Bush Administration Prepares Greenspan on Minimum Wage

It happened as Greenspan was testifying before the House Financial Services Committee on July 18. Sanders had asked Greenspan three questions, but it is the exchange on the minimum wage that interests us here.

According to a statement that Sanders released on the same day, the exchange went like this:

“SANDERS: Mr. Greenspan, I think, many millions of Americans wonder why when issues come down the pike that, on one hand, affect the wealthy and multinational corporations and, on the other hand, affect working people... My understanding is, unless you have changed your view, that you are opposed to raising the minimum wage, which is today at a disastrously low $5.15 an hour. So I'd like you to tell us if you think that a working person or a family can live on $5.15 an hour.

“GREENSPAN: First of all, I think you misclassify me by saying that I always come out on the part of multinational corporations.

“SANDERS: I would love to hear you say something different today.

“GREENSPAN: I hope I come out in favor of the strength and growth and sustainability of the American economy. First, with respect to the minimum wage, the reason I object to raising the minimum wage is I think it destroys jobs. And I think the evidence on that, in my judgment, is overwhelming.

“SANDERS: Are you for abolishing the minimum wage?

“GREENSPAN: I would say that if I had my choice, the answer is, of course.

“SANDERS: You would abolish the minimum wage?

“GREENSPAN: I would say that if I had my choice, the answer is, of course. My choice, the answer is, of course.”

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G-8 Protests Can't Solve Problem of World Poverty

What the protesters who poured into the streets of Genoa, Italy, to disrupt last month’s G-8 summit meeting wanted is for the industrial countries and such institutions as the World Bank, World Trade Organization and the International Monetary Fund to change their policies towards the impoverished countries of the developing world.

Regardless of what American workers may think about the tactics by which they would further curtail the legitimate social and economic problems behind the demonstrations are real. The question is what causes these problems, because once the correct answer is known the solution will be easier to see.

The groups that staged the demonstrations at Genoa speak of rich and powerful nations oppressing poor and underdeveloped ones. Their principal demand was that the huge financial debt the Third World countries are saddled with be canceled. They argue that the grinding poverty that affects much of the Third World stems from the overwhelming burden of debt. They point out that the responsibility for those debts lies not with the people of any one country but with the great powers of the world, with both the rich and powerful of the poorest countries, or with oppressive regimes that, in some cases, no longer exist. They seem to believe that if the rich and powerful were to change their policies towards the others they would lift the burden of economic oppression from the shoulders of the farmer and working class of the Third World. That done, those countries would be free to lift themselves out of poverty.

But abstract notions of justice should not blind workers to what is possible and what is not. What is overlooked is that capitalism, whether it operates on a global or a national scale, is a system founded on the exploitation of human labor. To demand its' abolition what it cannot deliver is pointless. It can only distract from the need to come to grips with the fundamental fact that the injustices of capitalism are either the Italian solution or the American solution. They cannot be fine tuned or adjusted out of the system.

There is no doubt about Third World debt being enormous. Last month a representative of the National Radio Project commentator Phillip Babich summed it up as follows during a broadcast in March 2000: “According to some estimates, debt owed by countries in Latin America and Africa total over $830 billion. The World Bank estimates that the majority of countries—such as Haiti and El Salvador—will only make payments on 10 percent of the debt they owe. In the long-term effects of debt put the total much higher. According to the New York Times, spends 33 percent of its budget on debt, much more than the 8 percent it spends on education and the 3 percent it spends on health care. Njoka Njiru, director of the 50 Years Is Enough U.S. Network for Global Economic Justice, says that in order to service its international debt its home country, Kenya, grows cotton and coffee to export rather than basic foods to feed its people.”

Karl Marx described the origins of this process nearly 135 years ago (in 1865) as follows: “By ruining handicraft production in other countries, machinery forcibly converts them into fields for the supply of its raw material. In this way East India was compelled to produce cotton, wool, hemp, jute, and indigo for Great Britain, or was compelled by the custom of the times to make a part of the handiwork of the Third World engage in the production of raw materials, which are thereby converted into settlements for growing the raw material of the mother country; just as Australia, for example, was converted into a colony for growing wool. A new and international division of labor, a division suited to the requirements of the chief centers of modern industry springs up, and converts one part of the globe into a kind of production station, for supplying, for the other part which remains a chiefly industrial field.” (Capital)

The huge funds lent to Third World countries represent profits squeezed from the labor of the working classes of the industrialized countries. They are what Marx called “congested capital.”

Capitalism exports money as loans for the same reason it exports other commodities. Workers produce more than their wages can buy back. This excess, or surplus value, is sold in other markets and converted to money, or profit. The result is what Marx called “a congestion of capital,” the value of which declines if it is not expanded binding arbitration to hem them into the system. Sanders—in on the other.

Regardless of what American workers may think about the tactics by which the United States gets by, the United States gets by. That is why it is important for workers to think about arbitration for the first time in a long time.

(Continued on page 7)

AFSCME Pushes Bitter Pill Of Arbitration in Detroit

Last month a representative of the kind of unionism workers don’t need stood before the Detroit city council and urged it to pass a regulation that would allow for binding arbitration to hem them into the system. Garrett, along with many other chief capitalists (the kind of unionism that don’t need—procapitalist labor unionism)—before him, argued that arbitration would save the millions of workers from stalemates, easing negotiations and assuring workers “fair contracts.”

In fact, arbitration assures workers only that a contract shall be imposed, “fair or not.” It takes the power to determine what is or is not “fair” out of workers’ hands and places it in the hands of a supposedly “disinterested” third party. That third party is often a professional arbitrator skilled not in getting workers’ hands and places it in the hands of a supposedly “disinterested” third party. That third party is often a professional arbitrator skilled not in getting wages but in getting workers to agree to arbitration. A worker employed to that third party.

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(Continued on page 7)
Demographics of SE Texas Homeless Follow National Trend

By Carl C. Miller Jr.

F rom out of the huge catalogue of social ills caused by the capitalist system, many of the most devastating to working-class people and families is homelessness. This is not a new discovery, certainly, but the demographics of those who make up this segment of society have changed in recent years. Much like other metropolitan areas of the country, the cities of southeastern Texas have also seen a change in their homeless demographics.

The Beaumont Enterprise, in a July 17 article titled “Demographics of the Street Are Changing,” makes the case that old stereotypes of the homeless no longer apply in the majority of cases. The article points out that homeless people still sit on corner benches clutching brown paper bags, but for different reasons than in the past. Instead of a brown paper bag concealing a bottle of liquor, it now very likely contains a lunch. Instead of sleeping on the corner bench, they are more likely to be waiting for a bus to take them to work or school.

According to the Enterprise, homeless experts point out that “the new homelessness is not the same as in the past,” they “live like everyone else, except they don’t have a permanent place to stay.” They live like everyone else, except they don’t have a permanent place to call home.

Although many homeless people hold down full-time jobs, often these jobs are not good enough for these workers to afford decent housing or other necessities. A February 1999 report by the National Coalition for the Homeless (NCH) corroborates this. It said that, “Declining wages...have put housing out of reach for many workers.” The recent troubling development in the changing homeless demographic is the increase in the number of children who, along with their parents or parent, have no permanent home. The stereotype of the street person is not the norm,” said Pam Williford, executive director of the Houston-based Coalition for the Homeless. “They are the smallest percentage. The average homeless person is a mother and child.”

Joseph Kotarba, professor of sociology at the University of Houston, backs this argument. “Homelessness is defined as a situation where somebody is not sure where they are going to spend the night,” he said, “a major area of growth is certainly single moms with children.”

Welfare reform has only exacerbated the situation. Welfare caseloads have dropped sharply since the passage and implementation of welfare reform legislation, the NCH states in its June 1999 fact sheet. “Homeless Families With Children.” However, declining welfare rolls simply mean that fewer people are receiving benefits—not that they are employed or doing better financially.

The NCH report cited a similar 1998 joint report by the Children’s Defense Fund and the National Coalition for the Homeless. “In some communities,” that report said, “former welfare families appear to be experiencing homelessness in increasing numbers.” Statistics only serve to back up the changing makeup of the homeless, especially in southeastern Texas.

According to the Enterprise, “In Haslet, 37 percent of emergency shelters were women and children last year,” and 25 percent of all homeless people “had full-time jobs.” Homelessness appears to be a new reality for those experiencing the ailments afflicting society can never be permanently solved within the frame of the capitalist system. In truth, the root cause of these problems is capitalism itself. It is time we replace misery-breeding capitalism with a socialist society that will benefit everyone. Only socialism can solve the problems inherent in a system based on profits instead of human needs. The Socialist Industrial Union program of the SLP offers the method by which humanity can finally and completely free itself from the evils generated by the capitalist system.

Politicians Follow Familiar Path From Office to Industry

By B.G.

What happens to politicians who are done with politics? Many who have left their high-level posts in previous presidential administrations? Unlike Gen. Douglas MacArthur’s “old soldiers,” they do not “just fade away.” Defeated legislators on both national and state levels frequently put their political knowledge and contacts to use by becoming lobbyists, often establishing their own lobbying firms.

Those who have been prominent and influential members of a president’s Cabinet, or senior advisors to a president, are even more fortunate. Politicians are used to wielding power, and by using their political knowledge and contacts both at home and abroad to facilitate the endeavors of business executives eager to conclude business deals around the world.

The senior and undoubtedly most famous of these influence-peddlers is Henry Kissinger, a former national security adviser and secretary of state in Republican administrations from 1969–1977. He initiated his advisory firm in 1977. He initiated his advisory firm in 1977. He continues to make millions from this enterprise. Recently he added a partner, Thomas F. McLarty III, who was President Bill Clinton’s chief of staff and later senior advisor. Kissinger McLarty Associates has, among others, such major clients as American Express, IBM, American International Group, Exxon Mobil, Deutsche Bank and United Parcel Service. These companies look to the Kissinger McLarty firm to provide a smooth entrance for them with decision-making bodies in countries where they wish to invest.

Another major power broker is the Carlucci Group, headed by Frank C. Carlucci, former deputy director of the Central Intelligence Agency (1978–1981) and secretary of defense in the Ronald Reagan administration (1981–1987). Two important members of the group are former President George H.W. Bush and James A. Baker, who held senior posts in both the Reagan and Bush administrations (1981–1993), including secretary of state in both administrations.

The latest to launch an advisory group and to line up a corporate client base immediately is William S. Cohen, former Republican senator from Maine and former secretary of defense in President Bill Clinton’s administration. Cohen, after 30 years as a senator and four years in the Clinton Cabinet, Cohen has a vast number of contacts worldwide that are of inestimable value to the firms he advises.

The Cohen Group is also forming “strategic alliances,” as they are described, with other firms to expand their influence. One of those “strategic alliances” is with McDonald, Will & Emery, the 10th largest law firm in the United States. Other “allies” are the public relations firm of Texas–Hillard and the private equity group Thayer Capital Partners. The aim is to have the firms refer business to one another and to work jointly on projects when necessary.

Barely out of government service, Cohen has successfully organized this behemoth, which is enjoying intersecting incestuous relationships with kindred firms and which has proved to be an instant commercial bonanza for both the kindred groups involved and the clients they advise.

Charles Lewis, the executive director of the nonprofit Washington research group, the Center for Public Integrity, has a harsh assessment of these influence peddlers. “They are getting rich from the public trusts they hold and are making money from their celebrity, not just in Washington, where it is the traditional thing to do, but internationally. These are senior advisors who have worked for years with the president and are well known. They have incredible cachet all over the world and are basically taking that to the bank.”

Why should Mr. Lewis be so astonished? These gentlemen have just adeptly fashioned a facile way to manipulate the capitalist system for their own financial advantage.

Do You Belong?

Do you know what the SLP stands for? Do you understand the class struggle and why the SLP calls for an end of capitalism and of its system of wage labor? Do you understand why the SLP does not advocate reform? Do you want to organize workers to organize Socialist Industrial Unions?

If you have been reading The People steadily for a year or more, if you have read the literature recommended for beginning Socialists, and if you agree with the SLPs call for the political and economic unity of the working class, you may qualify for membership in the SLP. And if you qualify to be a member you probably should be a member.

For information on what membership entails, and how to apply for it, write to: SLP, P.O. Box 218, Mountain View, CA 94042-0218. Ask for the SLP Membership Packet.
One Third of Online Workers Subjected to Surveillance

(Following is the text of a statement released on July 9 by the Privacy Foundation. The foundation's full report on workplace surveillance is posted on its Web site, www.privacyfoundation.org.)

DENVER, July 9—Fourteen million employees—just over one-third of the online workforce in the United States—have had their Internet or e-mail use under continuous surveillance at work, according to an analysis conducted by the Privacy Foundation in Denver. Worldwide, the number of employees under such surveillance is estimated at 27 million.

This study is the first attempt to estimate the scope of workplace surveillance based on self-reported user-base (“seats”) and revenue figures from publicly traded companies that sell e-mail and Internet monitoring software. The report focuses strictly on continuous, systematic monitoring of employees, rather than random spot checks.

Websense is the most frequently used Internet-monitoring product, and MIME-sweeper is the most frequently used e-mail-monitoring product. North American sales (U.S. and Canada) account for just under 60 percent of the revenues of the firms that produce these products. The purchasers of surveillance software include top companies and government agencies, according to the vendors’ own disclosures. Corporate customers include 20th Century Fox, Glaxo Wellcome, Nike, Duracell, Barclays, Merrill, Sony, American Express, Premera Blue Cross and Zenith Electronics. Among government entities, the U.S. Army, National Park Service, and federal agencies including the U.S. Department of the Interior and the Department of Labor are clients.

Growing Business

The reasons given by employers in the past for the monitoring of Internet use and e-mail ranged from productivity concerns to liability for sexual harassment or other employee misbehavior online. However, the foundation’s research indicates that low cost of the technology, more than any other factor, is driving the growth of e-mail and Internet surveillance in the workplace. Employee monitoring, as measured by the sales of surveillance software, has increased at least twice as fast as the number of U.S. employees with Internet access in the past five years. Worldwide sales of employee-monitoring software are estimated to have reached $140 million a year, or about $6.55 per monitored employee; the foundation expects this number to rise to $170 million, or about $8 per monitored employee, within five years. The Privacy Foundation has analyzed a 200,000-seat installation from Websense. Including hardware, the total cost was $1.8 million, for a sales price of about $9 per employee.

Privacy Issues

A key question raised by the research report is whether employers are giving employees sufficient notice of continuous Internet and e-mail monitoring. “Notice alone might not be good enough,” said Andrew Schuman, chief researcher for the Privacy Foundation’s Workplace Surveillance Project. Schuman is the lead researcher for the new study. “Companies and government agencies are basing firing and suspension decisions on the employee-monitoring reports. Yet, employees are generally not told beforehand what information will be gathered and how it will be judged. Companies can use employee-monitoring logs as a kind of wishing well and leave money to spare.”

Today the Social Security “crisis” is again moving to the fore. Treasury Secretary Paul O’Neill, in an interview in the May 19 issue of the Business Financial Times, brazenly stated that, “Able-bodied adults should save enough on a regular basis so that they can provide for their own retirement and for that matter their health and medical needs.” But a study released in April by the Center on Budget and Policy Priorities stated that, “One in two elderly Americans would live below the poverty line were it not for Social Security;” and O’Neill did not dispute the statement. By falsely claiming that “50 million households currently pay no income tax because...lower earners in the U.S. are often effectively exempt from tax,” (Brackets in the original.)

The problem with Social Security is not that the nation lacks the economic resources that could provide working people with comfortable retirement years after a lifetime on the job. The real problem is that capital accumulation and capital investment must grow to serve the needs of the working-class majority. The goal of the capitalist economy is to provide sufficient resources for the capitalist class to that crisis.

"Reform if you would preserve," said President Roosevelt, and the dominant elements of the capitalist class of his time agreed. Rather than face prolonged social unrest and the possibility of revolution, they saw reform as a means of allowing the capitalist class to alleviate the worst effects of their system, and to create the appearance of being responsive to social needs.

But for the past three decades, the U.S. capitalist class has been increasingly pressed by international competition. This, plus a growing fear of the rate of profit to fall and the lack of any real organization among U.S. workers, has prompted U.S. capitalists to step up their efforts to maintain or improve working conditions in an effort to shore up profits. The same pressures have also moved them to hold costs— and thus taxes—down at all levels of government. The entrepreneurial capitalist of the class’ ownership of the means of mass communication, there is a conviction among working-class people that if the powers that be are willing to make the ludicrous argument that the nation’s meager social programs are responsible for its economic and budgetary problems, it is even less likely to be successful.

But to anyone delving beyond the pre-paganda, it is abundantly clear that the real motivation in cutting Social Security was to cut the overall economic interests of the capitalist class to the crisis of Social Security is a crisis of capitalism. That reality is easy to see. But it seems that the workers are a confession that the well-being of the elderly—like that of all working people—cannot be secured under an economic system based on the private ownership of the means of production and control of the means of life by a small capitalist minority, and on the robbery of workers that such a system allows. Therefore, it is essential to the growth of capitalism that we not only secure the rights and benefits of workers but that workers bring into being the system that is capable of securing the rights and benefits of all working people. Capitalism is necessary to the survival of capitalism. And supporting retired workers in their own retirement and for that matter their health and medical needs.” But a study released in April by the Center on Budget and Policy Priorities stated that, “One in two elderly Americans would live below the poverty line were it not for Social Security;” and O’Neill did not dispute the statement. By falsely claiming that “50 million households currently pay no income tax because...lower earners in the U.S. are often effectively exempt from tax,” (Brackets in the original.)

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When Wehrkan abruptly closed its doors last month, the online grocery delivery company centered in the San Francisco Bay Area left 2,000 dumb-founded and now jobless workers standing empty-handed at its gates.

When Homelinks.com, a similar entrepreneurial venture, just shut down its operations in Boston and Washington, D.C., a week later, it refused to say how the men workers its decision directly affected, but hundreds and possibly thousands suddenly found themselves unemployed.

Similar scenes involving numerous dot.com ventures that suddenly went belly up, and thousands of workers rude- ly dismissed without so much as a “thank you, good-bye,” have occurred during the “dot.meltdown.”

All of which raises an interesting question:

What ever happened to WARN? 

WARN is the acronym for the Worker Adjustment and Retraining Notification Act. The law sup- posedly provides workers with a mea- sure of protection against precisely what Wehrkan, Homelinks.com, and its dot.com entrepreneur “entrepreneurs” have done during the “meltdown.”

According to the U.S. Department of Labor’s Employee Benefits Security Ad- ministration Fact Sheet, “WARN offers protection to workers, their families and communities by requiring employers to provide notice of the time frame in which they expect to make employees to the possibility of losing their jobs.”

It doesn’t matter if the business is unionized or otherwise. “This notice must be provided to either affected workers or their representatives (e.g., a labor union).”

The fact sheet adds that “employers are covered by WARN if they have 100 or more employees,” provided those employees have been on the payroll for six of the last 12 months.

It also says that, “A covered employer must give notice to employees at an employment site (or one or more facilities or operating units within an employment site) will be shut down, and the shut down will result in a layoff for 50 or more employees during any 30-day period.”

Wehrkan didn’t do that. Homelinks.com didn’t do that. Indeed, if any of the dot.com operations did that before tur- ing their bellies to the sky it is one of the best-kept industrial secrets of all time.

When WARN was working, but a twi- ldle in the eyes of the “friends of labor” in Congress, then-AFL-CIO President Lane Kirkland called it “the single most im- portant issue in the 100th Congress.”

Many union members worked for pas- sage of the act. They were encouraged by union leaders such as Kirkland, who assured them that there was “no time for labor” in Congress who could protect them from plant closings. Many workers that had their jobs taken away by intra-capitalist politics that, in truth, are anathema to their class interests.

With or without notification of plant closings, degraded work conditions, and all important economic decisions that vitally affect workers’ lives—are made by the minority class that lives off workers’ labor.

That class of idle parasites makes those decisions not on the basis of what will best serve workers’ interests, but on the basis of what will serve its own interests.

The capitalists have this despotic power because they, as a class, own and control all the industries of the land. Even though production is carried out by the collective labor of the working class, the means of production are privately owned and controlled.

The WARN Act obviously did nothing to wrest that despotic power from the capitalists, and yet many workers find it hardly surprising, since the political state, as Karl Marx once wrote, “is but the executive committee of the capitalist class”—a body that would never if it could, and could never if it would, repeal the economic laws governing capitalism that dictate that workers be repeatedly sacrificed to the profit interests.

The AFL-CIO’s support for such meaningless window-dressing at a time when conditions cried out, they still do, for a strong, organized working-class response to layoffs and concessions, serves only to further indict the procapitalist policies of the labor movement on the principle of class.

All of which underscores the point that workers cannot look to the labor law to do anything for them, to the political state to liberate them from the cruelties of capitalist rule. Workers can and must look to themselves as a class for their own emancipation.

Labor law reforms like WARN are precisely what Daniel De Leon called them over 100 years ago—concealed measures of protection.

Labor law reforms like WARN are precisely what Daniel De Leon called them over 100 years ago—concealed measures of reaction. They are con- cealed because they create the false impression that they can provide mean- ingful and lasting protection for work- ers. They are reactionary because they distract workers from the need to orga- nize politically and economically to pur- sue their interests as a class.

Thirteen years after the WARN Act took effect we see the result. It’s time that workers leave such tinkering behind and join with the SPL to rebuild the labor movement on the principle of the class struggle.

In the meantime, however, isn’t the law the law? Isn’t the “rule of law” sup- posed to be the guiding principle on which the political state maintains order and impartially protects the interests of all? Hasn’t the National WARN Act been violated by those pillars of the national community, those entrepreneurial spirits, who have left who know how many workers out in the cold?

We understand that the FBI is looking for a chance to redeem itself in the eyes of the country. Here would seem to be the perfect opportunity. Here is probable cause if there ever was any. Let the FBI track down the dot.com scofflaws so we can all see how capitalist justice works.ipurposes of socialism.

Socialism is the collective ownership of all the people of the factories, mills, mines, railroads, land and all other instruments of production. Socialism means production to satisfy human needs, not, as under capitalism, for sale and profit. Socialism means control and management of production and all services by the workers through a democratic government based on their nationwide economic organization.

Under socialism, all authority will originate from the workers, variously unionized and organized in Socialist Industrial Unions. 

In each workplace, the rank and file will elect all necessary shop officers, and also will elect representatives to the shop or office division of a plant, and the rank and file will participate fully in formu- lating and implementing all plans necessary for efficient operations.

Besides electing all necessary shop officers, the workers will also elect representa- tives to a local and national council of their industry or services—and to a central congress representing all the industries and services. This all-industrial congress will plan and coordinate production in all areas of the economy. All persons elected to any post in the socialist government, from the local level, will be directly accountable to the rank and file. They will be subject to removal at any time that a majority of those who elected them decide it is necessary.

Such a system would make possible the fullest democracy and freedom. It would be a society based on the most primary freedom—economic freedom.

For individuals, socialism means an end to economic insecurity and exploitation. It means workers can no longer be commodities bought and sold on the labor market and forced to work as appendages to tools owned by someone else. It means a chance to develop all individual capacities and potentials within a free community of individual freedom.

Socialism does not mean government or state ownership. It does not mean a state bureauacracy as in the former Soviet Union or China, with the working class oppressed by a new bureaucratic class. Socialism does not mean a closed party-run system without democratic rights. It does not mean “nationalization,” or “labor-management boards,” or state capitalism of any kind. It means a complete end to all cap- italist social relations.

To win the struggle for socialist freedom requires enormous efforts of organiza- tional and educational work. It requires building a political party of socialism to contest the power of the capitalist class on the political field and to educate the majority of workers about the need for socialism. It requires building Socialist Industrial Union organizations to unite all workers in a classconscious industrial force to prepare them to take, hold and operate the tools of production.

You are needed in the ranks of Socialists fighting for a better world. Find out more about the program and work of the Socialist Labor Party and join us to help make the promise of socialism a reality.
Nortel Layoffs Provide Valuable Lesson in Capitalist Economics

By Ken Boettcher

Capitalism has a way of teaching harsh lessons. Take the case of 34 California university graduates who were hired last year—laid off this year, Canadian telecom giant Nortel Networks.

Nortel made a big splash in Silicon Valley late last year by hiring one-third of Santa Clara University's graduating seniors and a "chunk of the industry's" hiring effort. That is, Nortel was hired last year—and laid off this year—by Canadian telecom giant Nortel Networks.

The story in the telecom industry was something like this. The industry is built around a network of mostly copper wire laid across the country primarily by the old AT&T monopoly. That network, with a little help from optical networks laid over the last couple decades, is sufficient to handle most of the nation's telecom needs—at a certain speed, commonly understood as "bandwidth."

Much of the investment and facilities expansion that helped fuel "the dot.com boom" was centered around increasing the existing network's speed—primarily through the use of optical fiber as a replacement for copper wire. As an article in Fortune magazine said last fall, the credo of the telecom industry during this time was: "Build big, fat, expensive fiber-optic networks across the country, and all sorts of clever people will rush to invent new services that can use them." That logic became gospel among telecom executives and investors alike, and carriers ranging from big phone companies like AT&T and WorldCom to companies that recently spent nearly $100 billion to install miles of fiber-optic cable and optical-networking equipment.

In fact, much of the high-tech expansion fueled by the so-called "boom" was ultimately dependent upon continued growth of the dot.coms. Their growth was fueled, as the industry has now discovered, by hoped for new demand rather than real demand.

What was different in the telecom buildup was a lack of significantly increased demand for services requiring higher speed communications and new technologies to speed the delivery of communications over previously existing copper wire and optical cable. The market for new technologies and, in some cases, facilities and equipment added during the "boom" simply wasn't there. As Fortune put it, "The carriers built, but the flood didn't come."

For Nortel's shareholders, the loss was primarily on paper. According to a recent article in Business Week, Nortel's biggest chunk of Nortel's loss was a $12.3 billion write-down for acquisitions that are now nearly worthless. But the rest of the company's losses—companies don't have to pay out any cash when they take these write-downs. What was different is that Nortel made an acquisition in cash and later writes down the value of the deal, the company is admitting that the cash was wasted.

What happened to Nortel's laid-off workers was not, however, on paper. They are now denied a means of putting bread on the table and keeping a roof over their heads until they can find another capitalist willing to exploit them.

"Indeed, by being forced to take a lesson for workers. This is no way to run an industry, and no way to run the economy. Capitalism is a social system whose anarchy demands that the rules of profit and competition between private producers means nothing but economic insecurity for workers as a class. It is no way to run a country. Britain is a hard-working majority class that operates it and deserves the abundance the capitalists merely waste.

Britain's Treason and Felony Act Facing Legal Challenge

By B.B.

The British tabloid press is notorious for its obsessive pursuit of scandals, in reality leading to the right conclusions more often than not. Details make the lesson more useful.

The biggest factor leading to the 2000 profits was the company’s massive loss for the second quarter of this year: last June, Nortel announced that it expected to lose $19.2 billion in that quarter, "three times the largest losses in corporate history," as Business Week put it.

Those losses were spilling far beyond demand for optical and other telecom- and Internet-related services due to the demise of so many Internet-related businesses in the so-called dot.com meltdown.

Nortel's president and executive chairman, Ed Mostyn, and a two-judge panel. The House of Lords is now considering taking the case to an appeals court and, if unsatisfied, to the European Court of Justice. Lord Williams of Mostyn, and a two-judge panel. The House of Lords is now considering taking the case to an appeals court and, if unsatisfied, to the European Court of Justice. Lord Williams of Mostyn, and a two-judge panel.

The following excerpt from Britain's "Treason and Felony Act of 1848" was posted on June 22 by the online edition of The Guardian (Guardian Unlimited). The Act was passed in 1848 to deal with the spread of revolution as capitalism sweeps the European continent.

"The Act, however, has been a relic of the past. It is a relic of feudalism. Today the bourgeoisie has become so powerful as to make it unnecessary for workers to rise up against their masters in Britain. It is an anachronism.

The Treason and Felony Act is also a relic of the past. Still, its history and original purpose show that ruling classes make laws and break laws to suit their purposes. The law that ruling classes decide to make is, and the "rule of law" is simply another way of saying rule by the dominant class.

Most people today are aware of the Treason and Felony Act of 1848. That act was a way to provide a stable economy for the capitalists willing to exploit them. It has been used to suppress the spread of revolution, to stifle the growth of opposition to the monarchy, and, lest they be overlooked, to suppress the rights in Strasbourg, France. Rusbridger and his newspaper's campaign to abolish it. Nothing has been done to stop The Guardian. Its campaign is successful, by being forced to take a lesson for workers. This is no way to run an industry, and no way to run the economy. Capitalism is a social system whose anarchy demands that the rules of profit and competition between private producers means nothing but economic insecurity for workers as a class. It is no way to run a country. Britain is a hard-working majority class that operates it and deserves the abundance the capitalists merely waste.

The Guardian's interest in the Treason and Felony Act of 1848 is almost certainly a publicity stunt. Its "jurisdiction" may be considered a "cut above" the more sensational of Britain's newspapers, but it is not immune from the competition to attract attention and increase circulation.

Just how seriously concerned it was about the 19th-century law being invoked against opponents of the monarchy was shown last December when it launched a campaign to abolish it. Nothing has been done to stop The Guardian. Its campaign was successful, by being forced to take a lesson for workers. This is no way to run an industry, and no way to run the economy. Capitalism is a social system whose anarchy demands that the rules of profit and competition between private producers means nothing but economic insecurity for workers as a class. It is no way to run a country. Britain is a hard-working majority class that operates it and deserves the abundance the capitalists merely waste.

What happened to Nortel's laid-off workers was not, however, on paper. They are now denied a means of putting bread on the table and keeping a roof over their heads until they can find another capitalist willing to exploit them.

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"Perhaps..."
It was the American philosophy of the time—comparing means and ends to roads and destinations, and who pointed out that the “traveler” was the first to choose the means to get to the destinations; that, in short, if an evil means is chosen as the road, the “traveler” will reach an evil goal rather than the good goal toward which the evil means was thought to be a short cut. The less said about this, the better, but there was a weak attempt to guide the Socialist Labor Party.

The classical expression of socialists means and goal is as to Peace. It means not only the effort for peace, but also the knowledge of the fact that right without might is a thing that cannot be achieved if a properly civilized revolutionary organization proclaims the right, demands it, argues for it, and willingly submits to the civilized method of accomplishing it, without any vote of the people—and it organizes itself with the requisite physical force in case it is necessary to accomplish its ends. De Leon wrote: “The capitalist class, however powerful, is not insuperable. It feels constrained to render at least external homage to the civilized world of the age. Than the age demands free speech and a free vote.” He added: “The ways of civilization are no mask on the face of the capitalist’s adversary. The means are part and parcel of the civilized man’s being; they sharply mark the profile of his face.”

In reply to an advertisement of violence, De Leon wrote: “Not everything that capitalism brings to light is right about it and it is futile to reject it. Such a Vandal view would have to smash the giant machine of modern production as well. Among the valuable things that capitalism has introduced is the idea of peaceful methods for settling disputes. In feudal days, when lords fell out, production stopped; war had the floor. The courts of law have become the arbitrators for the classes; the arms of the civilized are part and parcel of the civilized man’s being; they sharply mark the profile of his face.”

...
But most of the refusals came from people who were just afraid. They did not want their names on anything that could conceivably be dug up in the future. “You would not be trying to make me lose my job, would you, sir?” one man asked, as he did not want his name on something those days and it’s no telling where it might show up later. “Just sign anything.” “You think I don’t know they’re just a trick to get low bait for those damned Commissars?” he asked. “Well, you won’t get away with it.”

But of course the refusals came from people who were just afraid. They did not want their names on anything that could conceivably be dug up in the future. “You would not be trying to make me lose my job, would you, sir?” one man asked, as he did not want his name on something those days and it’s no telling where it might show up later. “Just sign anything.” “You think I don’t know they’re just a trick to get low bait for those damned Commissars?” he asked. “Well, you won’t get away with it.”

The New York Post decided to try a similar poll of its own. It did—with similar results. Of 161 New Yorkers interviewed only 19 percent agreed with the Socialist Industrial Union program of the SLP. It is the only way to establish a society in which every institution and every person—without fear of poverty and economic insecurity—is actually capitalist is to make them even worse than they already are.
Guatemala’s Human Rights Crumble as Bush Postures

By B.B.

S
peaking before a group of Cuban-American opponents of Fidel Cas-
tron at the White House on Cuban Independence Day in May, President
Bush declared that the United States "will always be the world’s leader in
support of human rights.

We do not know what “rights” Bush had in mind, but any Cuban-American who
believes that the United States would
give meaningful support to a “democrat-
ic” Cuba would be well advised to take
a look at the historic record.

Fact is that the United States has sup-
ported a procession of despots and dicta-
tors in virtually every country south of
Texas since at least the war with Mexico
155 years ago. The further fact is that
this sort of “support of human rights” by
the United States is not limited to history.

The tiny Central American country of
Guatemala offers a case in point. That
takeover was lucrative and a veritable case study of U.S. imperialist oppression.

Indeed, just two weeks after Bush uttered those words on “human rights,” a
Catholic nun and American citizen, Sister
Barbara Ford, was gunned down in broad daylight in the streets of Guatemala City.

According to Aura Elena Parfan, who
was a close associate of Sister Ford, and to
other “human rights” activists, the killing was politically motivated. Ford had been
investigating the massacre of 300 men, women and children in the village of
Dos Erres, which occurred during the years of
Guerrilla insurgency. Many believe the
Guatemalan military was responsible for
the Dos Erres atrocity.

Both the Guatemalan and U.S. govern-
ments are determined to prevent a public accounting of these and other
human rights violations, President
Bush’s lips are sealed tighter than a pharaoh’s tomb, and for “good” capi-
talist reasons.

Guatemala, along with the other states of Central America, continues to
be dominated by U.S. commercial inter-
ests. It serves both as a market to dump agricultural products and raw materials.

The New York Tribune’s Chemist.

Over half the population is of Mayan
Indian ancestry. Much of that population is augmented by a long-entrenched semi-
feudal landholding class. It forms a large
class of landless peasants that acts as a
cheap source of seasonal agricultural
labor for the landed ruling-class. This
gentry works hand in glove with
U.S. and foreign capitalists to maintain a system of entrenched exploitation.

Much of the warfare that has kept
Guatemala in turmoil through long
periods of its history since the Spanish
colonial era stems from this transforma-
tion of the indigenous people into a
rival class by domestic and foreign capital.

The U.S. role in suppressing demo-
cratic rights in Guatemala is well known
and well documented, in among other
publications, Stephen Schlesinger and
in Guatemala. At the same time neither Kriner
nor Schlesinger were aware of the assas-
sination schemes being hatched in the
1990s by the CIA against all sorts of
Guatemalan political and labor leaders
and activists.

The CIA’s goal was to bring down the
democratically elected government of
President Jacobo Arbenz, along with oth-
ers deemed “communist.” The CIA pre-
pared a hit list of Guatemalan citizens
that became public approximately four
years ago with the publication of 1,400
pages of CIA records in 1997. As the As-
sorted Press and Washington Post re-
ported at the time, “Assassination was ’a pervasive topic of conversation and plan-
ing’ throughout the operation,” which
ultimately led to the military overthrow of
Arbenz in 1954.

Prevent preparations for that event had
been under way for months with a cam-
paign of disinformation, death threats
and other forms of intimidation finally
culminating in an extensive “hit list” that
included 51 individuals assembled and
brought to Washington by a field agent.

But before it could be approved assassi-
nation was removed from the CIA op-
tions by presidential order.

This episode was only a small part of
the general conspiracy against govern-
ment and opposition political leaders that were regarded as obstructions to U.S. capitalist-
ism’s worldwide commercial interests.

Of the Arbenz overthrow Schlesinger
claimed: “This is one more black mark
against the CIA for its absolutely repre-
sensible and outrageous conduct in Gua-
temala.”

It is curious that George Jr. is not bet-
ter posted in the role of the United States
and its CIA in undermining human
rights in Latin America given that his
father, George Sr., was CIA director from

UKRAINE

SLPU Activity Produces Results

KIEV, UKRAINE (July 18)—We are continuing our work in Ukraine in direc-
tions that are outlined in our report to your 45th National Convention. [See
“Ukrainian Socialist Report on Strug-
gles and Progress” in last month’s issue.]

During June and July we had picket
lines at the following Kiev enterprises:
Leninakaya Kuyma (twice), Slavutich,
Electromun and Rosinka. We distrib-
uted about 45 leaflets each time. Due to
our constant activity we now have very
good connections with the workers of
these and some other enterprises, and
we may not be far from creating some
De Leonist unions at these enterprises.

On July 2, we organized a seminar about
the heritage of De Leon and what
Socialist Industrial Unionism means.
The seminar was held at Kiev Agricultu-
ral Institute.

About 100 persons, mainly students of
the Agricultural University, but also stu-
dents from Shevchenko University,
attended. We shared our contacts with the workers of the enterprises where we are working, were present at the seminar. With the help of such activities we have increased the number of members of the SLPU to 15, and we have many contacts who seem quite promising to us.

Sergiy Skubenko

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(Continued from page 1)

pupal on the grounds that it could cost
the mayor and the council of their power
to negotiate contracts within the city’s bud-
get,” as the Free Press noted. That power,
like the power of the capital upon which gen-
erally, is considerable in view of workers’
present lack of organization.

That attitude is not much different from
the attitude of 1913 as described in the
New York Tribune. “We must recog-
nize it as a weakness of the arbitration
method if, by the habit of compromising,
it invites constant demand from the
labor unions and results regularly in the
granting of a fraction of those demands,”
the Tribune said. Thus, arbitration is no
good if it grants even a fraction of
workers’ demands—and conversely, it
would be wonderful if it resisted all work-
ners’ attempts to improve their economic
condition.

Garrett assured the city council and
the local capitalistic class whose inter-
est it promotes that AFSCME’s propo-
sal would allow any arbitrator, as the
Free Press put it, “The authority to rule
on matters based only by state’s ability to
pay.” (Emphasis added.)

Any representative of the kind of unionism
workers do need would help them keep
their eyes on capital, make the economic
interests of their own class. It would,
to paraphrase De Leon, focus their at-
tention on the need to expand their own
wealth at the cost of those who work.

Rather than capitate to arbitra-
tion, the rational course of action for any
unionism worthy of workers’ aller-
giance would be to broaden its organi-
zation among the working class and
prepare workers for the protracted bat-
tles that are required to defend and
advance their interests. Workers can
not make progress in the class struggle,
let alone emancipate themselves from
wage slavery, by accepting binding ar-
bitration.

A real course of action requires that
workers make a break from unionism
that accepts the right of capitalists
to control their government to exploit
workers at all. It requires a break from a
form of “unionism” that assures capital-
ists or their representatives that the cards
will be stacked in their favor by
breaching the false principle that work-
ers and capitalists have common inter-
est capable of being fairly arbitrated.

Faces of the “disappeared” on the wall of a Guatemalan Human Rights organization.

Armenity International