

CHALLENGE



THE REVOLUTIONARY COMMUNIST NEWSPAPER OF PROGRESSIVE LABOR PARTY

Obama's 'Change': Be All You Can Be For U.S. Imperialism

This year the celebration of Martin Luther King, Jr.'s birthday, Black History Month and Barack Obama's presidential run are combining to create a lethal brew for U.S. workers. Every year on King's birthday we hear how racial harmony is just around the corner if we workers can only be true to his pacifist legacy. Black History Month, while highlighting great contributions made by black writers, scientists and artists (although notably excluding working-class heroes), also builds the illusion that capitalism provides unlimited opportunities for black workers.

These events combined push the lie that racism is declining in the U.S. However, the media blitz can't hide the fact that racism is alive and well in the U.S. and worldwide.

Now Barack Obama's bid is pushing two big lies: (1) simply voting for a politician or law can reform capitalism; and (2) the working class, especially black workers, will be better off with a black President.

Yet the reality is that even in the Democratic primaries themselves "race" and racism have emerged front and center, with Clinton and Obama trading barbs about it and appealing to black and white constituencies. And anti-immigrant racism plays a major role in the Republican primaries as well.

The bosses use racism to divide the working class and extract even more profit from our labor. By nearly every measure — employment, incarceration rates, healthcare, education, poverty levels, wages, the Katrina horror, racist police murders and frame-ups like the Jena Six and anti-immigrant raids — black and Latino workers are victims of a brutal racist system. According to 2006 U.S. Census statistics, the poverty rate for blacks was 24.3% compared to 3.5% for whites. (The federal poverty rate is set at a level — \$20,650 for a family of four — that is horrendously low. This means that tens of thousands of families are living in poverty conditions, even if they aren't counted as such by the government.) The U.S. prison population (the highest in the world) contains 2.4 million people, 70% black and Latino, with millions more on probation, parole or awaiting trial, much of it due to racism.

The fact is, capitalism cannot exist without racism. The concepts of "race" and racism were developed as an ideology just as capitalist economies began to dominate world markets. Then, as now, it was used both to divide and weaken the working class, and to justify paying lower wages to black and Latino workers.

Under capitalism, workers must compete for jobs. On average, according to the Census Bureau, black workers are paid about 70¢ in wages for every dollar paid to white workers. (For Latino workers it's about 60¢.) Bosses use this differential to threaten white workers not to ask for higher pay or be replaced by lower-paid black and Latino workers. White workers are thus forced to accept lower wages based on the racist exploitation of black and Latin labor. This historical analysis has led PLP to consistently make the fight against racism central to the struggle against capitalist oppression. As Karl Marx said, "The labor in white skin can never be free so long as the labor in black skin is branded."

The Danger of Elections

Along with the usual lies about how capitalism can be reformed to eliminate racism, the presence of the first legitimate black contender for president, Barack Obama, makes this a particularly dangerous year for workers. Since his break-out speech at the 2004 Democratic Convention, Obama has become another face of the liberal wing of the ruling class, along with Hillary Clinton (see editorial page 2). This Rockefeller-led faction pushes a "friendlier" capitalism, where the war in Iraq would be fought with more allies, Guantanamo Bay would be reformed or closed, and "civil liberties" would be protected ("liberties" which are revoked whenever the ruling class feels threatened). Even if these changes are made, however, it will not lead to a system that satisfies the needs of workers. In reality, the liberals are attempting to use these ideas to build even greater patriotic loyalty to their imperialist aims worldwide.

Obama neatly fits another part of the liberals' strat-

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Red GI Challenges War At Platoon Meeting

I'm currently in a unit with soldiers who openly express resentment towards unfair demotions, long work days, and an upcoming deployment to Iraq. For many soldiers this will be a second trip to the Middle East. This means that for a second time we will see how unproductive and vicious the occupation is. These conditions offer fertile ground for communist politics to spread, so my political conversations have recently reached a new level of importance. Although my conversations range from complaining about our working conditions to imperialism, I haven't yet shown CHALLENGE to anyone in my current unit. But this is about to change because of one specific incident I want to share with CHALLENGE readers.

Recently my unit has been merged with other units to "strengthen" deployable status, a very common occurrence with military units. This means that new relationships are created among soldiers. Leaders, therefore, are quick at attempting to build a "teamwork" atmosphere. So our platoon sergeant had everyone gather in a room to introduce themselves to each other. When it was my turn, I decided to announce something, which I knew many would agree with. After giving a brief introduction, I told everyone that I "wholeheartedly disagreed with this war." I said that "even though we wear this uniform, it doesn't mean we can't openly disagree with the government."

But the courage to say this out loud didn't occur spontaneously. It came about through the collective base building of our Party. I knew that at least three soldiers would agree with me because of political conversations with them. It turned out that more agreed as well. Plus, a leaflet was distributed outside my base calling soldiers to be more critical and to create an alliance between workers, soldiers, and students. When I spoke about the leaflet to one specific soldier, who is also in my platoon he let me know that he agreed with what was essentially part of our Party's line.

What is to be done? While the ruling class uses soldiers and the military as their tool to gain imperial hegemony, it's time for us to use CHALLENGE as our tool to win more soldiers to PLP. Clearly the next step is to show our newspaper to more friends. From this, more intense conversations will emerge. The ruling class will wage its wars in the Middle East; therefore, workers, along with soldiers and students should wage our ideological struggle with the working class. I find myself in a stronger political position in our unit. Reading in CHALLENGE about other soldiers' struggles in the military inspires me to move forward. In any case, political base-building is the foundation that will pave the way to our success in reaching our ultimate goal, and our newspaper will aid me in building for a communist revolution.

Red Soldier

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Rulers' Subprime Fiasco Slams Workers, Spurs Fascist Solution

The subprime mortgage fiasco has highlighted a huge problem for the U.S. ruling class, even as it comes down like a sledgehammer on the working class. Since January 1, in the firestorm roaring through stock markets worldwide, capitalists have destroyed \$5 trillion worth of value created by workers' labor power. As the subprime cancer spreads, workers in the U.S., where it began, face mass foreclosures, layoffs and wage and service cuts, with black and Latino workers hardest hit because of racist discrimination.

U.S. rulers, on the other hand, while trying to make workers at home pay for the crisis, have fears going far beyond the domestic lending and spending crunch. The Council on Foreign Relations (CFR), the rulers' leading think-tank, worries about "the geopolitical and geoeconomic effects a U.S. downturn might bring, particularly at a time that finds other powers [ruling classes — Ed.] on the rise, the price of vital commodities spiking and U.S. prestige in question." (CFR website, 1/18/08) The threatened recession makes U.S. imperialism and its war machine all the more desperate for cash.

"War at Any Price?" — a report released by Congressional Democrats in November — shows that Iraq and Afghanistan will have cost \$1.6 trillion by the end of 2008. It says that even with a draw-down to 55,000 troops in Iraq by 2013 (indicating a long-term occupation) the price tag will reach \$3.5 trillion by 2017.

The rulers' huge problem stems from the fact that they have nowhere near prepared the U.S. for all-out imperialist war. During World War II, the Roosevelt-led capitalist class mounted such an all-out mobilization by: (1) drafting 14 million youth into the armed forces (in a population barely one-third of the present 300 million); (2) instituted rationing

of gas and food (each family had to present coupons at the store to buy meat — limited to 4 oz. per person daily — sugar, butter, etc.; (3) decreed a government-imposed wage freeze and price controls; and (4) banned all strikes. Not one new car, washing machine or radio was manufactured in the U.S. for four years — all the factories were producing tanks, bombers and weapons of war. Tax rates topped out at 94%! (It's 35% now.)

Compare this to Bush's "war on terror." His advice: "go shopping; don't let the terrorists win."

U.S. rulers approached the war against Nazi Germany and fascist Japan with total reality. While the Democrats decry the Iraq-Afghanistan price tags mentioned above, they don't mention the fantastic sums a Middle-East re-invasion or war with China would require.

To prepare for World War III and endless imperialist wars against rising rivals in the European Union, China and Russia, U.S. rulers must exercise all-out control not only over the working class — fascism — but also over those members of their own class who guard their own short-term profits at the expense of the long-range survival of their system as a whole, as they did in World War II.

While Obama's camp has been slow in divulging its fiscal program, it can't be far removed from Hillary Clinton's who claims to have the solution. She intends to use the state apparatus to force reluctant capitalists to give up some of their profits to meet the main bosses' war needs — the "sacrifice" of "treasure" called for in her husband's Hart-Rudman Commission reports. Clinton told the New York Times (1/21/08) she would immediately raise the top income tax rate from 35% to 39.6%.

She also seeks to slash exorbitant executive pay, which would steer more profit to the ruling-class billionaires and banks that own companies. Hillary decries "professional corporate managers who are not the creators of the corporation." She'll protect billionaires like George Soros, the Rockefellers, Warren Buffet and others, who see the need to discipline their class to save their system's top-dog status. Bill Clinton robbed the poor — by dismantling Welfare — to finance the Pentagon. Hillary would continue that crime, and the racist super-exploitation of black and Latino workers, intensifying Workfare to lower wage levels of all workers.

RULERS 'GIVE' WORKERS \$1,200 TO SPEND, THEN DEMANDS MOST OF OUR PAY FOR WAR

Given actual military expenditures, proposed bipartisan "economic stimulus" packages, topping out at \$1,200 per household, come off as a cheap election-year bribe, with each side trying to take credit for a paltry payoff. In reality, the rulers' oil wars are robbing workers blind, while they slaughter working-class youth by the hundreds of thousands. The Democrats' report cited above admits, with anti-Bush dismay, that from 2002 to 2008, "The

total economic cost of the war in Iraq [and Afghanistan] to a family of four is a shocking...\$20,900.".... The future impact on a family of four skyrockets to...\$46,400 for Iraq and Afghanistan when all potential costs from 2002 to 2017 are included."

MAIN CLINTON FACTION WANTS POLICE STATE FOR BOSSES, TOO

Clinton plans to clean up the subprime mess with a 90-day moratorium on foreclosures and a freeze on subprime mortgage rates. Her purpose is more political than economic. She wants to impose police-state control over finance and industry. She's following Franklin Roosevelt's severe disciplining of U.S. capitalists in the run-up to World War II. Clinton promises "the toughest regulatory scrutiny of any president in a generation."

It was financial deregulation, prompted by inter-imperialist rivalry in the 1980s and 1990s, which set the stage for the subprime debacle. At that time U.S. banks needed to consolidate and grow in order to compete with giant European and Japanese counterparts. Citibank led the charge against regulation and in 1999 succeeded in shattering the main regulatory obstacle to bank expansion, the 1933 Glass-Steagall Act, which had kept commercial and investment banks separate. Today Citi is perhaps the world's biggest bank but holds yet untotaled billions of worthless subprime debt.

Capitalism by its very nature must create economic boom-and-bust cycles as well as imperialist wars in its insatiable competition for maximum profits. In the current era, it must impose fascism on the working class as well as discipline its own class to be able to preserve its system. Clinton, Obama and the rest of the candidates are dedicated to promoting and defending this bosses' dictatorship over the working class. Supporting any one of them would be a serious mistake. Rather we should join and build the Progressive Labor Party, which has the long-term goal of communist revolution, enabling the working class to collectively decide how to apportion, according to need, the social value it alone collectively produces. ☸

FIGHT FOR COMMUNISM!



WHAT WE FIGHT FOR:

★ **Progressive Labor Party (PLP) fights to smash capitalism — wage slavery. While the bosses and their mouthpieces claim "communism is dead," capitalism is the real failure for billions all over the world.**

★ **Capitalism returned to the Soviet Union and China because socialism failed to wipe out many aspects of the profit system, like wages and division of labor.**

★ **Capitalism inevitably leads to wars. PLP organizes workers, students and soldiers to turn these wars into a revolution for communism — the dictatorship of the proletariat. This fight requires a mass Red Army led by the communist PLP.**

★ **Communism means working collectively to build a society where sharing is based on need. We will abolish work for wages, money and profits. Everyone will share in society's benefits and burdens.**

★ **Communism means abolishing racism and the concept of race.**

★ **Communism means abolishing the special oppression of women workers.**

★ **Communism means abolishing nations and nationalism. One International working class, one world, one Party.**

★ **Communism means the Party leads every aspect of society. For this to work, millions of workers — eventually everyone — must become communist organizers. Join Us!**

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Clinton, Obama Advisors: All War, All the Time

With Hillary Clinton and Barack Obama falling all over each other posing as "anti-war" candidates, take a look at their pro-war advisors.

Clinton has:

• Madeleine Albright, Bill's Secretary of State, the main force behind her husband's Iraq sanctions that the UN says killed up to one million Iraqi civilians (half of them children). When asked about those sanction-caused child deaths, Albright told "60 Minutes," "We think the price was worth it."

• General Wesley Clark, architect of the bombing of Serbia, who publicly stated the U.S. would bomb civilian targets regardless of "collateral damage" — civilian casualties.

• Richard Holbrooke, a Jimmy Carter aide,

oversaw weapons shipment to dictator Suharto's Indonesian military (see page 7) during the latter's invasion and massacre of 200,000 people in East Timor.

Obama has:

• Zbigniew Brzezinski, Carter's National Security Advisor, who boasted responsibility for the \$3 billion CIA creation of the Afghan jihadist movement in 1979 which produced Osama bin Laden. When asked about its "negative consequences," he replied, "What's a few riled-up Muslims?"

• Anthony Lake, a Bill Clinton aide who played a key role in the U.S. invasion of Haiti.

• Sarah Sewall, author of the introduction to Bush's General Petraeus's Army Counterinsurgency Manual which U.S. troops use worldwide in imperialist oil wars.

Such is the motley crew that will spread wider wars no matter who's elected president. They're all defenders of U.S. imperialism. ☸

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Black Students Lead Action Vs. Racist Minuteman Honcho

SOUTHWEST — Chris Simcox, founder of the racist anti-immigrant Minuteman Civil Defense Corps recently returned to a university in the Southwest. He previously visited the campus in April (see CHALLENGE, May 9), and was shut down by a multi-racial coalition of about 700 students and workers led by friends of PLP members. It was the largest demonstration in campus history.

This semester, the same conservative student group brought Simcox to campus again. Because of the success of the last protest, the police attempted to crack down on any further show of multi-racial protest. This time, instead of five cops, there were 15. The event was held inside an auditorium rather than outside in the "free speech" zone. Also, to get inside the auditorium, you had to show a valid photo ID and write your name on a sign-up sheet. Although it seemed problematic to get in, many students wanted to do some sort of protesting to counteract and hopefully shut down his racist speech.

In order to stop this event, we needed a plan. So, before the protest started at 2:00, we passed out 500 flyers that showed the ties between the Minutemen and white supremacist groups and called for all students and workers to unite to shut Simcox down. A group of about 30 black students were outraged to hear that Simcox was at their campus again. One student said, "I remember him from last semester, isn't he that racist guy who got booed off stage?" Another stated his anger toward

Simcox because he is "no better than the Klan." They all seemed to be right-on with forcing him to leave their campus.

We then planned for everyone to meet near the entrance of the auditorium early and all but two people were going to go inside to shout Simcox down. When it got to be 2:00, the whole group of black students got out their ID's and walked together towards the booth where they had to give their information. The doors suddenly closed and the cops denied them access. The cops explained that they were ordered not to let anyone inside the auditorium past 2:00. It was 2:02. The group of students was even more outraged...especially after witnessing the cops granting access to a white person at 2:04! My friend and I talked with them about options to act against the blatant racist actions of the school and police. One student suggested, "We should have an old-fashion sit-in." My comrade and I explained how silent or peaceful protests would not show the school that we are not going to tolerate them allowing a racist to speak on our campus. So we all picked up posters and started chanting, "Minutemen, Nazis, KKK...Racists, Fascists, Go Away!"

Inside, about 15 anti-racists sat together and when Simcox came out to speak, they all stood up and started chanting for him to go home. After a few minutes, they were forced to leave by the cops. When they walked out of the auditorium, they were greeted by dozens of black students chanting "Hit-

ler rose, Hitler fell, racist Minutemen, Go to Hell!" The police made several attempts to shut us all up by taking away our posters and trying to separate us, but we remained together and stole our posters back. We demonstrated collectively and when the cops tried to tell us that we were not in a "free speech zone" we just chanted louder.

After Simcox left, we were able to speak with all the students who had protested. We got their phone numbers and invited them to a student meeting in which we were going to talk about what happened and relate it to the capitalist system as a whole.

The fact that so many black students showed up to oppose Chris Simcox was an important step in breaking the ideology that claims the Minutemen only affect the Hispanic community. We want to replace this idea with an understanding of how racism against one "race" hurts all workers. Our experience showed us the possibilities of working together in opposition to ruling-class ideology. It solidified for us the reality of needing to attack racism as one class: the working class against the ruling class. ☸

Multi-racial Protestors Drive off Border Watch KKK

Chanting "Las luchas obreras no tienen fronteras!" ("The workers' fight has no borders!"), a multi-racial group of workers, documented and undocumented, sent the racist vigilante U.S. Border Watch packing.

The Border Watch, like many such anti-immigrant groups, has recently been expanding its "operations." They're notorious for harassing day laborers waiting for work at pick-up sites.

Just two days prior to the event, our PLP club heard of the Border Watch's plan for an anti-immigrant demonstration in our city. We quickly called friends and supporters and together wrote a leaflet exposing racist anti-immigration policies, from France to the U.S., urging all workers to stand united against racism and the capitalist bosses who profit from it.

The day of the event (and prior to our arrival), many fearful migrant workers went into hiding as the Border Watch thugs bullied their way around. However, our arrival on the street emboldened many day laborers, who then joined our anti-racist ranks.

Because the Border Watch Klan was just across the street, one day laborer, unsure of whose side we were on, approached us to ask if we were with the Border Watch or not. I explained we were opposing them and stood united with the workers.

At first he could not believe that students and workers would stand with them against the Border Watch Klan, but he soon joined in our anti-racist chants.

We quickly outnumbered the Border Watch, who feared our counter-attack. Together the crowd chanted, "Obreros, unidos, jamas seran vencidos!" ("Workers, united, will never be defeated!") and drove the Border Watch racists down the street, away from the day-labor site.

As our numbers grew, it became clear that the racist capitalist system favored the Border Watch thugs when a row of police cars barricaded the workers on one side of the street, protecting the Border Watch Klan from harm's way.

As the demonstration wore on, misleaders from LULAC (a Latino political action group) and organizers of the Cesar Chávez March Committee appeared to try to steer our anti-racist militancy into a display of liberal patriotic nationalism. This can be just as dangerous as the nationalism of groups like the Border Watch. The bosses employ both ideologies in order to win workers on both sides to fight and die for U.S. imperialism at home and abroad.

By the close of the demonstration, many workers were won over to PL's militant anti-racism. They were eager to meet with us afterward to plan future actions. We made many new contacts and will continue to struggle with other workers as we fight against the racist capitalist system. Only communist revolution will free workers from racism and nationalism. ☸

Defend Anti-Racists Who Disrupted Fascist Anti-Immigrant Vigilantes

MORRISTOWN, N.J., January 28 —

Two anti-racist protestors who were arrested last July for militantly disrupting a fascist anti-immigrant rally will be put on trial February 13 here on charges of "disorderly conduct" and "defiant trespass." A conviction in this frame-up could lead to jail time.

On July 28, 2007 in this town with a growing immigrant population, several hundred anti-racist protestors gathered to oppose the latest in a series of fascist groups rallying and spreading their racist, anti-immigrant venom. Billed as an "anti-illegal-immigrant rally," and including groups with names such as the "ProAmerica Society" and "You Don't Speak for Me," the anti-immigrant racists were welcomed to the steps of City Hall with open arms and the use of the city's electricity for their sound system by Donald Cresitello, the Democratic mayor of Morristown. KKKresitello had recently made national news by applying to have his police force deputized as immigration cops, over the objection of most people who live in Morristown and even of the town's police chief.

The prosecutor is pressing to bring the two brave anti-racist fighters to trial. It is critical that as many people as possible attend the trial to show the defendants that we support their courage and to show Morristown officials and anti-immigrant fascists throughout the U.S. that we will not be intimidated and that we will confront them wherever they dare raise their murderous heads.

While anti-immigrant groups claim to only want enforcement of immigration laws, they are truly the new face of the Ku Klux Klan. Since that day in Morristown, immigrants all over the U.S. have been the victims of laws enacted to criminalize the act of hiring or renting apartments to undocumented immigrants. There are growing numbers of physical attacks on those perceived to be immigrants by racists such as those who came to Morristown.

These gutter fascists are only one side of the coin. Terroristic raids by Immigration Customs Enforcement (ICE) immigration police have also spread. Some of the most



vicious immigration raids have been conducted in Morristown itself, including one in which the ICE cops questioned a 5-year-old child about the whereabouts of her uncle, while holding a gun to her mother's chest. And in Mount Kisco, NY, a town cop has been charged in the murder of Rene Perez, an immigrant town resident. An audio tape was recently released on which Mount Kisco cops can be heard mocking the death of Mr. Perez to the lyrics of an old song "Walk Away Renee."

The Republican presidential candidates are now trying to outdo each other in who can be the most disgustingly anti-immigrant in their proposals. Any act or policy of one candidate that can be described as "pro-immigrant" is immediately pounced on by all the others. The Democrats are slicker. They are clearer about the ruling class' need to enlist many young immigrants into the military. The DREAM Act and proposed "legalization" programs are schemes to win immigrants to patriotism and a willingness to sacrifice for the rulers in imperialist oil wars.

One group of protestors in Morristown that day last summer decided to show its opposition by gathering and praying in a church parking lot on the other side of town. But most anti-racists knew that protesting from a distance would do nothing to stop these virulent anti-immigrant racists. PLP led a spirited group of protestors who knew that only by confronting these groups directly and refusing to allow them to spew their hatred unchallenged can we hope to bring a stop to their racist movement. Come to Morristown on Feb. 13 and support the anti-racists facing these phony charges! ☸

Exposing Bosses' Politicians Builds Support For PLP

SOUTHERN CALIFORNIA, January 26 — During a regular CHALLENGE sale we encountered the student government on our campus urging students to register to vote as a way to stop the tuition increases we're facing. We were distributing a leaflet exposing Clinton, Obama and the whole lie that voting would end the war and the cutbacks, leading to good conversations about the elections. We also explained to some that the tuition increases were caused by the loss of tax money resulting from the capitalist crisis and the imperialist wars in Iraq and Afghanistan.

During that sale, a professor invited us to her class where an Obama campaign organizer was speaking. Because of previous discussions in the class, it became clearer to many as he spoke that electoral politics would not produce the social change many students sought. A more fundamental change from the system that is inherently racist, exploitative and imperialist was needed.

When students asked how to end segregation and racism, even the organizer couldn't explain how electing Obama would help stop school segregation or racism generally. Clearly Obama and electoral politics are incapable of solving the problems the working class faces every day — racism, lack of healthcare and widening wars.

Even the speaker emphasized that change would come from grassroots organizing, that there was little Obama himself could solve alone. When a student said change would stem from us, the working class, the organizer had no reply. He couldn't challenge the power of the working class, which the Clintons and Obamas try to manipulate on behalf of the ruling class.

Afterwards, we had useful conversations with a few students; some expressed interest in communist politics and a fresh perspective instead of the failing reformist politics presented by the speaker and politicians. One student wanted to join a study

group and subscribe to CHALLENGE. Another student invited us to an event later that day where he wanted us to explain our ideas about alternatives to voting. We were welcomed at the event, given time to speak and we invited everyone to read our paper. About 20 CHALLENGES were gladly accepted. We exchanged phone numbers with several students we knew from previous classes who are interested in discussing politics and to plan activities against the cuts.

Between the class and the evening film and discussion, we sold over 30 CHALLENGES and distributed 50 PLP leaflets. We realized how important it is to expose the deceitful electoral campaigns, be they for Obama, Clinton, McCain or Ron Paul. ☸



Obama's 'Change'

continued from front page

egy. He talks about "change" and "hope" and other wonderful-sounding ideas. And as the higher (though limited) voter turnouts in Iowa and New Hampshire demonstrate, his ideas (along with the other candidates') are inspiring many more people to get involved in capitalist politics. Yet Obama has clear ties to the ruling class and has proven that he will place the goals of the U.S. imperialists over the needs of the working class (see box below for his links to the bosses):

- He voted billions more for the war in Iraq and has threatened military action against Iran;
- He supports expanding the murderous war in Afghanistan;
- He voted for building a wall along the U.S.-Mexico border, to make it even more dangerous for super-exploited Mexican workers trying to enter the U.S.

(CHALLENGE has leveled these criticisms at Hillary Clinton, who is just as much an enemy of the working class as Obama. (See editorial page 2) Workers will not benefit from an Obama presidency any more than from Clinton or McCain or any of the others.

Militant Struggle, Not Elections, Led to Change

In fact, workers have never won real social, political and economic changes through voting. The so-called "examples" of voting bringing reforms ignores the intensive militant, violent struggles that preceded the vote. The anti-slavery Thirteenth Amendment passed only after years of fight-back by abolitionists, more than 400 slave revolts and a Civil War in which 600,000 soldiers, mostly workers, died. The 40-hour work-week and labor reform followed a decade of sit-down strikes, often pitting armed workers, led by commu-

nist organizers, against the army, cops, National Guard and other bosses' agents. Even the Voting Rights Act resulted from years of bloody struggle against the KKK and Jim Crow racism. History clearly shows that the bosses only make concessions to the working class when forced to do so by mass, militant action.

But the bosses use their state power to reverse these reforms. And current economic conditions show this is especially true during times of intense inter-imperialist rivalry. As U.S. rulers struggle to solidify control of Iraqi oil and contain their imperialist rivals in Europe and Asia, workers increasingly feel the squeeze. For more and more workers, the 40-hour work-week is a distant memory. The Labor Department recently reported that in 2007 inflation was 4.1% while real wages dropped 0.9%, making necessities such as food, energy and healthcare more expensive. Due to racist discrimination, all this disproportionately affects black and Latino workers.

Capitalism is a system with laws that cannot be changed by electing a black or woman president or through reforms. These laws dictate that racism will always be used to extract super-profits from the labor of workers and that any reforms the working class does win will eventually be taken back. Only revolutionary communist change will emancipate the working class from capitalist wage slavery which is the basis of racism. Only with communism will all aspects of society meet the needs of the working class, while the profit-driven bosses are destroyed. Progressive Labor Party constantly and consistently works toward this goal. ☸

est bank, all of whom undoubtedly liked his Senate vote against capping credit-card interest rates at 30% ;

§ Exelon Corporation, the nation's leading nuclear-power-plant operator and Obama's fourth largest patron, have donated \$74,350 to his campaigns.

§ A leading corporate law firm, Skadden Arps — which defends major financial firms against consumer class-action suits — is one of Obama's leading career patrons;

§ Rich Tarplin, a lobbyist for Chevron, the American Petroleum Institute, and the National Association of Manufacturers, is one of his biggest individual donors.

Big Bosses Back Barack

Barack Obama portrays himself as a servant of the working class, but his ties to the biggest capitalists are clear. Among Obama's top contributors are :

§ Wall Street financial houses, Goldman Sachs, Lehman Brothers and JP Morgan-Chase, and Citigroup, the world's larg-

From El Salvador's Horrors PLP Politics Shaped a Young PL'er

EL SALVADOR — In 1980 I was among a group of people from El Salvador who went into exile in Honduras. I traveled in my grandmother's arms, while my father and a sister stayed in El Salvador.

The "orejás" (snitches that spy for the police and army) murdered my mother and one of my brothers. When I was in Colomoncagua, Honduras, I remember Honduran soldiers massacring people in the camp where we lived. When the soldiers came, the people went out to yell at them. Once all of us children were locked in a house for safety, while the adults confronted the soldiers with machetes, sticks and rocks.

In 1990, when we returned to El Salvador, I was 11. The war was still on; before that I had never heard the sound and terror of bullets and mortars in full battle. One day around 4 A.M., I awoke to the sounds of shooting; during the night the soldiers had broken into our encampment in Morazán. For two days we heard the sounds of guns and mortars. Someone said that all the people had to go to the mountains.

By that time, the fascist army had murdered three brothers and my mother. My father was still alive along with myself and another brother; he joined the ranks of the guerillas with many of the youth from the encampment. Many who I knew died.

One night we saw a helicopter shooting and launching lights with flares. My father said, "I wonder if my son is there." Until then, I still didn't know the reason for the war.

After the 1992 peace accords, I always talked to veteran guerillas, asking them the reason for the war. After those 12 years of armed conflict, I was still only 13. These veterans taught me the history and I came to identify myself with the left.

I firmly believed that revolutionary politics meant power was won through elections. Given what I had been taught, I became a reformer in the FMLN, which capitalism turned into an electoral party. Many veterans and commanders have become capitalists or small bosses. Nevertheless, I thought that was moving the revolution forward.

Then a long-time friend began reading CHALLENGE to me. He spoke about the PLP, gave me the paper and invited me to a meeting in his house. Others there talked to me about the international situation.

When the question of ideology arose, I described my electoral party (the FMLN) thinking that was the course to follow. After several meetings, I was thrilled with the PLP, and was invited to meet with international comrades to discuss the Party's work. Most important to me was how we analyzed reality. Meeting PLP has meant learning about a true revolution.

While the FMLN held sway in my infancy, now in the PLP I consider myself the fruit of those who spilled their blood defending me during my childhood and made it possible for me to fight for communist revolution through the international Progressive Labor Party. ☸

A Young PLP member

French Labor Hacks Put One-Day Limit on Million Strikers

PARIS, Jan. 25 — Amid capitalism’s world economic meltdown, some one million public sector workers struck for one day yesterday across France while many strikers were among the 400,000 who joined protest marches in Paris and other cities nationwide. Private sector workers from General Motors, Airbus and Bugatti were among the marchers.

But yesterday’s strike was smaller than the one on November 20. While half the school teachers and 20% of the postal workers walked out, the strike was less successful elsewhere, in particular in rail transport.

Public workers’ demands included a 1,500-euro (\$2,200) per month minimum wage, a 300-euro (\$450) per month wage-hike for all public workers and higher retirement pensions and welfare and unemployment benefits.

Among healthcare workers, five emergency healthcare unions today called for emergency room workers to continue their month-old strike following the “total failure” of negotiations with the health ministry. Demands include shorter hours, higher pay for night work and compensation for the stress their jobs entail.

In November, nearly two million workers struck

and 700,000 demonstrated, creating the real possibility of building a strike movement linking all public and private sector workers with workers of African and Arab origin. But the union misleaders frittered away the opportunity by limiting the strike to a single day. After two months of calm, it became more difficult to re-launch the movement.

Due to the weakness of yesterday’s strike, budget minister Eric Woerth was able to merely promise “announcing” a wage measure on Feb. 18, adding that the government would establish “a mechanism to guarantee individual purchasing power” — i.e., merit pay to pit workers against each other.

Still, there was more public support for yesterday’s walkout than for November’s. Polls showed 77% of public sector workers and 51% of private sector workers felt the strike was justified. The bosses’ massive attacks that will surely come to force workers to pay even more for the world’s economic crisis demand a break with all pro-capitalist forms of leadership.

Workers need communist leadership to unite all our struggles in a movement aiming to destroy capitalism, the source of all workers’ problems. For example, the struggle against the deportation of undocumented immigrants is one the labor move-

ment needs to take on board.

In December, over 100 undocumented workers in three detention camps began a hunger strike to protest conditions in the camps and to demand their liberation. On January 19, the European Day Against the Confinement of Foreigners, 12,000 demonstrated nationwide, with 3,000 at the biggest protest, in Paris.

But as one trade unionist remarked after the Lyons demonstration, “The composition of the demonstration does reveal the fact that this movement’s mobilization is not anchored in trade unions’...practice.” That is, the major unions never advance the class analysis that undocumented and “legal” workers are members of the same working class. Consequently, these unions now have a hard time overcoming the bosses’ racist and nationalist propaganda, making it harder to mobilize in defense of immigrant workers’ rights.

Workers could take their cue from the young rebels who militantly fought the rulers’ cops in protesting the latter’s racist attacks on Arab and African youth. Multi-racial unity of the unions and these rebels could strike a real blow against the ruling class’s attacks on both groups.☺

Gazans Break Out of Their Prison

But Nationalism Foils Mid-Eastern Workers

On January 23, Palestinians in Gaza blew up a section of the wall that separates them from Egypt and poured out of their prison — created by Israeli rulers — to buy desperately needed goods in Egypt. The flood of people seeking food, medicine and fuel was there for all the world to see, and neither Israel nor Egypt has dared to rush in to stop it.

After 38 years of occupation and settlements, Israel pulled out of the Gaza strip in September 2005, claiming to have ended its occupation and any responsibility for the 1.4 million Palestinian residents. In reality, Israeli rulers turned Gaza into a giant concentration camp, controlling all passage of goods and people, money, access to the sea and air space.

Before the “disengagement,” 65% of Gazans lived in poverty and 35% were unemployed. Since then conditions have deteriorated markedly, with the cutoff of all trade and severe limitations on the import of fuel, medicine and other necessities. Sanitation, housing, public health and all public services are now at a disastrous level.

Palestinians’ anger at Israel and the corrupt Palestinian Fatah party allowed the electoral victory of Hamas, an Islamic nationalist party, and its takeover of Gaza in 2006. Israel used this event and the abduction of an Israeli soldier as the excuse to launch a constant air bombardment of Gaza, killing over 400 Palestinians, militants and civilians alike. Gazans have fired homemade rockets into Israel border towns, killing less than 20 Israelis. However the Western capitalist press and politicians have branded “Palestinian terrorism” as the reason a “peaceful solution” cannot be reached.

However, the real reason there’s no solution is that since 1948 Israel has seized more than 80% of Palestinian land, expelling 750,000 Arabs from their homes and subjecting them to 60 years of brutal occupation. Israel has been able to maintain this oppression only because of massive U.S. military aid, more than sent to any other country. This helps the U.S. control the flow of oil, and its profits, in the Persian Gulf area, using the powerful Israeli military to deal with any rival bosses who might threaten Exxon-Mobil’s empire.

Within Israel the status quo is justified by bitter anti-Arab racism which is drilled into all its citizens, who seem not to have learned the lesson of the holocaust about racism’s evil and murderous nature.

Unfortunately currently there is no leadership in Israel or Palestine which champions the unity of Palestinian and Jewish workers and students and recognizes the need to oppose both imperialism and nationalism. Neither secular nor religious nationalism will deliver either Jewish or Palestinian workers and youth from the grip of leaders who use them to benefit one or another group of power- and wealth-seeking ruling classes. In the recent past such multi-racial groups have existed, some with the help of our Party. We must strive to rebuild the fight for multi-racial unity and communism in this region. ☺

Africa, Part II Imperialists’ Profits Behind 5.4 Million Congo Deaths

“The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalized the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation.” (Karl Marx: “Capital,” Volume One, Chapter 31; Genesis of the Industrial Capitalist)

For over a century and a half the Congo has been ravaged by this bloody accumulation of capital. Belgium’s King Leopold became one of the world’s richest men by turning the Congo into his private fiefdom, murdering 10-15 million. The imperialists and local capitalists who took over after Congo’s independence from Belgium in 1960 have continued this genocide. Now a “peace deal” was signed to settle the fighting in the eastern Congo which has created 400,000 new refugees. (See CHALLENGE, 1/30) But since the causes of the conflict have not really changed, little can be expected from this latest truce.

According to the International Rescue Committee’s (IRC) latest report, (Reuters, 1/22), 5.4 millions people have been killed in the Congo since the war began in the region in 1998, causing more deaths than any other conflict since World War II. “Congo’s loss is equivalent to the entire population of Denmark or the state of Colorado perishing within a decade,” stated IRC president George Rupp.

The shootings between the warring factions have not been the main cause of these deaths. Malaria, diarrhea, pneumonia and malnutrition, aggravated by the war, were the Congo’s top killers, said the survey. “Most of the deaths are due to easily treatable and preventable diseases through the collapse of health systems and the disruption of livelihoods,” said IRC director of global health programs Richard Brennan, one of the survey’s authors. Congo has the lowest spending on health care of any country in the world, averaging just \$15 per person annually.

The latest fighting before the January 22 truce came after Congo President

Kabila met Condoleezza Rice in Ethiopia in September 2007. Rice also secured the support of the rulers of Uganda, Rwanda and Burundi. In November, Kabila was flown to Washington in the private plane of an Israeli mining magnate with interests in the Congo, to meet Bush. Then, with U.N. support, Kabila sent a large military force to fight rebel general Nkunda. But it was a disaster. The Congolese army was routed, forcing the government and its militia allies to reach a truce with the rebel forces.

The current fighting is labeled a “tribal conflict” between Tutsis and Hutus (continuing the one that led to the genocide in Rwanda and Burundi in the 1990s), but capitalist and imperialist thirst for profits are the real causes. General Nkunda is backed by Tutsi bosses and the Rwandan government who seek to control the mineral wealth of the Eastern Congo.

U.S., Canadian and European companies have monopolized the exploitation of diamonds, cobalt, gold, coltan and other mineral wealth in the region. They use local militias and bosses as subcontractors who impose slave-like conditions on those working in the mines. But now, China, India, Spain and even Russia are entering the operation, which is why the U.S. and European bosses want to ensure their lackeys are in control.

Huge oil deposits have been discovered in Lake Alberta, on the border between the Congo and Uganda. British Heritage Oil is now involved (its CEO has links to British military companies like Executive Outcomes and Sandline). Chinese and Spanish oil companies are now interested in exploring for oil there.

Besides Washington and Europe, Kabila is also being courted by China, which is giving his government \$8 billion for infrastructure projects and mining operations. This will lead to Chinese companies’ control of several important copper and cobalt mines.

(Future articles: how imperialist and local bosses reap huge profits from gold and other resources while African workers starve and die.)☺

LETTERS



Paraguayan Friends of PLP Disrupt Rulers' Political Rally

Friends of PLP involved in the Party of the Movement Towards Socialism (P-MAS) boldly challenged a rogues' gallery of corrupt politicians, including outgoing Colorado Party (the right-wing ruling party) Governor Antonio Quiñonez of the Cordillera Department and his partner in crime, President Nicanor Frutos. When Nicanor appeared on-stage, 15 bold activists interrupted his fascist speech with chants of "Out with Nicanor!"

Predictably, the police attacked the youth, and Nicanor nervously resumed his speech, but the point had been made: No more passivity in the face of fascism and corruption!

Quiñonez, a target at this rally, owns the bus company that pollutes nearby streams in which workers' families bathe and wash their clothes and dishes. Until recently Quiñonez was the owner of the Cordillera Department's famously corrupt local lottery. He has used thugs to threaten the Contraloria Ciudadana anti-corruption group and also transferred a prosecutor who threatened his corrupt dealings to the Chaco Desert! (Sounds like Bush and friends?) But, as in the USA, the liberals will misdirect our struggle for liberation if we do not decisively advance the goal of communist revolution to our working-class friends.

In 2007, at a similar protest, the Contraloria Ciudadana and the Liberal Party organized a modest counter-inaugural protest rally against Nicanor and Quiñonez. The bosses had sharp-shooters atop buildings, and police beat back and chased the small reformist crowd chanting, "Nicanor, You Liar!"

Based on this past experience, police repression should have been expected this time and greater numbers should have been mobilized to counter police brutality. Our friends could have mobilized many more than 15 militants and the tactical battle might have had a different outcome. The action would have been better politically with more revolutionary chants like, "Out with Capitalism!" or "Smash Capitalism!" Such politics would clarify who the enemy is: not just the Colorado Party but the system of capitalism. A comrade here has said, "The elections, and voting for Lugo [a non-revolutionary, liberal politician] are only a means of getting to where we want to be." But elections will not solve the problems of the working class. Voting only justifies the system, and says in effect: "Capitalism can change itself; all we have to do is vote." A revolutionary organization cannot justify the capitalist system it hopes to destroy. This is a complete contradiction!

Only by building a base in the working class and the community, amongst farmers, workers and students can we truly put forward the revolutionary ideas that will free all workers from enslavement.

A truly revolutionary organization places its trust in the working class and never minces words or hides behind reformist slogans. Wearing a Che Guevara shirt and mentioning imperialism or revolution a couple of times don't make an organization or its politics revolutionary. We must study dialectical materialism, trust the working class and put our learned understanding into action.

Hugo Chavez, P-MAS's idol, only wants to reform capitalism. This is impossible. There is no "Bolivarian" nationalist/populist or electoral way to change a system that today is even more rotten to the core than ever. Its international economic meltdown is dragging the world's workers into endless imperialist wars, mass poverty and death.

Red Guarani

Howard Students Fight Campus Militarization

Howard University students in the Political Education and Action Committee (PEAC) are mounting a struggle against the University's ties to U.S. imperialism. They're particularly aiming at ROTC, whose colonel is aggressively trying to strengthen its role on campus, putting up new permanent signage and forcing its way into the Social Sciences Division of

the College of Arts and Sciences. (Some "science"!).

PEAC is also questioning the Howard University/Army High Performance Computing Research Center on campus, concerned that the University's president serves on the National Security Agency's Advisory Board.

PEAC's first issued a flyer around the Martin Luther King, Jr. holiday comparing King's 1967 Riverside Church speech against the war in Vietnam to the University's opposite approach of essentially supporting the Iraq war through its concrete ties to U.S. imperialism.

These initiatives grew out of PEAC's investigation of the U.S. Armed Forces' new Africa Command. Students concluded that the goal of this new military structure was to better safeguard U.S. imperialist interests in Africa, from Sudan to Nigeria to South Africa to Kenya; it had nothing to do with assisting African victims of civil war, AIDS or poverty.

This initiative should be linked to, and hopefully inspire, similar struggles on campuses nationwide.

Red Observer

Soviet Reversal Wasn't All Stalin's Fault

The letter from Ancient Red (CHALLENGE, Jan. 30) discussed the rise of the "red bourgeoisie" in the USSR after the revolution and how this contributed to the eventual reversal of the gains made through the revolution. While the comrade is correct that the inequality in wages (and wages themselves, really) was a tragic ideological and material concession to capitalism, it is incorrect to place the blame solely on Stalin.

There is some evidence that Stalin was very unhappy with the development of privileged status for party leaders. Joseph Davies, the U.S. Ambassador to the Soviet Union during the 30's described him as "clean-living" and "modest." Marshall Zhukov said that, "He never tolerated any luxury in clothing, furniture, or his life in general." Finally, as early as 1928 Stalin himself complained that, "...As these leaders [of the Party] rise they get further away from the masses, and the masses begin to look up at them from below and do not venture to criticize them... [This] cannot but give rise to a certain danger of the leaders losing contact with the masses and the masses getting out of touch with the leaders." Part of our battle against anti-Stalinist ideology (beyond refuting the bald-faced lies) is explaining that what happened in the Soviet Union was the result of incorrect theory and collective errors, not because Stalin was a bad person. Stalin certainly deserves blame; he was the leader of the Party and he could have more vehemently opposed the development of privilege. But to blame him solely is incorrect.

JP

Angry Tenants Unite to Fight Slumlord

(The following letter was received from a friend of PLP and describes the anger that many workers feel towards conditions they suffer from profit-driven landlords.)

I thought your readers might be interested in a struggle we've been having with our slumlord. After many years of dealing with him individually, my fellow tenants consciously decided to unite and rise up.

For many years we've struggled by ourselves with uninhabitable housing conditions and a land-

Puerto Rico Teachers Defy Strike Ban



SAN JUAN, PUERTO RICO, January 29 — Over 500 teachers picketed the Caguas region of the Department of Education as more than 25,000 members of the Puerto Rican Federation of Teachers (FMPPR) prepared to strike February 1 for higher wages, better working and school conditions and against the strike-breaking Law 45, which calls for firing of public workers who strike. The teachers are also fighting the bosses' media and union hacks affiliated with the AFL-CIO who actually support Law 45 containing the strike-breaking clause. The government decertified the FMPPR for violating this anti-strike law.

These militant teachers deserve the support of all teachers in the U.S. and internationally. It is a particularly important struggle for public workers in the U.S. who face the same kind of union-busting law.



lord whose only concern was to collect our hard-earned money. Recently I learned that based on our sweat and silence over the years he has bought three houses. While we tenants struggle to live amid a state of disrepair, thanks to our rent payments he can rest on three beds of his choice.

About two months ago, another tenant and I began discussing the mutual obstacles we shared and the problems we face independently. Then we decided to stop talking and take matters into our own hands. The two of us formed a tenants committee and considered how to rally other tenants to our mutual cause. We began with our best viable asset — our mouth.

We reached out to other tenants about how our shared burdens gave us a common ground to change our conditions. We planned a tenants meeting to discuss our strategy for attaining our goals. We've spread the message that the only way we can beat the landlord is through a determined unity.

We sent the landlord a letter and a signed affidavit with our demands for repairs. We've also taken steps to begin housing-court proceedings. As a combined force, we have a real opportunity to change the status quo.

To the landlord we're nothing but illiterate, uneducated, ill-informed and too divided to do this. To him we're the human sheet rock that sustains his bank account. However, he's forgotten how profitable joint dialogue can be.

At the very least, when two individuals discuss their mutual concerns, they begin to realize the bonds that exist between them. Looking around, one can see others facing a common enemy. United and strengthened by our mutual rage, we're not only fortified to challenge management but to destroy the mechanism behind the curtain.

Mad As Hell Worker

SUHARTO CONTINUED FROM PAGE 7

joining his government — only to be massacred when Suharto seized power in 1965, leaving Sukarno in a figurehead role. The PKI had no strategy for a real revolutionary struggle to smash capitalism and imperialism. Its ill-fated faith in "lesser-evil" capitalists was paid in blood.

The communist movement in Indonesia has not recovered from that mistake. This led to Suharto and his cronies never paying for their crimes against the working class. Let's make sure this doesn't happen in the future. ☸

Striking Writers Undercut By Scabbing, Bosses' Culture

LOS ANGELES, Jan. 29—The strike by film and TV writers which began on Nov. 5 is being pressured more and more to reach a deal favorable to the mega corporations that own the mass media. The West Coast leadership of the WGA (Writers Guild) agreed not to picket the Grammy Awards Show. It also entered into "informal" talks with the Alliance of Motion Picture and Television Producers (AMPTP), while announcing it was dropping demands for jurisdiction over animation and reality shows.

The deal last week by Directors Guild (DGA) and the studios and networks — which doesn't challenge the right of the media bosses to monopolize the profits from the internet and other new media sent a strong message to the WGA to reach a similar sellout deal. This might also force the Screen Actors Guild to follow that pattern when their contract expires in the summer.

The WGA strike reflects the current dismal situation faced by many people who consider themselves part of the "middle class." The WGA members, who in general write horrible mindless stuff used by the media bosses to indoctrinate workers and

youth with racist, sexist, pro-cop, anti-working class, pro-war and anti-communist ideology, consider themselves above the working class. But in this day and age of capitalist economic meltdown, sharper inter-imperialist rivalry leading to more and more wars, the bosses can't afford to bribe all those who serve them. In a way these writers are victims of the same crap they produce: they don't think about seeking the solidarity of production workers in the studios (truck drivers, cleaning staff, technical staff, etc.). A strike by those workers would up the ante and could really shut down the studios — and would stop the scabbing by millionaires like Jay Leno, Jon Stewart, Conan O'Brien, and Ellen Degeneres (all members of the WGA).

Workers and youth should support the struggle of these writers (many of whom are not well-paid) because they are fighting the same bosses — Sony, Disney, Viacom, General, Rupert Murdoch, etc. — who have made our lives even more miserable. But, we also must sharpen the ideological struggle against the crap these writers produce. ☺

Good Riddance to an Anti-Communist Mass Murderer

Suharto, Indonesia's former military dictator, finally kicked the bucket after a long illness. Unfortunately, he died in bed and not at the hands of the working class, to whom he brought so much suffering.

Suharto was the leader of the 1965 military coup that ousted the nationalist regime of Sukarno. "Throughout the country, members, supporters and suspected sympathizers of the Parti Komunisme Indonesia [PKI] were massacred; it was estimated that up to one million were killed, while many more were imprisoned or detained without trial." (The London Independent, 1/28) It was one of the bloodiest massacres in recent history, and the CIA helped the death squads all the way, supplying them with the names of communists and sympathizers.

More than a decade later, the Suharto regime committed more mass murder, this time against 200,000 in East Timor, which was occupied by Indonesia after it had become inde-

pendent from Portugal. The Indonesian army also massacred many thousands in West Papua and oil-rich Aceh (where Exxon-Mobil has huge investments).

Suharto served in the Dutch colonial army (Indonesia had been a Dutch colony). Then, during World War II, he won promotion in the puppet army controlled by the Japanese fascists. After the war, he joined the anti-Dutch struggle until Indonesia became independent in 1950.

His regime lasted from 1965 until May 1998, when, after a mass rebellion, Madeleine Albright, Clinton's Secretary of State, suggested he step down to avoid more turmoil.

Corruption was rampant in his regime. It's estimated that his family and cronies stole anywhere up to \$35 billion, using their control of state power. But justice wasn't served and Suharto was able to live out a quiet life within his fortified villa. The new rulers refused to try him or his crooked sons for corruption.

Indonesia's communist movement was one of the world's biggest. The PKI was a mass-based party, but it made a fatal error: it tried to unite with Sukarno who they saw as the "progressive bourgeoisie," actually

continued on page 6



Below are excerpts from mainstream newspapers that may be of use for our readers. Abbreviations: NYT=New York Times, GW=Guardian Weekly, LAT=Los Angeles Times

Stimulus for poor? Dems say no

House Democrats and the White House have reached an agreement on an economic stimulus plan.... The Democrats appear to have buckled,... dropping demands for provisions that would have helped the most in need. And those happen to be the same provisions that might actually have made the stimulus plan effective....

But the Bush administration has apparently succeeded in killing all of these ideas, in favor of a plan that mainly gives money to those least likely to spend it...and Democrats accepted. (NYT, 1/25)

Class war behind 'tribal' wars

Here is how the story has been framed: the peaceful Kenya we know and love from our holiday snaps has suddenly erupted in senseless, tribal barbarism....

The coverage shows how quickly the west reverts to racism. Why is the word "tribal" only used to refer to Africa? Why don't we talk of Belgian... tribes? No, only in Africa is inter-ethnic violence cast as "ancient," immutable tribalism, associated in the European mindset with barbarism and irrationality. It's a language of self-congratulation — we are civilised, Africans are not....

But Kenya is a complex society with 48 different ethnic groups and the highest internally displaced population in Africa... and its burgeoning, largely unemployed, population struggles to secure some of the gains of the recent economic boom.

It's hard to imagine any country negotiating such chronic insecurity and rapid social and economic dislocation without conflicts of interest flaring up....

The violence that results is certainly barbaric... but it is not about a primordial African capacity for savagery.... On a continent that has seen more wars since 1990 than in the whole of the previous century, violence can be a form of communication

of last resort. When all other channels of seeking justice for embittered grievances in a corrupt regime appear to have been exhausted, some will see violence as the only way to protect their interests....

What we are seeing in Kenya — and in other unstable developing countries — is how human beings behave when faced with the kind of chronic insecurity that globalisation is incubating the world over. (GW, 1/18)

Marxist students active in Iran

TEHRAN — In early December, a surprising scene unfolded at Tehran University: 500 Marxist students held aloft portraits of Che Guevara to protest President Mahmoud Ahmadinejad's policies. Smaller groups of Marxist students held similar protests in several other cities....

Leftist students...refer to the government as a capitalist regime and condemn pro-democracy politicians who support change as "bourgeois...."

A woman...writes "Reform died, long live revolution...."

"We don't think we can change anything in the near future...but as students we think we can transfer our knowledge about class, capitalism and equality to society, especially the workers." (NYT, 1/20)

Food prices up; world-wide riots

From India to Indiana, shortages and soaring prices for palm oil, soybean oil and many other types of vegetable oils are the latest, most striking example of a developing global problem: costly food.

The food price index...climbed 37 percent last



year. That was on top of a 14 percent increase in 2006, and the trend has accelerated this winter.

In some poor countries, desperation is taking hold. Just in the last week, protests have erupted in Pakistan over wheat shortages, and in Indonesia over soybean shortages.

...Food riots have erupted in recent months in Guinea, Mauritania, Mexico, Morocco, Senegal, Uzbekistan and Yemen....

Huge demand for biofuels has created tension between using land to produce fuel and using it for food. (NYT, 1/19)

Disasters built into capitalism

After every crisis, regulators say they will cure the financial system of the recent folly, reassuring the public that the caustic asset du jour — Latin American debt, Internet stocks, mortgages in Florida — will never again be allowed to bring the banks down.

Yet the recurrence of disasters suggests that the risky cravings of the masters of the universe are uncurbed. All that happens is that the next crisis takes a somewhat different form....

There's nothing like a smart banker motivated by an otherworldly bonus to get around the most carefully written regulatory limits on his or her ability to make money.

...They don't have to return past bonuses when the year is bad. (NYT, 1/25)

Economic Collapse Burying Workers; Will Spark Wider Wars

The global economic collapse is crushing workers even more. The UN's International Labor Organization (ILO) predicted that the subprime crisis and rising oil prices will increase world unemployment by five million (Agence France Press, 1/23) over and above the already 189.9 million now jobless. That forecast was reached before the current turbulences in the world's financial markets. "We still don't know the impact of the stock market crisis on the employment figures," explained ILO chief José Salazar-Xirinchs.

Trenton, NJ Mayor Douglas Palmer, president of the U.S. Mayor's Conference, told 250 mayors meeting in Washington that the subprime crisis is "an economic tsunami...hitting our cities." A recent Conference study said home values would drop by \$1.2 trillion this year.

The mayors are asking for immediate federal help, but — even though some cities are suing banks and speculators who caused the subprime mess — their main response has been to cut social services even more nation-wide. Sacramento city officials have responded to a \$55 million projected budget shortfall for next year by ordering an immediate hiring freeze and ending some discretionary spending. In Virginia, Fairfax County — facing a \$220 million deficit for the coming fiscal year — is considering cuts to school districts. On January 24th, billionaire New York City Mayor Bloomberg announced an across-the-board 5% cut for all city departments, for a total slash of \$1.5 billion in two years, including a \$505 million dollar reduction in schools.

The effects of the current economic crisis are also hitting countries closely linked to U.S. imperialism. During the current world economic forum in Davos, Switzerland, the governor of Mexico's Central Bank reported that his country's economy will be hit badly — 40% of Mexico's Gross Domestic Product depends on trade with the U.S. Already, Mexico is predicting a slowdown in growth for 2008. On top of

that, hundreds of thousands of Mexican immigrant workers in the U.S. are losing their jobs because of the subprime crisis (many work in construction) and general economic collapse, reducing their remittances to relatives back in Mexico.

This racist aspect of the subprime crisis is affecting Britain and Spain. Immigrant workers involved in construction there are losing their jobs.

International financier George Soros is not bullish about this crisis. He told the Davos economic forum that there is a profound difference in the current crisis, marking the end of an era of credit expansion based on the dollar as the international reserve currency. He called it the worst economic crisis since World War II. The hope that the rising economies of China and India will help ease the situation is being dashed since they depend on exporting to the U.S. and European markets, hard-hit by the current crisis. For example, incomes for workers in the U.S. have not risen in real terms for three decades because of downsizing, racist wage-cuts and the lack of mass fight-back by the union movement. The subprime crisis has put working-class homeowners — who borrowed money based on the rising values of their homes — in a hole, decreasing consumer spending. Less consumption and a falling U.S. dollar might spur China and other countries, who have lent the U.S. trillions by buying Treasury bonds, to cash in their investments, sinking the U.S. economy even more.

Soros is worried that resulting political tensions, including U.S. protectionism, may disrupt the global economy and plunge the world into recession or worse.


That "worse" could turn economic conflicts into a shooting war among the world's imperialists for a bigger share of the capitalist pie. The subprime and credit-crunch crises are just symptoms of a capitalist system based on speculation, endless imperialist wars and racist-fascist attacks against the international working class. None of the tricks the bosses used

in recent decades have worked, including Thatcherism, Reagan's "trickle-down voodoo economy," Clinton's "new economy" or Bush's tax cuts. U.S., British and other capitalists' turning away from production has created an even more parasitic capitalist

class, still more dependent on financial speculation and increasing fraud, without creating real value. Each new scheme — dot.com, subprime mortgages, etc. — created bigger bubbles, dragging the world economy down.

But capitalism won't fall by itself. Since its birth the profit system has been based on boom-and-bust cycles, accompanied by massive wars, recessions and depressions. The anarchistic capitalist production system will continue as long as we workers let them make us pay with our blood for their profits. Previous wars and crises led to workers' revolutions: the Paris Commune, the Bolshevik and Chinese revolutions. As the international working class prepares for May Day 2008, we in the Progressive Labor Party must step up our efforts to win workers, youth and soldiers worldwide to see that the only way out of this capitalist hell is building a massive revolutionary communist movement to bury the bosses once and for all. ☸

NEW MAGAZINE!!!



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The Demon Is Capitalism

A Demon of Our Design: Markets, Hedge Funds and the Perils of Financial Innovation
By Richard Bookstaber
John Wiley & Sons, Inc., 2007

"Complexity cloaks chaos" concludes Richard Bookstaber in A Demon of Our Own Design. He draws on insider knowledge of recent Wall Street debacles to paint a future of bigger, more frequent financial collapses. The need to reinvigorate value-producing manufacturing becomes more severe with each crash: the attacks on the working class sharper.

Historically, many empires have been undone by letting go of their domestic manufacture-based economies. A seventeenth-century Spaniard enthused: "Let London manufacture... as long as our capital can enjoy them. ...All the world serves [Madrid] and she serves nobody." Eventually, London used its manufacturing to become the center of a new empire, while's Spain's empire declined.

Speculation: U.S. Imperialism's Hidden Weakness

The financial sector now accounts for 31 percent of U. S. corporate profits — up from 20 percent in 1990 and 8 percent back in 1950. But, larger percentages of financial profits come from hedge fund speculation. New York Times business columnist Floyd Norris blames these financial "innovations" for spreading the housing-related credit market crisis.

On the other hand, China has a growing industrial economy allowing it to become an emerging imperialist competitor. Not long ago U.S. "experts" questioned China's economic viability since Chinese banks carried too many non-performing loans. China Investment Corporation, the state-run investment fund, will spend two-thirds of its \$200 billion shoring up these banks. Their percentage of "bad" loans has already dropped by half.

Chinese imperialists got this capital from exploiting workers in their vast, rapidly-expanding manufacturing sector. They can get away with it because capitalist leaders long ago hijacked the communist revolution. They've turned it into it's opposite — another exploitive capitalist nightmare.

Spiral to Hell

Bookstaber gives a running account of financial "innovations" beginning in the 1980s. He explains the mathematics behind investment strategies that caused such infamous disasters as the 1987 crash

and the demise of Long Term Capital Management. He worked with many of the players and admits to contributing to financial catastrophes.

He freely admits speculative "financial tools" help for only a few years. The investment community "invents" one speculative scheme after another trying to stay ahead of the inevitable payback. By now, the very design of financial markets insures a "liquid-ity spiral to hell."

His solution is to reduce "tight coupling and complexity of financial transactions." The financial markets shouldn't use "every financial instrument that can be dreamt up." Speculation shouldn't rely on large sums of borrowed money. This "leverage" speeds up the spiral to catastrophe, spreading the danger to areas beyond the original investment. Bookstaber hopes "simpler financial instruments and less leverage will create a market that is more robust and survivable."

He never asks why U.S. bosses turned to financial speculation in the first place. Industrial opportunities to extract surplus value and profit failed to keep pace with those of emerging imperialist competitors. U.S. financial titans were forced to speculate to keep up. Bookstaber's solution is fanciful in this climate.

Workers Create All Value

The value of an automobile or airplane is greater than the sum of the parts that make it up. The amount of labor in production creates the increase in value. The boss can't use this extra value until he sells the product. Marx called this part of the process exchange. Exchange itself doesn't create any value.

As exchange becomes less connected to creation of value, it turns into speculation. One boss can make money at the expense of another, but no value is created in the exchange. That's what increasingly opaque hedge funds are all about. Eventually the house of cards collapses if no extra value is created to back up these financial "tools."

Ruling-class strategic thinkers have awakened to the danger and to the need to actually produce value. They are re-industrializing on the backs of low-paid immigrant and black labor, starting with expanding subcontractors.

Racist practices like this hurt all workers. The network of non-union subcontractors has grown to include low-paid sub-assembly and assembly factories. Conditions in traditional union plants — with older white and black workers — are being driven down to subcontractor levels. Even in union facilities, the new hires get paid half what veteran co-workers make. The bosses may not be able to stop speculation, but they can and will attack us. ☸

Re-industrialization with low-paid domestic labor is only the beginning. The bosses hope to rein in emerging imperialist competitors like Russia and China through control of Mideast oil. The current wars are only a prelude to more bloody oil wars. Eventually, direct confrontation will be necessary, leading to world war.

Poverty, war, racism and economic crisis are the demons of the capitalist design. We need a new design that produces for the needs of our class, not the profits of the bosses — communism. ☸

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