, Al Dunlap, former CEO of Sunbeam, Frank Biondi, former CEO of Universal Studios, Steve Case, CEO of America Online, Bill Gates, chairman of Microsoft.

AP photo

conomic division. Bob Herbert writes:

Scenes of poverty-stricken Americans standing in bread lines are standard in documentaries about the Depression, which ended more than half a century ago. What is not generally acknowledged ... is that there are bread lines all over the United States right now. (Second Harvest, a charitable organization) A comprehensive survey showed that over the course of a year more than 21 million people sought emergency food assistance through the Second Harvest network.

And that is only one organization! Of course, there are unknown numbers of other destitute people who were forced to seek food from other charities in order to avert starvation. Doug O'Brien, a Second Harvest official, observed:

“We have a hunger problem. And other Western industrialized nations do not have a hunger problem. And that is just not acceptable when we have such abundance.” (*New York Times*, 4/11/99)

The other industrialized capitalist countries are politically and militarily dependent on the United States, and

most of them are host (not always willingly) to U.S. bases and attendant personnel. But they have retained elementary social reforms, thanks to the power of their workers' organizations. And although the American working class has also won significant social reforms since the 1930s, the advances have never been equal to those of the European capitalist countries.

And now, as the U.S. power elite are no longer held back by the example of Soviet socialism, as they arrogantly flaunt their military might against the world, at home they are discarding all restraint against the American workers.

All of these factors greatly increase the profits of U.S. corporations, at the expense of more punishing exploitation of the workforce. The rate of surplus value has soared: U.S. corporations receive 44 percent of the profits of all corporations. The value of stocks on American exchanges amounts to 50 percent of the value of all stocks on all exchanges globally.

**MONOPOLY** ■ The process of concentration of capital has accelerated. Takeovers and mergers are the order

of the day, often international in scope, involving corporations in two or more countries. The most publicized international mergers have been the takeover of American companies by foreign giants – e.g., Daimler-Chrysler and British Petroleum (BP)-Amoco. The takeover of a major Wall Street firm, Bankers Trust, by Deutsche Bank is pending. Last year, and so far this year, more European capital has come into the United States than American capital to Europe – because the U.S. economy has been booming, making for profitable investments while the European economies were relatively stagnant.

At the end of 1997, U.S. direct investments in Europe, at \$421 billion, were virtually equal to European direct investments in the United States, \$425 billion.

However, U.S. corporate profits on investments in Europe, at \$48 billion in 1997, exceeded by more than 50 percent the reverse flow of profits, \$31 billion. Thanks to its military presence in European countries, U.S. transnationals are in a stronger position to deal with European government regulations, and hence in collecting profits.

Within the United States, only the largest corporations endure. Others hang on without prospect or are taken over. This is crudely reflected in the movement on the New York Stock Exchange (NYSE). During the first 14 weeks of 1999, the Standard and Poor's index of the prices of stocks of 100 large companies went up 10 percent, but the number of daily declines on the NYSE exceeded the number of gains by about 8,000. And those listed on the NYSE have to be sizable; small retailers and restaurant owners, who change ownership and go out of business with great frequency, are not even in this picture.

The growth of the U.S. economy, its global economic leadership, is partly based on the U.S. primacy in the major technological advances that are changing the way the world func-

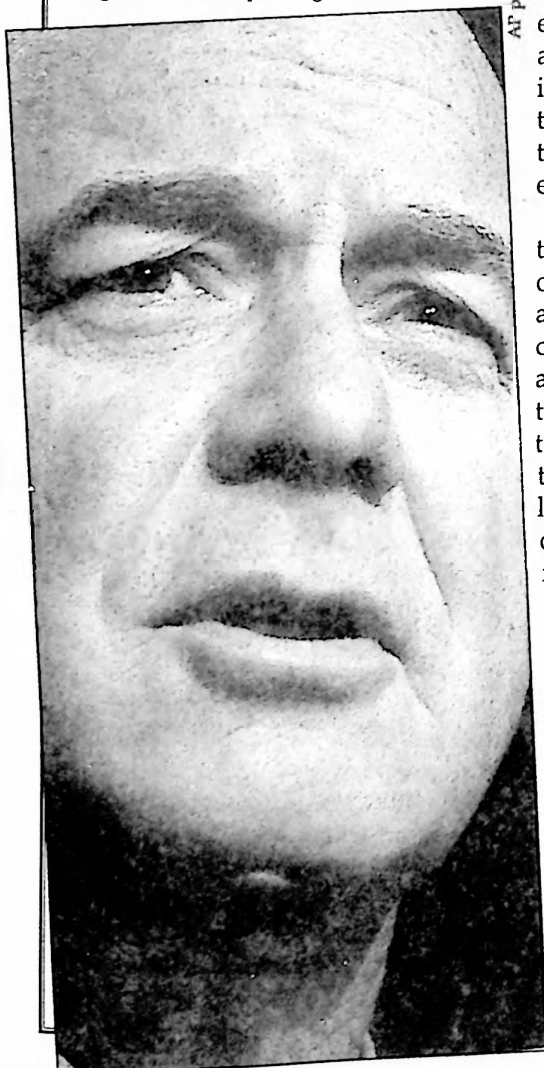
tions.

The spread of computerization affects all processes, all aspects of life. The largest computer company, Microsoft, has the greatest market value of any corporation. Its monopoly position in a key sector of the industry, software, is being challenged (vainly) by the U.S. Department of Justice. Its largest stockholder, William Gates, is the richest man in the world.

In this and other crucial areas, the United States attracts the top minds and hands from all parts of the world, lured by high salaries and escape from weak economies that cannot support major academic and research opportunities.

More dramatic has been the explosive growth of the Internet as a means of communication. Traditional

Below: ATT chair Armstrong addresses Internet conference. Microsoft recently announced \$5 billion investment in ATT deepening alliance of corporate giants.



AP photo

systems, such as telephone and postal service, which have some degree of public control, are being downgraded by the wholly unregulated Internet servers. The revenue these companies receive for their service is inconsiderable, but their stock prices have skyrocketed out of sight. The largest Internet company, America On-line, reports a trifling profit, but its market value on the stock market exceeds that of IBM, one of the half-dozen giants among U.S. corporations.

Internet companies are established by those – often young investors – able to raise the capital to set up an entry, “portal,” to access the various aspects of electronic communication. They have not needed to report profits, and incalculable numbers of investors are speculating in shares of these companies, sending their stock prices up still further.

There is a trend towards displacement of postal mail as more and more companies and organizations provide e-mail addresses. In some cases only an e-mail address is provided, which is a severe handicap for the large section of Americans unable to afford the computers and other necessary equipment.

Another significant high-tech trend is the replacement of telephone operators by computerized recorded answers, making it difficult, time-consuming and frustrating to obtain any information other than answers to pre-programmed questions. (Even the telephone company is guilty of this.) And of course this practice has led to the layoff of many thousands of workers – with a corresponding rise in corporate profits.

On the one hand, the electronic advances are an important source of the financial profits that are propelling the economic boom in the United States. On the other hand, the developments have created a financial “bubble” of unprecedented size, with the potential of bursting into a severe financial and economic crisis. This could happen before resolution of the crisis now sweeping the less developed, neo-colonial areas of the world, with

the multi-billion majority of the world’s population as its victims. But it would be reckless to predict timing of that calamity.

**MILITARY HIGH-TECH** ■ An essential element in the thrust of U.S. imperialism to achieve world domination is its investment of many billions for the creation of:

- New weapons, including advanced nuclear warheads, and means of delivery;

- Intelligence systems to provide U.S. military, diplomatic and police forces with the ability to scrutinize private lives everywhere;

- Means for intrusion by the U.S. government and military into the most classified data of other countries, going far beyond traditional means of espionage.

As this is written, U.S. technical capability is being used to identify, select and destroy specific features of the Yugoslav economy – and territory.

The use of advanced military technology against such countries as Iraq and Yugoslavia is analogous to the use of rifles against the bows and arrows of the Native American peoples – the resulting genocide that remains a shameful blot on our history. Then there was the use of atom bombs against Japan, and the U.S. threat to use nuclear weapons again, which raises the specter of terrifying devastation – even the potential annihilation of all life, which the Pentagon refuses to consider.

For 45 years Washington’s expansionist goals were stymied by the power of the Soviet Union, by the USSR’s veto in the United Nations, and by its ability to retaliate to a nuclear attack. Now, even with the collapse of socialism and the dismemberment of the country, Russia has retained that capability – the only other country that has. It is obvious, therefore, that the prime objective of Washington is to pressure Russia into destroying its nuclear weapons – given the political and economic weakness of the counterrevolutionary government there. America’s success in this endeavor would be a ter-

rible threat to all the world's peoples.

President Clinton is deeply involved in this campaign. The Senate approved a bill to build "as soon as technologically possible" a "Star Wars" system to catch incoming missiles before they land, and the Defense Department already budgeted \$10.5 billion for a less ambitious version than originally conceived. Clinton threatened to veto it unless it included two amendments. One states "that any system be consistent with policies to reduce Russia's nuclear stockpile." (*NY Times*, 3/18/99) This, if anything, exemplifies Clinton's personal involvement in the nefarious agenda of U.S. imperialism.

#### CRISIS OF OVERPRODUCTION ▣

Economic data indicate an accumulation of excesses such as would precede a crisis decline in economic activity:

- Over a 12-month period ending February 1999, production of durable goods rose 5.4 percent, but capacity went up 8.2 percent, an excess in relation to likely increases in durable goods production. Latest figures show a rise in the number of business failures and a decline in the number of new businesses established.

- There was a gain of 12.5 percent in the number of autos (cars and "light trucks") sold in the first quarter of 1999, and the largest increases were in the more expensive models. Since workers' payroll income went up only 2.2 percent, these purchases were made possible mainly by a vast rise in consumer borrowing. In fact, consumer installment debt rose 6.5 percent, and bank records show significant increases in write-offs for uncollectible consumer debts. And it is quite possible that other forms of consumer debt escalated even more rapidly than installment debt.

There has been a major rise in the sale, construction and reconstruction of residential housing, including an upsurge in luxury housing, with a corresponding rise in mortgage debt. But housing construction has gone beyond relevant purchasing power

and new housing starts and, even more, permits for future starts have started downward. Housing, like autos, is an important precursor of major cyclical moves.

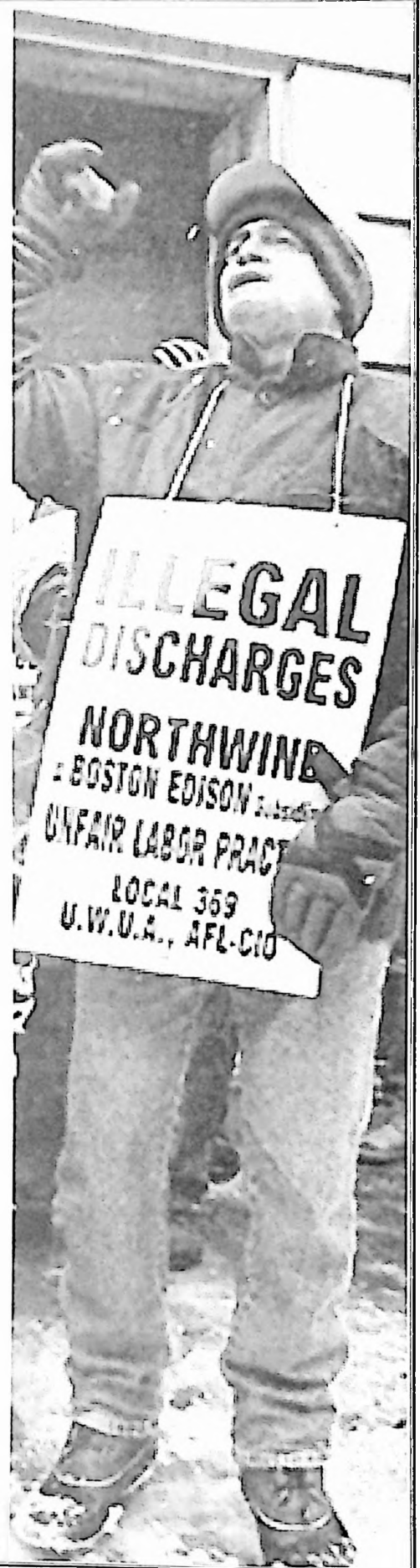
Excessive borrowing by consumers is more than matched by corporate borrowing, which went up by more than 10 percent in 1998, reaching \$343 billion. But corporate equity dropped by \$178 billion. As a result, corporate bond defaults are rising, reaching \$36 billion in 1998, compared with \$16 billion in 1994.

These factors increase the danger that the United States will be drawn into the world capitalist financial crisis, which has not yet been resolved. It is still deepening in the ruined Russian economy, in some South American and African countries, and in Japan. It may have eased into a depression in Southeast Asia, where it began. Western Europe, while escaping crisis so far, has moderately depressed economic activity. U.S. capitalism, which did so much to cause the global crisis, has so far escaped its impact, and has actually profited from it – at the expense of the hundreds of millions of working people around the world thrust into deepest poverty and even starvation.

**CORPORATE SALARIES** ▣ But the CEOs have it made. *Business Week* has just published its annual survey of executive pay. (4/19) In 1988 the highest paid executive received \$40.1 million. Not peanuts, but in 1999 the highest paid executive received \$575.6 million, an increase of 14 times or 1,300 percent. It so happens that it was the same recipient: Michael Eisner, CEO of Walt Disney Corporation. Although he was not in first place every year: in the interim period various executives were at the top, and the scale rose steadily above Eisner's 1988 take.

The average pay of CEOs rose 36 percent in 1988, to \$10.6 million. Over the years, these average have risen, as have the paychecks of the other high-paid top bureaucrats.

In 1988, according to *Business Week*, the average worker's pay was



AP photo



AP photo

and more of the surplus value extracted from the working class; by some estimates, more than one-fifth of the total. Taken together with the merger activity, this trend signifies a growing concentration of economic power in the hands of a small coterie of billionaires and other "insiders."

For the present, the negative factors are more than countered by the stimulus provided by the U.S. war against Yugoslavia. That action is consuming vast quantities of materials, ammunition, bombs and missiles. And aircraft.

Wall Street support – approval of the main sections of the ruling class – has reinforced the bull market, creating paper profits and capital gains, which are used by the recipients to finance purchases. The speculative bubble in the stock market is unusually pronounced and the potential for a major decline is evident.

However, for the present, this upswing is stimulating all kinds of economic activity. The vast amounts of material being used ensure that there will be demands for higher and higher additions in military spending,

over and beyond the \$110 billion rise already in the president's budget. In fact, at this time, in late April, the administration has asked Congress for an additional \$6 billion this year for the war. And, as usual, determined to appear more belligerent than the Democrats, the Republicans want to double that amount.

improved weather, NATO warplanes flew as many as 439 sorties Tuesday, and ... a variety of options is under consideration of how to expand and intensify the air campaign, including the deployment of vastly increased assets... Air operations are running day and night. (*Wall Street Journal*, 4/8)

The United States has abandoned pretense of avoiding civilian targets. The center of Pristina, the capital of Kosovo province was destroyed, as were all the Danube River bridges to/from Yugoslavia, ruining the normal transport between Western Europe and Eastern Europe/Asia. This actually has minor effect on Yugoslavia; the main victims are its trading partners, most notably Austria and Hungary. For joining NATO, Hungary is thus "rewarded" by this severe blow to its trade.

If public opposition is not strong enough to prevent it, and if the Yugoslav government does not yield, the projection is for intensification of the war by escalation of bombing and a land invasion, involving mobilization of large U.S. and NATO forces. The U.S. goal is the removal of Yugoslavia's president and government, and conversion of the country into a neo-colony of U.S. imperialism which would yield much to U.S. corporations in plunder and in exploitation of labor. Further, Washington would gain an additional base in Central Europe in its drive for conquest eastward.

This agenda would involve a hefty increase in military spending, as occurred during the Vietnam War.

It is the urgent task of peace forces in our country and Europe, especially, to raise sufficient opposition to prevent such an outcome. If not, military spending and its subsidiary effects would forestall a cyclical crisis of overproduction, but at the cost of greatly magnified long-term economic and political damage to Americans. □

\$16,745; in 1998 it was \$22,976, an increase of 37.2 percent – not really comparable to 1,300 percent!!! And the consumer price index (CPI) went up 37.8 percent, officially, although of course, the actual cost of living rose much more than the Labor Department's CPI.

Over the past 20 years, the pay to top executives multiplied 276 times! This is absorbing more



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With  
the



# Globalization and the New World Order

By Morris Zeitlin

Is globalization a feature of a new world order, or is it just the old order grown older?

**P**ittsburgh, my home town, is no longer the smoky city it was. On sunny days, white clouds sail across its clear blue sky and subtle color changes mark the seasons in cityscapes and parks. The grand blast furnaces along its river shores are now gone, their sites turned to non-production uses. Gone too are the downtown low-rise red-brick workshops. Shining glass-wall towers now line its streets. The Iron City that made steel to build, tool and move the country's vast economy now works mainly on office floors, colleges and in wards and labs of big medical establishments.

That's one side of Pittsburgh's story. There is another. The city lost thousands of production jobs and workers. Many left to search for work in other cities. Others, forced to quit, took low-pay service jobs. In



Above: downtown Pittsburg. Below: TRW Space & Electronics Group; Telecom Italia Group; and Lockheed Martin Global Telecommunications left to right, join hands to signify their new Astrolink venture.



many worker's homes both parents took cheap mean jobs to make ends meet. In once-stable neighborhoods blight spread, social ills and soup kitchens appeared, along with homeless shelters.

Pittsburgh was not alone. Many industrial cities in the world's rich countries suffered the same fate, while cities in the world's poor countries, like Calcutta in India, have become centers of industry and endured quite different changes. In Calcutta, travelers tell, the air is so laden with smoke, soot and dust people wear masks. Many cities in the world's poor countries share Calcutta's lot.

These are facts - related facts. And they are signs of our time. What do they mean?

They mean one thing for the ruling class, quite another for the working class. Let's examine how and why.

The establishment's pundits and media have a new one-word excuse for these distressing changes - "globalization," meaning a new freedom for capital to move production where it can freely use the latest technology and exploit labor most cheaply, and freely sell on the most profitable markets. They strain to make us believe that globalization will bring about a new social order. One that will integrate all nations through extended economic, political and cultural relations between cities all over the world. That new social order, they say, has begun developing in the late 20th century when world capital began replacing national economies with an integrated free global market. Global capital began replacing



national states with international institutions of world government such as the International Monetary Fund (IMF), the World Bank, the General Agreement on Tariffs and Trade (GATT), and the North American Free Trade Agreement (NAFTA). In the future, national states will govern only within their borders much like local governments do today. Economic globalization will give rise to cultural global values and identities to mold a global civil society.

Globalization advocates trace the origins of globalization to the worldwide economic crisis of the 1970s. In that decade, they say, economic instability and leaps in communications technology drove the leading transnational corporations (TNCs) in the United States, Europe

and Japan to manipulate debt, investment, and government policies to maximize their profits at home and abroad. The TNCs thus became the primary movers in globalization and formation of a new global order.

The globally roaming TNCs, their advocates admit, are yet home-city bound. Although able to quickly deploy their capital worldwide, they depend on their base-city's huge and complex social and technical infrastructures: the specialized skills of its labor force, its physical facilities, and many consulting firms specializing in production, finance, engineering, marketing, administration, management, insurance, geography, transportation, climatology, national cultures, world politics, and every other field of knowledge essential to decision-making in their global competition.

The seers of a new world order therefore ascribe to the world's great cities a key role in their new world. Being the locations of TNC headquarters, hence the world's centers of economic control, they must also become the seats of global political authority. Therefore, they theorize, the world's great cities will supplant the capitals of nation-states as centers of political power.



But to change into world centers of political power, the great cities must discard their industrial heritage and transform themselves in two basic ways. They must provide the most advanced communication facilities and office space to produce and use the data essential to competitive global production and trade, and they must become attractive to a college-trained work force producing and applying that data. That is, they must offer a high quality of city life for a sophisticated work force: good housing, pleasant living environments, and good educational, health care, social and recreational facilities. They plainly hint to city politicians to gentrify their working-class residential and industrial districts if they want to attract TNC headquarters. Moreover, the great cities must assert their political right to rule themselves and the suburbs of their metropolitan

areas. For in the age of global economic integration, cities, rather than states, are the world's political links. The great cities are where profit opportunities arise, technology advances, and concentrated capital feeds global markets. Free trade, world tourism, and cultural exchanges open nations to each other and, their theory goes, decrease the role of nation-states.

Are finance-capital's globalization advocates serious in pushing cities and playing down the nation-state? Not really. As we shall see presently, they cannot be. They use it as a political ploy to goad deregulation and heighten the power of the more tractable city governments to better serve TNC needs. Alas for the TNCs seers, their "new global order," theory has no basis in fact and globalization is not new. Marxist scientific analysis of history saw "globalization" 150 years ago. For globalization did not spring from the economic crisis of the 1970s and the breakthrough



in communication technology in the second half of this century. Its emergence and growth have deep historical roots. It is an offspring of capitalist society bearing both its inventiveness and contradictions. Throughout its history, capitalism changed the methods it used to exploit labor, compete to market produced goods and services, amass capital and invest it to exploit more, amass more, and invest more – endlessly. It contrived the most profitably useful ways to do this within changed political, economic and technological conditions. But its essential characteristics and drives to exploit, amass and invest capital never changed.

Early in this century, Lenin recognized, in the then-developing imperialism of the industrially developing nations, the roots of what is now trumpeted as “globalization.” He saw then that:

Finance capital concentrated in a few hands and exercising a virtual monopoly exacts enormous and ever increasing profits from the floating of companies, issue of stocks, state loans, etc., tightening the grip of financial oligarchies and levies tribute from the whole of society for the benefit of monopolies... (However) monopoly which has grown out of free competition does not abolish the latter, but exists over and alongside of it, and thereby gives rise to a number of very acute, intense antagonisms, frictions

and conflicts.

Lenin then identified imperialism’s defining characteristics which fit like a glove the “globalization of our time. To wit:

- The export of capital, which has become extremely important, as distinguished from the export of commodities.

- The formation of international capitalist monopolies who share the world among themselves.

And in conclusion:

“Imperialism is capital in the stage of development in which the dominance of monopolies and finance capital has established itself; in which the export of capital has acquired pronounced importance...

“Globalization,” then is not a new social order but is capitalism’s old imperialism grown bigger and stronger, enabled by a new versatile technology and weakened political opposition to expand geographically and exploit more human labor and natural resources over most of the globe. Indeed, as one Marxist put it:

Capitalism has always been a global system. The world’s political economy is not more globalized than it was 100 or 150 years ago... Multinational manufacturing firms appeared in the middle of the 19th century and were established by the middle of the 20th century...

The would-be prophets of “glob-

alization” are as wrong in seeing the nation-state in decline as they are in their fancy that it heralds a new society. The historical evidence and current world politics belie that notion. In fact, capitalism’s nation-states, as powerful as ever, try to control world trade and the competitive conduct of rival TNCs. Moreover, its national corporations staunchly defend their national economic bases and national governments – their fortresses against hostile competition. These facts are basic to capitalist society, “globalization” whims notwithstanding.

Today’s world, in fact, is a world of nation-states where the “free-trade” politics of the powerful imperialist states smooth the way for their TNCs’ penetration into the economics of the weaker states of the ex-colonial countries to exploit their cheap labor, resources and national wealth. And that largely explains why the Pittsburghs of the world get clean and “pretty,” and the Calcuttas of the world get smoky and soiled.

In sum, the notion that nation-states are becoming obsolete in a globally-governed social order is equally as false as the notion of a new TNC-sired, global order. Although TNCs escape the political regulation and taxation of their nation-states in free global investment and trade, they depend on them to promote and secure their global investments. □

# Who the hell are you calling corrupt?

By Phil Benjamin      How the ruling class uses the corruption charge to divide the working class and confuse the people



**T**he charge of "corruption" is one of the most confusing issues to confront rank-and-file union members and their allies. Though union members question the actions of their own leadership, complain about their negotiated labor contracts and make very critical off-hand remarks about their own negotiators, they don't like those outside the local being critical and accusing it of corruption.

**M**ost union members prefer to solve their own problems inside their own union "family." When their problems are gleefully trumpeted by the print and electronic media, they resent it and defend their union. This takes place whether the charges come from right-wing politicians, employers or from within. The internal problems of the labor movement are highlighted. The media search for one worker who opposes the union leadership and that becomes the story. Labor veterans understand these pro-employer slants. However, less experienced workers and their families get trapped into making statements later

regretted.

Ever since workers banded together to gain better wages, and working conditions and to exert their influence in the public arena, those opposed to that goal have become more aggressive. To employers and their supporters, the ends always justify the means. What proves effective often changes, but the goal is the same - destabilize and eliminate the union. Employers aggressively intimidated and fired workers they suspected were union sympathizers and agitators; when needed, they used the courts to outlaw unions as "conspiracies" against employer interests. U.S. history, not always taught in our schools, is

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replete with every form of anti-union activity by employers and their associations.

Today anti-union rhetoric pervades every form of daily life. Anti-union talk has even become frequent in routine comedy skits. Jokes mocking gangsterism and the Teamsters and about Jimmy Hoffas are everywhere. Construction union members are depicted as backward, ugly people; public workers as selfish and misusing taxpayer money. Media reports about a labor dispute or an organizing drive are more often than not biased to the employer's side. Some politicians and reporters have built careers on creating and harping on a link between the nation's criminal element and the labor movement.

In the 1920s, employers and their organizations labeled all forms of union activity an international extension of the Russian revolution. The foreign threat was their credo, with anti-Communism at the center. The infamous Palmer Raids and the Sacco and Vanzetti saga targeted immigrants and labor unions. The Depression and the successful struggle for Social Security, unemployment insurance and, most important, the Wagner Act, which made unions legal, changed our country forever. The current actions by the ultra-right in Congress are turning the clock back to those days of the '20s and '30s.

The initial impact of the 1936 Wagner Act and World War II suspended the most overt form of opposition. That changed after the war and anti-union activity went into full gear. Union activists had to distinguish between actual forms of corruption and attempts to label legitimate labor activities as illicit. More important was to distinguish between questionable labor activities that hurt union members and the community from those that did no harm but didn't advance the struggle. Separating them is sometimes unclear, and labor's enemies smear them with the widest brush possible.

In a different context the same principles employed in this ploy could be seen during the Clinton impeachment hearings when his actions were put under the impeachable or non-impeachable microscope and compared to those of Richard Nixon and Watergate.

While there is much room for discussion it is undeniable that only the labor movement can correct its own problems. Only the union's rank and file can change the direction of its own local and national union. Outside intervention of governmental authorities, the Federal Bureau of Investigation and other agencies never serve the interests of the working class. Discouraged union members must realize that such groups with long union-busting histories will not simply make a turnaround on behalf of the union's members.

**NYC PUBLIC WORKERS** ■ This past January, CBS's *Sixty Minutes* reported on the scandal taking place in the 135,000-member District Council 37 (D.C. 37) of the American Federation of State County, and Municipal Employees (AFSCME). Millions of viewers saw that a recent labor contract negotiated between DC 37 and the City of New York and its Mayor Rudy Giuliani was voted up by its membership. It reported that several union locals embezzled thousands of dollars, a local union leader threatened an insurgent, a local union election was stolen and reelections held. Since the labor contract benefited Wall Street and the Mayor, his smile was particularly telling, since his anti-union, anti-worker regime had won one more round against its labor unions. But DC 37 had agreed to forego wage increases for two years and accept small increases for three years in return for an employment security promise (except for DC 37's Local 420's 20,000 hospital workers). This unnecessary and

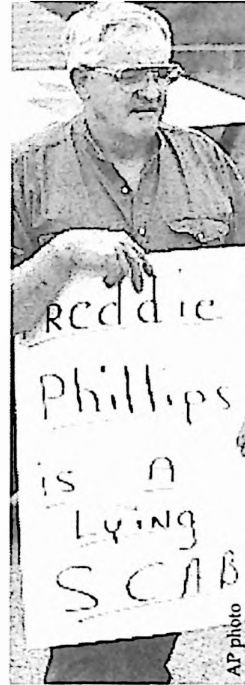
wrong "compromise" was the union's rationale for the contract deal. *Sixty Minutes* viewers were not told about that. This union's apparent stuffing of the voting box to pass this contract, as well as the election frauds, are now before the local district attorney and the national office of AFSCME.

Some local union activists sought internal-union relief; others sought a federal and local government investigation to clean up their union.

Robert Morgenthau, the federal investigator in the N.Y. area, a man not known for his kindness to labor, will be making decisions on these cases. AFSCME has placed D.C. 37 under a union-based trusteeship with an African-American union supporter in charge with a number of trusted affiliated unions within D.C. 37.

The recent national elections in the 1.4 million member Teamsters Union where accusations of corruption and union undemocracy overshadowed most discussions of workers wages, benefits and influence in the political arena have left that union reeling and unable to fulfill its membership needs. The national media enjoyed reporting these elections and exposing all of the union's warts.

In the 1980s "clean-up," a rank-and-file grouping in the Teamsters (Teamsters for a Democratic Union, lead by the anti-Communist Trotskyite group, The International Socialist Organization) called for the government, including the FBI, to throw out the corrupt elements. They did not have faith that a rank-and-file movement could accomplish that end. TDU recognized the danger in



this strategy and called it a deal with the devil, but moved ahead since that strategy could put them into union leadership positions. TDU's goals are directed toward taking over. The corruption charge often spelled the difference in the elections. TDU, once entrenched, unabashedly used FBI reports to its own narrow benefit.

Both the Teamsters and DC 37 are extremely important unions in their spheres of influence. The bosses and their agents are aware. When union leadership bypasses (or disregards) rank-and-file members and local union organizational activity, the door is left open to boss surrogates like the FBI. Then they can successfully deter genuine union democratic activity that can lead to strong labor contracts and effective political action programs. The recent Teamsters election results, acknowledged weeks after the election results were finalized, were still greeted by the TDU with another barrage of corruption charges and appeals to the Feds for intervention. Their loss at the ballot box left them with just the FBI hole card. In DC 37, most union activists, except for a vocal minority, are working with the new Trustees to help set the union straight.

The problems in both DC 37 and the Teamsters are more extreme. Internal redress of grievances were rebuffed by unresponsive and complicit union leaders. For that reason, some union leaders work to get Communists out of office and political influence.

Communists know that even in the extreme cases of gangsterism, the seeking and gaining of outside interference will not restore genuine local union members with a class-struggle approach into the driver's seat. Most labor activists know the line between organized crime and the FBI is rather thin, if not non-existent. Communists realize that only the rank-and-file members will understand the need to rid the union of corruption. That is being borne

AP photo



out today in labor unions across the country. Rank and filers have no interest in payoffs and kickbacks from employers during labor contract time or when organizing workers into a union.

**WHAT CORRUPTION MEANS** ■ "Corruption," "sell-out" and "class collaboration" are terms used to describe many current and past activities in the labor movement that could have the effect of deterring the turnaround of labor. Sometimes valid, they are usually over-reactions not accurately describing the situation.

Some union leaders have initiated and developed corrupt practices such as cooperating with employers in labor/management committees and not relying on aggressive rank-and-file action. Yet, some sincere labor leaders brought into labor-management committees and negotiations see the disastrous outcomes of these arrangements and try to correct them. They need our cooperation.

While the accusations of labor corruption may come from legitimate union members, they are promoted by anti-union, anti-worker print and mass-media sources. The major dailies like *The NY Times*, *Washington Post* and *LA Times*, along with the five major TV networks have exhibited their own forms anti-union activity. They aggressively oppose unions that represent workers in their companies by seeking cutbacks in wages and benefits. The

publishers of the liberal



AP photo

*Washington Post* took great delight in busting their unions similar to the recent lock-out of Disney's ABC New York City local. Ingratiating reporters often yield to their employers by promoting these accusations. Common refrains use the term "union bosses" for union leaders and report that a strike will actually hurt the workers. The corporate-liberal media play a special role in the anti-union offensive. Strikes protesting capitalist activity get little attention.

Recently, the *NY Times* chronicled the Teamsters and District Council 37, AFSCME, difficulties in a February 15 article by Steven Greenhouse.

In reporting the corruption in Local 2, Plumbers, steeped in business unionism Greenhouse refers to the history of this local in glowing terms.

One symbol of labor's decay in New York is that Plumbers Local 2, famed for giving a start to George Meany, the AFL-CIO president from 1955 to 1979 (he headed the AFL for decades before) was disgraced in 1996

when its leaders pleaded guilty to extorting nearly \$1 million in bribes to arrange sweetheart contracts.

It is hard to say which is more corrupt, the legacy of class collaborationist, pro-war George Meany, the leadership of Local 2, or the *NY Times*.

Another example of Teamster corruption cited was of Local 282 in New York. This local was placed under trusteeship for about two years and then returned to its membership. Greenhouse states that prosecutors showed

that the Gotti crime family controlled the local. When the local was placed into trusteeship, the power of the union was greatly diminished. The union had organized most of the cement-truck drivers into one local to put maximum pressure on the companies for better wages and benefits. The *NY Times* mimicked the company's contention that this power simply amounts to extorting money from employers.

The result was a detriment to other construction locals, forcing the Teamsters to cross picket lines of other unions, contrary to its policy. Removing the Local 282 trusteeship has relieved that pressure on other construction unions, to the chagrin of the employers. The Teamsters Union has a reputation of disregarding secondary boycott laws that make it almost impossible for unions in related industries to support other trade unionists.

Naturally, Greenhouse did not include a word about the corruption among the construction companies

and other employers.

There is a principled distinction between class struggle and class collaboration. The issue has always been "Which side are you on?"

Labor's goal is to aggressively represent its members against the employer and to seek greater power for the union within the political arena. That is the definition of the term "class interests." Whenever governmental non-union trustees are sent in from the outside, their interests are not the same as the union's. Clergy and other mediators, arbitrators and trustees often disagree with labor's goals and side with employers.

Almost universally they support collaborative labor-management committees and relationships.

When union leaders put the interests of the employer equal to or above the interests of the union members, they are guilty of class collaboration. This is often very subtle and not easy to identify and combat. This kind of

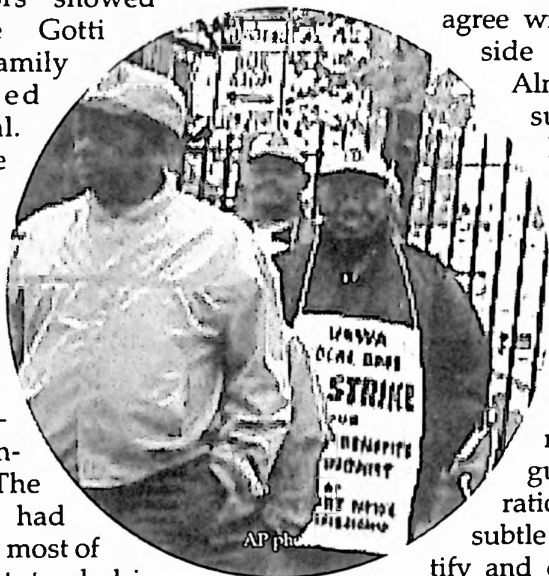
corruption often goes unheralded by the press. Union leaders who cause workers to have less benefits and influence in the political arena are often referred to as "labor statesmen" and are rewarded for putting broader interests above the "special interests" of union members. The leader of DC 37, who falls into this category, at the time was heralded by media editorials as one who understands the needs of New York.

Only when there is a grievous situation such as the murder of union activist Jock Yablonsky by Tony Boyle of the United Mine Workers does the media make decent reporting efforts. But that expose and support lasted only until the reform union leadership won demands from mine operators, Black Lung Benefits from Congress,

and used militant rank-and-file actions. That hero status was quickly turned around and gangster-like terms such as "strong-arm tactics" appeared to describe aggressive labor actions, even blaming the downfall of the mining industry on excessively large Black Lung Benefits.

**NEW DAY IN LABOR** ■ In the early 1990s, after decades of internal labor struggles, progressives voted the right-wing, class collaborationist, and pro-war policies of Lane Kirkland out of the AFL-CIO leadership. Arguably the most important activity in labor history in the 20th century, its impact is still not fully appreciated. The new leadership continues to bring an energy to the labor movement at the same time rank-and-file movements are springing up all over the country. The John Sweeney leadership continues its Congressional struggles to save Social Security and Medicare and launch counterattacks against anti-union and anti-worker actions by right-wing, conservative Republican and Democratic Party forces. Organizing became the high-priority on the AFL-CIO agenda.

In the new situation local unions struggle to protect workers' rights through enforcement of labor contracts and are joining together to bring more workers into the labor movement. There has been the mobilization of local activists and supporters of pro-worker candidates for public office. In the 1996 elections, these forces were credited with the presidential victory of Bill Clinton and also the successes of the 1998 Congressional elections, which put fear into the hearts of the right-wing ideologues and in part, are behind their aggressive actions in the impeachment hearings. In 1998, 20 percent of all voters on election day were from union households, up from 14 percent in 1994, the last mid-term elections. It also represents an increase in union household voters to 16 million in 1998 from 10.1



million in 1994. As expected, union voters heavily supported Democratic candidates. The labor movement in 1998 registered 500,000 voters from union households and sent 9.5 million pieces of mail to union people. They made over 5.5 million phone calls and printed and mailed brochures for distribution. In exit polls, 75 percent of union voters said they received this information. These represented strong steps toward moving the labor movement from a collaborationist electoral policy to independence.

The Sweeney-led AFL-CIO plays



AP photo

an important initiating and/or supporting role in each of these areas.

But all is not rosy in the ranks of labor. The advances in the labor movement have just started to reach their full potential. It will take the complete tapping of labor's own resources to meet the next challenges. Without blueprints to guide unions, business unionism activities still creep into strategy discussions. Unfortunately, the ideology of business unionism still has some influence and inhibits the ability to organize. This must be fought.

Recent activity and the opposition to employers at the plant gates and in the halls of government demonstrate that class trade unionism is the only way to go to get tangible and long-lasting results. Smart labor leaders will heed this "advice" from their members and act accordingly.

**THE TAFT-HARTLEY ACT** ■ The roots of business unionism go back over 100 years. It became markedly significant at the beginning of the 20th century as the unions, such as the International Workers of the World (IWW) and others that fought employers, straight up, were seen as a threat to the country's corporate owners. These unions were not looking for pay-offs and side deals. In order to stop those class-based labor activities, the employers generated the Palmer Raids and other assaults.

In many ways, the current period has identifying factors similar to the 1920s and the post-World War II period. The post-1945 period marked the end of a close, collaborative working relationship between the USA, the Soviet Union and other western powers. They combined to defeat fascism, but it didn't take long for employers in the U.S. and Europe to renege on pledges of cooperation with the Soviet Union and its allies and proclaim a Cold War. (It is now becoming evident how U.S. capitalists were supportive of Hitler's eco-

nomie policies with behind-the-scenes aid from General Electric, Ford and others.)

This period was marked by, for example, the labeling of national health legislation as socialized medicine, and therefore "un-American." The attack on organized labor targeted trade unionists for removal in favor of employer-friendly labor leaders who agreed to the business unionist method. This meant the targeting of members of the Communist Party and its political allies. The bosses' solution was business unionism, which meant cooperating with employers to solve their plant-based problems and staying out of political activity. While sounding foolish today, back then it was the guiding path for collaborationists. The bosses knew that this would begin the isolation of labor from its natural allies in the community, especially nationally oppressed minorities. The failure of the Meany/Kirkland-led AFL-CIO to support civil rights legislation in 1963 was countered by some affiliates helping to organize the historic March on Washington. The lesson then and now is that class unity cannot be achieved without an ongoing fight against racism. This legacy lives on today.

It also meant isolating U.S. labor from its international allies around the world. Collaborationist union leaders cooperated with right-wing, anti-Communist employers and phony unions and ideologues to establish anti-Communist labor movements in Europe. The European Trade Union Confederation (ETUC) and the International Confederation of Free Trade Unions (ICFTU) were a break away from the left-wing, class-struggle unions of the World Federation of Trade Unions (WFTU).

The recent biography of Jay Lovestone, *A Covert Life: Jay Lovestone: Communist, Anti-Communist, and Spymaster*, by Ted Morgan confirms that the policies of rightist



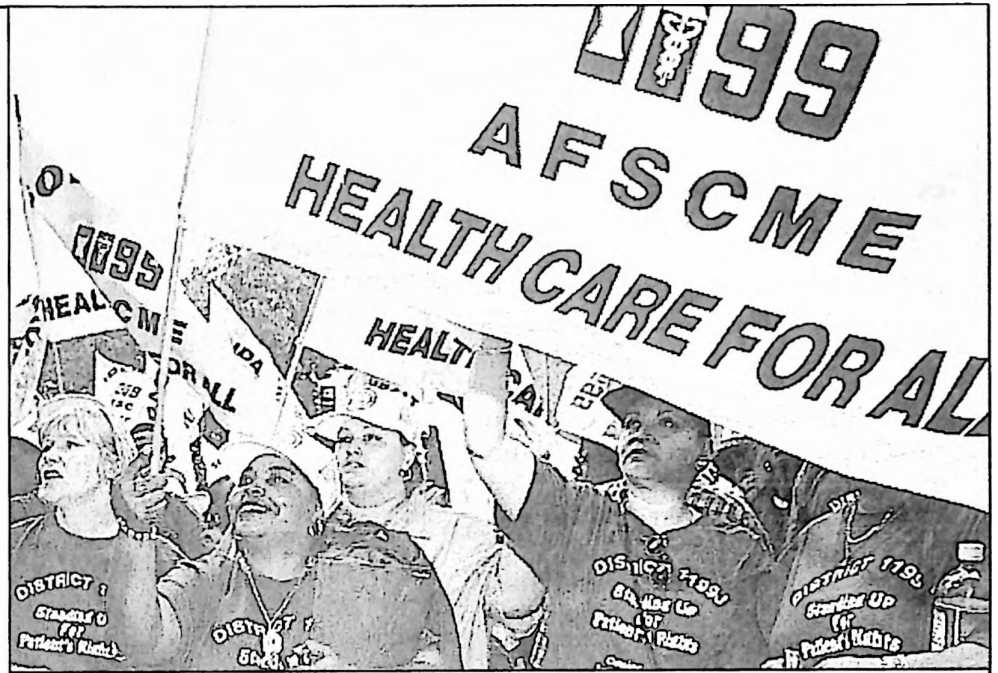
George Meany were CIA-directed as asserted by Communists and other progressive union leaders. In 1948, the ruling class, by means of the Taft-Hartley Act with its anti-Communist provisions, wanted to remove a dynamic labor movement from leadership. It preferred one that would not challenge corporate power. Meany was a main advocate of these backward policies of class collaboration.

With new leaders of the United Auto Workers (UAW), the Steelworkers Union (USWA) and the newly-established International Union of Electrical Workers (IUE) firmly into business unionism supporting anti-Communist repression, principled union leaders did not have the kind of community support to survive. Those who refused to sign anti-Communist clauses were not hailed as pro-democracy heroes but traitors.

Labor in Europe did not succumb and led in establishing major social and economic reforms still in place. Influential unions continued their class-struggle policies and involvement in political action. Labor had its own political party in the UK, and in France the powerful labor union, the CGT, was aligned with the Communist Party. The Lovestone-Meany conspiracy totally failed in Europe, but their power has eroded with the influence of U.S. imperialism in the form of the CIA and AFL-CIO anti-left actions.

The U.S. Chamber of Commerce, the National Association of Manufacturers and their henchman wanted no part of class-struggle trade unionism.

For example, the left-led United Electrical Workers Union (UE) had about 800,000 members at the end of WW II, mostly in General Electric and Westinghouse. GE was the most vicious anti-union company at that time. After Taft-Hartley, the anti-Communist IUE was set up by the AFL-CIO with the full support of GE. This sadly happened as a



AP photo

“newly-born” anti-Communist leader of the UE, James Carey, rode the crest of the anti-Communist period, cooperating with federal officials and corporate leaders to establish the rival union that raided UE. The struggle between the IUE and UE, encouraged by GE and the federal government, resulted in a dramatic reduction in overall union membership in the powerful electrical industry. UE went from a high of 800,000 to a combined (UE and IUE) total of about 450,000.

When Joe McCarthy and the House Un-American Activities Committee (HUAC) conducted hearings across the country, their aim was at the heart of the labor movement. The attack on the motion picture progressives known as the Hollywood Ten by HUAC targeted their labor union, the Screen Actors Guild (SAG), headed by Ronald Reagan. Recently, SAG attacked this past legacy and recognized the Hollywood Ten heroes and others such as the great actor, John Randolph.

AP photo



The aim of corporate America was to eliminate the labor contract and class-struggle trade unionism. In the political arena, this would leave government in the hands of corporate lobbyists. The head of the UAW in 1946, Walter Reuther, exemplified the ascendancy of anti-Communists into leadership to take backward positions that affected the whole country. Ford Motor Company had their man in Reuther, the first to accept collective bargaining for health care in lieu of national health legislation. We live with that bit of corruption, today. His right-wing forces combined with employers and political leaders to wrest UAW leadership from Communist and progressive labor leaders.

It was this same Walter Reuther who changed his stripes in the late 1960s by opposing the Vietnam War and initiating the struggle for National Health Insurance. But, ironically, the damage that he and his ilk started in the

McCarthy period was used to stop his own new ambitions and political programs.

**COLD WAR POLITICS** ■ A major aspect of business unionism in the U.S. was its allegiance to U.S. imperialist foreign policy – the Meany-Lovestone legacy. The organization Labor for Peace included many who survived the McCarthy period, and organized an opposition to the Vietnam War. Meany, Kirkland and their supporters actively tried to isolate these heroes. The period of AFL-CIO mis-leadership, promoted the worst elements and actively opposed and eliminated class struggle trade unionists and opposed civil rights legislation. Still not satisfied, Meany/Kirkland and company supported and fomented anti-Communism abroad. Meany's name was synonymous with the Cold War. His faction in the AFL-CIO often took the lead in opposition to the Soviet Union, Cuba and all other developing countries seeking a non-capitalist or socialist path.

The election of John Sweeney to the head of the AFL-CIO ended the worst of this anti-worker, anti-union activity. George Meany and Lane Kirkland were probably the most corrupt labor leaders that the U.S. has ever seen. Often referred to as labor statesman, Meany once boasted that he never walked a picket line. But as corrupt as they were, they still paled in comparison to the corruption of U.S. imperialism and its corporate and political leaders.

The legacy of labor involvement in Cold War activities has not yet been fully exorcised from the labor movement. But the raw edges of the Kirkland period are certainly behind us.

Business unionism occurs when it strives for what management says is possible and subordinates the workers interests to those of the bosses; when health care and pensions get put off; when struggles for the workers and their families get

postponed; when suspected misuse of union funds is not addressed. The local union is a weapon of political action for workers to win wages and benefits from their employers and get more worker rights from their local, state and federal governments.

A union action program would include a program to rid the labor movement of all forms of corruption. It must put the rank-and-file members first. That won't take place all at once, but getting started is all-important. This would include:

- An agreement that only rank-and-file membership will handle a labor union's internal problems. They would have the final say on all matters such as election of officers, proposals for contract negotiations and the final contract. Labor-management committees play no role in these activities;

- An agreement that no government intervention will be used to correct union negotiations of any sort including contracts, benefits or any political and community positions;

- Conducting rank-and-file membership activities that take militant action on all grievances; producing shop-based union newsletters and conducting educational programs which excite the membership;

- Establishment of local union political action committees with veto power over labor-management legislation in conjunction with local and other political party campaigns. In New York State that is the Working Families Party, but others exist across the country;

- The salaries of all union leaders be

in line with the wages of the rank and file of that union;

- Informing the local leadership of all problems and if not responsive, then seeking the cooperation of regional union organizations or the international of the union;

- The local union being active with its local central labor council and its activities and pursuing militant political action and union support work;

- Assuring membership elections for shop stewards who must be fellow workers be open to all members.

- Locals having working with community-based affirmative action committees to encourage union members to get active in the union and have their issues addressed; the local should work with local African-American, Latin and related community organizations;

- The local union being active in unifying its activities with the community.

Moving toward this approach starts with many simple activities which move the local in this direction. There is no magic potion. This

is not an easy road to begin or maintain. It is a goal that workers are pushing through their everyday activities that encourage current labor leaders and new union members and leaders to work on behalf of union members. That direction is the only way to put the rank-and-file membership in the driver's seat which will naturally bring workers into collaboration with those who can really help – other workers and their unions.

What can be done to get our country back on track? Workers acting in their own self-interest and those of their families and co-workers. That's it. Let's get started, today!! □



AP photo

# IS THE COLD WAR STILL OVER?

## REINVENTING BIG-LIE ANTI-COMMUNISM

By Phillip Bonosky

**A**ttempts to frame Communists appeared on the world scene practically at the same moment that Communists themselves appeared – perhaps even before that. Where oppression, hunger and misery exist they give rise to some expression of resistance, complaint, and a cry for justice.

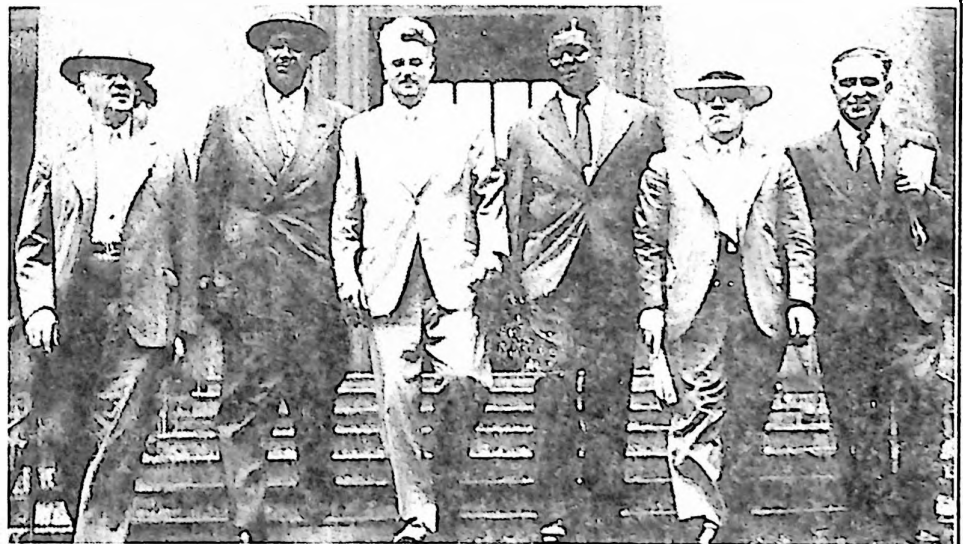
As early as the 14th century, an English priest, John Ball, had already asked the simple question that has reverberated down through the centuries: *“When Adame delfe, and Eve span Who was then the gentil man?”* He went on to ask why it was that while they, who “delf” and “span” lived in *“pain and travail, rain and wind in the fields they (the masters) keep and maintain their estates?”* John Ball would be hanged for voicing such ideas, and sanctioned for what he found in the Bible. Moscow did not exist at the time and the concept of being an “agent” of “Moscow” had not yet emerged. Nevertheless, what did appear then and would be repeated ad infinitum down the long corridor of years was the charge that as good servants of the realm, members of the Church, such thoughts could not arise from their own minds and souls but had to be injected by sinister strangers

who worked their evil by demonic means. Nevertheless, Father Ball maintained, *“(They) baked, but others have eaten; burned but others are warm.”* And if they complained they *“be beaten and we have no sovereign to whom we may complain, nor that will hear us nor do us right.”* Naked before wolves, they were expected to hand their master the rod with which he beat them.

And so, more or less, it remained down the centuries as Spartacus, John Brown, Nat Turner, and others led the insurrections. But all such revolts seemed doomed. Doomed, that is, up until the early 19th century when that remarkable

document, *The Communist Manifesto*, appeared in 1848 and for the first time in human history provided the oppressed with not merely a glimmering of hope that they could be liberated from oppression but outlined the coherent means by which it could be achieved. The *Manifesto* became a public document, whose principles were publicly debated and voted on. It proudly declared: *“The Communists disdain to conceal their views and aims.”* Its message was accessible to all. It remains the basic statement of principles and program of Communists the world over. It is not private but public. It owes nothing to Moscow. Rather, Moscow owed everything to it. It stated the principles and aims of the oppressed with such eloquence and truth that it transcended the times in which it was born and became a classic statement of human hope.

The document became as well the most hated declaration of principles that had ever been enunciated. It was hated by the rulers of Europe and the world because, unlike numerous statements and petitions of the downtrodden before, it did not beg the masters of power for more crumbs from the tables of wealth but instead demanded all of what they had created as their right.



Smith Act defendants. From left to right William Z. Foster, Ben Davis, Eugene Dennis, Henry Winston, John Williamson and Irving Potash.

Phillip Bonosky is a writer.

PWW photo



PWW photo

Different from petitions and prayers of the oppressed for justice which depended upon the magnanimity of their persecutors for realization, the *Manifesto* outlined a practical, scientifically-based means that invoked the objective laws of historic development for its assertions and claims. In the last analysis capitalism would be overthrown not by violent insurrection but because it had outlived its usefulness. At most, reluctant to leave the stage of history where it no longer had a positive role to play, it had to be helped a little to leave. Obviously those in power, even with the awareness that there had been a reckless abuse, resist the forces that make it clear that the shift in command will take place in a foreseeable future. It seems clear enough that a class that can boast it has learned the secret of world annihilation and uses that secret as a blackmailing threat against mankind has outlived its usefulness. Inspired by the realization that there was a reasonable alternative to the cruel, blood-thirsty, and inhumane social system that lived off misery and pain, they propagated their views against all oppression and persecution.

Never has a class fought more viciously and with a more callous conscience to keep its power and

violation of its own laws and codes of conduct. In prosecuting the Communists, everything looked on before as sacred has been thrown into the fray. Governments have sunk to the moral level of pickpockets and pimps employing informers and provocateurs to defend themselves, and constructing elaborate systems of frame-up and slander.

Nowhere has this been demonstrated more glaringly than in the many trials to which Communists have been subjected in almost every country in the world and not least of all in the United States. The first and most infamous of the frameup trials (the "monster trial" as Marx called it in 1852) took place in Cologne, Germany, staged by the then Prussian government against the leading Communists of the time. In many ways it became the prototype of all the anti-Communist trials that followed, and was characterized by "police tricks, perjury, forgery and falsification of documents, thefts, etc., all unprecedented even in the records of Prussian political justice." (*People's Paper*, Oct. 30, 1852)

As it was so unlikely that any Prussian-born citizen would be capable of revolutionary sentiments on his own, some scapegoat had to be found elsewhere. It was in the

privileges that deny the working class even their elementary rights than the one in power today, led most dominantly by the United States. In that struggle it has sacrificed its own constitutions, its schools, its churches, and its social institutions, forcing all of them into becoming tools and weapons in defense of privilege. Most dramatic has been the

forged documents of the police which alleged a vast revolutionary conspiracy, inspired by the 1848 revolutionary events in France, and concocted by the Communists of the times to be launched on the innocent and unsuspecting Prussian public, which would then allegedly be driven unwillingly into the utopia of socialism by the unshaven revolutionaries. In trying the Communists, the Prussian government committed itself to methods so criminal that it could not afford to be exposed as having employed them, a history that was repeated by the American government a century later in the so-called Smith-Act trials. To have acquitted the Communists in both instances meant to have indicted the government instead. The second most notorious trial was held in Leipzig in 1933 with the great Bulgarian Communist George Dimitrov as the chief defendant. Indeed, what the earlier Prussians had feared to do the German Nazis of 1933 were forced to do with foreseen consequences. By an act of sheer intellectual power and the sense that world opinion was behind him, the intrepid Bulgarian exposed the frameup, showing not only that a gang of criminals was in power in Germany but that that power itself was criminal.

Although world opinion forced the Nazis, then barely in power, to free Dimitrov, it didn't force them to abandon conducting such frame-up trials in the future. According to a Gestapo report of April 10, 1939, 162,734 men and women were then held in concentration camps for political reasons and a further 139,801 in prisons or penitentiaries awaiting trial or serving sentences on political charges. Between the accession of Hitler to power and the beginning of the war in 1939 there were 83 mass trials and many smaller ones, at which 225,000 people were sentenced to 600,000 years in prison, all for political offenses.

Communists were the first and principle victims of persecution in

the first years of the Nazi power. And of what were they found guilty? Of a conspiracy to change the Constitution of the German Reich by force. Communists and militant trade unionists were the chief target of Nazi persecution. The charges included their being agents of a foreign power (USSR). That the German Communist Party took its orders from the Soviets was blared out at every opportunity.

Even earlier, in May 1928, the Italian Communist leader and parliamentary deputy Antonio Gramsci was arrested, tried and found guilty of the same charges, in the same way and proven by the same means. His arrest and the suppression of all left political activity marked the triumph of fascism in Italy.

Since the Soviet Union was already in existence it was possible in both the German and Italian trials to find the source of revolutionary activity in Moscow, that now had become the institutionalized scapegoat for such activity. In every country, the pose was struck that the native population, the workers and peasants, were happy and content and rose in rebellion only under the sinister influence and control of alien (i.e. Soviet) forces.

This formula had a somewhat ludicrous history in the USA. The 1919 steel strike had shaken American upper-class complacency to its core. The strike, led by William Z. Foster, (who later on in life became chairman of the Communist Party) had shut down that key industry. Foster would be accused of being an agent of the Kaiser before he was tagged as a Bolshevik. In 1918, the American Senate appointed a committee to investigate the source of the then widespread social turmoil. Though the Bolshevik revolution had already taken place a few months earlier, its influence had just begun to penetrate intellectual or working-class circles in the USA. The Senators had been upset by radical activity among the beer brewery workers in Milwaukee and had set out to

expose the link between the German beer brewers and the Kaiser. Then came along the first impact of the Russian revolution, and very concerned Senators turned their attention toward that event. A Senate committee was charged with the task of making a connection between the Russian Lenin and the Kaiser, whose influence among the breweries in Germany had been so threatening to the peace and quiet of the region.

Then, as now, such investigations of radical activity were accompanied by what had become a familiar practice ranging all the way from informers to paid professors posing as experts on the human sources of revolution. Such an "expert" was Archibald Stevenson, corporation lawyer and student of Russian history. He presented the Senate committee with a specimen of an extraordinary non sequitur that the committee gratefully accepted and used as a guide. Stevenson, remembering that in the minds of the people, the chief villain was the German Kaiser, said, German socialism is the father of the Bolshevik movement in Russia, and consequently the radical movement which we have in this country (i.e. America) today has its origins in Germany. Perhaps nobody summed up the situation better than the *New York Times*:

Commenting on the steel strike they wrote:

It is industrial war. The leaders are radicals, social and industrial revolutionaries ... the radical leaders of the steel strike (are) men who believe in the socialization of industry, in taking fac-



ories out of the hands of their owners and putting them in control of the men employed. (Oct. 1, 1919)

The *New York Journal of Commerce* spoke of Eastern Europeans who have failed to become Americanized in character or sentiment. Such "un-Americans," it went on to charge, scoff at American ideals and institutions.

"It is industrial war. The leaders are radicals, social and industrial revolutionaries." The *New York World* (tagged as liberal) opined that the strike "has already taken on some of the aspects of an economic revolution. Even if the strike is not primarily a Soviet raid against the steel industry it presents many of the indications of such a raid." (Sept. 4, 1919)

This is most likely the first recorded appearance of the Soviet threat in American politics (though Red Revolution had always been there) and would never leave it. The *Chicago Tribune* put it this way, finding that the strike "means a choice between the American system and the Russian proletariat." (*Literary Gazette*, Oct. 11, 1919)

It seems that the editorial writers of the leading newspapers were politically ahead of even the most

sophisticated strike leaders whose guilt and fears conjured up monsters when there were none. Foster, who was hardly familiar with the concept of socialism was not yet a Communist. All the steelworkers wanted were decent wages and working conditions. If that spelled socialism to the opinion makers of the country it is nothing less than a prime case of the guilty fleeing though no man pursue.

Although Nazi anti-Communist slander is interchangeable with the American, French and Italian variety, even to the parroting of the same phrases and language, the Americans top them all.

And after all it is the ruling class themselves who are the real spies.

General and President Dwight D. Eisenhower shocked middle America when he confessed back in 1960 that the USA did indeed spy. That was the U-2 affair. Denying that the U-2 was a spy plane illegally over Soviet territory, a statement almost immediately exposed as a bald-faced lie by the Soviet Premier Nikita Khrushchev, Eisenhower had to ruefully admit before the whole world that (his words) he was "caught with my pants down."

That Soviet steel production caught up with the United States, this fact accessible to all, was more troubling to the West than anything found hidden in locked safes. Indeed, the greatest menace was the fact that the Soviet Union was fast catching up with other production levels of the West. It was a matter of time – and not too much time – when the USSR and its allies would have been able to meet every crea-

ture comfort need of its population, removing the single greatest attraction the West had to offer the socialist world. The Soviets had promised a room of their own to every single citizen by the year 2000, a dream now evaporated. They had no problem for which they did not also have the means of solution with their own resources. Though with the coming of Mikhail Gorbachev the rate of production had slowed, it was still rising, and the means of increasing it were fully at their command.

Until the appearance of the German Nazis, no ruling class had been so brazen in violating its own stated principles. But not only did the Americans physically inherit the

counter to the solution to basic political problems. Indeed, the American Communist Party's constitution has a provision forbidding its members from spying activity and any proof of it would be cause for expulsion. This provision is included because it runs counter to their strategy of involving the masses in their own liberation. A conspiracy and a mass movement could not coexist in the same party! It has been deemed counterproductive in the struggle to ask a million people to vote, demonstrate or act and then slip them a wink to let them know they needn't take it seriously!

Indeed, as Dr W.E.B. Du Bois said when joining the Communist Party during the height of the McCarthy hysteria, Communism is not a conspiracy.

And indeed, the decline in anti-Communism over the last several years has demonstrated that the American people have drawn similar conclusions. The growth in the membership of the Communist Party gives further evidence.

Thus, to claim, as the *New York Times*

did in a recent article entitled "Rethinking McCarthyism," that McCarthy was not so wrong after all gives one reason for pause.

Once again the *Times* in this article disgraced itself. Though it do not do so in a new way but by repeating again the old lie – this time based on "evidence" from the Soviet archives "proves" that the U.S. Party was under the pay and instruction of Moscow.



Above from right Claudia, Jones, Israel Ampter, Elizabeth Gurley Flynn, Betty Gannett and other Smith Act defendants.

Nazi spy system which General Richard Gehlen, the Nazi spy chief, gave to them in return for saving his skin, they took over the nihilist, amoral, and even insane philosophy which inspired it. As one American spy philosopher put it: "We must become monsters to fight monsters." Monsters they became but not for the specious reason given!

All Communist Parties have recognized that spying of any sort runs



PWW photo

Victims of hysteria: Ethel and Julius Rosenberg.

Again the charge must be rejected. This charge is not merely an insult to all those who fought it and paid dearly for fighting it, but an attempt to dignify what all the world has recognized as a political atrocity.

Today there are over 100 Communist Parties in the world, with new ones being born constantly – and this several years after the

collapse of the USSR. Today to charge that all these parties owe their allegiance to Moscow is to invite ridicule. People who are starved and ruthlessly oppressed don't need outside inspiration. What they needed to know was how to overcome it. And Marxism-Leninism shows the way.

The Communist Party USA came into being in 1920 (actually two parties simultaneously) as a result of the opposition of a large section of the Socialist Party to World War I. Parties that had a more or less revolutionary program and body of principles had long existed and the new Communist Party inherited the revolutionary history of the best in the Socialist Party, in the International Workers of the World (IWW) and of the groups throughout the country. It's absurd to suppose that the American workers and oppressed peoples didn't know that they were suffering. In 1919 America witnessed not only the steel strike but strikes in coal, textiles, shipyards, etc. Some 4 mil-

lion workers walked off their jobs – four out of five – giving reason indeed for the jittery fear among the rulers that the country was teetering on the edge of revolution. Thus the Communist Party USA was born in the USA from American conditions and traditions.

That the revolution in Russia had been successful only lent greater enthusiasm to struggles that had been sown in U.S. soil.

To charge as the *Times* did that workers had to be gulled into accepting the idea of a revolutionary party of their own is to invite not only scorn but ridicule.

If the U.S. Party was the creature claimed for it it would have accepted Gorbachev's invitation to follow the Soviet Party's example and liquidate itself. But as Gus Hall has answered concisely and clearly: You cannot turn on and off the class struggle the way you can the faucet in the kitchen sink. □

## continued from page 2

trial workers in the fight for Black, Brown and white unity? We know the critical role of struggles against racism, chauvinism, anti-Semitism, and all forms of bigotry and discrimination. How do we raise the level in ideas and action?

The fight for full equality for African-American, Mexican-American, Puerto Rican, Asian American, American Indian and other oppressed minorities are also core concepts. What is new in these communities? How can the struggle for equality be strengthened? We are helping to build broad, labor-led coalitions in the mass struggles of the day: for labor's rights, against racism, for immigrants rights, for peace and solidarity, against the war in Yugoslavia, for women's rights, for youth rights, for seniors' rights, and many others. What new levels of coalition are possible? What new initiatives are possible?

The 2000 elections are upon us. Labor will field candidates and we will run Communist candidates. How do we build broader election coalitions? What should be our overall electoral strategy for 2000? Are we mastering the relationship between reform and revolution? We project "Bill of Rights Socialism, USA" as the real solution to the crisis of capitalism. Have we made it popular enough? Do we bring it into our day-to-day struggles and coalitions enough? Can we do more to help crystallize the growing anti-corporate, anti-ultra-right mood in America into a broad movement for socialism?

Unlike big business ideology, Marxism-Leninism is not the property of elite "big" thinkers in ivory towers. Communist ideology is powerful because it belongs to the working class and the masses. These are exciting times for working-class thinkers. In the words of the *Communist Manifesto*, "We have a world to win." Discussing, debating and shaping our theory is half the battle and half the fun. Come to New York with your thinking caps on. □

# Poetry Notebook

## NEWLYWED DIARY

At the end of a longer than long work week  
my frozen heart contracts crouches in upon itself,  
groping my way along the cold dawn road,  
when I step inside our room  
my wife's already gone off to the factory.

The last week of labor,  
I sigh at the separation we hide from each other,  
the stale cigarette smoke dizzily pours,  
I take my wife's nightclothes in hand, hastily flung to the floor, and  
at my wife's smell of loneliness from spending these nights by herself  
I start to cry.

Shaking in my deep sleep, when I painfully open my eyes to a fatigue I cannot bear,  
my wife, just finished with the graveyard shift, totally blue from the cold,  
falls face down onto my chest and absentmindedly pats me,  
with a loving kiss  
my body gradually comes to life.

Sitting across from each other at the table  
amid piled-up talk of the past week  
in hush tones our one  
affectionate night is far too short.

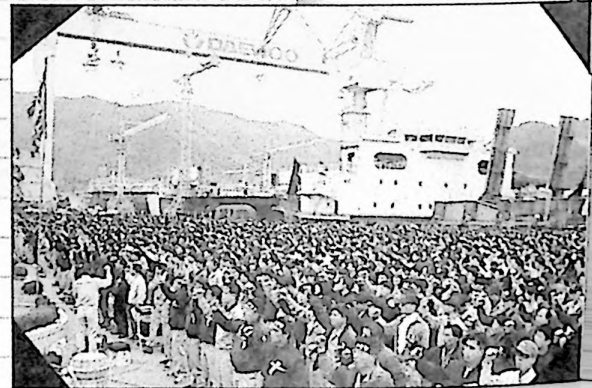
When day breaks it's separation once again,  
becoming machines amid the back-breaking labor,  
our  
passing mornings are to be feared.

We do an about face, embrace our sacrifice though our love for each other,  
our impoverished love  
looking forward together in our agreement, our newlywed march

Translated by  
Scott Swarner

- Pak Nohae

Pak Nohae is a 40-year old South Korean steel worker and poet. He is in prison serving a life sentence for his political activity and convictions.





# Heaven

The company president who's got a hold on the livelihood of my family of three is my heaven.      become a heaven?  
Won't I, powerless from having lived on the bottom generation after generation,

The doctor who clasped my hand which had been stamped in the press, when I went to the hospital      be a small wavering heaven  
if only to that one,  
if only to that crazily pretty little girl of ours, who is just now taking her toddling steps?

who is able to both attach my hand and make me a cripple, he is my heaven.      Oh, we too want to become a heaven.  
Not a harshly oppressive black-cloud heaven,  
but a sharp-blue heaven, all of us each to each, that is the kind of world we want to be.

The police officer who threw us into jail,  
who cut off two months of our wages,  
who led us to the police station after we unionized,  
we who had never once committed a sin in this world, he  
is the heaven I always fear.

- Pak Nohae

The horrible judge who can both create a sinner and give life is my dreadful heaven.

Administrators, sitting in government offices, who can both make you prosper and bring you to ruin, they are my frightening heaven.

The elite, the powerful, the rich all appear like a heaven.  
No, the sword that controls our lives is our heaven.

Where and to whom would I



Translated by  
Scott Swarner

## OPEN THE BOOKS

What is that you say?  
That you, who built your empire  
off the sweat of our labor,  
now that the market is glutted,  
cannot afford to keep us on  
at union wages?

That even our measly benefits  
will crush you?  
Your delicate little empire  
might totter?

We, who rescued you  
with givebacks, are now  
the cause  
of our unemployment?

The workers, who make  
the wheels go round, who do  
the invoices  
and dirty work, think  
we have a suggestion.

You know what we make,  
slaving on the assembly line.

We want to know what you make,  
if you are as broke and gasping  
and desperate as you say.

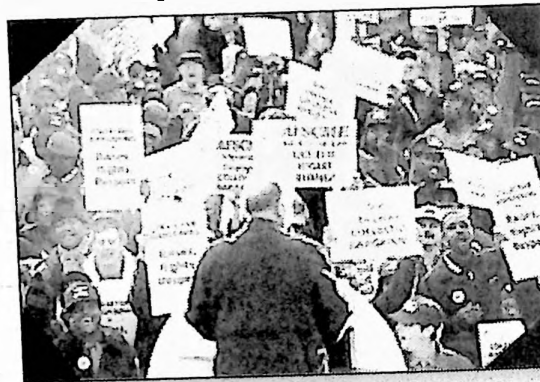
Always you are the one  
who plunks the numbers down  
on the table.

We thunder and rage before  
bowing down before them  
in the dark.

Now it is our turn  
to speak.

Rumors fly you did  
a 7 figure year last year.

Open the books!  
Open the books!  
Open the books!  
Open the books!



AP photo



AP photo

Chris Butters is a poet and worker living in New York City. His recently published book of poetry *Americas* is published by Vietnam Generation and Burning Cites press.

- Chris Butters

## LIFE OF THE MIND, 1935

*The words in the books are not true  
If they do not act in you.*

Fret fools the days away,  
Best-sellers for their food  
And bad philosophy,  
Fret, fools.

But we,

We dare not read for long,  
We snatch our thought, our song,

As soldiers do their meat.

Necessity to eat,

Necessity to act,

And act aright, renews

The mind's link with the arm.

Imperative to choose,

Imperative to do,

Our time's dynamic form.

Once we were students - then

Grave faces hours poured

Over the activity stored -

The energy of great men.

That time must come again.

If not for us, for those

We will to endow once more  
With the tested word-in-deed.

Poetry and the great prose

Born in a like uproar

Where someone had to bleed.

The battle of the mind,  
Tranquility, too, the kind,  
Quick teacher's face, the jest,  
Keen argument with a friend,  
that sport and the sweet zest,-

All fall, must fall, behind.  
that time is at an end.

Now action like a sword,  
Now to redeem the word.

Now blood for stubborn proof  
No one may cut apart

Word from the living deed,

Or live this life aloof.

Fear is a flimsy creed.

*"I believe with all my heart."*

In the one way to believe:

*"This thing is good - I give*

*My living to see it live."*

Bleak thought and a bastard art,

How easy to relinquish both!

So to be wise, so learned

If never more returned

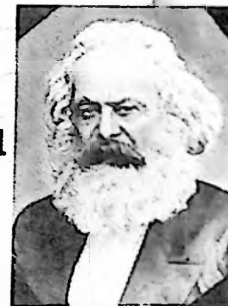
To temporary peace.

So not to die of sloth

Or live best-sellers's ease

But to stand upon our oath.

- Genevieve Taggard



"Life of the  
Mind" by  
Genevieve  
Taggard was pub-  
lished in  
Proletarian  
Literature in  
the U.S.  
International  
Publishers, 1935

## book ends

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*The Beast Reawakens*, Martin A. Lee, Boston: Little Brown, 1997; 546 pages

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Martin A. Lee, in his powerful, timely and well-documented book, *The Beast Reawakens*, alerts us to the considerable fascist danger. He bares active links between the corporate right wing and fascists. His account is clearly and correctly put in the framework of corporate anti-labor, racist game plans.

The book makes a valuable contribution in documenting organized storm-trooper cabals, especially the Aryan Nation and clarifies that their mouthing of medieval bigotry is not a matter of "free speech." They are implemented in a trail of blood.

Lee introduces us to the "Reverend" Richard B. Butler in Hayden Lakes, Idaho, where he holds forth as "pastor" of the "Church Jesus Christ Christian," actually a heavily-armed fortress. Here, Nordic warriors are pictured in battle, together with prominent portraits of the top leaders of the fascist Murder, Inc. - Adolf Hitler and Rudolf Hess. The demagogic anti-Semitic and anti-Communist propaganda line of these monsters is also regurgitated by displaying the proletarian hammer and sickle side by side with the six-pointed star.

We are introduced to Butler's Aryan Nation and the site of the gathering of world fascists at the annual Congress of Aryan Nations, organized by Butler. The advanced state of organization itself sounds an alarm bell to the active U.S. fascist danger.

Underpinning the military trap-pings are heavy doses of raw white

supremacist bigotry. Less polished than the academic version in Herrnstein and Murray's *Bell Curve*, the Butler version has the same poisoned substance. To him, people of color are subhuman. In a mad obsession with nonexistent "white purity," he projects a nightmarish secession of six northwestern states to set up a "White People's Republic." Would Butler send people of color to crematoria to try to achieve the unachievable pure white republic?

Lee depicts the deadly terrorist purposes of the Aryan Nation as he links militia terrorism to the Oklahoma City bombing and mass murders of 1995.

The scenario includes William Pierce, featured speaker at Aryan Nation meetings and author of the *Turner Diaries*, that holds up as a model a successful white supremacist paramilitary coup in the U.S. Timothy McVeigh, a year before the Oklahoma City bombing, befriended several Aryan Nation members. Lee states that terrorists McVeigh and Nichols read the *Turner Diaries* proactively, circulating the book and attempting to implement it.

Lee puts the Oklahoma bombing in the framework of "an extensive, homegrown anti-government militia network" in the U.S. (p. 341) The violence is not "mindless" as President Clinton claims, nor is it classless. It is part and parcel of a game plan for a fascist takeover and a signal to build a mass movement for such a takeover for the destruction of democratic rights and capitalist rule by terror.

All the more outrageous is the attempt by Newt Gingrich, then Speaker of the U.S. House of

"In addition, Gingrich himself lets the corporate cat out of the bag with his revelation that the giant transnational corporation, AT&T, actually wrote the Contract on America."

Representatives, to cover up the bombing. Lee reports that after the Oklahoma City bombing, Gingrich stymied a probe into a paramilitary activity in the U.S. Instead, the Republican-controlled Congress held extensive hearings on "government misconduct" at Waco, Texas and Ruby Ridge, Idaho. This cover-up of the terrorists underlines the right-wing essence of Gingrich's Contract on America. In addition, Gingrich himself lets the corporate cat out of the bag with his revelation that the giant transnational corporation, AT&T, actually wrote the Contract on America.

Corporate fingerprints are all over the revved up fascist danger and the Aryan Nation highlighted in Lee's book. This cabal of terrorist Hitler lovers is bankrolled by the computer millionaires Victor Bertollini and Carl Story. With their backing, the Aryan Nation has mass mailings of white supremacist hate literature and tries to build a mass base for fascist terrorism (*People's Weekly World* 12/26/98). Is it only a

coincidence that the April 1999 Colorado school murderers were Hitler-admirers and vicious racists, and that they carried out mass slaughter fanned by this same Aryan Nation?

Very impressive is Lee's exposure of the big business think tank American Enterprise Institute (AEI) as a far-right corporate player. He shows that AEI does not deign to soil its corporate hands by direct liaison with the terrorist militia, doing its anti-labor, racist dirty work on the level of scholarship and policy studies, for which it is heavily funded by corporate heavyweights. On its board sit such corporate backers as Aluminum Company of America, Dow Chemical, Proctor & Gamble, and Forbes Inc. It feeds its glossy schlock mainly to TV outlets, but also to government, business and academic contacts. (Ibid)

The AEI booklist includes anti-labor and racist screeds, which are inseparable. It funded the publication of *The Bell Curve* by Murray and Herrnstein, an attempt to propagate

unscientific notions of African American and working-class inferiority. In the same genre, it supported the publication of Dinesh D'Souza's *The End of Racism*, which injects the irrationality typical of fascist propaganda with his defense of slavery, segregation and blaming the victim and inflames racism by advocating the end of affirmative action. Lee states AEI output "reveals the willingness of some U.S. corporate powers to support racialist propaganda in an effort to direct the economically-driven anger of middle-class whites towards people of color and the poor." This divisive attack is directed at the entire working class.

At the end of the day, AEI's "high" level racist, anti-labor propaganda joins hands with the Aryan Nation's incitations. Both are components of an active, boiling cauldron of the U.S. fascist danger.

Martin Lee makes an especially important contribution in elucidating this fascist danger as corporate-spawned. This class insight helps refute those who take the corporate

ruling class off the hook as the primary source, inciter and organizer of racism, sexism, anti-Semitism, anti-immigration, the war drive, and anti-labor activities.

The menacing fascist danger calls for the vigilance and broad united action that are the "price of liberty." The urgent need for broadening and strengthening the people's coalition led by the working class with a conscious antifascist and nonfascist component is stated in fundamental class terms by Gus Hall, National Chair, CPUSA.

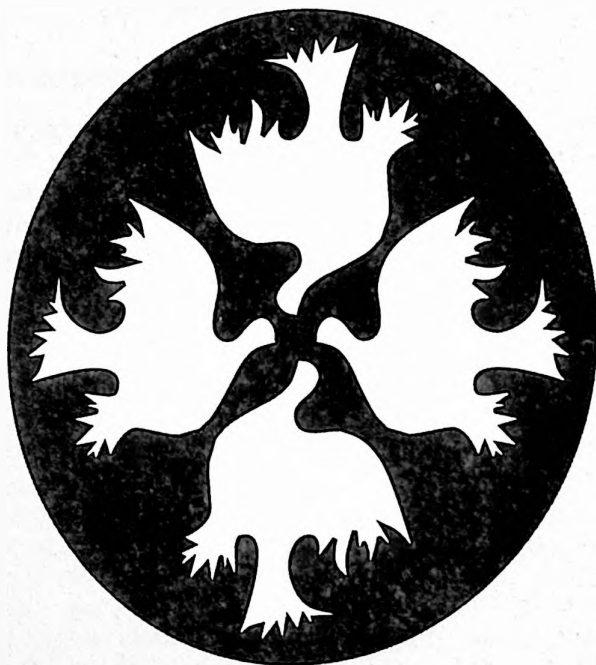
"Fascism always lurks in the bowels of the capitalist system. Fascist elements arise and subside in accord with the power and strength of state-monopoly on one side of the equation, and the vigilance and active resistance of the people, especially the working class, on the other." (Gus Hall, "Marxism-Leninism: Science of Our Times," *Political Affairs*, September 1998, p. 4). □

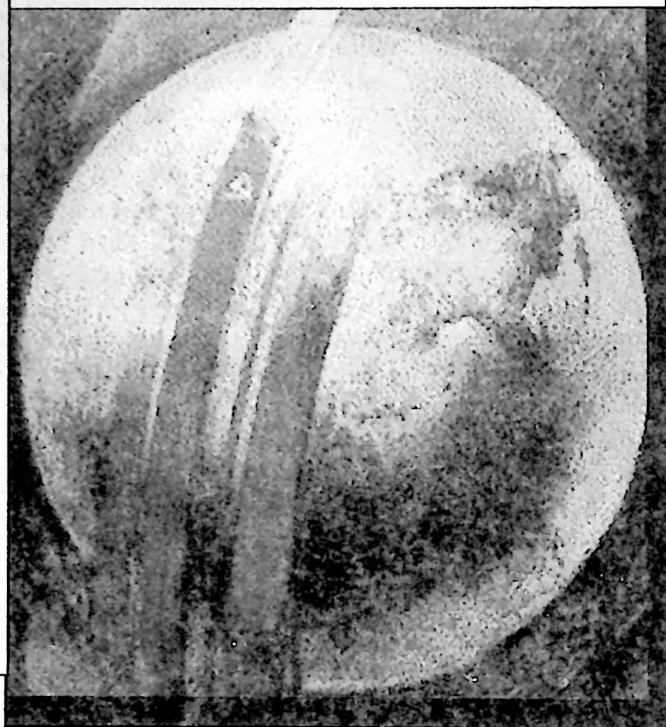
George Fishman

## Corrections

The cover art on May issue is by David Alvaro Siqueiros. It is from *Siqueiros, His Life and Work*, by Philip Stein, International Publishers.

The poetry by Pak Nohae was translated by Scott Swarner





## VIETNAM: BUILDING THE BASIS FOR A SOCIALIST SOCIETY

*The following article was published in The Guardian, newspaper of the Communist Party of Australia.*

*Professor Dao Nguyen Cat, Editor-in-Chief of Vietnam Economic Times and Deputy General Secretary of the Vietnam Economic Science Association, spoke at a public meeting in the CPA's headquarters in Sydney on Sunday January 31, 1999. At 72, Professor Cat is a veteran of the Vietnamese revolutionary movement.*

Friends and comrades, I would like to express my sincere thanks to the Communist Party of Australia for inviting me to talk to you today.

First, I would like to say something about the newspapers in Vietnam.

Now in Vietnam we have nearly 500 papers. The main papers are the papers of the Communist Party and

the government. The second biggest papers are the daily papers for the People's Army. Among local papers, there are 61 published by the Communist Party.

Every government department issues a daily paper.

I am the editor of the *Economic Times* which is published by a private corporation and is published in both Vietnamese and English and on the Internet. In the newspapers, in the media, we do not have joint ventures,

only corporations. We are always the master, the owner of newspapers. But a foreign investor can join with their capital.

Now I would like to give you some general ideas about the state of our economy.

I am happy to say that the economy has weathered the regional crisis, although there are some challenges remaining.

The current period, in fact, has been the most difficult for 10 years. For example, we planned to achieve eight percent growth in GDP during 1998, but were only able to achieve five percent growth. In 1994, the GDP growth rate was over 10 percent, but it has been falling by approximately half a percent each year since then.

On the other hand, agriculture has developed well. Production in 1998 increased by one million tons over previous years (to 38 million tons annually). We are ranked third in rye exports on the world market.

In industry we achieved a 12 percent increase. The rate of growth of foreign corporations in the economy increased 23 percent.

Exports increased one percent. The number one export item is crude oil, followed by rice and then clothing.

Inflation, at seven percent, we think is not very high.

Foreign investment has been reduced, in some cases by as much as 60 percent. This is because most foreign investment in Vietnam is from Asian countries, all of whom are in very serious crisis.

This has seriously affected the development of Vietnam's economy. Our exports have lost competitiveness and unemployment is a big problem.

Vietnam is one of the world's poorest countries. Today 43 percent of national production is in agriculture.

GDP per capita is only \$300 a year. Your per capita GDP is over \$20,000.

After nearly 20 years of war for national independence from France and then 10 more years of war against the U.S, when we finally won our independence we were left very poor.

We realized that we needed a lot of time to take our country from a very backward agricultural one into an industrial one.

We are aiming at building socialism. As Communists, we realize that we can't do that without developing an adequate level of production and solving a lot of social problems.

Socialist society must be better than capitalist society, and can only be achieved by our will, by the effort of the working people.

So the Vietnamese Communists take that responsibility on our shoulders. It is not like what we did

during the war – with blood – but now we consider it much harder.

Nevertheless, we are very determined to make our country advance to the level of other countries in the world.

Of course, compared to the recent past, the situation in Vietnam in 1998 was by no means the most difficult time we have experienced. It took ten years from 1975 to 1985 to rebuild the country after the war.

Even so soon after the war we had some achievements. But unfortunately we were unable to achieve the increase in the GDP that we wished. Agriculture in particular was in a very poor state: although an essentially agricultural country, we could not even produce enough rice for our own population.

Rationing had to be introduced. I myself, a senior officer of the government, got only two kilograms of meat and one kilogram of sugar a month. In clothing I got only five metres of fabric for a year.

The situation in 1985 was really critical. We realized that our mistake was that we had applied the system of economic management based on subsidized supply and overcentralized planning.

The government handled everything, every activity of the people. We couldn't encourage the people, as individuals, to do their job. The people were not happy with that way of government.

So the Communist Party adopted the "Doi Moi" policy: let the people manage themselves – economically and commercially. We started applying the market economy.

Instead of the government deciding the price for every commodity, we let the market operate on itself and the farmers plan on their own land. (All land is state-owned but is allocated to the people to manage on a long-term basis, generation to generation.) After only two years of "Doi Moi," we were able to stop importing rice from other countries and the market situation looked quite different. There were enough commodities on the market and they

could be freely traded.

Then, in 1989, we got another shock: the collapse of the Soviet Union and other socialist countries. It was a huge shock to Vietnam and to the people because we mainly relied on the Soviet bloc for our market.

We could sell everything we produced to the Soviet Union and in return they could supply everything we wanted, including oil. Everything came to a standstill in our country after the collapse of the Soviet Union.

As you can imagine, 1989 was a most difficult time for Vietnam.

Fortunately, we had started "Doi Moi" in 1986 so when that shock came we could manage. We realized that we had to push up "Doi Moi" in the countryside and with other countries.

After two or three years we were able to stabilize the situation. Despite the recent regional crisis, we did not suffer as much as when the Soviet Union collapsed.

In response to a question Professor Cat said that "the chemical weapons used by the Americans destroyed vast areas of forest." We have tried to look after forests and now it is getting better and better.

As for agricultural products – animals, vegetables and seafood – our tests show little or no poisonous residue.

However, the genetic effects of that kind of poisonous weapon are very great.

The death rate for people who took part in the war is very high. Most of our young people were in the war; they married and most of their children are affected – disabled, paralyzed, deformed and with many other dangerous diseases.

More and more American veterans come to Vietnam to see what they can do to help the people to make good for what they have done.

In reply to a question about foreign investment controls, Professor Cat said: I quite understand your

worry about, in essence, multinationals coming in. We, Vietnamese Communists, also ask: What would we get from foreign investments? We have sacrificed a lot for national independence, but now face another very big fight: to achieve the level of economic development we need to build socialism.

We also understand that economies in general will become more and more globalized and production more and more socialized in accordance with the ideas of Marx.

So the main trend in the world is to get more integrated with each other, not to isolate oneself from others.

We know that in globalization the capitalist sharks want to hold the country in their hands. We also realize that all countries, whether they are big, small, rich or poor are still rising up to control their own destinies.

Regarding foreign investments, we have a clear policy. We are planning to attract about \$20 billion from now to the year 2000 in foreign investments but in such a way that we still control our economy.

We know that we have a lot of difficulties when doing business with the foreign investors. They do not come to our country unless they get a profit, but we try to visualize what they will get and what we will get.

We try to identify our advantage and theirs in order to have a fair play. Ideologically we are in control.

What they have built in our country, what they have opened in our country we consider that to be ours.

The road ahead is quite clear: with such infrastructure facilities we have more jobs for the people and more export items to sell to other countries.

We try to work out the micro economic policy and each individual must actively follow that policy otherwise we will lose, concluded Professor Cat. □

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