

Explosion of Workers' Anger Looms Against "Free Market" Misery

Yeltsin Knifes the USSR

DECEMBER 16—Not four months after he spearheaded the counterrevolutionary forces against the botched Moscow coup last August, Russian president Boris Yeltsin staged a coup against the remnants of Gorbachev's central government.

After meeting at an isolated official retreat near Brest on the Polish border, Yeltsin along with Ukrainian leader Leonid Kravchuk and the head of Byelorussia issued a statement December 8 proclaiming: "The Union of Soviet Socialist Republics, as a subject of international law and geopolitical reality, is ceasing its existence." U.S. Secretary of State Baker chimed in, declaring "the Soviet Union as we've known it no longer exists." And the imperialist press gave it their imprimatur: "Soviet Union Declared Dead," was the full-page headline of the London *Independent*. But while issuing proclamations from the top, Yeltsin and the other would-be gravediggers face an increasingly desperate and frustrated population.

Following the overwhelming vote for independence on December 1, Ukrainian president Kravchuk declared: "A new Ukraine is born." Yeltsin immediately recognized Ukrainian independence, sticking the knife into Gorbachev's attempts to cobble together a new union treaty. A week later, the Slavic troika proclaimed the old Soviet Union dead and announced the formation of a new "Commonwealth of Independent States." The would-be master of Russia, Yeltsin, of course made sure to first phone his master in Washington, Bush, before announcing the agreement. Yeltsin's aim is to restore capitalism at a forced-march pace. As real wages plunge, prices on necessities are set to skyrocket after January 2, which could spell mass starvation for the Soviet working people. In seeking



Spartacist

Moscow, November 7—Thousands gather at Lenin's statue to honor Bolshevik Revolution and oppose Yeltsin counterrevolution.



to destroy the homeland of the 1917 October Revolution and consolidate a counterrevolutionary regime, Yeltsin and his cohorts are deepening the economic chaos, and with it the likelihood of an explosion of working-class anger.

Gorbachev called the Brest proclamation a new "coup d'état" and appealed for support to the heads of the Central Asian republics, who had been conspicuously rebuffed by the unilateral declaration. Kazakhstan president Nursultan Nazarbayev denounced the pan-Slavic agreement as a "throwback to the Middle Ages." Over the next few days, however, the five Soviet Central Asian republics announced their readiness to join as cofounders of the new "commonwealth," with several other republics discussing a similar move. But whatever comes out

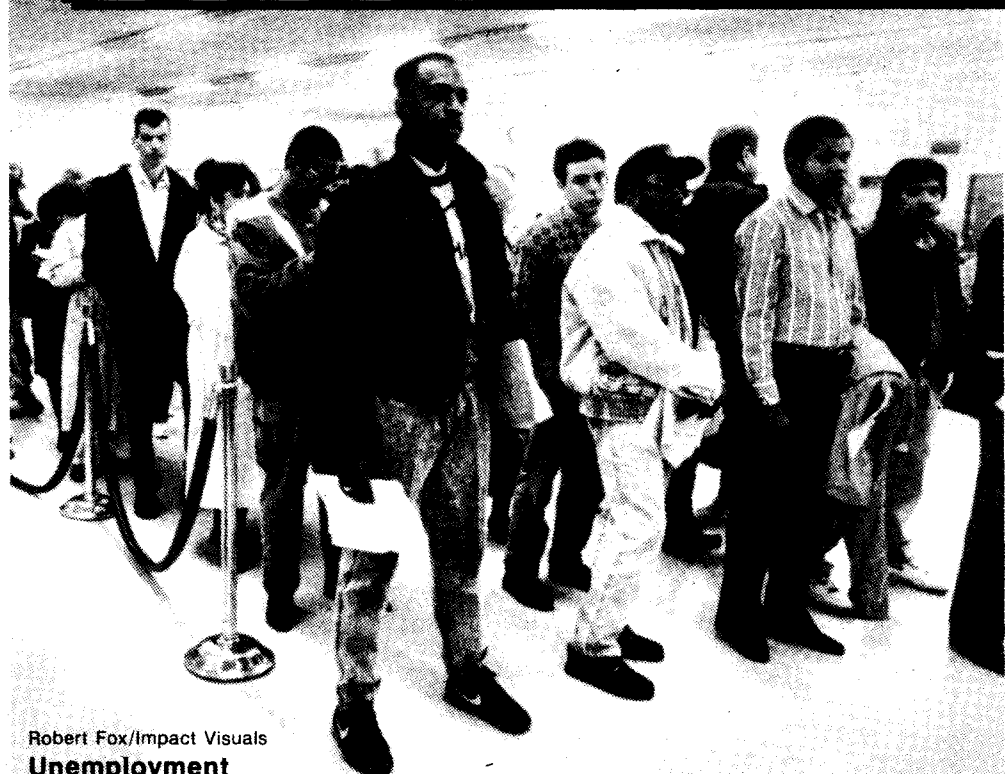
of this maneuvering, the project of capitalist restoration will further unleash fratricidal nationalism threatening to engulf the interpenetrated Soviet peoples in blood. Already a murderous gun battle between ethnic Russians and Moldavian police has prompted the Moldavian republic to break off talks about joining the "commonwealth."

For now, the only thing certain in this rapidly changing situation is that Gorbachev's figurehead position as Soviet president is gone. A leader of the parliamentary "Rossiya" faction remarked, "To get rid of Mikhail Gorbachev we got rid of the whole state." To which another hardline "conservative" replied: "At least we got rid of Gorbachev" (*New York Times*, 13 December).

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Reforge the Soviet Union on Leninist Principles!

THE BANKRUPTCY OF AMERICAN CAPITALISM



Robert Fox/Impact Visuals
Unemployment line in Brooklyn.

U.S. Economy Dead in the Water

Michigan Welfare Massacre

Down and Out in Bush's America

**Latino Workers:
New Force for Labor Struggle**

**Racist Industrial Murder
in Hamlet, N.C.**

See Pages 4-10

For Workers Revolution to Rebuild America



Spartacist

ICL organizes cleanup of Marx statue in central Moscow.

Trotskyists in Moscow Clean Defaced Monument

Honor Karl Marx

Among the monuments defaced by Yeltsin's counterrevolutionary mobs last August was the statue of Karl Marx opposite the Bolshoi Theater in central Moscow. On December 1 a communist cleanup brigade armed with brushes, rags and paint remover came out to erase the reactionary filth. Responding to an appeal by the International Communist League (reprinted below), several dozen people gathered behind the flag of Trotsky's Fourth International, the Soviet flag and a banner reading "No to Capitalist Restoration! Yes to the Gains of October!" Among them was a delegation from the Committee to Defend the Lenin Museum.

Over 300 pieces of Trotskyist literature were sold to passers-by, some of whom, including a visiting group of

South Korean Communists, joined in the cleanup effort.

The action attracted newspaper, radio and television reporters from Japan and four West European countries, as well as two pro-Yeltsin Russian newspapers. *Nezavisimaya Gazeta* (3 December) carried a report headlined "Trotskyist *Subbotnik* in Moscow: Supporters of the IV International Cleaned the Monument to Marx"—referring to the tradition of a Saturday of voluntary work for the community. While the Trotskyist *subbotniki* could not remove all the filth from the statue, they did not leave until cleaning the inscribed appeal by the founder of modern socialism (which the Moscow city council wants to erase): "Workers of the World, Unite!"

In Defense of the Statue of Marx!

"His Name and His Cause Shall Live Through the Ages!"

Comrades!

Jackals like to tug at the tail of a fallen lion. That's the way of jackals. But their feast is not to be: the lion lives!

People who yesterday hypocritically knelt before the figures of Marx and Lenin, the founders of the great Soviet state, today deface and destroy monuments, supposing that the great victories achieved by a century of struggle by the toilers can be diminished by their filth and spatterings.

The counterrevolutionary crusade, inspired by the Yeltsinites and aimed against the gains of the October Revolution, began with the defacing of monuments of the revolutionaries F. Dzerzhinsky and Y. Sverdlov. The defiling of these monuments was an opening test of strength by the consolidating Yeltsin-Gorbachev-Bush counterrevolution. Now they are aiming their blows at the economic, political and social gains of the working class.

The monument has become a symbol. And today we come out in struggle with this symbolic act—the cleaning of the statue of Karl Marx. It must become a symbol of our fight against the vile

attempts to tarnish the monument to the genius of Marx in a vain attempt to reimpose capitalist slavery on the Soviet working people. Our banner, the banner of Great October, the banner of the Left Opposition, the banner of Marx, Lenin and Trotsky, remains untarnished. Marx must not be made to pay for Stalin & Co.!

We will not surrender our statue!

The peak of the "democratic" hysteria is behind us, and their attempt at capitalist restoration is calling forth growing protest by the Soviet working class. We remain loyal to our ideals: the struggle for Marx's cause. At the call of the International Communist League (Fourth Internationalist) we have gathered here, because we consider it our duty to arm the Soviet workers with the program of Marx, Lenin and Trotsky—that is, the program of Great October.

Our standard remains as before, Marx's slogan:

WORKERS OF THE WORLD, UNITE!

International Communist League
(IV Internationalist)
1 December 1991



TROTSKY

Break the Chains of Capitalist Exploitation!

The real wages of U.S. workers have fallen for two decades, as union struggles against "givebacks" are sabotaged and betrayed by the labor bureaucracy. The decline in living standards reflects the deterioration of productive capacity and deindustrialization of America. As Karl Marx stated over a century ago, workers' struggles to maintain their wages must, to be effective, lead to the revolutionary overthrow of the capitalist system.



LENIN

The very development of modern industry must progressively turn the scale in favour of the capitalist against the working man, and...consequently the general tendency of capitalistic production is not to raise, but to sink the average standard of wages, or to push the *value of labour* more or less to its *minimum limit*. Such being the tendency of *things* in this system, is this saying that the working class ought to renounce their resistance against the encroachments of capital, and abandon their attempts at making the best of the occasional chances for their temporary improvement? If they did, they would be degraded to one level mass of broken wretches past salvation. I think I have shown that their struggles for the standard of wages are incidents inseparable from the whole wages system, that in 99 cases out of 100 their efforts at raising wages are only efforts at maintaining the given value of labour, and that the necessity of debating their price with the capitalist is inherent in their condition of having to sell themselves as commodities. By cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.

At the same time, and quite apart from the general servitude involved in the wages system, the working class ought not to exaggerate to themselves the ultimate working of these everyday struggles. They ought not to forget that they are fighting with effects, but not with the causes of those effects; that they are retarding the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to be exclusively absorbed in these unavoidable guerilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market. They ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economical reconstruction of society. Instead of the *conservative* motto, "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the *revolutionary* watchword, "Abolition of the wages system!"

—Karl Marx, *Wages, Price and Profit* (1865)

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DIRECTOR OF PARTY PUBLICATIONS: Liz Gordon

EDITOR: Jan Norden

PRODUCTION MANAGER: Joan Parker

CIRCULATION MANAGER: Karen Valdez

EDITORIAL BOARD: George Foster, Frank Hunter, Jane Kerrigan, Len Meyers, James Robertson, Joseph Seymour, Alison Spencer, Marjorie Stenberg

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SPARTACIST LEAGUE/U.S. LOCAL DIRECTORY

National Office: Box 1377 GPO, New York, NY 10116 • (212) 732-7860

Atlanta

Box 4012
Atlanta, GA 30302

Boston

Box 390840, Central Sta.
Cambridge, MA 02139
(617) 492-3928

Chicago

Box 6441, Main PO
Chicago, IL 60680
(312) 663-0715

Cleveland

Box 91037
Cleveland, OH 44101
(216) 781-7500

Detroit

Box 441043
Detroit, MI 48244

Los Angeles

Box 29574, Los Feliz Sta.
Los Angeles, CA 90029
(213) 380-8239

Madison

Box 1492
Madison, WI 53701

New York

Box 444, Canal St. Sta.
New York, NY 10013
(212) 267-1025

Norfolk

Box 1972, Main PO
Norfolk, VA 23501

Oakland

Box 29497
Oakland, CA 94604
(510) 839-0851

San Francisco

Box 77494
San Francisco, CA 94107
(415) 777-9367

Washington, D.C.

Box 75073
Washington, D.C. 20013
(202) 872-8240

TROTSKYIST LEAGUE OF CANADA

Toronto

Box 7198, Station A
Toronto, ON M5W 1X8
(416) 593-4138

Montréal

C.P. Les Atriums, B.P. 32066
Montréal, QC H2L 4V5

Vancouver

Box 2717, Main P.O.
Vancouver, BC V6B 3X2
(604) 687-0353

Edmonton

PSSE P.O. Box 9605
Edmonton, AB T6E 5X3

Yeltsin...

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The agreement is sufficiently vague as to mean all things to all people. It rules out any central government role and outlaws "the activity of organs of the former USSR on the territory of the members of the Commonwealth." Yet it vows to "preserve and support common military and strategic space under a common command" and to develop "a common economic space." The *New York Times* is charging full speed ahead, publishing a two-page spread on Gorbachev's political obituary. But spokesmen for Western financial sectors are more wary. The *Financial Times* (11 December) commented: "Notice of the demise of the Soviet Union appears to have been somewhat premature." The *Wall Street Journal* (13 December) added: "Cracks appear in Yeltsin's New Union."

The big wild cards in all this are the Soviet military and the Soviet people. The country teems with talk of a new coup—this time with the military playing a major role—and/or a popular upheaval sparked by economic dislocation and growing hunger. Economic dislocation and sabotage have reached the point that over a hundred airports are shut down for lack of fuel. Assembly lines in many factories have been reduced to one shift or shut down altogether. State stores are all but empty, with most food items available only at outrageous prices from private stores and black marketeers. "I will not allow my children to starve" is a commonly voiced sentiment on the streets of Moscow. Since August the price of a kilogram (2.2 pounds) of sausage has already skyrocketed from less than 3 rubles to upwards of 160 rubles.

Not surprisingly Yeltsin's popularity rating in Moscow has been plummeting, and Moscow workers get visibly disgusted when they talk about those who manned his barricades in August. Now the prospect of prices rising up to 15-fold on food and other necessities threatens to ignite an explosion of popular anger. The potential for mass working-class resistance to the ravages of "free market" misery was demonstrated when up to 90,000 turned out in Moscow on November 7 to celebrate the 74th anniversary of the Bolshevik Revolution. What is needed to combat the impending catastrophe, reverse the restorationist drive and save the Union, is a Bolshevik program and leadership aimed at mobilizing the multinational Soviet proletariat in revolutionary class unity.

Who Controls the Military?

Gorbachev's fate was effectively sealed in late November, when the central treasury announced it was broke and Yeltsin took over the payroll for all Soviet government employees, including the military and the foreign service. Then came the Ukrainian vote, and Kravchuk, a former Stalinist hack turned pro-capitalist nationalist, announced that he would have nothing more to do with any central Soviet government. Should the Ukraine—which accounts for a fifth of the population and productive capacity of the country—really go independent, that would definitely be a deathblow to the Soviet Union. But that would require the establishment of a separate economic structure—including a separate currency—and cracking the command structure of the Soviet military along national and republic lines.

No sooner had the ink dried than Yeltsin and Kravchuk made it clear they had different understandings of their "agreement." Kravchuk proclaimed his control over military units stationed in the Ukraine and continues preparations for a separate Ukrainian currency. Yeltsin insists that the "commonwealth" will have a unified military command and a single currency. Meanwhile, the forces of counterrevolution are falling out with one another. Yeltsin has been under constant attack from Leningrad mayor

Anatoly Sobchak and Moscow mayor Gavriil Popov, who announced he was resigning. Dismissing the commonwealth agreement as a "fig leaf pasted over chaos," Popov said: "The Presidents who signed the agreement, just like our Russian President, do not control the situation in their own republics."

Which way will the military go? Following the Brest proclamation, Gorbachev addressed the entire high command, unsuccessfully appealing to them to back his halfhearted union proposal. Yeltsin met with the commanders the next day, reminding them who paid their bills and promising a 90 percent pay increase for officers. The 14-15 December *Financial Times* reported: "The Soviet High Command yesterday huddled together in its square white fortress on Moscow's Arbat Square, cancelling all engagements and refusing to take calls." Now, according to Kiev, the Soviet defense ministry has agreed to negotiate transfer of control over troops based on Ukrainian soil. The Red Army newspaper *Krasnaya Zvezda* (12 December) complained: "Our officers wake up in the morning wondering for whom they are working. 'We serve the fatherland!' is our motto—but when you think about it...which fatherland?"

At the same time, senior military figures have been increasingly outspoken in recent weeks insisting that something must be done to put a stop to the economic chaos and nationalist disintegration. *Financial Times* correspondent John Lloyd observed (4 December):

"The military is in a febrile state. There has been no post-coup purge of any dimensions: officers who were sympathetic to the aims of the coup remain in place, or have been moved sideways...."

"Two weeks ago, a statement from the ministries of defence and internal affairs warned that any attacks on bases, anywhere, would be fought off with the use of force, a line which contradicted the earlier emollient of Mr Yevgeny Shaposhnikov, the defence minister, and suggested that he is not fully in control."

Moreover, Yeltsin's policies have been under attack by his own vice president, retired air force general Aleksandr Rutskoi, who came out against implementing the proposed price rises and subjecting military industry to market forces. Rutskoi dismissed Yeltsin's eco-

Soviet KGB officers study protest petition against Yeltsin "free market" policies. Which way will the Soviet military go?



nomic advisers as "young boys in pink shorts, red shirts and yellow boots." *Izvestia* commented that Rutskoi's attacks "were not an accidental episode, but the reflection of an anti-market mood among certain circles." However, what motivates Rutskoi and his ilk is not opposition to the introduction of a capitalist market economy but concern over weakening of the Soviet military establishment.

The military officer corps is the only remaining genuinely multinational Soviet institution. *Yet to preserve the multinational Soviet state and army requires salvaging the socialized property upon which it was created.* The military "patriots" are no more capable of undertaking independent, decisive action to stop the dismemberment of the USSR than were the Kremlin coup plotters last August. Hardline "patriot" Colonel Viktor Alksnis, who has just joined with



Der Spiegel
"Free market" starvation: women pick through garbage dump outside Moscow.

semi-fascists in forming a Russian-nationalist party, declared in *Sovetskaya Rossiya*: "There is no longer anyone in sight who could still save the Union at this point" (*Der Spiegel*, 16 December). Meanwhile, U.S. imperialism is rubbing its hands over the prospect of completely dismantling the Soviet nuclear arsenal—Congress recently allocated over \$500 million to "assist" the various republics in this task—and thus removing what has been for decades a major obstacle to Washington's ambitions for world domination.

For Real Workers Soviets!

What will be decisive in defeating Yeltsin's attempt to erect a new bourgeois state is if the Soviet working class moves into action. There is plenty of tinder building up for an explosion in this coming winter of starvation. The grain crop has dropped over 13 percent below average, the potato crop 10 percent and meat production 4 percent. But this by no means accounts for the widespread shortages facing the population, which are a result of massive hoarding by farmers, distributors and retailers, as well as diversion of goods by speculators anticipating massive price increases. *Business*

ers, black marketeers and pro-capitalist bureaucrats who would become Russia's new capitalist exploiters. The vast quantities of foodstuffs they are hoarding must be seized and defended, which requires the formation of workers defense committees, i.e., the nucleus of workers militias, in coordination with pro-socialist elements of the Soviet Army."

Such committees, extended to the shopfloor to prevent layoffs and privatization by taking control over production, could lay the basis for genuine soviets, drawing into their ranks collective farmers, oppressed minorities, working women, Red Army pensioners—all those who will be victimized by the "new order." Such action, even if initially confined to one area, would electrify the increasingly desperate working masses.

Commenting on the overwhelming support for Ukrainian independence, including in predominantly ethnic Russian areas, Yuri Boldyrev, a leader of the Donbass (Donets Basin) miners strike committee, remarked: "If Russia had more sausage than us, then people would probably have voted against independence" (*Independent* [London], 7 December). But if the Ukraine is right now relatively better off than Russia in terms of food supplies, Kravchuk's capitalist measures will be no less destructive than Yeltsin's. The Donbass is threatened with utter devastation, and miners are talking about possible strike action in the coming months.

It is critical that the workers of different republics and nationalities cut through the schemes of the nationalist leaders to dismember the Soviet Union and set one people against another. That requires a struggle against all manifestations of nationalist bigotry and anti-Semitism—multinational workers defense guards must be organized to sweep away the Great Russian fascists of Pamyat and the fascist gangs coming to the fore in other republics, who are trying to channel popular discontent over "free market" misery into anti-Semitic demagoguery. At a protest in Moscow's Gorky Park, a fascist demonstrator carried a sign saying "Meat Is Scarce, Kill the Big Zionist Pig Yeltsin."

The situation facing the Soviet proletariat, six and half decades after the Stalinist bureaucratic usurpation of power, is desperate indeed. The hour for struggle against the counterrevolution is growing late. The International Communist League (Fourth Internationalist) is for returning to the principles and goals that animated the Bolshevik Party and led to the victory of October. We fight to build a Leninist-Trotskyist internationalist party, which through vying for leadership with other pro-Soviet parties can incorporate the great masses of the Soviet Union in struggle for a better, anti-capitalist future by returning to the foundations of the 1917 October Revolution.

Defeat the restorationist drive and restore the proletariat to its rightful place: those who labor must rule. *Soviet workers: Form soviets to prevent starvation and save the Union!* ■

Week (16 December) estimates that 130 million tons of grain have been stowed away, *three-quarters* of the entire harvest. One frustrated shopper remarked:

"Everybody seems to be working, yet nothing comes of it. Trucks go here and they go there, but what they are carrying and where it ends up, no one knows. And still there is no one who will say concretely what has to be done to put things in order."

—*New York Times*, 13 December

There is a way to establish order—proletarian order. What is called for is mass workers mobilizations organized from the factories to *commandeer* the food supplies being stolen from the mouths of Soviet citizens by greedy speculators—and to sweep a few of these profiteers away in the process. As we wrote last month:

"Workers committees must be set up to oversee the distribution of food, smashing the stranglehold of parasitic petty trad-

Two Decades of Falling Wages

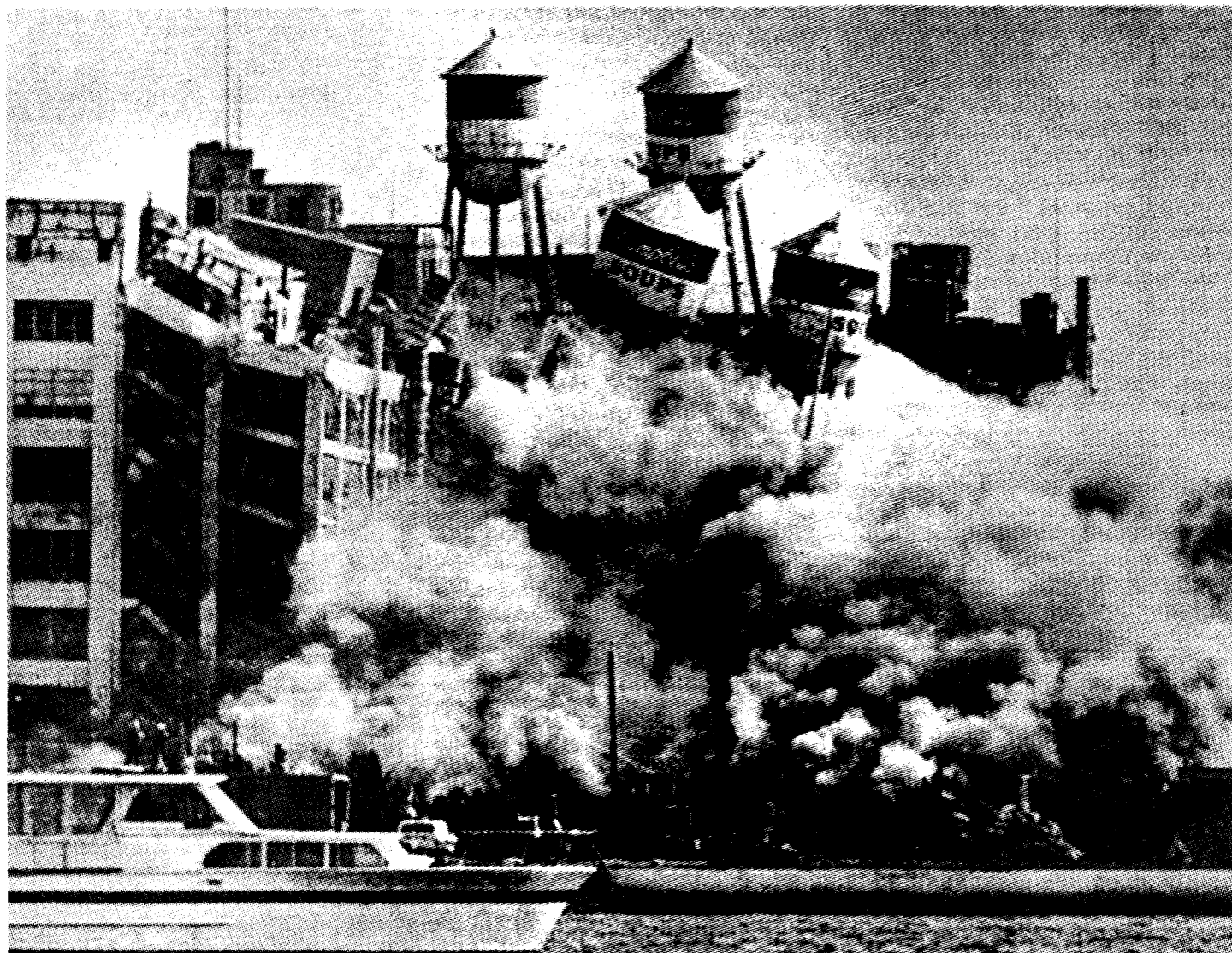
U.S. Economy Dead in the Water

Two years ago Mollie James—a black woman in her late 50s—was laid off her job as a stamping-machine operator at Universal Manufacturing in Paterson, New Jersey, where she had worked for 33 years. The company had been bought out by Southern California takeover artist Andrew Galef, who financed the deal through Michael Milken's junk-bond operation. Galef then shut down the Paterson plant, shifting its manufacturing operations to lower-wage factories in Arkansas and Mexico. When she is 65, Mollie James will be entitled to pension benefits of \$100 a month. That is half of what Galef spends to feed, groom and care for his pet dog.

Such is the way of economic life at the center of the "New World Order." Even as the ideologues and spokesmen of U.S. imperialism crow about the supposed victory of "free market" capitalism in the Cold War, the American economy is in a shambles. The Pentagon's awesome military firepower, which laid waste to Iraq, rests on a shrinking and obsolete industrial base, a bankrupt financial system, and a working class whose conditions of life have been deteriorating for two decades. Now the patriotic hoopla over the Gulf War has disappeared, as a lingering recession adds to the overflow of economic misery. Bush's posturing as master of the world is increasingly resented by working people, who cannot make ends meet whatever they do.

Today Russians are being sold a bill of goods on the prosperity that capitalism would supposedly bring them, while Poles are experiencing the bitter reality of soup kitchens. Yet American newspapers and magazines are filled with articles on the desperate economic straits of the "middle class" (a term now used to include everyone except the very rich and the very poor). Where last year they were chortling over the "death of Communism," this year they're all writing about the "death of the American dream." Young couples, both working full-time, are making far less than their parents did with only one wage-earner.

Now, with the recession, millions of people have lost or face losing even their poor-paying jobs. During the fall a number of major corporations announced big layoffs: Xerox (2,500), TRW (10,000), IBM (20,000), GM (20,000). Pan Am was the third American airline to go belly up this year, and more have filed for bankruptcy protection. "The layoffs sweeping the computer industry," says the *Wall Street Journal* (12 December), represent jobs that "aren't coming back." Business economists note that a few



Hille/Philadelphia Inquirer
Demolition of Campbell Soup factory in Camden, New Jersey in November. Profit-hungry capitalists loot and destroy American industry.

For Workers Revolution to Rebuild America

years ago "layoff was a dirty word," while "now it has become a badge of good management." The first task of new CEOs is to "cut heads." Audrey Freedman of the business research Conference Board estimates 25 million people will be unemployed at some time this year—one out of every five people in the workforce.

The mood in this country is turning angry and bitter. After Bush's Pollyannish "prosperity is around the corner" talk last summer, there's a widespread feeling that the president is playing golf while the economy burns. Polls show 75 percent of the population has no confidence in his economic policies, 48 percent say their biggest concern is unemployment, and consumer confidence is at the lowest point in a decade.

It's not just the recession either. People are beginning to realize that for many years the rich have gotten a lot richer while everyone else has gotten shafted.

During the 1980s, 80 percent of American families saw their real incomes fall while the top 5 percent increased theirs by an average of 25 percent and the top 1 percent hiked their earnings by half! The CEOs of the country's largest corporations now average \$2 million a year in salaries, over 90 times the annual earnings of a production worker. And then there are the perks. The head of Merrill Lynch, the giant securities outfit, was ferried by company helicopter from lower Manhattan to his home in Princeton, New Jersey while the firm was laying off thousands of employees. Shortly before declaring bankruptcy, the top executives of Drexel Burnham—the Wall Street junk-bond machine—paid themselves \$350 million in bonuses.

Even *Wall Street Journal* economics editor Alfred Malabre, Jr.—a genuine, old-fashioned conservative—is appalled by the sight of abject misery alongside opulence:

"By the late 1980s I found it impossible to walk more than a block or two in mid-Manhattan without encountering shabbily clothed men and women camping on sidewalks; many appeared reasonably cogent and simply down on their luck, while others were deranged and in need of psychiatric care. Mid-Manhattan was dismaying for anyone cherishing the egalitarian premise of the American dream."

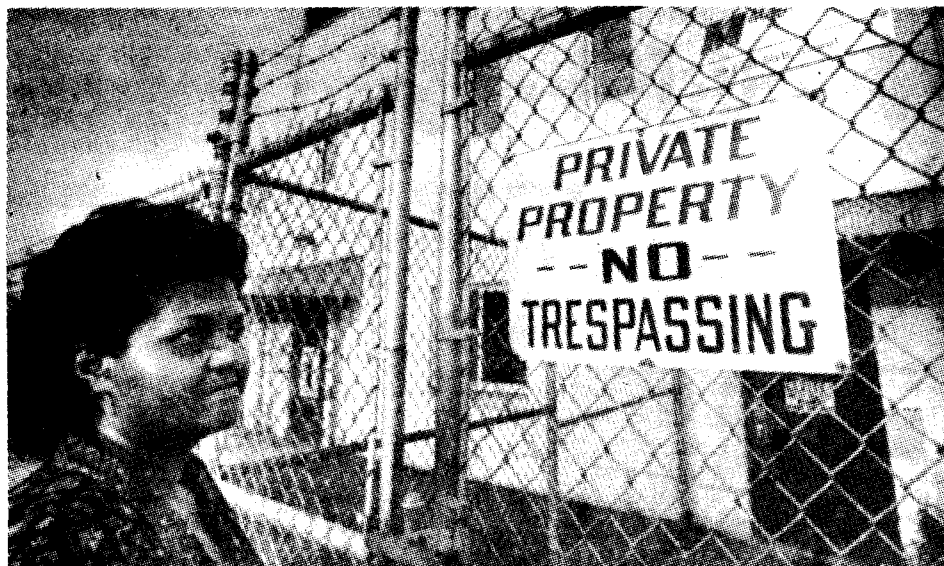
—*Within Our Means*
(Random House, 1991)

Malabre is not simply expressing personal moral indignation. As a responsi-

ble spokesman for American capitalism, he is concerned about popular revulsion against the whole rotten, rags-amid-riches system.

Facing a groundswell of anger and resentment over the economy, some Democrats are beginning to mouth pseudo-populist rhetoric about taxing the rich, as they prepare to run against Herbert Hoover Bush. And the arrogant master of the "New World Order" is starting to act panicky. The imperial president just sacked his greedy chief of staff while Republican politicians are sniping at one another. Right-wing Republican Congressman Vin Weber lectures Bush that unless something drastic is done about the economy, in 1992 "it's going to be very difficult for us to win, at the Congressional level and the Presidential level" (*New York Times*, 24 November).

However, the Democrats have nothing to offer except Japan-bashing trade protection and promises of a few hundred dollars in income tax cuts for the "middle class." Meanwhile, the slick fascist David Duke and other racist demagogues are trying to channel the growing economic desperation of lower- and middle-class whites against black welfare mothers. The situation cries out for a socialist revolution to sweep away the people who ruined this country—the wage-gouging corporate bosses, the rapacious Wall Street sharks and their protectors in Washington, Republican and Democrat alike. Only a workers party with a strong base of support among blacks, Hispanics and other oppressed minorities can put an end to economic deterioration, homelessness,



Philadelphia Inquirer

Mollie James' job was wiped out by corporate raiders and junk bond swindlers.

racist terror and degradation, and the overall decay of American society.

American Capitalists Increase the Rate of Exploitation

Liberal Democrats as well as the Republican "populist" Kevin Phillips and fiscal conservative Alfred Malabre all blame the sorry state of the American economy on the sins of Reaganomics. Phillips decries the seduction of Washington in the early '80s by the snake-oil salesmen of "supply-side economics." Malabre lashes out at the "spend now, pay later" philosophy prevailing in the U.S. Treasury and Fortune 500 boardrooms. The *Philadelphia Inquirer* (20-28 October) published a nine-part series titled "America: What Went Wrong?" Their answer: deregulation and changes in tax laws which encouraged corporate raiders to buy up and tear down long-established firms. Both the Reaganites and their bourgeois critics share the same basic false premise, that the government can effectively control the capitalist economy through taxation and monetary policy, through financial and corporate regulation or lack thereof.

Yet the watershed in the decline of the postwar U.S. economy was not the inauguration of Ronald Reagan in 1981. Rather, it was the 1974-75 world depression. Real wages in this country peaked in 1973 and have been falling ever since. Likewise, the shrinkage of the manufacturing sector, the deceleration of industrial productivity and the deterioration of basic infrastructure (roads, bridges, water supplies, etc.). Since the mid-1970s other economic indices have experienced explosive growth—namely, imports of manufactured goods and personal, corporate and government debt.

During the late 1960s, investment in new plant and equipment in the U.S. declined sharply compared to its main capitalist rivals, Japan and Germany. The Vietnam War further weakened American capitalism as hundreds of billions were spent trying and failing to defeat the revolutionary workers and peasants of Southeast Asia. Nixon's "New Economic Policy" of August 1971 (devaluing the dollar against gold and moving toward trade protection) signaled that U.S. imperialism was no longer the hegemonic power in the capitalist world. The 1974-75 depression devastated the profits of corporate America, which could no longer compete as effectively in the world market and even its own home market.

The owners of capital responded by shifting manufacturing operations to poor countries, especially in the Far East, while slashing wages and benefits for workers at home. In the words of Karl Marx, they increased the rate of exploitation. Between 1969 and 1983 imports into the U.S. from American-owned factories abroad skyrocketed from \$2 billion to \$22 billion, adjusting for inflation. That was an increase of almost 100 percent a year. Harvard economist Robert Reich noted:

"Much of America's stubborn trade imbalance during the 1980s was due not to the predations of foreign nations and corporations, insistent on selling more to us than we sold to them, but to American-owned firms making things abroad (or, more precisely, contracting with foreigners to supply them with particular goods and services, which the firm then sold in the United States)."

—*The Work of Nations* (Knopf, 1991)

Shifting manufacturing operations to Third World countries was key to American capitalism's drive to slash the wages of their workers at home. By threatening to move offshore, corporate bosses forced unprecedented givebacks from workers, who were sold out by the wretched union bureaucracy. With manufacturing employment shrinking, older workers were desperate to hold on to their jobs even as their wages and

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Michigan Welfare Massacre

Under the guise of "cost cutting," the government—from cities and states to the federal level—is implementing a policy of racist genocide. On October 1, the state of Michigan eliminated "general assistance" welfare, condemning nearly 90,000 people to homelessness, destitution and, for many, death. Forty thousand of those affected live in Detroit, once the "Motor City" of America, where the collapse of American industry has thrown thousands out of work and now has severed their last lifeline. The welfare ax was wielded by Republican governor John Engler and the Democratic-controlled state House of Representatives, as "mainstream" capitalist politicians carry out murderous racist programs little different in effect from that brandished by fascist David Duke.

Gerald Miller, Michigan's director of

In largely black Detroit, where homelessness is expected to triple and there have already been attempts at mass evictions from the city's rat-infested welfare hotels, seven homeless people died by early December. For some the cause of death is "hypothermia," a fancy word for freezing to death. Two were killed by carbon monoxide fumes from a barbecue grill they had used to heat their room. Just two days before Governor Engler vetoed all health care expenditures for recently cut-off welfare recipients, his Department of Social Services actually reinstated a program for funeral services for the poor. But even this effrontery was funded at a level that would deny anyone a proper burial.

Budget-ax murderer John Engler is a longtime Bush supporter and state Republican stalwart who was narrowly elected in 1990 over incumbent Demo-

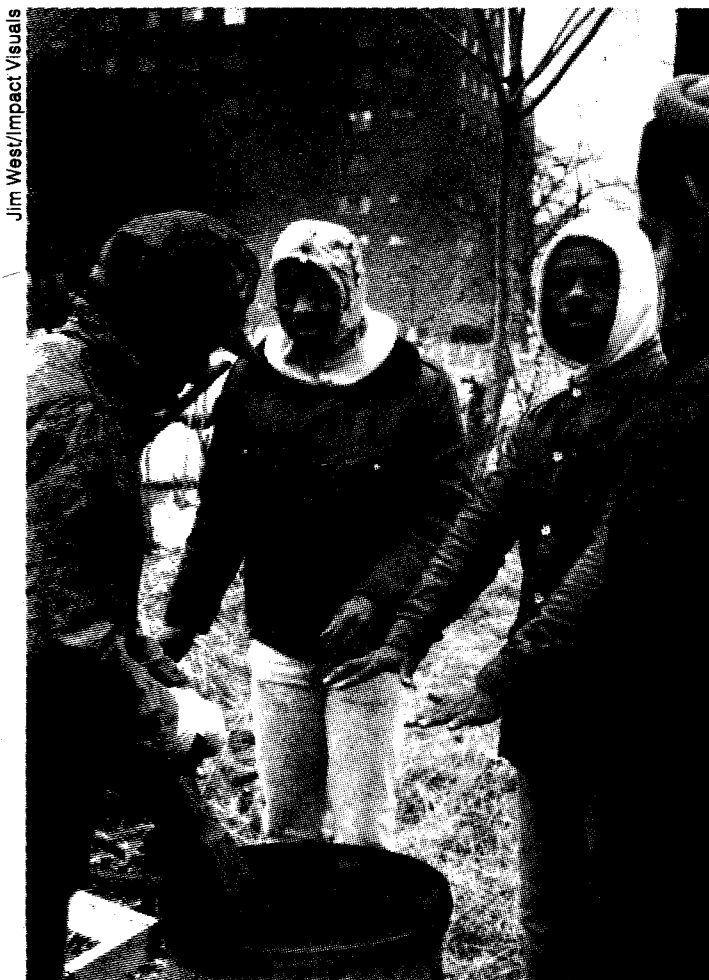
been in office since 1973 when he was first elected with the backing of the UAW bureaucrats. He has been the classic black front man for the Big Three auto bosses. Now Young complains that homeless shanties fail fire-code standards and the squatters haven't filled out the proper forms: "What they're doing is illegal and if I allow any group to promiscuously violate the law anytime they feel like it, I might as well give up control of this goddamn city." Young's "solution" to the homeless crisis has been to set up "warming centers" where the homeless are searched, forced to fill out forms, allowed to sit for a few hours, and then thrown back onto the frigid streets.

The viciousness with which American capitalism treats what it considers "expendable human resources" is monumentally grotesque. Hundreds of thousands of proletarians—black sharecroppers from the South, impoverished East European immigrants, Arabs from Yemen—flocked to Michigan when it was the automobile capital of the planet. But when their profit rates plummeted, the auto companies dumped hundreds of thousands of workers like so much refuse. General Motors' economic devastation of Flint, Michigan, where 30,000 families were hit by plant closings, was captured in Michael Moore's tragicomic documentary, *Roger and Me*. One scene shows GM's CEO Roger Smith unctuously intoning about the piety of Christmas, while an oily deputy sheriff oversees an eviction where a Christmas tree and presents are among the belongings thrown out in the street.

Now Engler and Young are finishing the job. Their message to the victims of capitalist immiseration is: "Drop dead." Liberal Democrats have a "recall Engler" movement going, as if having somebody like Coleman Young—or Blanchard, who began the cuts—as governor would change things much. The key is a fight in the unions to mobilize labor's power in defense of the unemployed and homeless. Particularly in Detroit, union-backed workers defense committees should be formed to stop evictions and occupy the thousands of units of abandoned public housing. In addition to the miles of abandoned homes, kept empty by the laws of private property and the guns of the cops, the Detroit area has hundreds of vacant factories, which could be efficiently heated to provide emergency refuge from the freezing cold.

Decaying American capitalism and its lieutenants in the labor movement such as the criminally complicit UAW bureaucracy offer no way out of this cruel and callous system. Only a socialist America can provide for the massive redistribution of wealth, the massive public works and housing projects, and the reindustrialization of the country that can provide everyone with the foundation of a decent life. ■

Detroit—Outside the Jeffries public housing project the day after Coleman Young's cops evicted homeless from vacant apartments.



social services, described it as "a really interesting social experiment" which would "break the cycle of dependency." Under this macabre "experiment" every single adult welfare recipient not totally disabled is being totally cut off the already criminally inadequate income from the state. Infirm 63-year-old men were declared "able-bodied" and told to "get a job" in the face of 13 percent unemployment—or die. The "Michigan plan" is being closely watched by other states. Already California governor Wilson has launched a "Tax Payers Protection Act" that would slash Aid to Families with Dependent Children by up to 25 percent! Meanwhile, San Francisco mayor-elect Frank Jordan talks about shipping the homeless off to work camps.

The Michigan plan is truly a policy of coldblooded murder. When the checks that provided for Eva Frederick's hypertension medicine were cut off, she tried to extend her existing supply by taking half the dosage. She collapsed from an aneurysm in the brain and died November 20 in a Traverse City hospital. Shortly after the cutoff went into effect Detroit cops shot and killed Stephen Mondack, who was distraught at the elimination of his General Assistance check of \$160 per month. The cops alleged he "lunged" at them with a knife, but neighbors described a normally calm man put over the edge by the killer cuts. "You can't just put a man out like a dog," said one.

crat James Blanchard. Engler killed funds for raises for state workers, sought to wipe out job training and OSHA programs, and vows to make abortion illegal if *Roe v. Wade* is overturned. And now Engler announces a campaign for homeless shelters—for dogs and stray animals—for the Lansing Humane Society. A labor movement worthy of its name would lead contingents of workers and unemployed from throughout the state to converge on the capital in Lansing, evict budget-ax murderer Engler from the governor's mansion, and move the homeless in!

In Detroit, "Englerville" tent sites have been set up to protest the cuts and coordinate efforts by the city's tens of thousands of homeless to occupy public housing, which is 43 percent vacant. These have been met by vicious persecution by liberal black Democratic mayor Coleman Young and his cops. On October 29, eight homeless activists were dragged from the Jeffries Project, whole sections of which are unoccupied. On November 11, five activists were arrested in a tent site near the project, including one person whose arm was run over by a cop car. The next day more than 60 were evicted from the same tent site and later seven were thrown in jail from a tent site in a church parking lot.

Coleman Young is the archetypical "friend of labor" Democrat, a former labor organizer and CP supporter in the National Negro Labor Council, who has

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Winter 1991-92 in America—tent cities and cardboard box “homes” for the freezing homeless, overwhelmed soup kitchens for the hungry, escalating unemployment. Last month the government reported another 241,000 jobs “disappeared,” unemployment is over 12 million and the number of people officially living in poverty jumped to 33.6 million. And President Bush wants to stimulate the economy by buying some *socks* in the local mall! Decaying American capitalism’s answer to the plight of the down and out is more police sweeps to hide the homeless, but the devastation of human lives is so pervasive that a recent survey found that over half of all Americans say they see homeless people every day in their neighborhood.

The onslaught against the poor is relentless nationwide. The London *Economist* (29 June) notes:

“Chicago’s O’Hare airport has been closed to the homeless. Santa Barbara has banned sleeping on public streets, and Atlanta’s mayor, concerned about the image of his Olympic city, has proposed a bill that would impose criminal penalties (including, absurdly, fines of up to \$1,000) for aggressive begging.”

In New York City, the bourgeoisie has told City Hall they’re tired of living in “Calcutta West.” Last summer, an army of NYC cops in riot gear tore down shanties in Tompkins Square Park. Then they rampaged through nearby vacant lots to evict the homeless again. This winter liberal black Democratic mayor David Dinkins vowed to “clean up” the Port Authority 42nd Street bus depot so that suburbanite commuters don’t have to step over homeless people on their way to Midtown. When they’re dumped out of the terminal, some of the destitute seek shelter in subway tunnels, where 49 homeless were killed last year by trains or electrocution on the third rail.

At a City Hall press conference on December 9, homeless people whose shantytowns were bulldozed by Dinkins’ cops protested the grotesque hypocrisy of the mayor’s fist-raised salute to township squatters in South Africa during his recent junket there. The protesters carried a sign reading “Lord Mayor Dinkins Visits South African Shantytowns Because None Exist in New York, God Bless America.” Dinkins screamed at the squatters, “Just shut up!” then lectured them on how to behave. Apparently their ingratitude disqualified them from getting invites to Dinkins’ fancy meal with the homeless a few days later.

In a cynical publicity stunt, a group of 100 homeless women hand-picked by Dinkins’ aides were treated to a four-star dinner at Gracie Mansion while a jazz pianist played “New York, New York.” *Newsday* (13 December) described it: “It was like a scene out of ‘Bonfire of the

Down and Out in Bush’s America



Homeless huddled outside NYC court building before Dinkins’ cops fenced area off. Mario Ruiz

Vanities’: Mayor David N. Dinkins, dressed in a tux, and his wife, Joyce, svelte in a black coat-dress and pearls, threw their first party of the Christmas season.” Dinner started with duck pâté and ended with cake topped with raspberries and shaved chocolate that was prepared and served up by the elite Les Dames D’Escoffier. The homeless women were sent off with Ritz-Carlton shopping bags filled with candy and bagels.

Dinkins isn’t the only capitalist politician with hypocritical “sympathy” for the homeless. At a “celebrity hunger banquet” sponsored by the anti-hunger Oxfam group, Congressmen sat on the floor eating rice with a group of students and staffers while a few people repre-

sending the privileged classes sat nearby dining on gourmet food. This “symbolic” event is being replayed around the country from Boston to Hollywood. The liberal politicians hope everyone will forget that the killer cutbacks started in the Democratic Carter administration and received bipartisan Congressional support as they accelerated rapidly under Reagan and Bush.

’Tis the Season of “Compassion Fatigue”

Ronald Reagan once declared that the homeless “prefer” to live a life of misery. Today the liberal *Newsweek* (30 September) headlines an opinion piece by one L. Christopher Awalt, titled “Brother, Don’t Spare a Dime,” saying that the homeless “have become a danger to public safety” and “must bear the greater part of the blame for their manifold troubles.” And Manhattan’s trendy Tribeca Grill—owned by celebrity partners Robert DeNiro, Sean Penn, Mikhail Baryshnikov and Bill Murray—threatened to leave the yuppie-infested Tribeca neighborhood if a drug treatment clinic was built. (DeNiro later denied he was concerned.) It’s a growing phenomenon called NIMBY (Not in My Back Yard).

But the homeless are increasingly in everyone’s backyard. Not only are there an estimated three million homeless people, but two straight decades of industrial decline and union-busting in the U.S. have driven down real wages and living standards for the American working class, especially minorities. And the charities so touted by Bush are being overwhelmed by the dimensions of the human wreckage that capitalism is producing. In the Bronx alone, a half-dozen food pantries have closed in the past six months. “Foundations and corporations don’t want to fund emergency services; it’s not fashionable, and they are tired,” said a Food & Hunger Hot Line director. “It shows the fallacy of relying on cor-

porate donations to fill the role of federal government.”

Under the “magic of the marketplace,” housing, education, medical care, even food are provided for profit, not for human need, and “the devil take the hindmost.” And under racist American capitalism, the poorest are the blackest. Besides fighting racism to get a job, black workers are being hit disproportionately by layoffs in government, where they have found more jobs than in private industry. A whole generation of ghetto youth have been consigned to oblivion without hope of a decent job while being targeted with racist violence by the cops and courts. Feeding off this backlash, fascist David Duke is now a nationally prominent Republican vying for the same voters as George Bush by railing about “welfare abuse.”

Already, government aid to the poor has been gutted. A *Harvard Business Review* article reports that today, the maximum amount of AFDC (Aid to Families with Dependent Children) payments, including food stamp benefits, is \$367. This is barely half the monthly welfare benefit for a family of three in 1970 (\$635 in 1991 dollars). In a country which could easily feed the entire world, 5.5 million children under the age of 12 suffer from hunger. And one direct cause of homelessness has been the slashing of public housing. The December *Scientific American* notes that “between 1980 and 1987, new commitments for the construction of public and Section 8, or subsidized, housing fell from about 173,249 to 12,244 apartments.”

How to Abolish Homelessness

For sheer viciousness, the antics of Bush and Congress are hard to top. From her palace at Versailles, Marie Antoinette said the starving masses should eat cake. Today Bush cavalierly announces from the golf course his veto of a bill extending unemployment benefits. But a lot of people don’t accept this sorry state of affairs. “I think in a country as rich as the United States, we should not have people who are homeless. I think people who need work should get a job,” said an Atlanta social worker (*Los Angeles Times*, 15 July 1990). She added: “Does that sound socialistic or something?”

Twenty-five years ago, you heard a lot about the “war on poverty.” Worried about America’s cities burning down in urban unrest over cop brutality and social degradation, the JFK/LBJ administrations brought in social democrat Michael Harrington, whose book on *The Other America* threw a spotlight of publicity on poverty in Appalachia and elsewhere. The so-called “Great Society” programs designed then have come and gone, but today conditions are far worse. As ghetto blacks face economic devastation surpassing that of the 1930s Depression, it should be clear that the issue is not “pockets of poverty,” but a rotting system that reproduces poverty for the masses to provide the fabulous riches of the ruling class.

The question of homelessness and hunger was succinctly addressed by Karl Marx’s comrade Frederick Engels a century ago:

“The so-called housing shortage, which plays such a great role in the press nowadays, does not consist in the fact that the working class generally lives in bad, overcrowded and unhealthy dwellings. This shortage is not something peculiar to the present; it is not even one of the sufferings peculiar to the modern proletariat in contradistinction to all earlier oppressed classes. On the contrary, all oppressed classes in all periods suffered more or less uniformly from it. In order to make an end of this housing shortage there is only one means: to abolish altogether the exploitation and oppression of the working class by the ruling class.”

—*The Housing Question* (1872)

Then we can begin the socialist reconstruction of America which will provide jobs, housing, food and medical care as the rights of the working masses. ■



High/Image Productions

Housing crisis 1991: Young children, entire families increasingly thrown onto the streets because they can’t pay sky-high rents.

Down With "English Only" Bigotry

Latino Workers: New Force for Labor Struggle

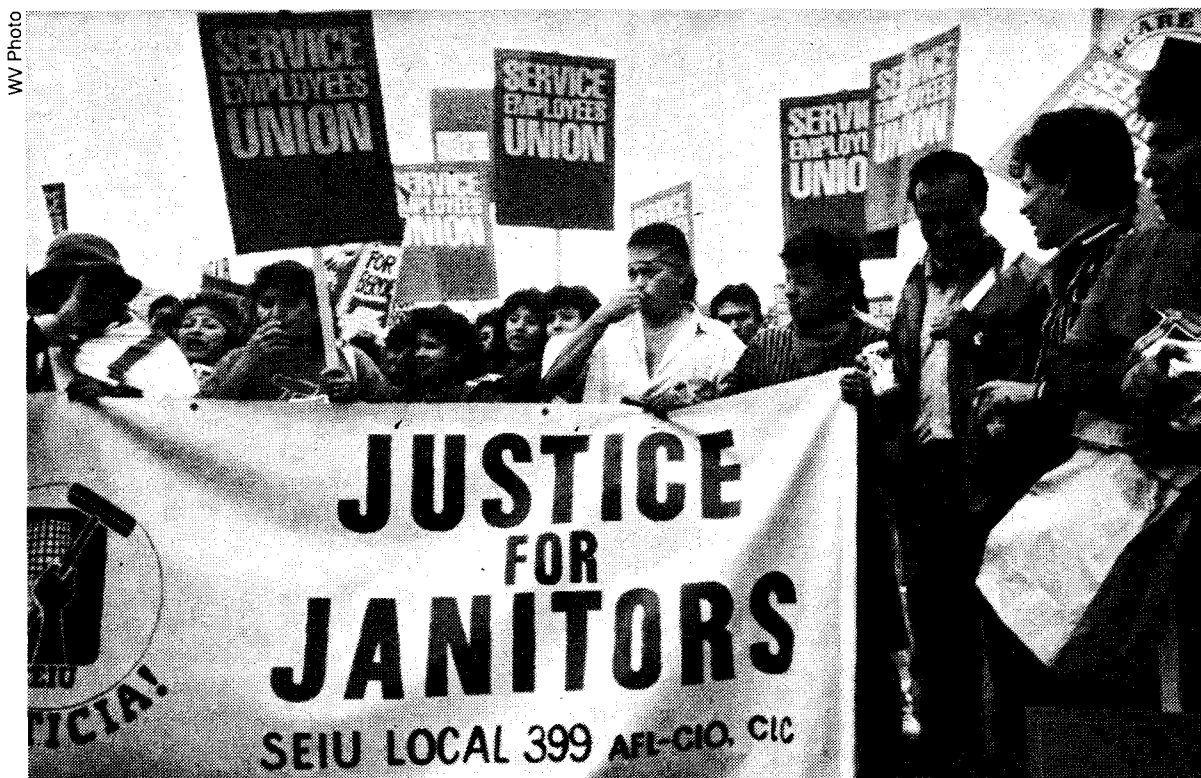
Over the past decade there has been a dramatic increase in the number of foreign-born workers in the United States—a social change comparable to the massive increase in the number of women in the workforce. In 1989, the total number of immigrants admitted as "permanent residents" topped one million—the highest figure for any single year since 1914. When you add in the far larger number of "illegal" immigrants, the percentage of the U.S. population that is foreign-born is now higher than at any time since the early 1920s. With immigrants now constituting almost 10 percent of the U.S. labor force, the figure is even higher among blue-collar workers. The appearance of a new layer of young and class-conscious immigrant workers, many with experience in militant union struggles in Central America, is having an energizing impact on the American labor movement.

As a result of this wave of immigration, according to the 1990 census, the Asian population doubled over the last decade to 7.3 million, while Hispanics increased 53 percent to 22.4 million. And that's only the official figures. According to independent estimates, taking account of the systematic undercount in minority neighborhoods, the number of Hispanics is over 25 million. Today, the U.S. is the fifth-largest Spanish-speaking country in the world. California alone has an estimated 7 million immigrants (3 million in the last decade). In Los Angeles, Latinos have officially surpassed whites as the largest racial/ethnic group—with 40 percent of the total population and a majority of students. More than 80 languages are spoken in the L.A. schools. "Today Los Angeles has the largest Japanese, Iranian, Thai, and Filipino communities in the country" (*New York Review of Books*, 10 October).

The impact of this social change can be seen in the labor movement, where the overwhelmingly minority high school students joined L.A. teachers on the picket lines in 1989; where heavily Latino hotel workers struck against the Hyatt chain later that year; where the 70 percent Latino teachers assistants walked out in early 1990, and the mainly Latino janitors waged a militant strike which faced down police attack and won union recognition. This fall the workers of the SEIU, one-third black, one-fifth Latino and over half women, staged "rolling strikes" against L.A. County. Meanwhile, the L.A. cops have lashed out against all minorities. The racist LAPD terror symbolized by the brutal beating of black motorist Rodney King was also shown in the cop execution of two Samoan brothers at their house in February, and the police murder of a Latino youth in the East L.A. Ramona Gardens project in August.

At the same time that they are a potential force for labor militancy, immigrant workers are in a vulnerable position. The U.S. government has stepped up attacks on foreign-born workers. The 1986 "Immigration Reform and Control Act" was passed amid a barrage of Reaganite rhetoric about "controlling our borders." This was a bipartisan effort to get control of the huge influx of immigrants in exchange for regularizing the status of those already here. But while the number of "illegal aliens" arrested

Militant Los Angeles janitors beat back police repression to win union at Century City last year.



at the border and deported fell by almost half to 850,000 in 1989, it has since shot back up to over one million in 1990 and 1991. Moreover, as part of the "drug war" of Bush and the Democrats, the 2,000-mile U.S.-Mexican border is being militarized.

The *El Paso Herald-Post* (18 May) noted that the Border Patrol thugs are "increasingly using deadly force," armed with sophisticated electronic intrusion and heat sensors, radar, helicopters, and fixed-wing aircraft with nightscopes, courtesy of "Operation Desert Storm." A protest march of 500 people to the U.S. consulate in Juárez in May denounced killings by U.S. authorities, saying that "at least 75 Mexicans have died at the hands of the Border Patrol" in the last two years (*El Fronterizo*, 16 May). And local officials in the lower Rio Grande valley in Texas have reported finding 203 unidentified bodies near the border over the last nine years (*Filo Rojo*, 13 September).

Along with the traditional racist slurs like "wetbacks" and "greasers," INS agents commonly refer to undocumented workers as "tonks," described as "slang for the noise made when you hit some-

body on the head with a flashlight." A taste of the routine racism can be gleaned from the Agency's "Practical Spanish Grammar for Border Patrol Officers," which includes such helpful phrases as "Interrogative: Why do you always lie?" "Progressive action: You are lying right now." "Present perfect: He has not told the truth." "Familiar command of irregular verbs: Tell her that her husband is lying" ("Racist Shop Talk on the Border," *San Francisco Chronicle*, 28 April).

Contrary to the famous inscription on the Statue of Liberty, U.S. immigration policy has always been racist, from the horrific anti-Asian bigotry which the first Chinese railroad laborers faced over a century ago, to the treatment currently being meted out to desperate Haitian refugees fleeing military dictatorship. Yet while cracking down on impoverished black, Hispanic and Asian refugees, the INS rolls out the red carpet for white immigrants from Ireland, who will be guaranteed 48,000 green cards over the next three years under Teddy Kennedy's "Irish Lottery"! The new 1990 "Immigration Reform" also provides "affirmative action" immigration quotas for Polish, Italian and other "underrepre-

sented" European nationalities. And for the first time, U.S. citizenship can be bought outright, by those with a million dollars to invest in U.S. companies!

With the racist U.S. ruling class deporting Latin American refugees back to death squad terror and consigning Haitians to drown at sea, Reaganite right-wingers like Patrick Buchanan and KKK-Nazi demagogue David Duke (who once mounted a "Klan Border Watch") are both campaigning on "America First" platforms targeting "illegal aliens" along with "welfare queens" as the supposed cause of declining living standards. Paralleling the official racism, anti-immigrant attacks have surged, an ominous trend extending from fascist death squad attacks on Mexicans at the San Diego border crossing to the "Light Up the Border" campaign by the local Republican Women's Club, who shine car headlights at the fence to help the Border Patrol hunt down Mexicans.

Nationwide, this nativist chauvinism is mobilized by the "English Only" movement, pushing laws to make English the official language (thus discriminating against non-English-speakers). A favorite target of these fanatics is bilingual education, which the government too wants to knife. Last month the dean of the bilingual center of Hudson County Community College in New Jersey prohibited workers from speaking Spanish. And a December 5 Phil Donahue Show on the question broadcast from Miami quickly degenerated into a racist rally against Spanish-speaking people. As Donahue ran around bleating ("this is not my view, but..."), one blow-dried suburban ignoramus after another spewed their venom over "the deliberate arrogance" of those who don't speak the "official language." One Ms. Piggy complained (to wild applause): "I can't even understand that lady over there, with her 'dese' and 'dat'!"

The highlight of the show was the appearance of two black women who had recently won a court case against a maid-service company which used Spanish-language job applications. Ruling-class racists would love to get oppressed blacks to jump on the anti-"foreigner" *continued on page 11*



La Migra terror stalks the border—U.S. Border Patrol "increasingly using deadly force."

U.S. Economy...

(continued from page 5)

benefits were cut. The overwhelming majority of new jobs in the U.S. over the past 20 years have been in the low-wage, non-union service sector (e.g., retail store clerks, file clerks, fast-food counter-men). The increase in the rate of exploitation was concentrated on young workers entering the job market, who with the "two-tier" wage system are now literally superexploited.

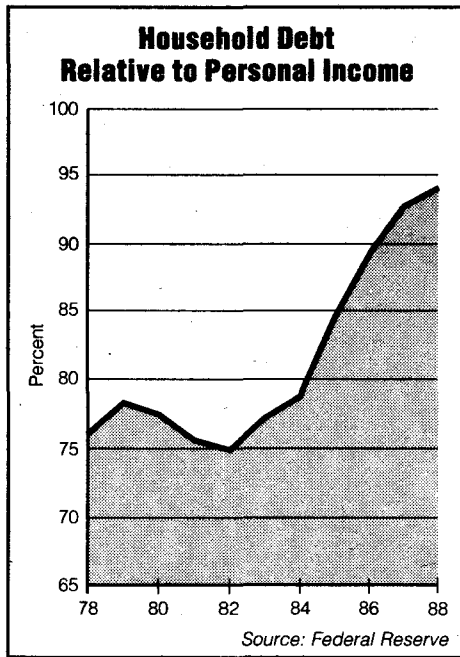
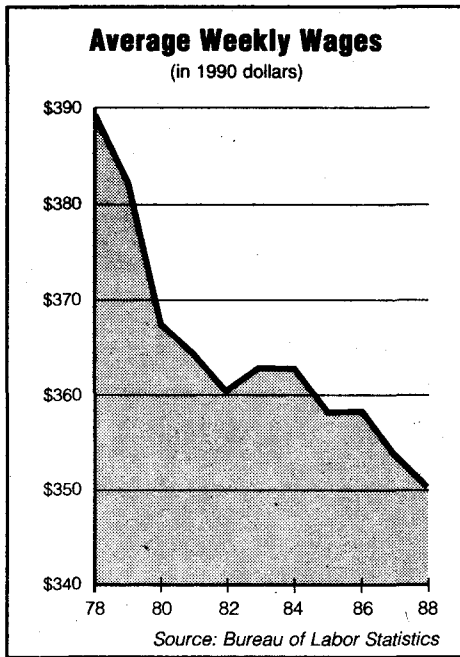
Even more so than young workers as a group, the deindustrialization of America has devastated the black community. For blacks were disproportionately represented in the unionized industrial proletariat. The bleak cities of the Midwest rust belt—South Chicago-Gary, Detroit, Cleveland—are heavily black. A young black male high school graduate working full-time is on average earning 44 percent less in real wages (adjusted for inflation) than a black high school graduate in the early 1960s! That is the main reason why half of all black children are now living below the official government poverty level.

Statistics on wages—appalling as they are—do not fully capture the savagery of the capitalist attack on working people. For non-wage benefits have been cut even more. In 1982, 75 percent of employees of medium and large companies were covered by some form of health insurance. By the end of the decade less than half had medical benefits. Hundreds of thousands of families have had their life's savings eaten up after their medical insurance was eliminated by one means or another.

The *Philadelphia Inquirer* recounts the particularly poignant case of Christopher and Billie Neimann of Fort Smith, Arkansas. Chris was working for a small trucking company when he contracted a rare bone cancer in his late 20s. While he was on medical leave, the company went bankrupt due to the rate wars following trucking deregulation. A few months before he died, the M.D. Anderson Cancer Center billed the Neimanns for \$30,000 in treatments. Of course, they couldn't pay. After his death, the hospital's collection department harassed his widow for the money.

Millions of American families have staved off poverty only because more women with children have taken jobs and those with jobs are working more hours. By the late 1980s married women were on average working 50 percent more hours than ten years earlier. Their husbands, too, were working overtime and holidays to try to make ends meet. After pointing out that in 1989 the American labor force was working three and a half weeks longer a year than a generation ago, radical economist Doug Henwood observed: "This intensification of work has been virtually unknown in industrialized countries since Marx wrote the first vol-

Wages Falling, Personal Debt Rising



WV Graphic

ume of *Capital*" (*Nation*, 9 September).

In addition to working more, American families have tried to preserve their standard of living by going ever deeper into debt. Household debt jumped from a little over 70 cents for every dollar in annual income in the mid-1970s to 94 cents by the late '80s. Now with millions laid off or on short time, defaults on mortgages, auto loans and charge cards have soared. Business is booming for Sid Schneider, a New York lawyer specializing in throwing people out of their homes, who exults, "there are so many more foreclosures today than at any time since I started practicing, 35 years ago" (*New York Times*, 11 August). No wonder the desperate economic plight of the "middle class" has moved to center stage of the American political scene.

Labor's Gotta Play Hardball to Win!

The liberal and other bourgeois critics of the Reagan/Bush "greed decade" present working people as the helpless victims of Wall Street operators aided and abetted by Washington. In *The Politics of Rich and Poor* (Harper, 1991), Republican Kevin Phillips quotes a 1988 article from the *Los Angeles Times* that "not in half a century has the United States seen so many 'givebacks' affecting so many people...from musicians with the Honolulu Symphony Orchestra to lumbermen in the Pacific Northwest, from steelworkers in West Virginia to Greyhound bus drivers in Montana..." What Phillips et al. don't talk about is the desperate attempts by the workers to wage resistance against this onslaught.

The Greyhound drivers fought the givebacks but were defeated and sold out in one of the decisive labor battles of the Reagan era—the long, bitter and violent strike of 1983. The company won because it was able to replace the drivers with scabs and so more or less maintain its scheduled service. In major cities

throughout the country—most of them run by *Democratic mayors* who loudly denounced Reaganomics—police protected the scab drivers from the union pickets. In Zanesville, Ohio a scab driver ran over and killed picket captain Ray Phillips. The bosses were quite literally waging *class war*.

The Greyhound drivers could have won that war by shutting down the bus terminals through mass picketing, drawing on not only their own ranks but all unionized workers and a legion of potential supporters. This would have meant defying Taft-Hartley and other anti-labor laws and confronting the Democratic mayors and governors who enforce those laws as brutally as their Republican counterparts. Instead, the bureaucracy of the Amalgamated Transit Union held back the militant ranks who wanted to stop the police scabherding, leading the Greyhound strike to defeat and the workers to givebacks. Shortly after the Greyhound strike we wrote in our manifesto "Labor's Gotta Play Hardball to Win":

"No decisive gain of labor was ever won in a courtroom or by an act of Congress. Everything the workers movement has won of value has been achieved by mobilizing the ranks of labor in hard-fought struggle, on the picket lines, in plant occupations. What counts is power. The strength of the unions lies in their numbers, their militancy, their organization and discipline and their relation to the decisive means of production in modern capitalist society. The bosses are winning because the power of labor, its strength to decisively cripple the enemy, has not been brought to bear."

—WV No. 349, 2 March 1984

Just look at the current Ravenswood Aluminum strike, a prime example of the corporate takeover/union-busting pattern that has ravaged the American labor movement. In 1989 the West Virginia plant was bought by an outfit headed by notorious metals merchant and arms dealer Marc Rich. Wanted by the U.S. government for over 60 counts of tax fraud, Rich fled to Switzerland eight

years ago. This has not prevented him from selling copper to the U.S. Mint or from buying up American companies and axing their workforce.

The new Ravenswood bosses demanded the elimination of the cost-of-living adjustment and a bonus system which accounted for about 10 percent of take-home pay. While negotiating with the Steelworkers, they built up a small army of company goons (from an outfit staffed by U.S. mercenaries for the Nicaraguan contras) and publicly advertised for "replacement workers." When the union contract expired, the company fired most of the workforce, replacing them with scabs who live in trailers on the plant grounds, which have been turned into an armed camp dubbed "Fort RAC."

West Virginia is a state which still has strong pro-union sympathies reflecting the social weight and traditions of the coal mining communities. Tens of thousands of union men and women and their supporters throughout the region should march on Ravenswood, tear down the barricades, smash the company goons and shut down the plant. Given that Marc Rich is a known corporate criminal even by the standards of American bourgeois legality, such a militant labor action would have especially broad support throughout the country.

But, of course, the Steelworkers bureaucracy will do nothing of the sort. They are not even calling on the Teamsters to refuse to handle Ravenswood Aluminum products since this would violate Taft-Hartley. Instead the labor misleaders are holding solidarity rallies, calling for the usual impotent consumer boycott and lobbying the bosses' government to help them. The ranks of labor must oust all the pro-capitalist sellouts and replace them with a leadership committed to class struggle.

The Decay of America's Productive Capacity

Militant labor action can limit the givebacks but cannot in itself reverse the fall in living standards, which is rooted in the decay of this country's productive capacity. This decay, beginning in the late '60s, sharply accelerated in the 1980s as the massive military build-up against the Soviet Union devoured the country's productive investment. The cream of American scientists, engineers and advanced industrial technology was expended on the Star Wars boondoggle and the "smart" bombs finally used to massacre Iraqi men, women and children.

Civilian industry was starved for productive investment and then looted by corporate raiders. During the 1960s expenditure on research and development absorbed 2 percent of the country's gross national product (GNP), and the Pentagon funded half of this. During the '80s total R&D was cut to slightly over 1 percent of GNP, with the military machine now accounting for two-thirds of that total. (In 1985, the figure for R&D in Japan was 3 percent of GNP.) During the 1980s U.S. investment in new plant and equipment was just 2.1 percent of GNP, the lowest rate ever recorded for such a long period.

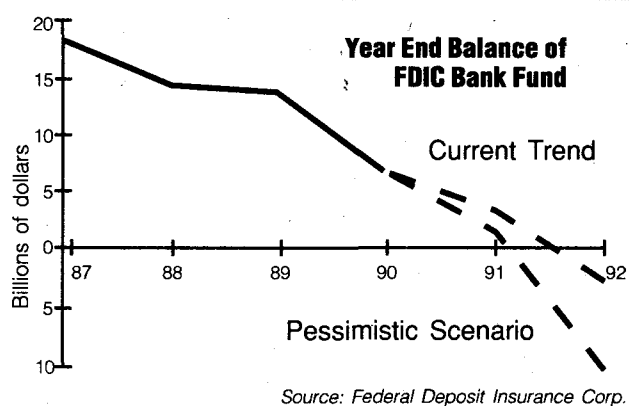
Thus, despite all the givebacks, the two-tier wage system, the gutting of medical and pension benefits, and the sharp depreciation of the dollar in the late '80s, the competitiveness of U.S. industry continued to decline. The U.S. share of world manufacturing exports fell from 21 percent in 1970 to 18 percent in 1980 to 15 percent in 1989. *Competing Economies* (October 1991), a new study on manufacturing competitiveness by the Congressional Office of Technology Assessment, underlined: "If there are no major changes in government policies of developed nations, we expect U.S. manufacturing competitiveness to continue to sink, compared with Japan."

While America's industrial plant be-

Huber/Black Star



THE EVAPORATING BANK-RESCUE FUND



With 900 bank failures in the past four years, the FDIC bank insurance fund is itself on the verge of bankruptcy.

Business Week graph adapted by WV

comes ever more obsolete, the surrounding basic infrastructure is literally crumbling. Half of all paved highways need surface rehabilitation. Forty percent of bridges over 20 feet long are either structurally deficient or functionally obsolete. Major cities are losing as much as 30 percent of their daily water supply because of leaky pipes. The deterioration of the nation's infrastructure is no small factor in U.S. manufacturing inefficiency. Joseph Giglio, a Wall Street specialist in public finance, sums it up:

"Net of depreciation, we have been investing less than .5 percent of our GNP for some fifteen years. In the developed world, only Great Britain comes close to this dismal record. Net of depreciation, Japan invests 5 percent of its GNP in public infrastructure, Germany and Italy 3 percent."

—The World & I (August 1991)

Giglio laments: "For some reason, in the late 1960s and early 1970s, we stopped investing in our future." The reason is that American capitalists—and it is they, not "we," who do the investing—no longer found it profitable to invest in America's future.

U.S. Debt Bomb Implodes

While Reaganomics did not cause the deterioration of U.S. productive capacity and falling living standards, it did usher in an orgy of financial parasitism unparalleled in American or any other country's economic history. The combination of tax cuts for the rich with the biggest peacetime military buildup ever—the Star Wars deficit—produced a bonanza for high-class loan sharks from Wall Street to the City of London to Frankfurt and Tokyo. The fastest-growing component of the federal budget during the Reagan/Bush years was not Pentagon arms procurement but interest on the national debt, which tripled in real terms during the 1980s. Last year the U.S. Treasury paid \$175 billion in interest, an amount greater than the combined federal spending for health, education, infrastructure and the conservation of natural resources.

The financial parasitism of the Rea-

gan/Bush White House extended to its friends and beneficiaries on Wall Street. Corporate raiders like Carl Icahn and Henry Kravis floated high-interest bonds to buy up profitable companies, which they then dismantled and looted to meet the debt service. This was the biggest tax scam of all time, since the interest paid on junk bonds was written off as a deductible expense reducing the taxes on corporate profits. In other words, American taxpayers have subsidized the dismantling of American industry!

Back in the 1950s, U.S. corporations invested three times as much in new plant and equipment as they paid out in interest. During the '80s, for every dollar spent to expand productive capacity, corporations were paying \$1.60 to the moneymen of Wall Street and Tokyo. The year after Henry Kravis took over RJR Nabisco in 1989 for \$25 billion—the leveraged buyout of the decade—the country's biggest food processor cut its capital spending by more than half.

The Reagan White House and Wall Street raiders were able to turn the United States into the world's biggest debtor by the mid-1980s because international financiers, especially the Japanese, found it lucrative to lend them hundreds of billions—for a time. At some Treasury auctions agents of Tokyo banks bought two-thirds of new T-bonds, while Japan Inc. provided about a third of the money for the Wall Street takeover binge. And Japanese financiers and industrialists went on a small takeover binge of their own. In 1988, with the dollar depreciating sharply against the yen, Tokyo financial operator Kenichi Ohmai quipped: "Some of America's most competitive 'exports' today are land, houses and companies."

While real estate and corporations may have been a cheap buy for foreign moneymen, they did not turn out to be a good bargain. In 1989 the junk bond and real estate markets collapsed, corporate bond defaults and bankruptcies rose sharply, and interest rates fell. Suddenly the Japanese were no longer bullish on America. In the first half of this



Boston mounted cops protect scab drivers against Greyhound pickets in 1983. Inset: driver and picket captain Ray Phillips, labor martyr.



WJKW

year direct foreign investment was running 80 percent below the 1989 peak of \$70 billion. The Japanese have actually sold off \$60 billion of their capital assets in the U.S. in the past few years. The slowing of foreign investment to a trickle contributed to the present recession, while the dismal business conditions encourage the outflow of capital.

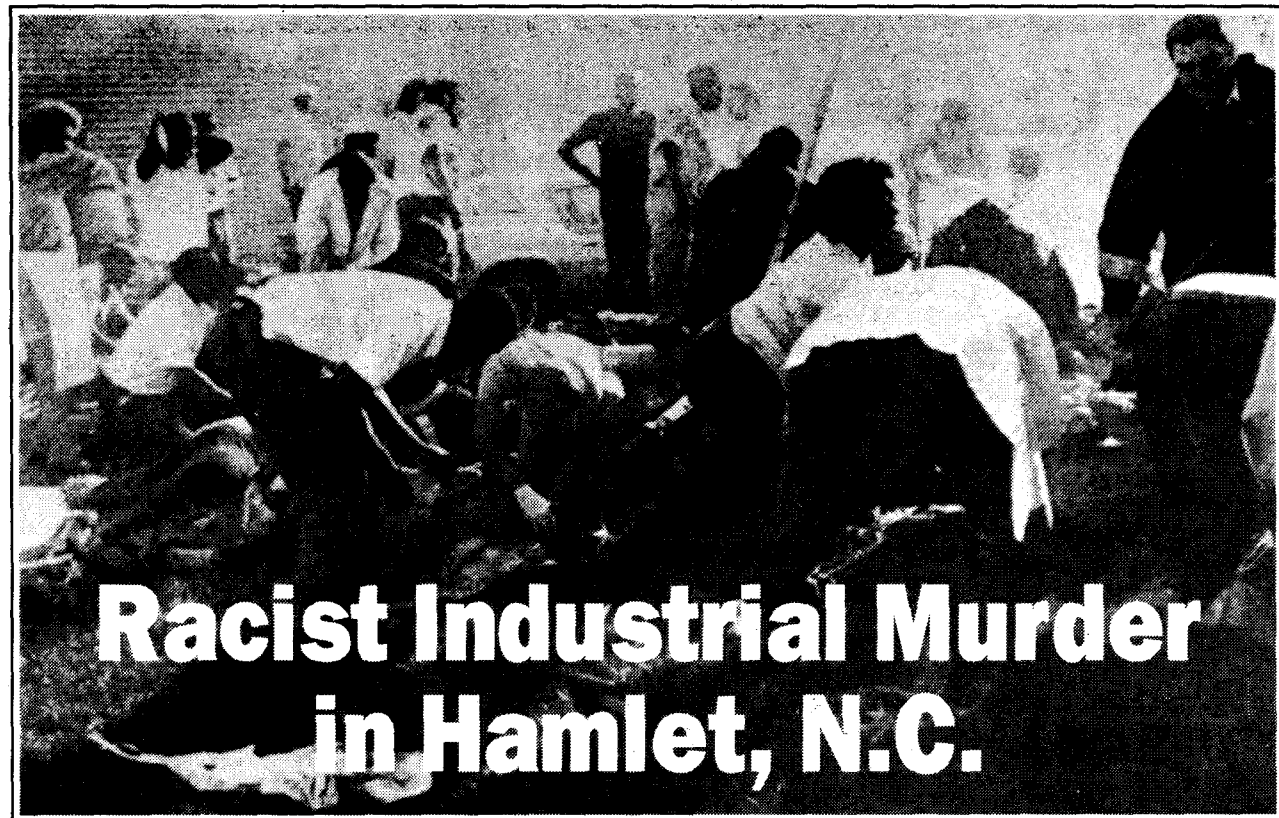
This particular recession expresses above all the implosion of the U.S. debt bubble. Since 1987, almost 900 commercial banks have failed, battered by bad loans to corporate raiders, real estate speculators and Latin America juntas. The federal government agency which insures commercial bank deposits up to \$100,000 is itself on the verge of bankruptcy, its funds nearly depleted. The Federal Deposit Insurance Corporation (FDIC) projects a deficit of \$30 billion in two years.

The FDIC's solvent bank members are

resisting increasing their contributions, pleading their profits are already too low. *Business Week* (9 December) reports, "a growing number of Democrats and Republicans on Capitol Hill believe a taxpayer bailout is all but inevitable." So we are facing a replay of the mammoth S&L scam. For all their ritual praise of the "free market," whenever a banker or corporate CEO starts losing money he always cries out for the socialization of his debts. A taxpayer bailout is the capitalist's last defense against bankruptcy.

If U.S. banks are in no position to lend more, U.S. corporations are in no position to borrow more. Quite the contrary. Management is now using every spare dollar of profit to reduce their mountain of debt rather than rehire laid-off workers, much less expand their facilities. Retrenchment is the order of the

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Racist Industrial Murder in Hamlet, N.C.

On September 3, less than a dozen workers made it out of the Hamlet, North Carolina poultry plant unharmed. Almost 60 were injured, many critically. Twenty-five, mostly black women, were killed. They left behind 42 school-age children.

This was no "industrial accident." To stop the alleged theft of a few cents worth of chicken parts, the fire doors were padlocked shut. When a huge vat of grease exploded in flames, these workers didn't stand a chance. It was murder for profit, pure and simple.

The charred bodies dragged out of the Imperial Food Products factory show the grotesque reality of racist American capitalism, in which more than 10,000 workers are killed each year by workplace injuries and up

to 100,000 die from occupational diseases. Slave wages and industrial murder: that's the story of Hamlet, N.C., which only a year before the fire was designated an "All American City."

For top pay of \$5.60 per hour, Imperial workers endured terrible conditions. Brutal repetitive-motion injuries. The stench of rotten poultry and gas. No sprinkler system. Imperial was a classic runaway shop: owner Emmett Roe has left a string of closed plants and bad debts from Pennsylvania to Georgia. Now state officials and politicians want to "create jobs" by setting up a nuclear waste dump in Hamlet!

In "business friendly" North Carolina, Roe had no fears of even the usual cursory "OHShit" safety inspec-

tions. In a state with 28 inspectors for 180,000 businesses, no one had bothered to look at the plant in the eleven years it was open. But none of the guilty—not the owners, not state labor officials—will serve a day in jail. Just three weeks after the fire, Roe and Imperial left Hamlet, notifying the survivors of the fire by mail that the plant was closed for good.

The injury rate in poultry plants, concentrated in the South, is among the highest of all industries. North Carolina is a shining example of Bush's "New World Order," as unions in private industry—poultry, textiles, furniture, tobacco—are virtually nonexistent.

In mid-October after the fire, a handful of AFL-CIO union tops like William Wynn, the hangman of the Hormel strike, traveled to Hamlet with Jesse Jackson to lead a small rally. Jackson intoned, "This becomes the place where we draw the line for the new South." But this "New South" that the Democratic Party politicians hope to run is an "open shop" industrial plantation dressed up with some Rainbow "empowerment" rhetoric.

After the 1911 Triangle Shirtwaist Co. fire in New York, where 146 young women were killed, outrage sparked union organizing drives in the needle trades. Today, while the capitalist media seeks to bury the memory of Hamlet along with the victims, ossified AFL-CIO bureaucrats mumble about "organizing the South."

But as Barbara Griffith has documented (*The Crisis of American Labor: Operation Dixie and the Defeat of the CIO* [Temple University Press, 1988]), after World War II, CIO tops undercut their own organizing drive by teaming up with the AFL piccards to destroy integrated union locals in the South, like at R.J. Reynolds in Winston-Salem, rather than see them led by reds.

Like the 1979 Greensboro martyrs—leftist, labor and civil rights organizers who were gunned down by Klan and Nazi killers—the 25 workers who died desperately trying to escape the flames in Hamlet will not be forgotten by the multiracial revolutionary workers party that's urgently needed to sweep away the racist capitalist system forever. ■

U.S. Economy...

(continued from page 9)

day. Last spring respected Wall Street economist Henry Kaufman predicted: "The impact of debt on corporate spending will result in a weak recovery...." Kaufman—known on the Street as Dr. Doom—turned out to be too optimistic. Not only has there been no recovery, but the recession is deepening.

For Socialist Revolution, Not Liberal Reforms

The publication of attacks on the economics of the Reagan/Bush "greed decade" has become one of the few growth industries in the U.S. today. Yet one is struck by the contrast between the severity of the diagnoses and the mildness of the proposed remedies. Most of the liberal/populist programs amount to more taxes on the rich, using the additional revenue for education, infrastructure, scientific research and the like. Kevin Phillips supports higher taxes on luxury consumption. The *Philadelphia Inquirer* series calls for eliminating the deduction for interest payments in the calculation of the corporate profits tax.

But the rich are rich because they own and control the means of production. They are therefore in a position to offset any increase in their taxes even if they cannot find new loopholes and dodges. What would happen if interest payments were no longer a deductible expense against corporate profits taxes? After-tax corporate profits would decline sharply. Under these circumstances, management will surely try to increase the rate of exploitation (demanding further wage and benefit cuts, speedup, loosening safety standards) and, where feasible, shift operations to low-wage countries.

But lower after-tax corporate profits would hardly mean the owners of these corporations are about to sell their mansions to move into apartments, trade in their Mercedes for Toyota Corollas, or send their children to the local public high school instead of Andover. Instead of cutting their personal consumption, wealthy stock and bond holders will demand cuts in corporate investment for new facilities, R&D and other productive activities. This is just what the liberal advocates of taxing the rich don't want to have happen. But it is the rich who determine the disposition of profits in a capitalist society, not the tax collectors.

The Work of Nations by Robert Reich of Harvard's Kennedy School is being touted as the latest word in liberal economic wisdom. The book jacket lists endorsements from such diverse figures as the president of the American Stock Exchange, Senate Democratic leader George Mitchell and social-democratic ideologue Irving Howe. Reich recognizes that since the late 1960s manufacturing enterprises in the United States have been decreasingly able to compete in the world market or (insofar as it is



Cop Terror U.S.A.: New Jersey cops pumped 41 rounds into van in June, murdering two black youth. The killers were not even indicted.

not protected) the American market.

However, he argues that the United States can become prosperous without regaining industrial competitiveness. He envisions a kind of yuppie utopia. Let workers in South Korea, Taiwan and Mexico make everything from autos to televisions to wearing apparel. Educate all of America's youth to become financial and marketing analysts, corporate lawyers, design engineers, computer technicians, in short, all of the professions which prospered in the 1980s.

Reich's views dovetail with those of Jesse Jackson and other liberals who preach that education is the way out of ghetto poverty for black youth. Certainly, education has enormous personal and social value. But the notion that education in itself is the key to economic prosperity—whether individual or national—is a liberal myth. If every black person in their mid-20s had earned a master's in business administration from an Ivy League university, this degree would have as much value in the job market as a diploma from Martin Luther King Jr. High School in South Chicago or Atlanta.

The number and income level of financial and commercial middlemen and the technical intelligentsia depend on the surplus value extracted from the direct producers, to use Marxist terminology. That is the difference between the hours a worker works and the hours needed to produce what he is paid. Because American capitalists intensified the rate of exploitation during the 1980s, they could indulge in an orgy of financial parasitism which provided well-paid jobs for the yuppies who served as gofers for the Milken, Kravises and Trumps.

But that party is definitely over. Since the 1987 stock market crash, Wall Street firms have cut their labor force by 20 percent, including securities analysts, traders, paralegals, accountants, etc. On the other end of the country, Silicon Valley—the garden of high

tech—is also depressed. The market for computerization was becoming saturated even before the recession further reduced demand. Highly trained systems analysts, hardware technicians, consultants and salesmen have gotten their pink slips.

"This recession is hitting white collar workers, the middle manager types, and this is not the traditional group that has faced layoffs before," noted Jay Muzychenko of the National Foundation for Consumer Credit, who is worried that the



Fascist David Duke, made "respectable" by mainstream politicians' racism, announcing presidential bid this month.

big spenders of the '80s are defaulting on their BMW and American Express payments. So much for the notion that America can prosper as a high-tech/service economy.

And so much for the bourgeois liberal solutions to the decay of the U.S. economy. Early this year the country's best-known radical journalist, transplanted Anglo-Irishman Alexander Cockburn, teamed up with academic economist Robert Pollin to produce a manifesto titled "The World, the Free Market and the Left" (*Nation*, 25 February). When they expose the ravages of capitalism from Latin America to East Europe, Cockburn/Pollin are on the mark.

But when it comes to their own program for the United States, they offer the stale formulas of West European (specifically British) social democracy. The core of their program is "social control of investment":

"Through the public allocation of credit, public ownership of key firms and industries or other mechanisms, public institutions must at least set a framework to channel the energies of private profit-seeking.... In other words, the commanding heights of the economy must be governed democratically, not through the dictatorship of private capital...."

"Democratic" control over "the commanding heights of the economy" was a watchword of the 1945-51 British Labour government. Clement Attlee & Co. actually cribbed the slogan from Lenin while giving it a parliamentarist

and reformist content. That Cockburn/Pollin do not acknowledge the paternity of Major Attlee and Nye Bevan for their economic program is scarcely surprising. They can hardly hold up pre-Thatcher Britain as a model of economic equality or efficiency. Between 1945 and Thatcher's election in 1979, Britain was considered a "welfare state" and had one of the largest nationalized industrial sectors of any advanced capitalist country. Yet during this period the standard of living in Britain went from the highest in West Europe to the lowest. By the mid-1970s the real income of a worker in a Midlands factory did not compare favorably with a Spanish worker living under Franco.

What happened? In brief, British industrialists and financiers undermined and sabotaged the social-democratic "welfare state" with the lowest rate of productive investment of any advanced capitalist country. Instead they invested abroad, notably in the U.S., where the British own more capital assets than any other foreign nationality. The decades-long deterioration of the British economy and manifest bankruptcy of Labourism set the political stage for the ascendancy of Margaret Thatcher, who then took an ax to the "welfare state." Cockburn and Pollin share the same basic fallacy as the liberal advocates of taxing the rich. As long as the means of production, distribution and finance are in private hands, the capitalists can and will sabotage any reforms that go against their interests.

Cockburn/Pollin's remoteness from the realities of class struggle and class power is especially obvious in their demand for "social information." "People who eat Perdue chickens," we are told, "not only should know the chicken's price; they should know that the price reflects Perdue's antilabor practices—a high proportion of workers receiving minimum wages, no benefits and suffering from repetitive-motion illnesses due to speedups—as well as brutishness toward animals." The American ruling class is never going to let the mass media be used for pro-labor agitation. And when information is socialized under a workers government, Frank Perdue will be feeding chickens on a state farm, not marketing them.

Cockburn and Pollin write as if American society had no capitalist parties, union bureaucrats...or racist demagogues like David Duke. Over the past

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NOTICE
Workers Vanguard skips a week in December.
Our next issue will be dated January 10.
The closing date for news in this issue is December 17.

Berlin Demo Demands: Fourth Reich: Hands Off Honecker!

DECEMBER 16—On December 11, the Russian government of Boris Yeltsin announced its intention to deport Erich Honecker to Germany, where the former head of East Germany (DDR) would face a show trial. Because of his anti-fascist underground organizing in Nazi Germany, Honecker was jailed for ten years during the Third Reich. Today the triumphalist Fourth Reich of German imperialism wants to put him behind bars again. He would be "tried" by the same judicial system that emerged intact from fascism and took over the bloody judges or gave them honorary pensions. Today the bourgeoisie of Auschwitz wants to take revenge on Honecker for the victory of the Red Army over Nazi Germany.

In response to this outrage, our comrades of the Spartakist Workers Party of Germany (SpAD) and the Committee for Social Defense (KfSV) immediately initiated a protest demonstration demanding "Fourth Reich: Hands Off Honecker!" and "Down With the Anti-Communist Witchhunt!" The protest on December 13 in front of the Tiergarten court in Berlin also called for defense of former DDR border guards being tried there, for hands off Markus Wolf, the former head of East Germany's highly successful espionage service, and freedom for former DDR defense minister Heinz Kessler and former state security minister Erich Mielke, who are being held for trial charged with state crimes.

In addition to the SpAD and KfSV, a representative of the KPD (Rote Fahne) spoke at the Tiergarten protest. In response to the demo call, the Berlin state government's Social Democratic (SPD) justice minister Jutta Limbach said that she would not be deterred by a couple of ultraleft organizations. She has a cell waiting for Honecker in Moabit prison, next door to the court where Rosa Luxemburg was jailed during World War I and where she was supposedly to be locked up in January 1919

when she was murdered with the help of Limbach's SPD forebears. As in the annexation of the DDR by the capitalist West in 1990, the Social Democrats continue to act as bloodhounds of the counterrevolution.

Meanwhile, in Moscow, Honecker received temporary refuge in the Chilean embassy. From there he issued a statement declaring his threatened expulsion to be against international law, as he had applied to the Soviet Union for asylum from political persecution. Since the deportation order was announced, Yeltsin and Gorbachev have reportedly received hundreds of letters daily demanding that Honecker be granted asylum. As the SpAD was demonstrating in Berlin, hundreds of leftist protesters

began surrounding the Chilean diplomatic mission in Moscow with Soviet flags and singing communist songs. ICL representatives in Moscow have joined these demonstrations and delivered a protest to the Chilean embassy.

The media report that North Korea has offered to take the 79-year-old Honecker for medical treatment (he is suffering from cancer), but the Russians are refusing. In the Chilean embassy, he is the personal guest of Ambassador Clodomiro Almeyda, a leading figure in the Socialist Party, who had received political asylum for ten years in the DDR—as did many left-wing refugees from rightist terror—following the bloody Pinochet coup of 1973. Almeyda was earlier refused sanctuary by the

prime minister of the West German state of Baden-Württemberg, the notorious Nazi *Blutrichter* (bloody judge) Hans Filbinger.

The grotesque persecution of Erich Honecker is part of a generalized witch-hunt against all representatives of the former DDR. Former state security chief Mielke is being tried on charges stemming from the Third Reich, and former defense minister Heinz Kessler is hated because he deserted from the Wehrmacht during World War II and then fought against the German army as a Red Partisan in Byelorussia. With the deportation of Honecker the forces of capitalist counterrevolution in the Soviet Union want to make a blood sacrifice to German imperialism, opening the floodgates for the pillaging of the Soviet working people and strengthening Germany's "drive to the East."

Turning Erich Honecker over to the vengeful rulers of German imperialism is a slap in the face of all Red Army veterans who fought against the Nazi invasion. Yeltsin spits on the graves of the millions of Soviet citizens who were killed in freeing humanity of the genocidal Nazi regime, to which the Federal Republic of Germany is the legal successor. As SpAD spokesman Renate Dahlhaus said at the December 13 protest: "In Germany immigrants are persecuted; Soviet Jews, refugees and Soviet soldiers are under attack from Nazi gangs. The Fourth Reich means racism in the streets and anti-Communist witch-hunting, such as we experience here at this court." ■



Berlin, September 1991: Spartakist Workers Party demands: "Hands Off Border Guards and Honecker!" "Stop the Anti-Communist Witchhunt!" Right: Erich and Margot Honecker.



Der Spiegel

Berlin: Anti-Fascists Win in Moabit Trial

On December 4, after a defense campaign lasting almost three years, a Berlin court dropped charges against Spartakist Workers Party spokesman Renate Dahlhaus and acquitted SpAD supporter Michael Philippsen, rejecting the accusations brought by the state on behalf of the leader of the fascist Republikaner party in Berlin. A report on this victory for self-defense against Nazi terror will appear in the next issue of *Workers Vanguard*.

two decades the American working class has suffered a decline in its living condition worse than anything since the Great Depression of the 1930s. Yet during this period the Republican right gained and maintained political ascendancy by channeling the economic frustrations of lower- and middle-class whites against the black poor.

Under the impact of this recession, we are now seeing a certain change in the popular mood. There is growing resentment directed against the top of the American economic order—the corporate raiders, Wall Street sharks, S&L bandits. This resentment extends to the Bush White House which, more so than the Democrats, is identified in the popular mind with the Milkens, Trumps and Keatings. But if the growing anger against the rich simply results in Bush being replaced by a Democrat in 1992, this will be a defeat for the working class and the black and Hispanic poor. For nothing fundamental will change.

What is needed is a workers party which leads the masses of workers and oppressed in a struggle for socialist revolution, to transform society from top to bottom. Under a workers government, there will be no unemployment as the country's enormous productive potential under socialist economic planning is used to rebuild the antiquated factories and the crumbling roads and bridges, to construct decent housing for all as well as more schools and hospitals. The bitter competition between whites, blacks and Hispanics for good jobs and good schools for their

children—competition which fuels the poisonous racism of American society—will be eliminated along with "free market" capitalism.

A workers America would also right some historical wrongs, for example, providing hundreds of billions for the Vietnamese, Iraqis and other peoples whose countries were devastated by U.S. imperialism, granting independence to Puerto Rico and returning some of the lands stolen from Mexico.

The deterioration of the U.S. economy means not only greater immiseration for the American working class and the black and Hispanic poor but also intensified economic conflicts with the resurgent German Fourth Reich and Japan Inc. As we stated a few months ago in Part 2 of "New World Order": A Step Toward New World War" (WV No. 534, 13 September):

"A disintegration of the Soviet Union could sharply escalate interimperialist rivalries, with Germany exploiting the resources of European Russia and the Ukraine as Japan pounces on Siberia. The predators' feast would feed into an imperialist race to redivide the world."

Only socialist revolution can halt the drive toward World War III. Under a workers government, the United States will play a key role in creating a genuine new world order based on the socialist principles of internationalism, equality and economic efficiency. This internationalist task requires above all the reforging of Trotsky's Fourth International as a world party of socialist revolution. To this goal the Spartakist League, U.S. section of the International Communist League, dedicates itself. ■

Latino Workers...

(continued from page 7)

bandwagon, thus forestalling any possibility of joint struggle against their common oppressor. And in this reactionary period, there is no shortage of black misleaders to peddle this poison. In September, Hazel Dukes, New York State NAACP president, gave a disgusting interview blaming Latino "foreigners" for "taking jobs from black men." When blacks are pitted against Hispanics, only the racist ruling class is the winner.

And Hispanic immigrants must understand that the oppression of blacks in this country that was built on slavery has historically been key to ruling-class domination of the workers and poor—and still is today. The Republicans are now seeking to use Hispanics against blacks. Thus after the riots by Latinos against cop brutality in Washington, D.C. last May, the Bush administration intervened in several Congressional re-districting disputes supporting Hispanics against blacks. Talk of "classless" Latino unity is a nationalist myth. While former Reagan official Linda Chavez has sought to blame Puerto Ricans for their poverty with the usual litany about "welfare dependency," Chavez' publicity tour for her new book *Out of the Barrio* provoked an angry response from Hispanic students at Hostos College in the Bronx last month.

The answer to anti-foreigner racism

will come from united working-class struggle, in which the increasingly highly unionized immigrant workers can play a leading role. Examples of this range from the valiant Mexican women garment workers striking against the sweatshops of El Paso, to the Los Angeles "Janitors for Justice," many of whom got their experience fighting for union rights in El Salvador, to combative New York hotel workers and the heavily black and Hispanic Hospital Workers Local 1199 who are in the front line of the fight for health care against life-threatening budget cutbacks.

Not by competing for scarce crumbs from the bosses, but through unity with militant black workers and white workers fighting to defend their unions against a brutal ruling-class offensive, Latino workers can play a vital role in sparking revolutionary class struggle in this country, and in forging international links as well. It is necessary to mobilize the most conscious sectors of the labor movement against the racist poison of protectionism, particularly in the auto and textile unions, and to fight for union organization of the unorganized. Above all, what is needed is a revolutionary workers party which is a champion of all the workers and oppressed: black, Latino, Asian and white.

The Spartakist League, U.S. section of the International Communist League, calls for full citizenship rights for all foreign-born workers, for the right of self-defense and for labor/black/Hispanic mobilizations against racist attacks, in fighting for world socialist revolution. ■