



Maiman/Sygma



Hill/Boston Herald

Wall Street and the War Against Labor

The following is the first part of an article which will be continued in coming issues of Workers Vanguard.

The Teamsters strike against UPS this August was generally seen as the first significant victory for labor in this country since Republican president Ronald Reagan crushed the PATCO air traffic controllers strike in 1981. A few days before the UPS settlement, when it was clear that the strike was not only effective in shutting down UPS but also broadly popular, Wall Street suffered the sharpest one-day sell-off in six years and the Dow Jones plunged 250 points—more than 3 percent. While stock prices have since recovered somewhat, they remain below the peak reached in early August.

America's capitalists were upset by the UPS strike not primarily because of the economic gains made by the drivers and warehousemen, which were quite modest. What really troubled the ruling class was the widespread view evidenced during the strike that the unions were now the good guys and corporate owners and managers the villains. The men who run Wall Street and the Fortune 500 corporations are, for their own reasons, sensitive to the mood of the men and women they exploit. And they are aware of a deepening bitterness and growing anger that is potentially dangerous to them.

A few days after the strike ended, the *New York Times* (24 August) ran an op-ed piece titled "The Worker Backlash," written by Stephen Roach, chief economist for the main branch of the House of Morgan, America's premier financial dynasty. Roach begins by stating flat out:

"American workers are now beginning to challenge the very forces that have led

to a spectacular resurgence in corporate profitability and competitiveness in the United States. They are, in effect, saying 'no' to years of corporate cost cutting that has been directed primarily at the nation's labor force."

Roach shoots down the notion that the rise in profitability and the resulting bull market on Wall Street are based on increased productivity resulting from investment in more advanced technology. He points to a recent Commerce Department study indicating that productivity increases in the U.S. during the 1990s have averaged slightly less than 1 percent a year, little different from the decade before and less than half the gains made in the 1950s-'60s. Describing the current economic situation as "a labor-crunch-recovery—one that flourishes only because corporate America puts unrelenting pressure on its work force," Roach predicts:

"Unlike the productivity-led recovery, the labor-crunch recovery is not sustainable. It is a recipe for mounting tensions, in which a raw power struggle occurs between capital and labor. Investors are initially rewarded beyond their wildest dreams, but those rewards could eventually be wiped out by a worker backlash."

Shortly after these words were written, San Francisco—the financial capital of the West Coast—was disrupted by a week-long strike against the Bay Area Rapid Transit (BART) system, which carries 40 percent of trans-Bay commuter traffic. As at UPS, the BART strike was in large measure fueled by opposition to the two-tier wage system which especially victimizes young workers. In this case, the union bureaucrats scuttled the strike without any real gains for the workers. Nevertheless, the BART

strike confirmed Roach's concern about a "worker backlash."

We do not know whether Wall Street economist Stephen Roach has ever studied Karl Marx's *Capital*. However, in his own empirical way Roach recognizes one of its central truths: the market value of capital—i.e., the price of corporate stock—is in large measure determined by the intensity of the exploitation of labor. Capital should not be identified with the physical means of production and distribution—factories, power plants, oil refineries, trucks—as such. Rather, capital is a social relation defined by the monopolization of the means of production by one class which exploits the labor of another class. As Marx wrote:

"Capital is not a thing. It is a definite interrelation in social production belonging to a definite historical formation of society.... Capital is not the sum of the material and produced means of production. Capital means rather the means of production converted into capital, and means of production by themselves are no more capital than gold and silver are money in themselves. Capital signifies the means of production monopolized by a certain part of society, the products and material requirements of labor made independent of labor-power in living human beings and antagonistic to them."
—*Capital*, Volume III

Hence the condition of financial markets is at the most fundamental level governed by the state of the class struggle between the working class and the capitalists. At the same time, trade-union struggles for higher wages and better working conditions are essentially a type of guerrilla struggle against the capitalist economic system. The working class will be subjected to continual attempts to

increase the rate of exploitation and to the threat of deepening immiseration until it expropriates the capitalist profiteers through a socialist revolution and establishes a planned economy where production is for the benefit of the whole of society.

Wall Street and the Class Struggle

Earlier this year, the left-wing London publishing house Verso brought out *Wall Street*, a study of U.S. financial markets by American writer Doug Henwood. Publisher of the New York-based newsletter *Left Business Observer*, Henwood considers himself a Marxist. Paradoxically, while the bourgeois analyst Stephen Roach recognizes the central importance of the class struggle in determining the movement of financial markets, the leftist Henwood does not. Instead, Henwood presents Wall Street as a world unto itself, governed exclusively by the actions and interactions of investment bankers, money managers, corporate CEOs and other "players," to use his term.

Henwood holds "Reaganomics" in large measure responsible for the sharply widening gap between rich and poor in the U.S. over the past few decades. Blaming the increased leverage of Wall Street financiers over industrial corporations for the deterioration of the economy and the falling living standards of working people, Henwood counterposes a series of economic reforms to deal with this situation:

"Seriously boosting the income tax rate on the richest 1-2% of the population could fund all manner of public programs, from free education and childcare to public jobs programs. And taxation of wealth itself, along with income, would be a wonderful way to raise funds for, say, the upgrading of the public physical and social capital stock—financing urban reconstruction, mass transit, alternative energy research, and environmental repair."

The working class enters Henwood's picture of the current American economy only as helpless victims of capitalist greed personified by Wall Street financiers. In a 16-page index, there is no reference to the AFL-CIO or to trade unions

continued on page 6

Young Spartacus

For Black Liberation Through Socialist Revolution!
**40 Years After Little Rock:
Still Separate, Still Unequal**

See Page 3



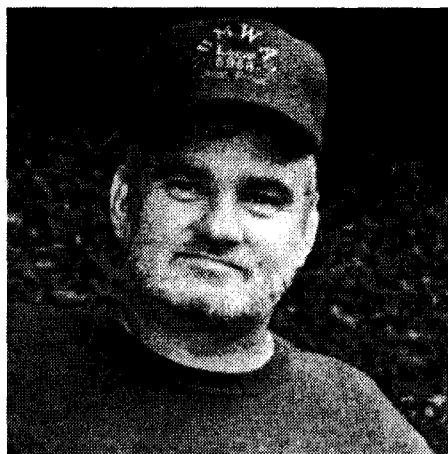
UMWA Militant Files New Appeal Free Jerry Dale Lowe Now!

After almost two years behind bars, West Virginia United Mine Workers (UMWA) militant Jerry Dale Lowe has filed a new petition in federal court to win his freedom. A fourth-generation union miner and chairman of the local UMWA safety committee, Lowe was framed up for the shooting death of a scab contractor at Arch Mineral's Ruffner mine during a seven-month strike in 1993 and was sentenced the following year to nearly eleven years in jail with no possibility of parole. The bullet which killed the scab had come from an area where armed company thugs from Elite Security had been located. When it became clear that prosecutors had no evidence to convict Lowe under state law, the feds stepped in to railroad him to prison on charges of "interfering with interstate commerce." Seven other miners charged along with Lowe accepted plea bargains before trial.

In a petition filed from his prison cell

in Ashland, Kentucky, Lowe asserts that federal authorities hid from the jury evidence tying someone else to the gun purportedly used in the shooting, which Lowe had sold before the incident. Prosecutors also failed to prove that the scab's vehicle had ever been used outside the state. Lowe's appeal argues that he had ineffective legal representation at the 1994 trial and that the judge was biased toward the prosecution.

Jerry Dale Lowe is in prison for the sole reason that he defended his union's picket lines. His conviction was a blow aimed straight at the labor movement. As we wrote in "Freedom for Jerry Dale Lowe!" (WV No. 630, 6 October 1995): "Constantly striving to build up its arsenal of repression, the government increasingly uses this 'interstate commerce' myth as the 'legal' sledgehammer to intervene to break strikes and railroad pickets when the local cops, goons and courts



WV Photo

Jerry Dale Lowe

can't do the jobs themselves." Now, in the wake of the successful UPS strike, the capitalist rulers are pushing a welter of new anti-union initiatives, including Re-

publican Senator Orrin Hatch's proposed "Freedom from Union Violence Act," which would literally make defense of picket lines a federal offense.

Lowe's wife Lea told WV that "this is his last chance" to overturn his conviction in court. Three earlier appeals have been rejected, including by the U.S. Supreme Court, which refused to even hear Lowe's case. Up to now, the UMWA leadership has abandoned Lowe to face the wrath of the vindictive, labor-hating government alone. The Partisan Defense Committee, which has been sending monthly stipends to Lowe as part of our class-war prisoner program, urges UMWA and other labor militants everywhere to demand that their unions take up his cause. If a hearing is granted for the current appeal, trade unionists should pack the courtroom in solidarity. An injury to one is an injury to all!

Mumia's Jailers Ban Left Press

On September 18, death row political prisoner Mumia Abu-Jamal found out that his jailers were keeping from him leftist newspapers, including *Workers Vanguard*. The "Publications Review Committee" at Pennsylvania's SCI Greene prison banned unspecified issues of *WV* and the *New African POW Newsletter* and one issue of *Workers World* (4 September) on the utterly spurious grounds that the publications "advocate violence, insurrection or guerrilla warfare against the government or any of its institutions or which create a clear and present danger within the context of the correctional institution."

We can't claim to fathom what goes on in the perverse minds of prison censors, but we figure that what bothered them was *WV* No. 673 (5 September), with its backpage article on the gruesome NYPD torture of Haitian immigrant Abner Louima and an inside story, "Texas Prison Gauntlet of Terror," on the horrific abuse of prisoners at the Brazoria County Detention Center. The banned *Workers World* carried articles on the same atrocities. We were also recently informed by a prisoner in Dallas, Pennsylvania that authorities there had intercepted his copy of *WV* No. 672 (8 August), specifically objecting to a page with an article on racist Italian army atrocities with the same argument cited above.

Jamal immediately filed a protest to the prison superintendent for denying him *WV* and *Workers World*; acerbically noting: "While both publications historically call for a drastic transformation in the present economic system, it is doubtful that either actually 'advocated violence, insurrection or guerrilla warfare' if past readings are

any guide; while these disapprovals impact the appellant's right to read these materials, it also impacts the rights of the publisher...their rights to disseminate information is implicated."

Mumia's jailers have done everything they can to silence his powerful voice and writings as he fights to overturn his frame-up conviction for the 1981 killing of a Philadelphia cop. With Mumia's appeal now before the Pennsylvania State Supreme Court, they want to stop him from reading the literature he needs as sources of information and political opinion. This is yet another attempt by the state to deny him his voice as a step toward taking his life. We demand that the ban on left press be lifted immediately! Freedom now for Mumia Abu-Jamal! Abolish the racist death penalty!

* * *

Join the fight to free Mumia! Pass resolutions and raise much-needed contributions for Jamal's defense in your unions and campus and community organizations. Contact the Partisan Defense Committee—New York: P.O. Box 99, Canal Street Station, New York, NY 10013-0099, phone (212) 406-4252; Chicago: P.O. Box 802867, Chicago, IL 60680-2867, phone (312) 454-4931; Bay Area: P.O. Box 77462, San Francisco, CA 94107-0462, phone (510) 839-0852.

Contributions for Mumia's legal defense should be made payable to the Bill of Rights Foundation (earmarked "Mumia Abu-Jamal Legal Defense") and mailed to: Committee to Save Mumia Abu-Jamal, 163 Amsterdam Ave., No. 115, New York, NY 10023-5001.■



TROTSKY

The Profit System, Barrier to Economic Productivity

Under the capitalist system, production is driven by the need of competing companies to maximize their profits, not to maximize the output of goods and services. Given the historic tendency of the rate of profit to fall, as Karl Marx explained in his three-volume work on the nature of the capitalist system (and recognized even by such perceptive 19th-century bourgeois economists as David Ricardo), this acts as a barrier to the expansion of production, generating periodic depressions and wars, mass unemployment and the immiseration of the working class. This underscores the Marxist understanding that the profit system cannot be reformed but must be uprooted through socialist revolution. Only a planned, socialized economy can utilize the most advanced science and technology to bring about the highest possible levels of labor productivity and a society providing for the needs of all.

The rate of profit, i.e., the relative increment of capital, is above all important to all new offshoots of capital seeking to find an independent place for themselves. And as soon as formation of capital were to fall into the hands of a few established big capitals, for which the mass of profit compensates for the falling rate of profit, the vital flame of production would be altogether extinguished. It would die out. The rate of profit is the motive power of capitalist production. Things are produced only so long as they can be produced with a profit. Hence the concern of the English economists over the decline of the rate of profit.... Development of the productive forces of social labour is the historical task and justification of capital. This is just the way in which it unconsciously creates the material requirements of a higher mode of production. What worries Ricardo is the fact that the rate of profit, the stimulating principle of capitalist production, the fundamental premise and driving force of accumulation, should be endangered by the development of production itself. And here the quantitative proportion means everything. There is, indeed, something deeper behind it, of which he is only vaguely aware. It comes to the surface here in a purely economic way—i.e., from the bourgeois point of view, within the limitations of capitalist understanding, from the standpoint of capitalist production itself—that it has its barrier, that it is relative, that it is not an absolute, but only a historical mode of production corresponding to a definite limited epoch in the development of the material requirements of production.

—Karl Marx, *Capital*, Volume III (1894)



LENIN

WORKERS VANGUARD

Marxist Working-Class Biweekly of the Spartacist League of the U.S.

EDITOR: Len Meyers

EDITOR, YOUNG SPARTACUS PAGES: Joe Sol

PRODUCTION MANAGER: Susan Fuller

CIRCULATION MANAGER: Mindy Sanders

EDITORIAL BOARD: Ray Bishop (managing editor), Bruce André, Helene Brosius, George Foster, Liz Gordon, Frank Hunter, Jane Kerrigan, James Robertson, Joseph Seymour, Alison Spencer

The Spartacist League is the U.S. Section of the International Communist League (Fourth Internationalist).

Workers Vanguard (ISSN 0276-0746) published biweekly, except skipping three alternate issues in June, July and August (beginning with omitting the second issue in June) and with a 3-week interval in December, by the Spartacist Publishing Co., 41 Warren Street, New York, NY 10007. Telephone: (212) 732-7862 (Editorial), (212) 732-7861 (Business). Address all correspondence to: Box 1377, GPO, New York, NY 10116. E-mail address: vanguard@tiac.net. Domestic subscriptions: \$10.00/22 issues. Periodicals postage paid at New York, NY. POSTMASTER: Send address changes to *Workers Vanguard*, Box 1377, GPO, New York, NY 10116.

Opinions expressed in signed articles or letters do not necessarily express the editorial viewpoint.

The closing date for news in this issue is October 14.

No. 676

17 October 1997

All-Sided Bigotry

Iraqis in U.S. Jailed... for Marrying

On September 23, two Iraqi men in Lincoln, Nebraska were sentenced to prison terms ranging from four to six years, to be followed by likely deportation. Majed Al-Tamimy, 29, and Latif Al-Hussani, 35, both refugees from the 1991-92 Persian Gulf War, married two teenage girls in a Muslim ceremony arranged by the girls' father last November. The fact that it was an arranged marriage is not why the black-robed bigot passed sentence on them; they were convicted on federal laws against child sexual assault and a state law setting the minimum marriage age at 17.

We are opposed to the practice of arranged marriage, which is one aspect of the oppression of women within the patriarchal family. But as this case demonstrates, it is deadly

dangerous to think that this racist, vindictive and hysterically anti-sex legal system can do anything about it. "At the time, he didn't think he was doing anything wrong," explained Al-Tamimy's attorney. "He had no concept of laws separate from the mosque." The outrageous sentence against the two immigrants horrified the local Muslim community and is the latest blow in a cruel tragedy that has already devastated at least half a dozen lives.

Shortly after the wedding, the older teenager, who was then 14, fled her unwanted husband and went to stay with her 20-year-old boyfriend, Mario Rojas. When her father reported her to the police as a runaway, the American "justice system" exploded into a

continued on page 9

Young Spartacus

For Black Liberation Through Socialist Revolution!

40 Years After Little Rock: Still Separate, Still Unequal

The image of a black student walking a gauntlet of howling white racists as she tried to enter Central High in Little Rock, Arkansas in 1957 became a symbol for the civil rights struggle against Southern segregation and racism. This year, Democratic Party president and former Arkansas governor Bill Clinton used the platform at the 40th anniversary commemoration of the integration of Little Rock's Central High School to push his cynical call for "healing" the racial divide in America. While he slashes welfare and other social programs for black ghetto mothers and their children, Clinton hypocritically waxed eloquent that Little Rock helped make the U.S. "one America under law." But as even the head of the Arkansas NAACP bitterly admitted, "It's nothing but a charade to make people think that we've come so far from that day."

Four decades after Little Rock, what passes for public education in this country is more segregated than ever. Today, black students in large cities attend schools that are 83 percent minority and are little more than holding pens. As we wrote in "Education U.S.A.—Separate and Unequal" (WV No. 544, 7 February 1992):

"The ruling class spends on educating those they exploit and oppress only what they can realize back in profit.... And if educating the sons and daughters of white workers has increasingly become an expendable overhead for decaying American capitalism, the children of black workers and poor are deemed *an expendable population*. Once a reserve army of labor to be maintained, albeit minimally, today for the racist rulers the black ghetto poor are not worth 'wasting' money on even to keep alive, much less educate."

More recently with the gutting of affirmative action programs, higher education is increasingly off limits. This year, the University of Texas law school—which since the 1980s has graduated more black and Hispanic lawyers than any other university in the country—accepted only four black students. At UC Berkeley's Boalt Hall law school, acceptance of black students is down 80 per-



UPI
Little Rock, 1957: Racists surround Elizabeth Eckford as she tries to enter Central High School.

cent from last year and Latino enrollment has been cut in half. Against the racist purge on campuses, the SYC calls for free tuition and open admissions as part of our fight for free, integrated, quality education for all. Yet even to realize such a just and basic demand—that all children have the right to a decent education—requires the eradication of this decaying capitalist system through communist revolution.

Federal Troops vs. the Fight for Integration in Little Rock

In May 1955, the Little Rock school board, trying to circumvent the Supreme Court decision which outlawed formal school segregation, *Brown v. Board of Education*, devised what it called the "Little Rock Phase Program." According to this strategy, token integration would be phased in on an extremely gradual basis. The soon-to-be completed Hall

High School, an elite upper-middle-class white school, would remain segregated while only the working-class Central High School would enroll token black students—and that only in 1957. In the end, only nine black students, out of 75 applicants, were enrolled in this school of 2,000 whites.

Still, any "race-mixing" at all roused the ire of the racists of the Capital Citizens Council who led the lynch mob opposition. Vowing to stop the integration of Central High, a day before school opened Democratic governor Orval Faubus called in 250 National Guardsmen, guns in hand, to keep black students out of Central. Faubus threatened that "blood will run in the streets" if the black students entered Central High. Fifteen-year-old Elizabeth Eckford, one of the nine black students chosen to attend Central, was confronted by a racist mob when she tried to enter the school. As soldiers

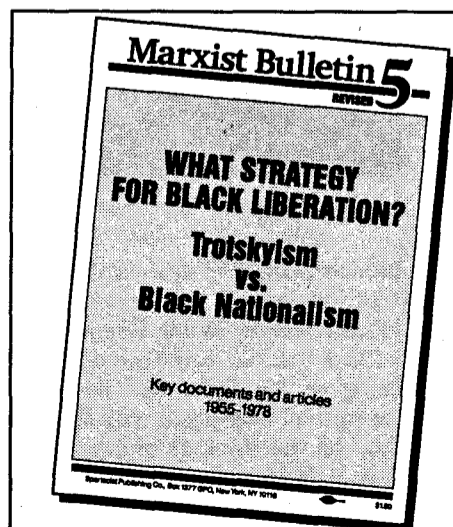
blocked the entrance, the mob cried, "Lynch her! Lynch her!" Eckford was only barely able to escape onto a city bus.

After days of protests, President Eisenhower sent in the 101st Airborne Division, supposedly to "protect" black students. Liberals point to this as proof of the benevolent nature of the American government. One recent book argues: "When the United States Army arrived in Little Rock, the troops brought a stark, reverberating message: The United States will not put up with any more of this defiance" (Roy Reed, *Faubus: The Life and Times of an American Prodigal* [1997]). In fact, the troops were not sent there to protect the black students but to put down an upheaval of the Little Rock black population who fought to disperse the white racist mob and defend the students. As the *Amsterdam News* (28 September 1957), a New York City black newspaper, headlined: "Ike Moves as Negroes Hit Back." The troops sent in by Eisenhower restored "law and order," preventing the total rout of the retreating racists. This was applauded by civil rights leader Martin Luther King Jr., who praised the troops for enforcing "nonviolence" upon the black population.

It wasn't just liberals like King who cheered the intervention of federal troops, but also the Socialist Workers Party (SWP). This obscene appeal to the armed forces of the American capitalist rulers was an early signal of the beginning degeneration of this once-revolutionary, Trotskyist party. For Marxists, the understanding of the state is elementary: as Lenin explained, it is armed bodies of men, including the army, who protect the capitalist class' monopoly of wealth against workers and the oppressed. In 1943, when the SWP was still revolutionary, the *Militant* (3 July 1943) responded to anti-black riots in Detroit, correctly noting:

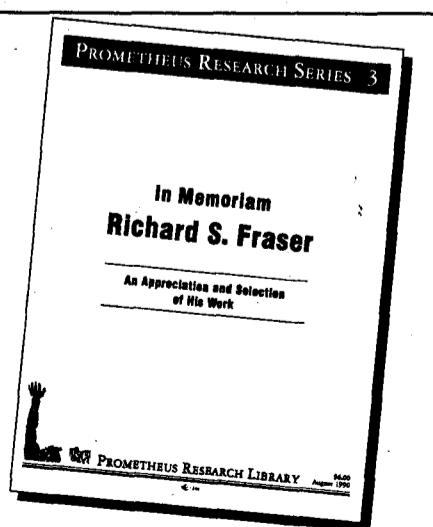
"Certainly no trust or reliance can be placed in the federal authorities, the army, state or municipal police, the goodwill of the capitalist rulers, the action of Congress or the President.... The chief

continued on page 11

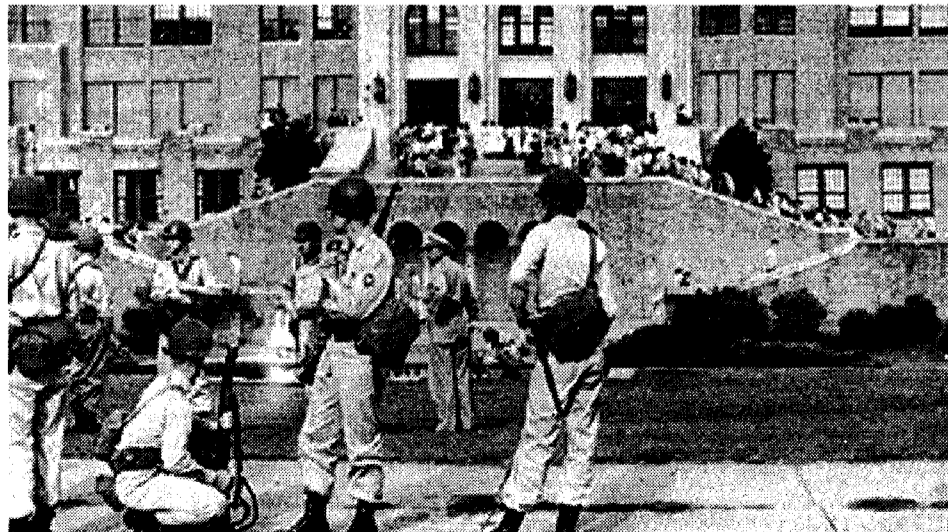


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\$7.00 (108 pages, includes postage)



Wide World
National Guard troops were called out by Dixiecrat governor Orval Faubus to stop integration of Central High.

Myra Tanner Weiss, a leader of the then-revolutionary Socialist Workers Party (SWP) in the 1940s and '50s and three-time SWP candidate for vice president of the United States, died in Los Angeles on September 13. Incapacitated by a stroke for the last five years, she was 80 at the time of her death. Myra Tanner Weiss was a committed fighter for the proletarian cause. We in the Spartacist League mourn her passing and honor her memory.

Myra was on the right wing of the SWP and thus at some political distance from the SL's precursor, the Revolutionary Tendency (RT) inside the SWP. The RT was formed in 1961 to fight the party's abandonment of a revolutionary perspective; as evidenced particularly by the leadership's wholesale enthusing for Fidel Castro's leadership of the Cuban Revolution. But as a member of the SWP Political Committee (PC), Myra consistently and vociferously defended the RT's democratic rights against the bureaucratic regime of Farrell Dobbs and Tom Kerry as it moved to restrict the ability of minority factions to exist within the party. When Dobbs/Kerry expelled the core of the RT in late 1963—solely for their oppositional views, not for any infractions of discipline—Myra recognized this as the first such purge in the party's history. Her minority report to a December 1963 National Committee (NC) plenum opposing the expulsion was, in her words, "the most important speech I have ever made in the Trotskyist movement."

Myra was won to Trotskyism in 1935 while studying chemistry at the University of Utah in Salt Lake City, recruited by Joseph Hansen, who also later became a leader of the SWP. Like Hansen, Myra soon moved to the San Francisco Bay Area, where she worked with the Trotskyists during the entry into the Socialist Party. She was a founding member of the Socialist Workers Party in 1938. Two years later, the party was split by a petty-bourgeois faction led by Max Shachtman, James Burnham and Martin Abern, which abandoned the Trotskyist position of unconditional military defense of the Soviet Union as World War II broke out. Myra and her future companion and political



build the Los Angeles SWP into one of the party's largest and most influential local organizations: by 1945, the L.A. local had five branches and industrial fractions in the United Auto Workers and many other unions, including on the San Pedro docks and in the shipyards, where the party began to make headway in recruiting black workers. Myra served as local organizer and was elected to the National Committee in 1944, becoming a powerful public spokesman for the party. In 1945, she ran for mayor on a platform

meeting to be held blocks away from a mass meeting called by Smith for July 20; Myra polarized a public planning meeting by calling for a march to the fascist rally site. Though it lost the vote, the SWP decided to build the Stalinist-organized protest in order to be able to influence the many CIO workers who supported it. This was a typical popular-front affair, complete with an array of Hollywood stars and a lot of liberal hot air, but it drew an overflow crowd of some 17,000 clamoring for action against the fascists.

Smith soon left for a tour of other cities. But when he returned to Los Angeles in October, the SWP carried the day with its call for mass labor action to stop him. Party supporters galvanized the United Auto Workers District Council and the Warehousemen's section of the ILWU longshore union into calling a protest demonstration, forcing the L.A. CIO Council to follow suit. In the largest picket the city had ever seen, 20,000 workers protested outside the fascists' announced meeting place. As the SWP's most prominent local leader, Myra attended the demonstration with a bodyguard of recently demobilized soldiers still wearing their army uniforms. She then gave a speech greeting the 150 supporters who celebrated the victory at SWP headquarters.

Smith's fascist movement was soon spiked. Following the L.A. local's lead, SWP branches in Detroit, Oakland, Chicago and elsewhere mobilized CIO unions in action against Smith's appearances. In 1946, Myra wrote a pamphlet publicizing a horrific racist arson attack which killed an entire black family in their home in Fontana, near Los Angeles. Writing that "the facts must be shouted from the housetops as a lesson and a warning," she advocated "a united defense organization of all minorities (Mexicans, Jews, Negroes, Filipinos, Japanese-American) and the powerful unions, A.F. of L., C.I.O. and Railroad Brotherhoods" to make sure it didn't happen again.

With the biggest strike wave in American history erupting in 1946, the ruling class soon unleashed the anti-Communist McCarthy witchhunt and anti-labor legislation like Taft-Hartley to throw the reds out of the unions and to cripple the labor movement. The red purges were criminally aided by much of the labor misleadership. Nonetheless, Myra garnered over

18,000 votes when she ran on the SWP ticket for the Los Angeles school board in 1950, at the height of the witchhunt.

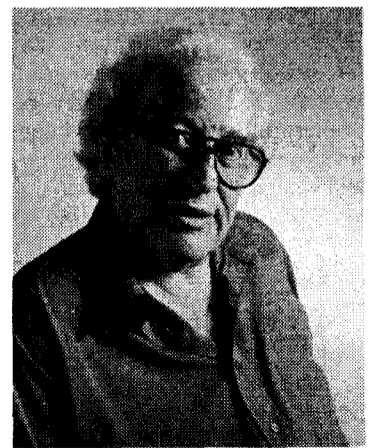
Collaboration with Cannon

In the early 1950s, historic SWP leader James P. Cannon and his companion, Rose Karsner, began to spend part of the year in Los Angeles, retiring from day-to-day party leadership. As Myra later recounted in her "Letter to Comrades" (October 1983), Cannon had already become quite dissatisfied with the New York SWP center under his chosen successor, Farrell Dobbs. Cannon persuaded Murry and Myra to move to New York in 1952 to revitalize the party center. It was Cannon, too, who pushed Myra to be the SWP's vice presidential candidate in the 1952 elections, after the party's slated candidate, Grace Carlson, succumbed to McCarthyism and renounced Trotskyism to return to her origins in the Catholic church. Dobbs, the party's presidential candidate, wanted Joe Hansen on the ticket. But Cannon and Vince Dunne took the issue to the party convention and won.

The SWP's campaign emphasized the party's opposition to U.S. imperialism's war in Korea, noting "The same gang that has burned and bombed Korea to a wasteland is responsible for the disenfranchisement and segregation of the Negro people." In a pre-election biographical sketch, the *Militant* gave a hint of the feisty spirit which made Myra a great campaigner: "Once, in Oakland while marching in an anti-fascist picket line, she was arrested for alleged assault and battery against five cops. She says the number was exaggerated." Myra was also the party's vice presidential candidate in 1956 and 1960.

Especially under the impact of the reactionary political climate of the 1950s, the Weisses' impressionism often led to opportunist bulges. In 1948, they called for SWPers to "enter" the Stalinist-backed "Progressive Party" movement around former Democratic vice president Henry Wallace in order to push for trade-union and minority candidates in this bourgeois party. In 1954, Myra also briefly advocated the idea that the SWP could endorse black Democrats if they were supported by the NAACP. And Murry was behind the SWP's qualitatively excessive characterization of McCarthyism as American fascism.

But it is also true that Murry and Myra Weiss were among the most effective and energetic organizers, writers and spokesmen in a party that had lost most of its intellectuals in the 1940 faction fight and found itself weakened and isolated during the Cold War witchhunt. The Weisses, and the L.A. local they built, stood out in contrast to the aging, tired, colorless SWP cadre in the Farrell Dobbs mode. The Dobbs wing of the party leadership only reluctantly took up the fight which Can-



Murry Weiss

non launched in 1953 against the liquidationist faction led by Bert Cochran and George Clarke. When Cannon later proclaimed that he had feared, at the beginning of the fight, that he would have to start all over again with "a small handful," he was thinking of drawing on the Los Angeles membership recruited and trained by the Weisses. But the entire SWP had already gone pretty far down the road of accommodation to Stalinism advocated by Cochran-Clarke (and

SWP ran Farrell Dobbs and Myra Tanner Weiss in 1956 elections. Myra was a leading party spokesman and three-time vice presidential candidate.

FARRELL DOBBS
For President
Vote for Socialism in 1956
Socialist Workers Party

MYRA TANNER WEISS
For Vice President
Vote for Socialism in 1956
Socialist Workers Party

In sharp contrast to the conventional union officials who abandoned early socialist beliefs for power and privilege...

In 1941 Dobbs left a well-paid post with the Trotskyist union to become National Labor Secretary of the SWP. He has since held office without any...

In the late 1940's, Mrs. Weiss worked as a migratory worker, the area of it, in Utah. She helped organize Southern California farm workers, and was a primary member of the...

partner, Murry Weiss, were among the few leading youth cadres to side with Cannon and the SWP majority (see Joe Hansen's 1940 polemic, "The Abern Clique"). This helped propel them into party leadership.

In the late 1930s, Myra was active in trade-union organizing throughout Southern California. She worked for a while as a walnut picker, living in the migratory camps and organizing farm workers in the San Joaquin Valley. For her defense of immigrant workers, she was made an honorary member of the Mexican Agricultural Workers Union (CUOM). By 1940, she had become a shop steward in a fish cannery and a delegate to the Central Labor Union of San Pedro, serving on the negotiating committee for the AFL-affiliated Fish and Cannery Workers Union. Myra spoke out in her union against the persecution of Japanese American workers as the U.S. entered the inter-imperialist war with the December 1941 bombing of Pearl Harbor by Japan.

Myra married Murry Weiss in 1942, and for the next decade they led the SWP's Los Angeles local. They helped

emphasizing the party's opposition to the war as an inter-imperialist slaughter.

SWP Spikes Fascist Gerald L. K. Smith

It was also in 1945 that the L.A. SWP brought its growing support in the labor movement to bear in initiating a successful united-front campaign to stop the fascist Gerald L. K. Smith from setting up headquarters in the city. Smith was offering his services to the local ruling class against an increasingly combative labor movement in this notoriously open shop town. The ranks of L.A. labor had been swollen by an influx of black and white workers from the Deep South. While the local Shachtman organization tried to organize pickets by left groups outside Smith's race-hate rallies—a small and impotent show of opposition—the SWP sought to mobilize the largely Stalinist-led CIO industrial unions into action. The party distributed an open letter calling for action against Smith and succeeded in getting resolutions passed in a number of CIO union locals.

The Communist Party sought to deflect this groundswell into an impotent protest

the European Trotskyists under Michel Pablo) before the party was pulled back (belatedly and partially) by Cannon.

Weiss vs. Dobbs

In 1946-47, Myra was among the first of the cadre to attend the six-month party education course known as the "Trotsky School." As an NCer resident in New York she served during this period on the party's Political Committee. At the time the party had organized a special branch for its maritime fraction in Manhattan; the women cadre—who did most of the organizational work in the branch while the men were at sea—took their complaints to Myra when the male cadre tried to insist that only sailors (i.e., only men) could be nominated as delegates from the branch to the party convention. Myra took the issue to the PC and, with Cannon's help, won.

Along with San Francisco party organizer Frances James and Seattle organizer Clara Kaye, Myra was known as a fighter for women's issues and female leadership within the party. Under the Weisses' leadership, the Los Angeles organization sought to break the habitual male-female division of labor within the party, by decreeing that for one year only women could be elected organizers and only men secretaries. That Murry and Myra were *both* members of the National Committee was in itself an exception to the unstated party rule that only one member of a couple (almost always the male) could serve on the NC. It is true that within the framework of the SWP in the 1950s, the Weiss group was more attuned to the need to develop women cadre. But Myra later

Bancroft Library, UC Berkeley



Mexican migrant workers in 1933 California cotton strike. In late 1930s, Mexican Agricultural Workers Union made Myra an honorary member for her organizing efforts and defense of immigrant workers.

predictably tried to generalize this into a feminist explanation for the degeneration of the SWP, as is clear from her 1987 pamphlet, *The Bustelo Incident: Marxism & Feminism*.

The so-called "Bustelo incident" in 1954 brought to a head growing tensions between Dobbs and the Weisses. Using the pseudonym Jack Bustelo, Joe Hansen had written a tongue-in-cheek article in the *Militant* making fun not only of the cosmetics industry but of women who used cosmetics. A revolutionary party should seek to interfere as little as possible in the personal adornment (and general lifestyle) of its members; Hansen's condescending defense of the white bread and Ivory soap "scrubbed" look as a virtual political principle understandably engendered an outcry from women in the party. Dobbs accused Myra and the "Weiss clique" of orchestrating this. In the aftermath, Murry Weiss was forced to deny the existence of any "Weiss clique" and he and Dobbs publicly pledged to work together. But the rift between Dobbs and Weiss was out in the open, with the Weisses and their supporters permanently on the outs.

Murry served as editor of the *Militant* from 1954-56 and Myra continued as a staff writer and public spokesman. Both remained on the PC. In 1957, Murry was responsible for winning over a group of leftward-moving youth from the Shachtmanite Young Socialist League (YSL), including Tim Wohlforth and James Robertson, later founders of the Revolu-

20,000 Workers In Los Angeles Picket Fascist Smith's Meeting

Picketing Against The Fascists

Vigilante Terror in Fontana

THE TRAGIC STORY OF O'DAY H. SHORT AND HIS FAMILY

By MYRA TANNER WEISS
Organizer, Los Angeles Local
Socialist Workers Party

Los Angeles labor united on the picket line to show fascist demagogue Gerald L. K. Smith that the workers don't want fascism in America.

Giant Labor Demonstration Biggest In City's History

Special To THE MILITANT
By Myra Tanner Weiss and I. H. ...

LOS ANGELES workers, veterans, race, creed and Rev. Gerald L. K. H. Francis Pol hours in the mo

GM Head W Destruction 40-Hour W

DETROIT, Oct. 21 900 General Motors Chrysler auto workers strike action to win cent wage increase. Gen. Charles R. W. day issued a provoo penal for increasing week from 40 hour straight-

Foster's Deal With Tammany Hall

THE MILITANT & Stalinist

27 October 1945

Workers of Los Angeles

JOIN THE ANTI-FASCIST PICKET LINE

CALLED BY THE—

Los Angeles CIO Council
United Auto Workers District Council CIO
Conference of Study Unions Council (on strike) AFL
Warehousemen's Union 1-26 ILWU
Int'l Union of Marine & Shipbuilding Workers Local 9
And many others

TO STOP FASCIST GERALD L. K. SMITH

TO STOP All Fascist, Anti-Labor, Anti-Semitic, Anti-Negro, Activities and Plots

● THOUSANDS WILL FORM A MASS PICKET LINE ●

WEDNESDAY, OCTOBER 17th, 6:00 P.M. SHARP

At **POLYTECHNIC HIGH SCHOOL**
400 W. Washington Boulevard, Los Angeles (Crosby at 1st)
Headed by Social Workers Party, Los Angeles Local
250 South 10th St., Room 501, 'Fonda 1100

Myra was key in organizing SWP-initiated labor mobilization to stop Gerald L. K. Smith race-hate rally in Los Angeles, October 1945, and wrote 1946 pamphlet (left) denouncing murder of black family in Southern California.

tionary Tendency; Robertson is now National Chairman of the Spartacist League. There was a real personal and social affinity between the Weisses and the ex-YSL youth, who shared leadership of the newly founded Young Socialist Alliance (YSA) with young Weiss supporters. But while Myra and Murry (who suffered a devastating stroke in 1960 from which he only slowly recovered) were by then moving rapidly to the right—anticipating by several years the political trajectory of

for the 1964 election campaign—a venal act of punishment which she keenly felt.

In a motion she submitted to the Political Committee on 1 November 1963, Myra demanded that the RT be given a chance to answer the charges of "disloyalty" brought against it after a specious Control Commission "investigation." She wrote:

"The 'evidence' of 'disloyalty' submitted in the report consists entirely of opinions and no one in the history of the Socialist Workers Party has ever been punished for thoughts that differ with those of the majority—nor ever can be if we are to remain a revolutionary force."

But the Dobbs leadership was *no longer a revolutionary force*. Having abandoned the program of permanent revolution, the centrality of the working class and the struggle for a Trotskyist party, the SWP now saw its role as that of cheerleader for various other social forces which, it vainly hoped, would effect social change in its stead. That was why Dobbs extinguished the right of factional opposition. The bureaucratization of the party was the necessary organizational handmaiden of the SWP's qualitative shift off a revolutionary axis (see "The SWP—A Strangled Party," *Spartacist* No. 38-39, Summer 1986).

Myra's own reformist political trajectory never allowed her to come to grips with this process. Nonetheless, in defending the RT's factional rights she showed a great deal more political acumen than many of her political contemporaries, most of whom duly raised their hands for Dobbs only to find themselves expelled in later years under the 1965 organizational rules established to justify the RT's expulsion, as Dobbs' successor, Jack Barnes, openly renounced Trotskyism and turned the SWP into the quirky reformist group it is today (see the Spartacist pamphlet, *The Socialist Workers Party: An Obituary*, May 1984).

Myra was not the only NCer to recognize that the expulsion of the RT represented a watershed; longtime SWP leader Arne Swaback, who was himself in opposition to Dobbs (he wanted to accommodate not to Castro, but to the Chinese Stalinists under Mao Zedong) also protested.

In a 7 May 1964 letter to Myra reporting on the Los Angeles branch debate over the expulsions, Swaback speculated on Cannon's views:

"We have a strong hunch that Jim is not at all happy about the developments on the expulsions. He did not take part in the debate at all; neither did Rose. This was a bit conspicuous since he was most conspicuously present at the meeting which announced the suspensions last November."

Cannon refused to comment on the 1965 Organizational Resolution, which codified the expulsion of the RT and equated factions with "disloyalty" to the party. By 1968, he had ceased writing at all to the party center.

Murry and Myra quit the SWP in 1965; a number of disaffected old-time cadre left the party around this time. For the next ten years, the Weisses' pursuits were largely personal. In 1972, Myra obtained a master's degree in political science from NYU. The Weisses reactivated politically in the mid-1970s, writing an open letter objecting to the SWP's abject tailing, during the Portuguese Revolution of 1974-75, of the forces of *counterrevolution* led by the Socialist Party and funded by the CIA through the intermediary of the German Social Democratic Party. Murry and Myra advocated tailing the Stalinist Communist Party, but at least they were on the right side of those barricades. They also participated in a short-lived "Committee for a Revolutionary Socialist Party" with Clara Kaye's Freedom Socialist Party (FSP) and assorted ex-SWPers in 1977. Myra did not follow Murry when he joined the FSP two years later. He died shortly after, in 1981.

We in the Spartacist League maintained only sporadic, but always friendly, contact with Myra in her later years. She allowed the Prometheus Research Library, archive and library of the Central Committee of the Spartacist League, to copy some of her correspondence and PC minutes. Among her last public political acts was to write a letter in 1989 to the governor of Pennsylvania demanding freedom for Mumia Abu-Jamal. Myra's papers were deposited at Tamiment Library in New York City. ■

Defense of the RT

The Weisses fully shared the position which Dobbs/Kerry/Hansen adopted in January 1961—that because a social revolution had occurred in Cuba, the Cuban leadership was on a par with Lenin's Bolsheviks. In fact, the Weissites were *more* enthusiastic about Castro than Dobbs and had adopted this position a year earlier. But Dobbs was moving to strangle any opposition to his bureaucratic regime; the troublesome Weiss supporters were removed from the YSA leadership in June 1961, along with RT leader Jim Robertson.

There was a certain element of self-interest involved in Myra's defense of the RT's factional rights. But this defense also came at a personal and political cost to her. When in early 1963 Myra disagreed with Tom Kerry at a New York local meeting and protested against sending two majority youth to "raid" an internal RT tendency meeting, she was subsequently raked over the coals in a PC meeting. (A 29-page transcript of this discussion accompanies the PC minutes of 22 February 1963; Myra finally told Dobbs et al. to ask for her resignation or shut up.) Myra delivered her minority report against the RT's expulsion to the same December 1963 NC plenum which denied her the vice presidential nomination

A Spartacist Pamphlet 75c

THE SOCIALIST WORKERS PARTY: AN OBITUARY

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SPARTACIST

The SWP — A Strangled Party

PAGE 6

"Don't Strangle the Party" 18
Report of a 1963 SWP plenum on the subject of a 1963-64 Party Convention 20
Memories of a 1980s SWP oppositionist 26
Memories of a 1970s SWP oppositionist 30
James P. Cannon Memorial 32

What Happened to Peter Frye 2
Founding British Communist—An Exchange 4
George Immanuel: Dead & Full-Live 4
Proceedings: Eighth Plenum of the IS 41
IS International Executive Committee 46
Trotskyists in World War Two 48
George from "War and the Fourth International" 49
Healy's Disgrace 50

Spartacist pamphlet, 1984
\$.75 (24 pages)

Spartacist (English-Edition), No. 38-39
Summer 1986
\$1 (56 pages)

Make checks payable/mail to:
Spartacist Pub. Co.
Box 1377 GPO
New York, NY 10116

Wall Street...

(continued from page 1)

in general. In fact, albeit expressed in more leftist verbiage, Henwood's views mirror those of the AFL-CIO bureaucracy. Thus, in preaching about corporate "accountability" and the need for greater "oversight" of financial markets, AFL-CIO chief John Sweeney told a meeting of the union federation's "Economic Strategy Institute Conference" in Washington, D.C. this April:

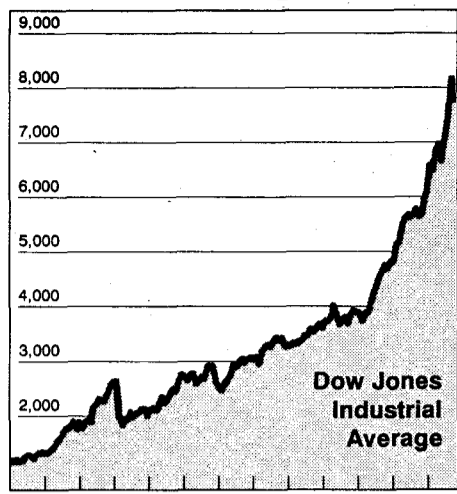
"The problem is not that governments are too strong, but that they are too weak.... The international community must construct and enforce the rules needed to bring out the best in competition, not the worst. These include new regulations on international financial markets to encourage long term investment, not short term speculation, as well as new constraints on the power of financial buccaneers to up-end national economic policies."

The labor bureaucracy has consistently peddled illusions in a reformed and benevolent capitalism generating permanent prosperity for all. The appointed agent of this miraculous transformation is the U.S. government. The false view that this government represents the interests of all layers of society is meant to obscure the real nature of the capitalist state as the "executive committee" of the ruling class as a whole. Particularly since the 1930s, when the newly formed CIO industrial unions were politically shackled to the Democratic Party, the labor tops' subordination of the unions to the class enemy has taken the form of seeking to pressure this capitalist party to act as a "friend of labor."

A hallmark of the AFL-CIO misleaders' treachery is their adherence to the Taft-Hartley ban on secondary labor strikes, one of the most powerful tactics available to the labor movement. The *Economist* (23 August)—London house organ of international financiers—recently commented: "After Ronald Reagan crushed the air-traffic controllers' union in 1981, American managers felt unimpressed by the threat of strikes; they reengineered, down-sized and contracted out." But this was not inevitable. If the machinists and other airline workers had walked out in solidarity with the PATCO strikers in 1981, defying Reagan and shutting down the nation's airports, the economic history of the United States over the past decade and a half—and a lot of other things—would have been very different.

Serving as the political agents of the bourgeoisie, the union bureaucracy suppresses militant labor struggle against the bosses and their state, opposes any serious fight against the deep-seated racist oppression of black people which is at the core of American capitalism, and at the same time supports U.S. imperialism against the exploited

Stocks Rising, Wages Falling

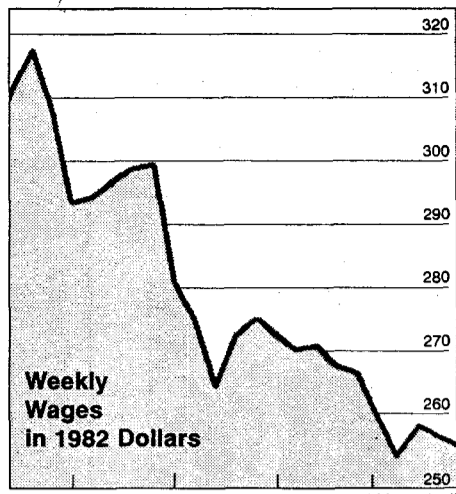


Source: Datastream/ICV

and oppressed peoples of the world. In the name of anti-Communism, the labor officialdom backed to the hilt the Cold War drive which helped destroy the Soviet Union. And the AFL-CIO tops have spent millions agitating for trade protectionism, a pernicious policy which pits American workers against their class brothers and sisters in other countries. By omission, Henwood absolves the pro-capitalist labor bureaucracy—its treachery, defeatism and class collaborationism—from any responsibility for the generation-long assault on wages and working conditions.

The immiseration suffered by working people in the U.S. over the past generation is not the result of bad government policies or bad ideas on the part of those who run federal government bureaucracies, Wall Street banks or large corporations. The American working class is confronting the drive by the owners of capital to maximize their profits under conditions of low productivity growth and intensifying rivalry with Germany and Japan. Following the collapse of the USSR, the U.S. rulers believe themselves to be the masters of a "one superpower world." Yet Henwood gives no consideration to the increasing conflicts between American, German and Japanese imperialism, now no longer bound by the anti-Soviet alliance. This has already had a profound effect on everything from the U.S. Treasury's exchange-rate policies to Wall Street's increased penetration of Mexico through the NAFTA "free trade" agreement.

Moreover, reading *Wall Street*, one would never know that the United States is a deeply racially divided society. It was the use of racist demagoguery against the minority poor that enabled Reagan and the Democratic Congress to cut taxes for the rich in the early 1980s and helped Clinton and the Republican Congress eliminate welfare earlier this year. There can be no effective resistance to the capitalist offensive against the working class unless the labor movement leads the struggle against the special oppression of



Source: U.S. Department of Labor

blacks and other minorities. As we wrote in a special supplement on the UPS strike titled "Unchain Labor's Power!" (WV No. 673, 5 September):

"The capitalist rulers have fomented racial hatred and made the color bar a fundamental dividing line in this country in order to obscure the irreconcilable class divide between labor and capital. Once supplying a 'reserve army of labor' to be employed when the bosses needed them, the ghetto poor have been discarded by a ruling class that no longer needs their labor power. But black workers remain a significant component of organized labor, integrated into strategic sections of the proletariat in whose hands lies the power to break the chains of capitalist exploitation and racist oppression."

Industrialists and Financiers: Two Classes in Conflict?

Disappearing the struggle between labor and capital, Henwood's *Wall Street* instead focuses on the supposed conflicts between different sections and factions of the bourgeoisie. Henwood attributes extraordinary influence in the real world to advocates of economic theories currently or recently fashionable in U.S. ruling circles, like the "supply-side economics" pushed by Reaganite ideologues like Jude Wanniski and Robert Bartley. The "supply-siders" maintained that cutting tax rates, especially for the rich, would encourage an outpouring of entrepreneurial energy which would sharply accelerate economic growth. The resulting higher level of national income would then generate a similar volume of taxes but at lower rates. Hence, they claimed, cutting taxes would not produce big budget deficits.

To begin with, the economic policies of the Reagan government cannot be understood without taking into account the massive increase in military spending which aimed to put pressure on the Soviet Union. Wall Street bankers and corporate executives were not going to pay out-of-pocket for the beefed-up Pentagon war machine by accepting higher taxes on their profits and income. And raising Social Security deductions or income taxes to cover the ballooning budget deficits would have quickly provoked a popular backlash against this right-wing Republican regime.

Furthermore, contrary to liberal mythology, the economic policies of the Reagan gang, which were supported by the Democratic-controlled Congress, were not really inspired by the crackpot theories of Wanniski, Bartley, Arthur Laffer and other "supply-side" true believers. As Reagan's budget director, David Stockman, admitted, "I've never believed that just cutting taxes alone will cause output and employment to expand" (William Greider, *The Education of David Stockman and Other Americans* [1982]).

The Reaganites *deliberately* manufactured massive budget deficits—the federal debt tripled between 1981 and 1990—in order to create the financial pressures and resulting political conditions to dismantle the "welfare state." And the strategy worked. Witness the effective elimination of Aid to Families with Dependent Children under Democrat Clinton and the looming attacks on Social Security and Medicare. Henwood blames it all on the financiers: "With the vast increase in government debt since

the Reagan experiment began has come the increasing political power of 'the markets,' which typically means cuts in social programs in the name of fiscal probity." Would Henwood have us believe that the boards of directors of General Motors, Du Pont and Exxon are less insistent on cutting social programs than their counterparts at Citicorp and Morgan Stanley?

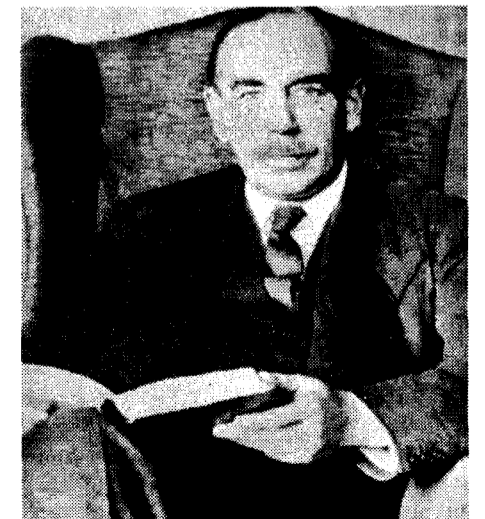
Basically, Henwood's book is an expression of a neo-populism which blames the worst ills and excesses of American capitalism on bankers and other financial operators. This political-intellectual current originated in the 19th century around the program of "cheap money" and was perpetuated in a somewhat changed form with the New Deal liberalism of the 1930s. Central to the liberal populist outlook is a belief that the capitalist class is divided into two classes, so to speak: those directly involved in producing and marketing goods and services, and those whose incomes derive from financial dealings. The former are regarded as at least relatively progressive, while the latter are deemed outright reactionary.

This outlook serves as a flimsy theoretical rationale for the program of the trade-union bureaucracy and assorted liberals and reformists, who seek to pressure a section of the capitalist class to enact policies favorable to workers' interests. Thus the Economic Policy Institute, a left-liberal think tank financed partly by the unions, complains today about "the low inflationary environment preferred by investors, Wall Street, and the bond market" (*The State of Working America 1996-97*). And ever since the time of Franklin D. Roosevelt's 1930s New Deal, the reformist Communist Party has pushed the notion of an "anti-monopoly coalition" with "progressive" capitalists—the analogue in the imperialist U.S. to the Stalinists' class-collaborationist strategy of an "anti-imperialist united front" with the nationalist bourgeoisie in the colonial and semicolonial world.

The liberal populist view of how capitalism works in this regard can be summarized as follows. The managers and principal owners of an industrial corporation are said to be loyal to it as an institution and normally strive to increase the firm's market share, which means expanding productive capacity and employment. On the other hand, bankers, bondholders and other creditors are supposedly primarily concerned that the firm has sufficient cash flow to service its debt. Hence they oppose any investments deemed risky, such as in new technology, and are supposedly ever willing to force a firm into bankruptcy, liquidating its assets to recoup their loan capital. Likewise, with respect to government policy, industrialists are considered more likely to favor expansionary monetary and fiscal policy which would increase demand for their products while financiers are presumed to always want "tight money" and fiscal austerity.

The Myth of Progressive Entrepreneurs

During the Great Depression of the 1930s, John Maynard Keynes, who defined liberal economic thought for the next several decades, divided the capital-



John Maynard Keynes UPI

STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION (Required by 39 U.S.C. 3685)

1. Publication title: *Workers Vanguard*.
2. Publication no.: 09-8770.
3. Filing date: 24 September 1997.
4. Issue frequency: Bi-weekly (except 3 alternate issues in June, July and August, beginning with omitting 2nd issue in June, and 3-week interval in December).
5. No. of issues published annually: 22.
6. Annual subscription price: \$10.00.
7. Complete mailing address of known office of publication: 41 Warren St., New York, NY 10007.
8. Complete mailing address of headquarters or general business office of publisher: 41 Warren St., New York, NY 10007.
9. Full names and complete mailing addresses of publisher, editor, and managing editor: Publisher—Spartacist Publishing Company, 41 Warren St., NY, NY 10007; Editor—Len Meyers, 41 Warren St., NY, NY 10007; Managing Editor—Ray Bishop, 41 Warren St., NY, NY 10007.
10. Owner: Spartacist Publishing Company (Unincorporated Association), 41 Warren St., NY, NY 10007.
11. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities: None.
12. For completion by nonprofit organizations authorized to mail at special rates: Not applicable.
13. Publication name: *Workers Vanguard*.
14. Issue date for circulation data below: 17 September 1997.
15. Extent and nature of circulation: Average no. copies each issue during preceding 12 months: a. Total no. copies (Net press run): 13,739; b. Paid and/or requested circulation: (1) Sales through dealers and carriers, street vendors, and counter sales: 8,741; (2) Paid or requested mail subscriptions: 2,302; c. Total paid and/or requested circulation (Sum of 15b(1) and 15b(2)): 11,043; d. Free distribution by mail: 367; e. Free distribution outside the mail: 0; f. Total free distribution (Sum of 15d and 15e): 367; g. Total distribution (Sum of 15c and 15f): 11,410; h. Copies not distributed: (1) Office use, leftovers, spoiled: 2,314; (2) Return from news agents: 15; i. Total (Sum of 15g, 15h(1), and 15h(2)): 13,739. Percent paid and/or requested circulation: 96.79%.
- Actual no. copies of single issue published nearest to filing date: a. Total no. copies (Net press run): 15,000; b. Paid and/or requested circulation: (1) Sales through dealers and carriers, street vendors, and counter sales: 10,813; (2) Paid or requested mail subscriptions: 2,308; c. Total paid and/or requested circulation (Sum of 15b(1) and 15b(2)): 13,121; d. Free distribution by mail: 350; e. Free distribution outside the mail: 0; f. Total free distribution (Sum of 15d and 15e): 350; g. Total distribution (Sum of 15c and 15f): 13,471; h. Copies not distributed: (1) Office use, leftovers, spoiled: 1,529; (2) Return from news agents: 0; i. Total (Sum of 15g, 15h(1), and 15h(2)): 15,000. Percent paid and/or requested circulation: 97.40%.
16. This statement of ownership will be printed in the 17 October 1997 issue of this publication.
17. Signature and title of editor, publisher, business manager, or owner: (Signed) Len Meyers (Editor), 24 September 1997. I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions and/or civil sanctions.

ist class into entrepreneurs and rentiers. Entrepreneurs were those engaged in "the positive act of starting or maintaining some process of production." Rentiers, on the other hand, simply live off the income generated by their financial holdings, primarily the interest on government and corporate bonds. Henwood endorses Keynes' schema in this regard as he complains that "the increased prominence of institutional investors, particularly pension funds in the stock market, has increased rentier power over corporate policy." For Henwood, following Keynes, this is definitely a bad thing.

Keynes advocated that the government act to drive down the rate of interest relative to profit through fiscal and monetary policies and public works programs. This, he argued, would enable entrepreneurs to expand production and employment, thereby overcoming the boom-bust cycle of capitalism. Keynes even projected "the euthanasia of the rentier"—a time when the return on money capital would be reduced to zero.

Anti-Wall Street populism was revived in the 1980s with the hostile takeover/leveraged buyout/junk bond binge. Films like *Wall Street* and *Other People's Money* depicted the new breed of financial operators as greedy and despicable compared to honest, honorable old-line capitalists. Henwood notes how Fortune 500 CEOs routinely complain of the pressure on them from Wall Street money managers and analysts to produce quick profit growth. Presumably, in the absence of such outside pressures, corporate America would treat its workforce in a kinder, gentler and more generous way, would spend more for research and development, would expand production and employment even if this resulted in a lower rate of return on capital. Anyone who believes that doubtless also believes



AP

in the tooth fairy.

While Henwood is not quite so naive, he nonetheless buys into the notion that the owners, managers and creditors of America's corporations have significantly different and conflicting interests:

"Stockholders want high stock prices, bondholders and other creditors want their interest paid regularly and their principal eventually returned, and managers want a peaceful life with high salaries and minimal external intrusion.... Often these goals collide."

This schematic analysis may have some applicability to firms where managers, stockholders and bondholders are substantially made up of different people. However, many managers hold a large block of their firm's stock. Furthermore, some big corporations have their own, management-run pension funds whose biggest asset is the firm's stock. A study of the comparative financial structure of Britain, the United States



WV Photo

Government dragged PATCO leaders off to jail and broke 1981 strike. AFL-CIO tops' refusal to shut down the airports in solidarity set stage for years of anti-union attacks. Above: Oakland strike rally, August 1981.

and Japan pointed out with regard to such pension funds: "In many of the American cases these 'internal funds' were the largest shareholders in their own companies, buttressing the power of the current board of directors who ultimately controlled the use and disposition of the funds" (John Scott, *Capitalist Property and Financial Power* [1986]).

More fundamentally, Henwood's tripartite schema has no basis in reality in terms of the American capitalist class as a whole. The big institutional investors like bank trust departments, pension funds and mutual funds deal in both stocks and bonds. Wealthy people hold a mixed portfolio of securities whose composition is constantly shifting. The top managers of the Fortune 500 do not keep their money in a mattress or a savings account at the local bank. They, too, invest in stocks and bonds, including those of firms other than their own. At another and very significant level, the children of bankers and executives of non-financial corporations frequently intermarry, so that the family—the basic social unit of the American bourgeoisie and of class society as a whole—cuts across and transcends the industrial/financial division.

The common interests of all elements of the American capitalist class—whether Wall Street investment bankers, Midwestern manufacturers, Texas oilmen or California agribusinessmen—are qualitatively greater and more important than their differences. All want to maximize the exploitation of labor and to minimize the overhead costs of government social programs.

Although Henwood's *Wall Street* focuses almost exclusively on the state of the U.S. economy, he draws from this material sweeping generalizations about the capitalist system as such. Yet the financial structure of so-called "bank-based" economies like Germany and Japan is very different from the "market-based" economies in the U.S. and Britain. In the former cases, it is particularly meaningless to speak of a division, much

less an antagonism, between industrial and financial capitalists. For example, Japanese capitalism has since the late 19th century been organized around tightly integrated groups of financial, industrial, distribution and commercial capital known today as *keiretsu* (whose origins stem from the pre-1947 *zaibatsu*).

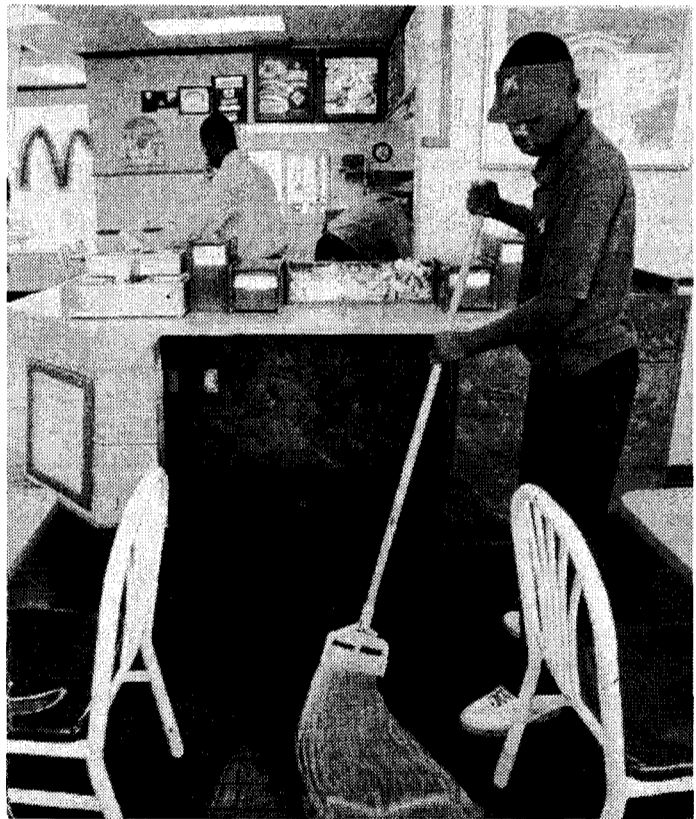
And in Germany, the big three banks—Deutsche Bank, Dresdner Bank and Commerzbank—have representatives on over 40 percent of the supervisory boards of the country's *Aktiengesellschaften* (AGs, share corporations). These boards appoint, dismiss and monitor the management of the largest corporations. Banks directly own 10 percent of the common stock issued by German corporations. More importantly, other stockholders normally vest their proxy votes with a firm's principal bank rather than its management, regarding the former as the best guardian of their investment.

For most of the post-World War II period, the "bank-based" economies of Germany and Japan performed better than the "market-based" economies of the United States and Britain, with higher rates of growth of national income and industrial productivity. If the U.S. has regained a certain competitive edge in world markets over the past decade or so, it is due entirely to the savage intensification in the exploitation of labor, which union bureaucrats and liberal intellectuals blame on "Reaganomics" and its aftereffects. Ironically, the German bourgeoisie now insists that the relatively high pay and benefits of its labor force be reduced to or near the level of British and American workers, while many trade-union reformists in these countries look to the supposedly more industrial-based German economy as the reason for higher living standards for workers there.

Neo-Populism and "the Greed Decade"

During the 1950s and '60s, American capitalism was popularly identified with

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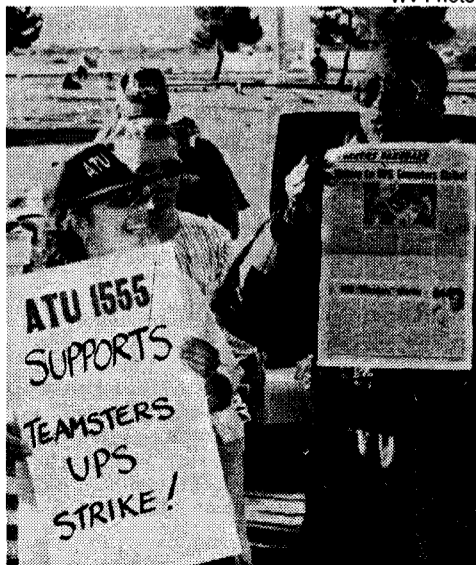
Archambault/U.S. News & World Report

Youth and minorities in capitalist America face chronic unemployment or minimum-wage jobs.

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New York	900	981½	109
Oakland	360	431	120
San Francisco	440	515	117
At Large	300	300½	100
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WV Photo

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Wall Street...

(continued from page 7)

large industrial corporations like General Motors, U.S. Steel, Du Pont and IBM. The CEO of the Pentagon war machine, otherwise known as the secretary of defense, was typically a former top executive of one of the "Big Three" auto companies. Charles Wilson, who held this post under Republican president Eisenhower in the 1950s, proclaimed, "What's good for General Motors is good for America." His successor under Democrats Kennedy and Johnson in the 1960s was former Ford Corporation head Robert McNamara, the main architect of the Vietnam War.

In the 1980s, however, financial operators of a new type appeared to become the strongmen of American capitalism. Big-time "corporate raiders" like Carl Icahn and T. Boone Pickens, wheeler-dealers like Donald Trump and junk-bond kings like Michael Milken became household names. Yet how many people could identify the chief executives of General Motors, Exxon or Citicorp? The deteriorating conditions of American working people—layoffs, plant closures, cuts in wages and benefits—were now blamed on the new financial operations, such as leveraged buyouts. Corporate raiders and their financial henchmen were denounced by union leaders and liberal intellectuals for killing the "American Dream."

The liberal populist view of the chang-



WV Photo

Labor tops' chauvinist Japan-bashing helped strangle 1994-96 Bridgestone-Firestone strike.

ing American economy was well expressed in the 1991 film, *Other People's Money*. The plot centers around the efforts of a Wall Street raider, "Larry the Liquidator"—played by Danny De Vito as a wiseass sleazeball—to take over a small New England manufacturing company. The firm's profits are down because its main division is losing money due to the low level of capital construction in the U.S. The company's patriarchal head, played by Gregory Peck, waxes nostalgic

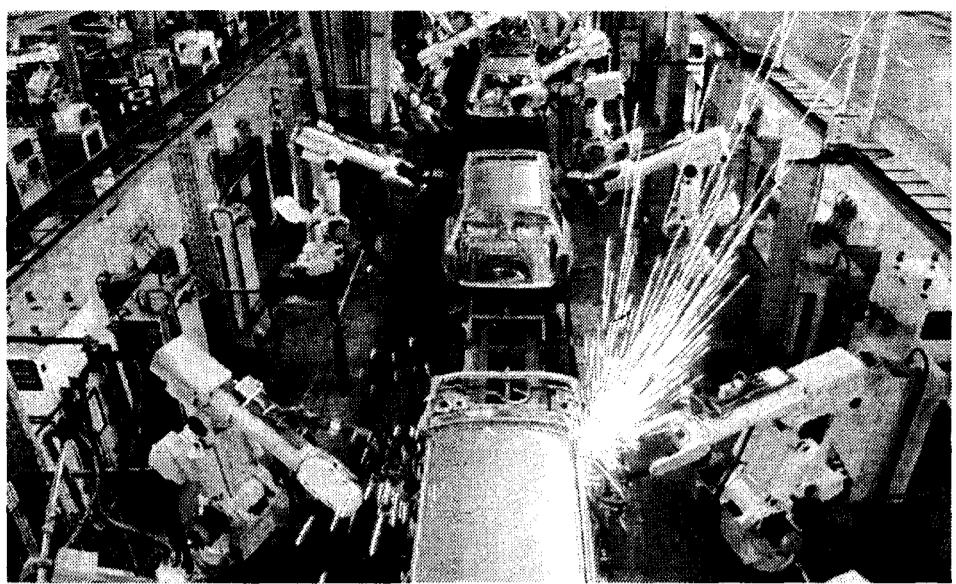
about the late 1940s, when Harry Truman made a campaign speech outside the plant gate. Peck's character says: "That was the golden age—rebuilding America." At a key stockholders' meeting, he proclaims: "Here we care about more than the price of our stocks; here we care about people." Another character comments, "Wall Street's in the liquidation business these days." The implicit message is that Wall Street used to be in a different, more constructive "business" and that the recent wave of layoffs and plant closings was dictated by outside financial interests against the will of old-line owners and managers.

During the 1980s, the financial structure of American capitalism did undergo a real and important change. For the first four decades after World War II, the ratio of debts to assets for non-financial corporations remained basically stable. Then there was a veritable explosion in corporate debt, which rose from \$900 billion in 1980 to \$2.4 trillion by the end of the decade. This massive increase in debt was used to finance or resist takeovers. In a study of such financial operations between 1983 and 1989, liberal economists Margaret Blair and Martha Schary found that the firms involved on average increased their debt-to-asset ratio from 60 to 90 percent (Margaret Blair, ed., *The Deal Decade* [1993]). This was usually followed by a contraction in productive capacity and with it, of course, the labor force.

To understand the sudden and radical changes in corporate America in the 1980s, it is necessary to consider previous, more "normal" periods. Coming out of the Great Depression of the 1930s, the U.S. massively rebuilt its industrial plant and infrastructure (e.g., interstate highways) in the years during and after World War II. By the early-to-mid 1950s, the U.S. had by far the largest and most technologically advanced productive capacity of any capitalist country. American-manufactured products dominated world trade, while the dollar, then considered "as good as gold," dominated international financial markets.

Under these conditions, corporations could grant their workers steady, modest wage increases without reducing the return on capital. If a particular division or new investment project was losing money, this was more than offset by healthy profits from other operations. Hence corporate management could negotiate a labor contract, open up a new factory or start a new product line without looking over its shoulder to see how the stockholders would respond. As Margaret Blair put it: "For thirty years after World War II, investment opportunities were good enough in general, and the opportunity cost of capital was low enough, that financial interests did not try to interfere with [corporate] strategies to retain and reinvest."

However, by the mid-1960s, Germany and Japan had rebuilt the industrial capacity destroyed during World War II. In many cases, the new plants embodied



Hoppe/Netzhauf

High-tech Opel auto plant in Germany. As German and Japanese technology outpaced U.S. industry, American capitalists moved to intensify exploitation of labor to regain competitive edge.

more advanced technology than that prevailing in American factories. U.S. corporations now found themselves facing increasingly effective competition in world markets and even in the domestic market. The U.S. economy was further weakened by the inflationary pressures generated by the long, losing imperialist war in Vietnam. Taking inflation into account, 1965 was the high-water mark for corporate profits during that tumultuous decade. The real volume of corporate profits did not reach that level again until the early 1970s.

Following year after year of massive balance-of-trade deficits, especially with Japan, in 1971 Republican president Nixon devalued the dollar, signaling the end of U.S. imperialist hegemony. The deterioration of American capitalism was further exposed by the 1974-75 world economic downturn, with after-tax profits in little over a year. Between 1972 and 1974, the Dow Jones plummeted from over 1,000 to below 600.

The "Giveback" Era and the Labor Bureaucracy

America's capitalist rulers responded to these unhappy developments with a concerted drive to intensify the exploitation of labor. Corporate managers demanded "giveback" contracts from the unions, and the AFL-CIO bureaucrats duly obliged. Two-tier wage systems were widely introduced, thereby institutionalizing the superexploitation of younger and particularly minority workers. Production was shifted from the unionized North and Midwest to the low-wage South and Southwest, and also to East Asia and Latin America. The AFL-CIO tops turned a blind eye to the need to organize the "open shop" South, which would require mobilizing labor to take up the fight against the union-hating KKK fascists and all-sided racist oppression. And rather than promote international labor solidarity, the labor bureaucracy turned up the volume on its chauvinist calls for "American work for American workers." Meanwhile, the "AFL-CIA" continued its decades-long collusion with U.S. imperialism in subverting class-struggle unions abroad.

Partly as a result of the attacks on labor, U.S. corporate profit margins recovered somewhat by the end of the 1970s. But then came the 1981-82 world depression, the worst since the 1930s. Blair and Schary calculated that the profit rate of U.S. non-financial corporations fell from 18 percent in 1979 to 15 percent in 1983. It was precisely at this point that the binge of hostile takeovers and leveraged buyouts hit Wall Street with hurricane force. Blair and Schary give the core reason:

"The cost of capital, which is the minimum return investors require to finance future investment, rose dramatically in the first half of the 1980s. The increase was worse in some industries than in others, but it affected all industries to some degree. The decade was also different from its predecessors in that realized returns to capital in many industries fell."

In their own empirical way, these liberal economists recognize a central aspect of the Marxist understanding of the capitalist system. It is changes in the rate of profit, i.e., the ratio of profit gained to the amount of money-capital invested, which govern the expansion and contraction of production. As Marx wrote in Volume III of *Capital*:

"It is for this reason that the capitalist mode of production meets with barriers at a certain expanded stage of production which, from the other point of view, would be altogether inadequate. It comes to a standstill at a point determined by the production and realization of profit, not by the satisfaction of social needs."

In the early 1980s, the American capitalist class was unwilling to accept the reduced rate of profit resulting from the relative deterioration of the economy and the share of national income then going to the working class. Stockholders demanded that corporate managers further slash wages and benefits, lay off "redundant" workers—white-collar as well as blue-collar—and close down operations which were losing money or were only marginally profitable.

If stockholders perceived that the management was not adequately carrying out these demands, they were more than willing to sell their shares to raiders (or to the incumbent managers) at a premium over the existing market price. In order to buy off and buy out the stockholders, the raiders and/or incumbent managers had to borrow huge sums of money. The explosive growth of corporate debt over the past decade and a half is a financial repercussion of the drive to intensify the exploitation of labor. It is an *effect*, not a *cause* of the immiseration of America's working people.

Although she views the U.S. economy through the distorting prism of liberal bourgeois ideology, Margaret Blair recognizes that stockholders (i.e., owners) were the principal authors of "the greed decade," not the raiders, investment bankers or other financial operators:

"In many cases improved returns [to stockholders] could be achieved only by obtaining concessions from suppliers or customers, reducing the amount of taxes paid, extracting wage concessions, or cutting white-collar corporate staff. Or they could come from reducing investment. In other words, the improved returns to shareholders had to be achieved at the expense of other social goals of the corporations."

The *only* "social goal" of a capitalist enterprise is increasing the wealth of its owners. The notion that large corporations have other, competing goals, such as the well-being of their workers or the expansion of production, is a liberal myth. However, the idea that the interests of some sections or elements of the capitalist class coincide with those of working people is deeply rooted in American political culture. And this idea must be uprooted if the working class is to effectively combat the capitalists, their political henchmen in the Democratic and Republican parties and their labor lieutenants in the AFL-CIO bureaucracy.

[TO BE CONTINUED]

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Anti-Abortion Thugs Repulsed

Ireland: For United-Front Defense Against Fascist Terror!

We reprint below a leaflet issued by the Dublin Spartacist Group on October 8.

Youth Defence, an organisation of extreme anti-abortion bigots, harbours a violent, clerical-fascist core. Two of these Blueshirt thugs launched a clearly premeditated violent assault against left paper sellers at University College Dublin (UCD) Freshers' Fair on 30 September. This outrageous attack was repulsed, which was a modest victory for the intended targets of fascism—leftists; those fighting for women's rights, immigrants, Travellers and, ultimately, the organised workers movement. The fascists must be stopped in their tracks now when they are small!

Youth Defence are out for blood. Bearing grotesque posters of foetuses, the two thugs arrived on campus ready to attack anyone they deem to be "pro-abortion." After attempting to disrupt the Socialist Workers Students' stall, they targeted a lone paper seller at the Socialist Party's (SP) literature table. They began menacing the SP'er, shouting "Baby murderers!" as they brandished their gory posters. Two supporters of the Dublin Spartacist Group (DSG) came from our nearby table to help protect those being menaced. After making a quick call on a mobile phone, the Youth Defence thugs began pushing, then punching, first the SP supporter and then the supporters of the DSG. During the struggle, the SP's literature table was knocked over, one of our comrades was very nearly thrown over a wall with an eight foot drop to a concrete floor, and at least one SP supporter was bloodied and bruised. Within minutes, the Gardaí [police] arrived and informed SP and DSG supporters that they, who had just been attacked, now face possible charges of assault levelled by Youth Defence!

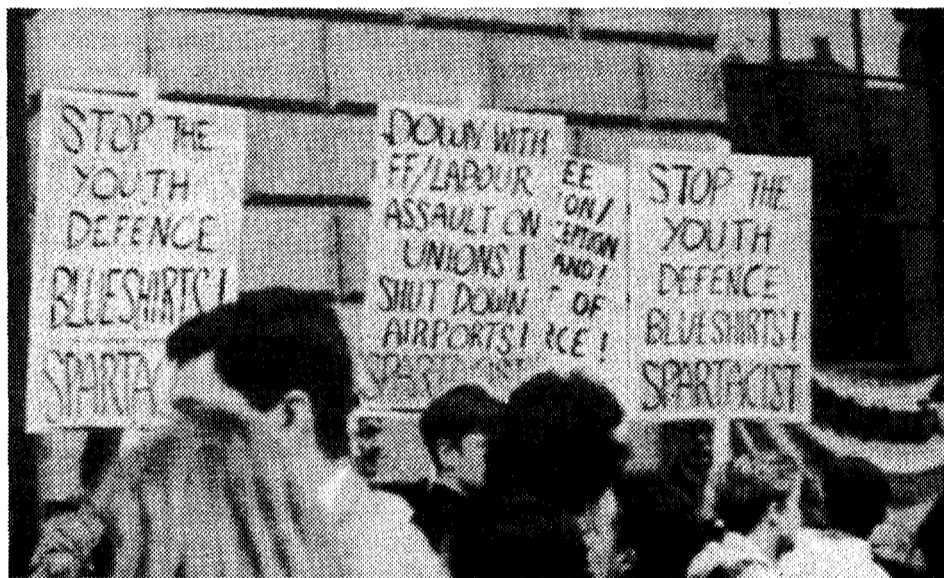
This is the latest in an escalating series of attacks by Youth Defence, whose storm troopers are the cutting edge of a reactionary drive to wipe out the minuscule amount of family planning services and abortion information that is legally available in Ireland. Since January of this year, the Youth Defence bigots have besieged the Marie Stopes Reproductive Choices Clinic in Dublin, which was raided by the cops, and a doctor was arrested on suspicion of having carried out an abortion there. Youth Defence has picketed the clinic daily with up to 50 bigots aggressively abusing and intimidating any woman entering the clinic. *Defend the Marie Stopes Clinic! For free abortion on demand!*

Ominously, at the beginning of this

university year, Youth Defence have raised their heads at UCD, Trinity College and Dublin City University. In the past, mobilisations of Trinity students have driven the likes of British fascist David Irving off campus. Students at UCD and Trinity have also been active in mobilisations for abortion rights and in protests against the horrific state ban on a young woman travelling to England for an abortion in 1992, known as the "X case." In 1988, the Society for the Protection of the Unborn Child (SPUC), a reactionary anti-abortion outfit with connections in the higher echelons of society, secured the

Mobilisations of the organised working class, with the power to shut down society, are critical to driving the fascists back into their holes. But for this to be achieved it is necessary to politically confront the reformist misleaders of the Labour Party/Democratic Left and trade-union bureaucrats who tie the working class to the capitalist order.

The reaction of left groups such as the Socialist Party, the Workers Solidarity Movement and the Socialist Workers Party (SWP) has been to turn a blind eye, and hope the clerical fascists will go away. This is a dangerous game, which



Dublin Spartacist Group

Dublin Spartacist Group at 1994 protest against Youth Defence anti-abortion bigots.

first of a series of court injunctions against students at UCD, and later Trinity College and the Union of Students in Ireland, in an attempt to stop them distributing telephone numbers for abortion services in Britain. Students defied the injunctions and distributed abortion information, resulting in massive fines.

The DSG has insisted for some time now that Youth Defence harbours a fascist core that harks back to the Blueshirts who in the 1930s sent contingents blessed by the Church to fight for Franco and fascism in Spain. They seek to implement their programme in *action*, particularly targeting those fighting for women's abortion rights. In October 1992, Youth Defence laid into Democratic Left supporters with snooker cues outside the Pipers Inn in Dublin. At the May Day demonstration in 1993 they tried to stage a provocation, but their efforts were spiked by an action initiated by supporters of the DSG. In July 1994, forty of these thugs launched an organised attack, ready-equipped with hurley sticks, on abortion rights protesters outside the Dáil [parliament].

What is necessary and possible is a united-front mobilisation to stop Youth Defence thugs from getting on campus. Minorities, gays, leftists and women all have an interest in stopping Youth Defence from getting a toe-hold on the campuses where they will not only distribute their anti-woman filth, but will carry out physical assaults. United-front action means "march separately, strike together," that is, unity in action against the fascists while maintaining the separate political identities of the participating groups. Not simply students, but campus workers and other trade unionists have a stake in stopping the fascists.

We fight for trade-union mobilisations to stop Youth Defence/SPUC reaction.

can only embolden the fascists. The reformist organisations bear their share of responsibility for the fact that outfits like Youth Defence today feel the wind in their sails; their bottom line is to channel all protests for women's rights into support for the wretched Labour Party in elections, while peddling illusions in legal reforms through the courts. The DSG said no vote to the Labour Party and Democratic Left who were running on their track record in government as the

Bigotry...

(continued from page 2)

bureaucratic whirlwind, meting out punishment to all concerned. The parents of the girls initially faced misdemeanor charges, which were later dropped. The two teenagers have been ripped away from their friends and family and are now being held in "protective custody" outside Lincoln. And the older girl's boyfriend, whom she obviously cared for and trusted, was arrested and ultimately convicted of "debauching" and contributing to the delinquency of a minor, spending 234 days—almost *eight months*—in jail. This is a classic example of why we oppose reactionary and arbitrary "age of consent" laws, which in a more rational society would be replaced by the principle of *effective consent* of the parties involved.

As for Al-Hussani and Al-Tamimy, after doing prison time in Nebraska, they face deportation or further imprisonment at the hands of the Immigration and Naturalization Service (INS). Various crimes of "moral turpitude" are deemed deportable offenses, and the sweeping anti-immigrant laws passed by Congress and approved by Clinton last year got the

"Rainbow Coalition" in alliance with Fine Gael, a bourgeois party.

The right to abortion is an explosive question in Irish society. Despite cosmetic changes such as the introduction of legal (if massively expensive) divorce, abortion is unavailable. The Irish state is deeply reactionary and sets the stage for an offensive by SPUC and Youth Defence. The fight to win and retain abortion rights must be part of the struggle to overthrow the clericalist capitalist state and replace it with workers rule based on soviets.

Working in the shadows behind SPUC and Youth Defence are such outfits as Opus Dei and the Knights of Columbanus, sinister arms of the Catholic Church. Outfits like SPUC and Youth Defence, in addition to the vigilante mobs who conduct pogromist attacks on Travellers, usually under the protection of the cops and courts, provide a fertile culture medium for Irish fascism. However, the Socialist Party is notorious for condoning vigilante groups which are the shock troops of anti-Traveller pogroms; their particular variety of sewer "socialism" has led them to embrace Billy Hutchinson, a convicted [Loyalist] UVF killer of two Catholics, in meetings in Belfast and Dublin. Neither the SP nor the SWP even mentioned abortion rights in their general election campaigns.

Appealing to the cops and courts to stop the fascists is a suicidal strategy. Cops are not neutral, nor "workers in uniform" as the Socialist Party and Socialist Workers Party would have it. The capitalist state, its cops and courts know which side they are on when it comes to the workers movement and oppressed. The cops are the "armed fist" of the capitalist state, there to defend the bosses and their private property. Similarly, appeals to the university administration (which are bastions of reaction) for bans are counterposed to and will only demobilise the necessary united-front action to stop the fascists. Moreover such bans if implemented will more likely be used against defenders of abortion rights.

The fight for separation of church and state is integral to the struggle for elementary rights for women. Only working-class revolution and the establishment of a planned, collectivised economy can provide the material conditions for women's liberation. For women to be free the working class must rule. This requires above all a revolutionary party, the vanguard of the working class, a tribune of all the oppressed. We are fighting to build such a party, on the programme of Lenin and Trotsky, which will lead the working class to power. ■

right of appeal against arbitrary—and often secret—deportation rulings. If Iraq refuses to allow the two refugees back, "the worst-case scenario is long-term detention in INS custody," an immigration lawyer told the *Lincoln Journal Star* (25 September).

Ironically, it was as a result of the U.S.-led imperialist slaughter in the Persian Gulf that the anti-Arab and anti-Muslim racism evident here sharply escalated. In defense of its imperialist oil interests and to drive home its self-proclaimed role as master of the world, the U.S. rained terror on the Iraqi people and continues to subject the country to a starvation embargo which has resulted in the deaths of hundreds of thousands of people, many of them young children. Meanwhile, U.S. imperialism props up the utterly reactionary ruling elites of Kuwait and Saudi Arabia, where women are slaves under the veil and are subject to beheading for such "crimes" as adultery.

The U.S. racist ruling class is a proven enemy of women's liberation, at home and abroad. It will take international socialist revolution to create a truly humane society in which both women and men can freely choose their own futures. Free Majed Al-Tamimy and Latif Al-Hussani! ■

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Italy...

(continued from page 12)

participate and praised the "magnificent welcome" he received, noting that the head of the UIL trade-union federation "called me from Venice to thank me. Cofferati came up to shake my hand" (*Corriere della Sera*, 21 September).

Ulivo, Fascists Foment Racist Terror

The purpose of these demonstrations is to cement the popular front with nationalist chauvinism, which feeds racism and supports the bloody imperialism of the Italian bourgeoisie. The popular front is in the front line of a renewed racist witchhunt, fully supported by the bourgeois mass media. PDS minister of the interior Giorgio Napolitano has presented a draft law against immigrants which, if approved, would make immigration even harder and deportations easier. The PDS mayor of Rimini, Giuseppe Chicchi, openly labels immigrants "parasites" and has called for regional passports for immigrants. This fascist-type proposal was naturally supported by the fascist National Alliance and the Northern League.

Napolitano's police have already launched a large-scale manhunt and mass deportation of Albanian refugees, many of whom fled the misery and chaos produced by Italian imperialism in Albania. These criminal deportations are part of Italian imperialism's neocolonial assault on Albania, which includes the sinking of a refugee ship in which 89 people died last March. "We're here to work and we're treated like criminals," one Albanian bitterly complained as he was about to be deported. "But we'll be back soon," he continued defiantly. Finance Minister Lamberto Dini has replied by demanding that concentration camps be set up in



Action Press



Cordon Press

Mobilizations of skinhead stormtroopers and Umberto Bossi's fascistic Northern League in early 1990s. Popular-front government's assault on immigrants, women, workers opens the road for the fascists.

interimperialist rivalry for redivision of the world market into new spheres of exploitation. As the masses of the neocolonial "Third World" are forced into deeper poverty, large numbers of refugees seek a means of survival in the imperialist countries. Intent on increasing the rate of exploitation, the European bourgeoisies are savagely attacking the working class and use immigrants as the scapegoats for the growing misery, unemployment and other evils of decaying capitalist society. Racism is used to divide the working class and to lower its level of consciousness.

As Marx said regarding black slavery in the United States: "Labor cannot emancipate itself in the white skin where in the black it is branded." Immigrant workers are concentrated in the most dangerous, most difficult and lowest-paid jobs. What's needed is a fight for *unionization of all immigrant workers* and for *equal pay for equal work!* This requires

with the racist and nationalist policies of the popular front and with the organizations which promote these policies. For workers actions against the deportations! For union-based workers militias to defend immigrant communities!

The racist, nationalist appeals for "jobs for Italians" must be opposed by the fight for all existing work to be divided at no loss in pay among *all* workers, Italians or immigrants! Against the high cost of living, it is necessary to fight for a real *sliding scale of wages* which covers inflation 100 percent! Because capitalism isn't capable of satisfying these basic demands and guaranteeing a decent life, we must fight for workers power.

RC: Loyal Supporter of the Popular Front

During last December's RC congress, the majority voted for a motion which promised "absolute" and "determined" opposition to the pact between the government and the unions. RC then voted in favor of the government's program of two-tier wages and temporary jobs. RC leader Bertinotti has repeatedly thundered that "social welfare will be the mother of all our battles." But from the very beginning, RC supported the finance decree which lays the basis for further cuts in social spending, and RC parliamentary spokesman Giuliano Pisapia has praised the proposed racist anti-immigrant law for having "many positive aspects" (*Liberazione*, 17 August).

While RC voted against sending imperialist troops into Albania—because its vote wouldn't have affected the outcome and because RC considered it inopportune, given the lack of a United Nations fig leaf for the intervention—RC's Senate fraction recently voted *in favor* of prolonging the presence of Italian troops there for a further 45 days. RC also supports the deportation of Albanian refugees, demanding only that "the repatriation be organized in a rational and realistic way" (*Liberazione*, 30 August).

Despite politics which should disgust anyone who considers himself a leftist, Rifondazione Comunista tries to maintain the support of its base by depicting its support to the Ulivo coalition as the "lesser evil" while on the other hand rhetorically pushing for a "more leftist" version of the popular front. The model currently in fashion with RC is Jospin's popular front, which includes the French Communist Party. But despite illusions spread by RC, Jospin's government is no less anti-worker and racist than Prodi's.

It is not a question of Ulivo's policies being too far to the right. *Any* popular front in power is a bourgeois government that is necessarily imperialist, anti-worker, racist and anti-woman, opening the road to the fascists. In a coalition between the bourgeoisie and the proletariat it is inevitable that the bourgeois parties, however much they are in a minority, determine the politics of this bourgeois coalition. For this reason the LTd'I opposes, in principle, any political

support to the popular front. And we were against any electoral support to the PDS and RC in the 1993 and 1996 elections.

The Long Left Tail of the Popular Front

A section of Rifondazione Comunista's membership is becoming increasingly intolerant of the daily capitulations of its leadership. But even had pressure from the base forced the RC leadership to break with the Ulivo coalition, this would only have been a momentary tactical maneuver, in no way signifying a break with RC's popular-frontist perspective, which is deeply rooted in decades of Stalinist politics. RC is not reformable. Like the PDS, it is a bourgeois workers party, which represents an obstacle to the real emancipation of the working class. These parties must be split, separating the healthy elements at the base from the treacherous reformist leadership, in the fight to build a Leninist party. Many "leftist" groups do quite the opposite, acting as waterboys for the popular front.

The Bologna-based Socialismo Internazionale, which is linked to Tony Cliff's Socialist Workers Party in Britain (and the International Socialist Organization in the U.S.), is one of the left tails of RC and the popular front. *Socialismo Internazionale* (June 1996) saluted the Ulivo election victory, saying "this can't be considered as anything other than an important success for the working class. For the time being, the right isn't in government." A headline in the same issue read, "Prodi! We Didn't Vote for Cuts and Sacrifices!" But the anti-abortion bourgeois politician Prodi and the Ulivo coalition promised bloody austerity and have carried it out—and that's exactly what SI voted for! This same issue is entirely dedicated to immigrants and the Northern League. But it never comes out against all deportations, for organizing immigrant workers into the unions, for full citizenship rights for all immigrants or for equal pay for equal work—nor does it ever criticize RC for its support to the current racist campaign.

But the main obstacle preventing leftist members of Rifondazione Comunista from finding a proletarian revolutionary perspective is the so-called left wing centered around "Motion Two" and *Proposta*, whose role is precisely to keep them tied to the politics of the popular front. In *Proposta* (July-August 1997), RC minority leader Marco Ferrando lists a series of correct examples of the leadership's capitulations to the anti-worker policies of the Prodi government. He even criticizes the "culture of the lesser evil" which has been RC's main argument for supporting the Ulivo coalition. But this is the same argument used by *Proposta* in voting for the Ulivo popular front and even for the Vatican-linked Popular Party inside the Ulivo coalition.

Last year, *Proposta* (13 June 1996) hailed the formation of the Ulivo government with the very same logic of the "lesser evil," crowing that "the right has been defeated and this is a good thing."



AP

Ulivo government sent Italian occupation forces into Albania earlier this year.

Albania to contain the deportees. Meanwhile, the green-shirted thugs of the Northern League's Committee for the Liberation of Padania (CLP) have been terrorizing immigrants on the beaches at Rimini, Alassio and elsewhere.

The incitements to racist murder coming from the state and the Northern League were taken up in Torino on July 20, when a band of racists beat up Abdellah Doumi and then drowned him in the Po River. In Milano, several immigrants were burnt by Molotov cocktails thrown by two carloads of racists. On September 4 in Prato, six immigrants were hospitalized after a Molotov cocktail was thrown into a garage where they were sleeping. And there are *many* other cases both reported and unreported by the press.

For Worker/Immigrant Mobilizations to Smash the Fascists!

The destruction of the Soviet Union and the bureaucratically deformed workers states of East Europe has heightened

mass class struggle and a hard political fight against the union bureaucracy, the PDS and RC—who deepen the divisions within the working class by supporting differing wage levels, racist deportation laws and agreements on temporary jobs. It's necessary to fight for *full citizenship rights for all immigrants and their families*, including the right to health care, education and abortion! Anyone who has made it to this country must have the right to stay here!

In September, workers from Torino's Fiat Mirafiori factory and surrounding areas provided a good example of how the Northern League can be smashed by dispersing an anti-union provocation organized by the CLP, destroying their literature table and propaganda and teaching some of these sewer rats a well-deserved lesson. This type of action must be generalized and carried out by the organized workers movement along with immigrants, Rom (Gypsies), women, gays and all potential victims of the fascists. But for this to be possible, the working class must make a clean break

Little Rock...

(continued from page 3)

responsibility for defending the Negro people rests today upon the trade unions."

Over a decade later, an editorial in the SWP's *Militant* (20 September 1957) cheered the introduction of federal troops in Little Rock as an "important victory.... A reluctant President has been compelled by an outraged public here and abroad to enforce the Negro people's constitutional rights."

This did not go unopposed within the SWP. In his "Resolution on the Little Rock Crisis," veteran Trotskyist Dick Fraser tore apart the SWP leadership's support for the federal troops, pointing out that the end result had been the crushing of local black self-defense efforts. As Fraser outlined:

"The crisis in Little Rock had gone beyond the power of the local authorities. 25,000 Negroes were poised and ready for action—many of them did act. They held a strong strategic position in that the overwhelming public opinion of Little Rock whites was either apathetic or sympathetic to the Negroes. The largest mob that all the agencies of reaction, including the official apparatus of the State government, could muster after a month of organization under the protection of the National Guard was a thousand white supremacists—many if not most of them 'country people'."

Revolutionary Integrationism—The Road to Black Freedom

Through his involvement in black freedom struggles and his dedicated study of the black question in America, Dick Fraser developed the program of revolutionary integrationism (see *Marxist Bulletin* No. 5 [Revised], "Trotskyism vs. Black Nationalism"). Understanding that the segregation and oppression of the black population is a foundation stone of American capitalism, Fraser argued that just as it had taken the American Civil War to smash chattel slavery, it would take a proletarian socialist revolution in this country to smash the capitalist sys-

And a year earlier, *Proposta* (May 1995) affirmed: "The fight against Berlusconi's right is, and remains, the main task of communists." In every electoral campaign, which is what counts most for a parliamentarist organization like RC, *Proposta* puts aside its criticism and dedicates itself to voting and gathering votes for the popular front. Trotsky's statement in "Centrism and the Fourth International" (February 1934) that "for a revolutionary Marxist, the struggle against reformism is now almost fully replaced by the struggle against centrism" is truer than ever today.

Bertinotti hopes to pressure the PDS and the Ulivo, while *Proposta* speaks about reforming RC. This is what Trotsky called "the syphilitic chain of the popular front." It is largely thanks to the rhetoric with which RC covers the Ulivo's left flank and the same kind of left cover which *Proposta* provides to RC that the working class has until now accepted cuts in social spending which in large part it managed to resist from Berlusconi in 1994. On one important occasion, the "Motion Two" leaders even managed to provide the bourgeoisie with proof that they were more trustworthy than the RC leadership. At an October 1995 RC leadership meeting, *Proposta* leaders Grisolia and Ferrando voted against a majority motion in favor of a vote of no confidence to bring down the government then headed by Lamberto Dini. In the end, the 24 RC parliamentarians changed their minds and saved the government by abstaining on the vote.

What shows most clearly how *Proposta*'s criticisms of the RC majority never go beyond the confines of popular-front politics is the total absence of any mention of the racist politics of RC and, in general, a complete blindness regarding all forms of special oppression. Even a more "leftist" popular front would necessarily be white, male and Italian. The



December 1974 pro-busing march in Boston. Spartacists called for labor/black defense of black schoolchildren against racist mobs.

tem which is premised on the forcible segregation of the black population at the bottom of American society. In the struggle of the black population in Little Rock, Fraser saw the powerful impulse for equality and integration out of which could come the best fighters for the necessary proletarian revolutionary struggle to finally achieve genuine emancipation.

As he wrote in his "Resolution on the Negro Struggle" which was submitted for discussion at the SWP national convention of 1957 (reprinted in *Prometheus Research Series* No. 3, "In Memoriam: Richard S. Fraser"):

"The struggle for racial equality is an integral part of the struggle of the American working class for socialism. The connection between these two goals is so fundamental that one cannot be envisaged without the other.

"This connection has been implicit from the very beginning of the anti-slavery struggle and found clearest expression in Karl Marx's dictum to white American workers: 'Labor cannot emancipate itself in the white skin where in the black it is branded'."

Fraser's understanding of the revolutionary integrationist road to black freedom was taken up by young leaders of the Revolutionary Tendency (RT), the forebears of the Spartacist League, in their fight against the degeneration of the SWP.

syphilitic chain of the popular front is, in fact, a chain of racism and chauvinism.

Build a Leninist-Trotskyist Party!

As do social democrats and Stalinist remnants in other countries, the Ulivo, Rifondazione Comunista and its left tail, *Proposta*, present themselves as the "lesser evil" in a world in which the collapse of the Soviet Union has ushered in greater poverty, exploitation, unemployment and oppression for the overwhelming majority of the earth's population. They want to make workers believe that to "limit the damage" there is no practical alternative to an alliance with the bourgeoisie.

We fight for a fundamentally different program and perspective. Along with Marx, we're deeply conscious that "the emancipation of the workers must be the act of the working class itself" and that every political alliance with the bourgeoisie serves only to prop up this decaying capitalist system which is the basis for every existing form of exploitation, oppression and discrimination. For this reason, we seek to build a revolutionary party modeled on Lenin's Bolshevik Party—the expression of the complete independence of the working class from the bourgeoisie, the tribune of the oppressed and the historical memory of the proletariat and its revolutionary vanguard.

We know that this requires intransigent struggle against the centrist and reformist traitors of the workers movement. Those youth and workers who are disgusted with the never-ending class-collaborationist politics of the misleaders of the workers movement and who want to fight for a socialist future must draw the necessary lessons. Break with the popular front! Join the LTd'I in the struggle to build the revolutionary proletarian party in Italy, section of a reborn Fourth International. ■

In the late '50s and early '60s, as the civil rights movement gained momentum, the SWP *abstained* from intervening, ceding leadership first to liberal petty-bourgeois misleaders like King and the NAACP, and later to black nationalists. The liberal civil rights leaders, who looked to the Democratic Party and sought only to end *legal* racism, had no program for fighting black oppression and segregation which is deeply rooted in American capitalism. Against the abstentionism of the SWP, the RT argued for communist intervention into the civil rights movement. In a 1963 document titled "For Black Trotskyism," RT leaders James Robertson and Shirley Stoute argued:

"Our leadership means the revolutionary class struggle program carried out by revolutionists in the mass movements, fused into the revolutionary party. Just as trade unionists will not join the revolutionary party if they do not see it as essential to winning the struggle, so Negro fighters for liberation will not join the party on any basis other than that the *only* road to freedom for them is the revolutionary socialist path of struggle through the combat army. Negro militants will *not* see any advantage in joining a party which says in effect: 'We cannot lead the Negro people. We are the socialist vanguard of the white working class, and we think it is nice to have fraternal relations with *your* vanguard'."

—*Marxist Bulletin* No. 5 [Revised]

The SWP's abstentionism squandered the possibility of winning young black mili-

tants, who were looking for an alternative to King's pro-Democratic Party politics and "turn the other cheek" pacifism, to revolutionary Trotskyism. Instead, many of these militants embraced the despairing program of black nationalism as an answer to the failure of the civil rights movement.

For its fight against the SWP's abstentionism, as well as other issues, the RT was bureaucratically expelled from the SWP in 1963. After degenerating into full-blown reformism, in 1974 the SWP demanded that the government send in federal troops against the racist mobs who were mobilized in the streets of Boston against a minimal court-ordered school busing plan. The Spartacist League and the Spartacus Youth League actively fought to defend school busing. We called on the integrated labor movement—including teachers, bus drivers and meat-packer unions—to organize labor/black defense of bused children. Against the narrow limits set by the federal judges, we called to *extend busing to the suburbs* so poor kids, black and white, could have a shot at real education (see the 1975 Spartacus Youth League pamphlet, *The Fight to Implement Busing*).

The Boston busing plan was defeated on the streets, emboldening racists to further attack integration—attempts to integrate Boston housing projects were defeated in the late 1980s. Today, in Southern cities like Little Rock and Atlanta, as well as Northern cities like Boston and New York, segregation in housing and education remains the rule. Yet at the same time, black workers remain a significant component of organized labor, integrated into strategic sections of the proletariat. In this society based on unbridled capitalist greed, it will take a communist revolution to secure quality education, housing and jobs for black, Hispanic and all working-class youth, just as it took the revolutionary Civil War to smash the slavocracy and to establish public education for black people in this country. What is needed is a revolutionary workers party, acting as a tribune of all the oppressed, that can lead the multiracial working class in a fight to replace the racist capitalist system with an egalitarian, classless society where those who labor rule. ■

Spartacist Events

NEW YORK CITY

China on the Brink: Workers Political Revolution or Capitalist Enslavement?

Saturday, October 18, 3 p.m.
New York Law School, Room A700
47 Worth Street (north of Chambers)

Spartacus Youth Club Class Series
Alternate Mondays, 7 p.m. Next class, October 20: **Communist Internationalism and Permanent Revolution**; 41 Warren St. (one block below Chambers St., near Church St.)
Information and readings: (212) 267-1025

CHICAGO

Spartacus Youth Club Class Series
Alternate Saturdays, 2 p.m., Next classes, October 18: **The Bolshevik Revolution**; November 1: **How the Soviet Workers State was Strangled**; 328 South Jefferson, Suite 904
Information and readings: (312) 454-4930

SAN FRANCISCO

Unchain Labor's Power—Those Who Labor Must Rule!

Friday, October 17, 7 p.m.
The Women's Building, 3543 18th St.
(BART stop: 16th and Mission)

Spartacus Youth Club Class Series
Alternate Thursdays, 6 p.m. Next class, October 23: **How the Soviet Workers State was Strangled**; SF State, Psyc 122
Information and readings: (415) 777-9367 or (510) 839-0851

BOSTON

China on the Brink: Workers Political Revolution or Capitalist Enslavement?

Monday, October 20, 7 p.m.
Harvard University, William James Hall, Room 4, 33 Kirkland St., Cambridge

Spartacus Youth Club Class Series
Alternate Wednesdays at two locations. Next class, October 22: **The Capitalist State and Revolution**.
• 2:30 p.m.: UMass-Boston, McCormack Building, Room 1-212.
• 7:30 p.m.: Harvard Univ., Emerson Hall, Room 305, Harvard Yard.
Information and readings: (617) 666-9453

OAKLAND

Spartacus Youth Club Class Series
Tuesdays, 7 p.m. Next classes: October 28: **How the Soviet Workers State Was Strangled**; November 4: **Women's Liberation Through Socialist Revolution**; UC Berkeley, 204 Wheeler

Information and readings: (510) 839-0851 or (415) 777-9367

Trotskyist League/Ligue trotskyste Events

TORONTO

Spartacus Youth Club Class Series
Alternate Wednesdays, 7 p.m. Next class, October 22: **The Russian Revolution**; International Student Centre, 33 St. George Street
Information and readings: (416) 593-4138

WORKERS VANGUARD

Rifondazione Comunista—"Left" Roadblock to Workers' Struggle

Italy: Anti-Worker Popular Front in Turmoil

The following article is adapted and abridged from *Spartaco* No. 51 (October 1997), published by the *Lega Trotskista d'Italia*.

OCTOBER 14—After 17 months of escalating attacks on workers, immigrants, pensioners and youth, last Thursday Prime Minister Romano Prodi submitted the resignation of the Ulivo (Olive Tree) coalition government centered on the Party of the Democratic Left (PDS). The government's move was triggered when its "left" prop, Rifondazione Comunista (RC), withdrew its support to Prodi on the eve of a parliamentary vote on a new austerity package which slashes pensions and social services in order to meet the Maastricht Treaty requirements for entry into the European Monetary Union. As we go to press, RC has agreed to vote for the austerity budget and Prodi has announced

SPARTACO 

Newspaper of the
Lega Trotskista d'Italia

that the "center-left" government will continue in office. To cover its left flank, RC is trumpeting a bogus "compromise" involving minor reductions in funding cuts and a vague promise by the government to aim for a 35-hour workweek.

In the frenzied parliamentary maneuvering that followed Prodi's threatened resignation, most of the bourgeoisie made it clear that they wanted RC's participation in the government in order to avoid a massive proletarian revolt against the new austerity bill. Right-wing opposition leader and former prime minister Silvio Berlusconi, who offered to join in a "grand coalition," joined with the fascists in denouncing the latest deal as a sellout to the "Communists." But President Luigi Oscar Scalfaro pushed Prodi and RC to reach an agreement, fearful that a change in government would endanger the chances of Italy joining the Monetary Union.

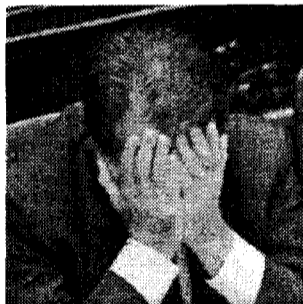
The reformist RC—which like the social-democratic PDS is descended from the now-defunct Communist Party—has been under intense pressure from all sides. It withdrew its support to the Prodi government in the wake of a series of mobilizations and assemblies by its proletarian base denouncing the government's refusal to reconsider pension cuts and to concede a shorter workweek at no loss in pay. At hundreds of angry meetings in factories centered in the northern industrial belt—from Mirafiori Fiat in Torino to Brescia, Florence and elsewhere—workers have passed resolutions opposing any cuts in pensions, health care, etc. Feeling the heat from the base, 200 delegates of the CGIL trade-union federation in Torino booed CGIL head Sergio Cofferati last week when he defended pension cuts. This brings to mind the proletarian upsurge of 1992, when workers threw



Bonaventura/Contrasto

Above: Workers protest Ulivo coalition government austerity cuts, November 1996. Below (from left): Prime Minister Prodi, RC leaders Bertinotti and Cossutta as anti-worker popular front falls into disarray over new measures slashing pensions, social services.

Ansa photos



bolts and eggs at Cofferati and other union bureaucrats who had lined up behind an earlier austerity measure.

The syndicalist-influenced COBAS ("rank-and-file committees") have already been organizing for a march in Rome on October 18 against the new austerity bill, explicitly called in opposition to the RC-supported Prodi/PDS government. RC felt compelled to call a similar anti-austerity demonstration in Rome for the following Saturday. Meanwhile, from Naples to Milano, tens of thousands of students have been mobilizing against increased government funding for private Catholic schools. The latest, flagrant capitulation by the phony "Communists" of RC is bound to increase disgruntlement and frustration among leftist workers and youth. But even had RC chosen to remain outside the government, it would only have done so in order to try to channel a proletarian revolt into pressure for a new, more "left" bourgeois coalition government like Lionel Jospin's Socialist-led government in France.

In the autumn of 1994, millions of workers rallied in town squares throughout Italy under the illusion that a "left" government would improve things. Thanks to Massimo D'Alema's PDS, Fausto Bertinotti's RC and the heads of the main, social-democratic-led CGIL union federation—as well as of the smaller, more right-wing CISL and UIL federations—the end result of those mobilizations was the anti-worker,

anti-immigrant, anti-woman "left-center" Prodi government. Aided by the centrists around *Proposta* in the RC minority, the reformists succeeded in using the workers' militancy to pull the cart of their parliamentary ambitions. Today it is clearer than ever that a Leninist vanguard party to fight for proletarian power must be forged in irreconcilable opposition to both bourgeois parliamentary reformism and the dead end of "apolitical" syndicalism. This is what the *Lega Trotskista d'Italia* (LTd'I), section of the International Communist League, fights for.

The Popular Front Opens the Road for the Fascists!

With the support of Rifondazione Comunista and the various union bureaucrats, the bourgeois government of Prodi, D'Alema & Co. has managed to meet the hitherto unsatisfied needs of the bourgeoisie and to throw back the gains obtained through working-class struggle to a level that was impossible for previous governments to obtain. This "leftist" government has introduced a series of austerity budgets, reintroduced lower wage levels in the South, pushed through more "temporary labor" agreements and continually increased taxes. Meanwhile, the bourgeoisie has imposed mass layoffs, factory closures and increased exploitation. And for the first time since Mussolini's fascist regime, Italy's bloody imperialist troops have occupied Albania.

Immigrant workers, superexploited as

low-wage manual laborers and suppressed through racist terror and mass deportations, have been made scapegoats for the misery which capitalism is imposing on the majority of the working class. Women are increasingly pushed out of production and into the home to look after the aged, children and the sick who are the prime victims of social service cuts. Even as funding for state schools is slashed, full state funding of Catholic schools is becoming a reality for the first time since Italy's unification in the late 19th century, facilitating the ecclesiastical hierarchy's spread of anti-woman poison and its indoctrination of new generations to prostrate themselves before "god, nation and family." Differences in wages and working conditions between North and South are being deepened by law, while the army has been sent into entire areas of the South.

The Ulivo coalition—a popular front of workers parties and bourgeois parties which subordinates the proletariat to its class enemy—got the workers' support on the basis of "fighting the right." But like all popular fronts, it opens the road to fascism. By tying the workers to the wagon of the bourgeoisie, the popular front paralyzes and disarms the working class, sowing criminal illusions that the fascists can be stopped through "parliamentary democratic" means. The popular front also exasperates the petty bourgeoisie, who see the working-class organizations as being responsible for their ruin.

The "secessionist" delirium and racist, anti-union terror spread by Umberto Bossi's fascist Northern League are encouraged by the politics of the "left" government. On the one hand, the government makes the petty bourgeoisie, Bossi's social base, pay for austerity. On the other hand, the Prodi regime exacerbates divisions in the working class by fomenting racist terror through deportations and repression of immigrants. The Northern League is so emboldened by the situation that it has begun to directly attack the economic organizations of the working class. In August, a union hall in Varese was attacked by vandals; the following month, two trade unionists were attacked with iron bars as the League organized a campaign of burning union cards.

Instead of giving these scum a well-deserved lesson, the trade-union bureaucrats' answer was to mobilize a million workers on September 20 under the nationalist slogan, "Italy is not to be divided." The demonstration was supported by all the governing parties, aspiring bonapartist and former judge Antonio di Pietro, the sinister right-wing ex-P2 "Masonic" Lodge and...Rifondazione Comunista. For the first time since the fall of the fascist regime, the tricolor of Italian nationalism was as visible as the red flag at a mass workers demonstration. The demonstration was so reactionary that the fascist president of the Campania region, Antonio Rastrelli, decided to

continued on page 10