

**Defend the Palestinian People!
Israel Out of the Occupied Territories!**

Zionist Bloodbath in Gaza

**For a Socialist Federation
of the Near East!**

DECEMBER 30—"Let it be known that in the 21st century this is happening while the whole world is watching but remains silent. I wonder how cheap Palestinian blood is," stated one Gaza resident (english.aljazeera.net, 28 December 2008). Nearly 370 Palestinians have been slaughtered since Israel began bombardment of the strip three days ago, more than 1,700 wounded. The first day of airstrikes produced the highest daily death toll in Gaza since Israel occupied it and the West Bank in the 1967 Arab-Israeli War, with more than *one hundred tons of*

bombs dropped on one of the most densely populated spots on earth. Israeli troops and tanks are ringing Gaza in preparation for a possible invasion, while defense minister Ehud Barak of the thoroughly bourgeois Labor Party has declared "all-out war." We stand for the *military defense of Hamas against Israel* without giving this reactionary fundamentalist outfit any political support.

Populated by 1.5 million Palestinians, Gaza is little more than a concentration camp—surrounded by an electrified fence, a sealed border with Egypt and the Mediterranean—under the thumb of a genocidal Zionist ruling class. Having been starved of food, fuel and medicine by a U.S.-Israeli blockade since Hamas took it over in 2007, much of Gaza is now little more than twisted metal and

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Reuters

Victim of Israeli bombing of Gaza City, 27 December. Some 370 Palestinians have been slaughtered so far.

Karl Marx Was Right

Capitalist Economic Crisis: Bosses Make Workers Pay

The following is an edited, expanded and updated version of a presentation by Spartacist League/U.S. Central Committee member Joseph Seymour given at a recent plenum of the International Executive Committee of the International Communist League.

On one occasion a Dutch banker described conditions in the London stock exchange as resembling "nothing so much as if all the Lunatics had escaped out of the Madhouse at once." The occasion occurred almost three centuries ago, at the time when the so-called South Sea stock market bubble burst. So not all that much has really changed.

The current international financial meltdown and severe economic downturn began and is centered in the U.S. So, I want to begin by placing the crisis within the broader historical framework of the decades-long decline of American capitalism. However, it's useful to first consider the nature of bourgeois class consciousness, especially that of the American bourgeoisie. The bourgeoisie is *not* a collectivist class. Both in their business practices and in the government policies they advocate, capitalists are primarily motivated by immediate self-interest, not some conception of the larger, long-term interests of the class. To be sure, the income and wealth of all individual capitalists derive from the total pool of surplus value generated by the

exploitation of labor. But in their day-to-day activities, capitalists, especially financial capitalists, are mainly motivated by increasing their own wealth at the expense of other capitalists.

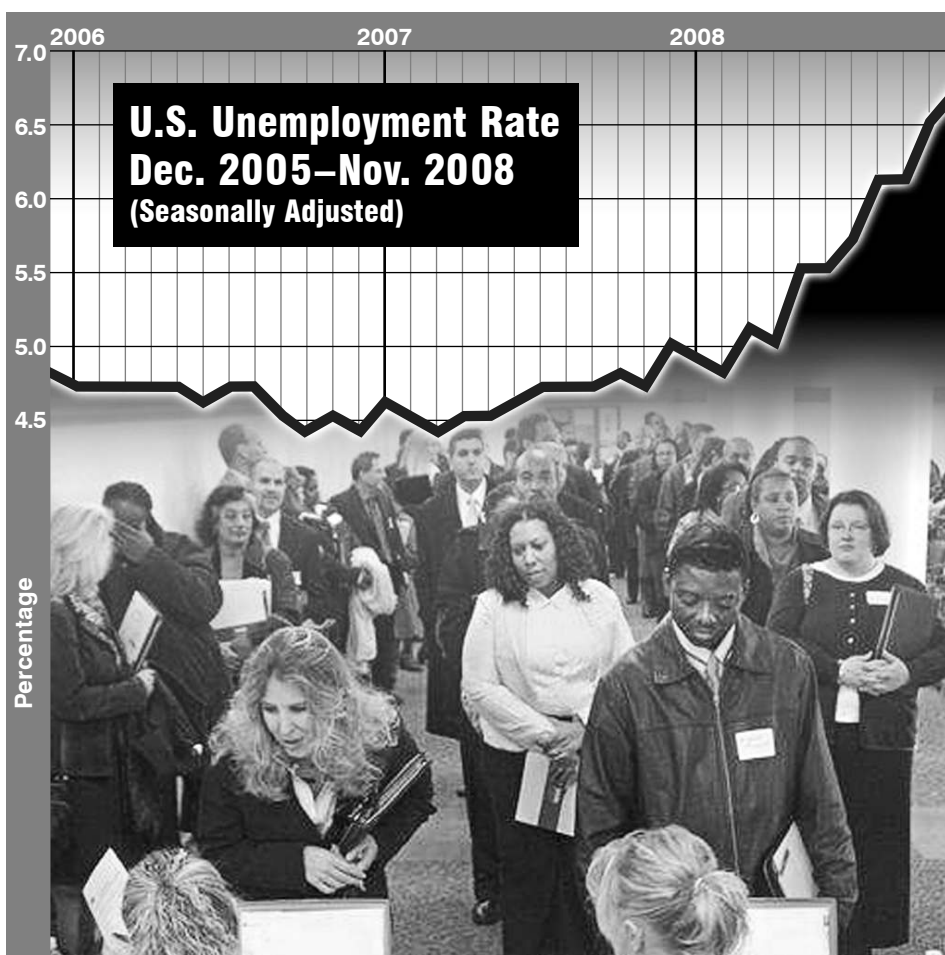
I've been reading this book, *Traders, Guns & Money: Knowns and Unknowns in the Dazzling World of Derivatives* (2006), by a veteran derivatives trader, Satyajit Das. It's very entertaining, really funny. At one point Das was working for an investment bank that was seeking to induce a Japanese pension fund manager to become its client:

"The bank had courted him ceaselessly for years, to no avail. It turned out the fund manager had a weakness—a clichéd partiality for very tall, long-legged, blue-eyed, blonde women. The bank assumed the woman need not be Japanese.

"A global search was undertaken and the human resources (HR) department performed admirably. The bank found a stereotypical Scandinavian woman to cover the fund manager. The woman—please don't laugh—was called Ulrika. She was bright, pleasant and efficient, but there was one problem—she had no knowledge of derivatives. She had a background in cosmetics. The bank hired her anyway, figuring, correctly it turned out, that the fund manager wasn't that interested in her derivatives."

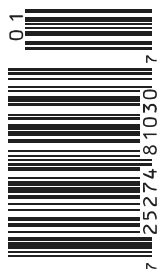
Reading this book as a Marxist, what particularly struck me was that there was no discussion whatsoever about the division of social product between

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WV Graphic, Graph Source: Bureau of Labor Statistics, Photo: Corbett/News Journal

Rising unemployment, as hundreds line up at job fair in Delaware. Official U.S. unemployment rate is 6.7 percent and predicted to rise.



**For Class Struggle Against Capitalist Rulers!
Break with the Democrats! For a Workers Party!**

D.A. Petitions Supreme Court to Reinstate Death Penalty

Free Mumia Abu-Jamal Now!

On November 14, the Philadelphia district attorney's office filed papers with the United States Supreme Court seeking to reinstate the death sentence for Mumia Abu-Jamal. Since his youth in the Black Panther Party, Mumia, a MOVE supporter and eloquent journalist, has been targeted by the racist rulers because of his defense of the oppressed. He was framed up for the 1981 killing of Philadelphia police officer Daniel Faulkner and sentenced to death explicitly for his political views. For the next 27 years, the cops, prosecutors, bourgeois politicians and their media jackals have howled for Mumia's blood because they see in him the spectre of black revolt.

In its petition for a writ of *certiorari*, the D.A.'s office is calling on the Supreme Court to consider arguments for reversing the 27 March 2008 decision by a three-judge panel of the Third Circuit Court of

Appeals. That decision upheld an earlier ruling by federal district court judge William Yohn, who in December 2001 overturned Mumia's death sentence, citing faulty instructions to the jury during the penalty phase of the 1982 mockery of a trial. At the same time, Yohn upheld Mumia's frame-up conviction, a ruling also affirmed by the Third Circuit. On December 19, Mumia's attorney Robert Bryan also filed a petition asking the Court to hear arguments for overturning Mumia's conviction, focusing on racist jury-rigging; the prosecution used eleven of its 15 peremptory challenges to get rid of black jurors.

The Supreme Court accepts very few petitions. Should the neo-segregationist, pro-death penalty court of John Roberts, Antonin Scalia and Samuel Alito agree to hear the D.A.'s petition, it would be ominous, signaling that Mumia's death sen-

tence could be reinstated in short order. If the Court turns down both petitions, Mumia would face the possibility of a new sentencing hearing, in which the only two options would be life in prison or another death sentence (see "Third Circuit Court Turns Down Appeal," WV No. 918, 1 August 2008).

Mumia's case demonstrates that there is no justice in the capitalist courts. Court after court has refused to consider the mountain of evidence proving his innocence, including the confession of Arnold Beverly that he, not Mumia, shot and killed Faulkner. (See the PDC Fact Sheet pamphlet, *Big Lies in the Service of Legal Lynching*.) The courts, prisons and police exist to maintain, through organized violence and terror, the rule of the capitalists over working people. The same courts that have barred the evidence of Mumia's innocence have repeatedly discarded their own precedents and rules in favor of special "Mumia rules" to keep this "voice of the voiceless" in prison hell.

The Supreme Court has refused to hear four previous petitions by Mumia's attorneys. In 1990, the Court refused to consider a First Amendment challenge to the prosecution's use of Mumia's membership in the Black Panther Party as a basis for his death sentence. Shortly afterward, it overturned a death sentence of a white supremacist on the same First Amendment grounds because the prosecution told the jury of the man's membership in the Aryan Brotherhood. The Supreme Court also refused to hear Mumia's appeals in 1999, 2004 and this past October, when Mumia's attorneys presented evidence that critical witnesses lied under police coercion in his original frame-up trial (see "Supreme Court Bars Evidence of Innocence: Free Mumia Abu-Jamal Now! There Is No Justice in the Capitalist Courts!" WV No. 922, 10 October 2008).

Since the Partisan Defense Committee—a class-struggle, non-sectarian legal and social defense organization associated with the Spartacist League—and the SL took up Mumia's case in 1987, we have advocated pursuing all possible legal avenues. At the same time, we have always fought against any illusions in the courts of the capitalist class enemy. Our fight to free Mumia is based on a strategy of mass protest centered on the multi-racial working class, which has the power to make the courts yield. As the PDC has always stated, "We place all our faith in the power of the masses and no faith whatever in the 'justice' of the courts."

In the weeks following the March 2008



WV Photo

Partisan Defense Committee and Labor Black League's Class-Struggle Contingent at Philadelphia demonstration for Mumia Abu-Jamal, 19 April 2008.

Third Circuit Court decision, the PDC and its fraternal international defense organizations held emergency protests and united-front demonstrations. These were exemplary actions that pointed to what is necessary to win Mumia's freedom: the mass mobilization of the working class independent of and in opposition to its capitalist class enemy—whether Democrat, Republican or Green. Over 500 organizations and individuals—including trade unionists, gay rights activists, leftists, black activists, death penalty abolitionists and others—endorsed the united-front protests called under the slogans: "Mumia Abu-Jamal Is Innocent! Free Mumia Now! Abolish the Racist Death Penalty!"

Our program of class-struggle defense is diametrically opposed to that of the liberals and reformists, who push the illusion that the courts can provide justice for Mumia. For years, these illusions have been codified in the subordination of the demand for Mumia's freedom to the call for a "new trial." This call has been promoted by the Workers World Party (WWP), International Socialist Organization (ISO), Socialist Action, the International Concerned Family and Friends of Mumia Abu-Jamal led by Pam Africa and the San Francisco Mobilization to Free Mumia Abu-Jamal led by Socialist Action's Jeff Mackler—and has played a key part in the demobilization of what was once a mass movement.

After the Third Circuit's decision, WWP raised signs at Mumia rallies reading, "No execution! No Life Sentence: Free Mumia." But WWP has made clear that its goal, as well as that of the actions it has helped organize, is a "new trial" before the same courts of racist injustice.

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Capitalism and Economic Crises

In the third volume of Capital—published posthumously in 1894 by his close collaborator Friedrich Engels—Karl Marx explained how the capitalist credit system fuels economic crises, a prognosis which has been repeatedly borne out, not least by the current financial meltdown. In the excerpt below, Marx mentions John Law, a Scottish economist and financier whose Mississippi Company scam in the early 18th century fleeced wealthy French investors who were then bailed out by the government. Marx also notes Isaac



TROTSKY



LENIN

Pereire, a financier in France whose Crédit Mobilier bank, which engaged in railroad speculation, failed in the mid 19th century. As Marx recognized, the only way to end the boom-bust cycles inherent to capitalism is for the working class to take control of the means of production through socialist revolution.

The credit system appears as the main lever of over-production and over-speculation in commerce solely because the reproduction process, which is elastic by nature, is here forced to its extreme limits, and is so forced because a large part of the social capital is employed by people who do not own it and who consequently tackle things quite differently than the owner, who anxiously weighs the limitations of his private capital in so far as he handles it himself. This simply demonstrates the fact that the self-expansion of capital based on the contradictory nature of capitalist production permits an actual free development only up to a certain point, so that in fact it constitutes an immanent fetter and barrier to production, which are continually broken through by the credit system. Hence, the credit system accelerates the material development of the productive forces and the establishment of the world-market. It is the historical mission of the capitalist system of production to raise these material foundations of the new mode of production to a certain degree of perfection. At the same time credit accelerates the violent eruptions of this contradiction—crises—and thereby the elements of disintegration of the old mode of production.

The two characteristics immanent in the credit system are, on the one hand, to develop the incentive of capitalist production, enrichment through exploitation of the labour of others, to the purest and most colossal form of gambling and swindling, and to reduce more and more the number of the few who exploit the social wealth; on the other hand, to constitute the form of transition to a new mode of production. It is this ambiguous nature, which endows the principal spokesmen of credit from Law to Isaac Pereire with the pleasant character mixture of swindler and prophet.

—Karl Marx, *Capital: A Critique of Political Economy*, Vol. III (1894)

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2 January 2009

This pamphlet arms activists in the struggle for Mumia's freedom by presenting the political basis of the state vendetta against Mumia and the explosive evidence which completely destroys the more than two-decades-long frame-up of this eloquent fighter for black freedom.

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Republic Windows Plant Occupation UE Workers Win Severance Pay

CHICAGO—"We're here, and we're not going anywhere until we get what's fair and what's ours," said one of the laid-off members of United Electrical, Radio and Machine Workers of America (UE) Local 1110 who occupied the Republic Windows & Doors factory on December 5. After a courageous six-day plant sit-in that captured the attention of the nation, these largely immigrant and black workers won their demands, forcing the bosses and their bankers to fork over \$1.75 million in severance pay and benefits. By flouting the bosses' property rights, the victorious factory occupation set an example for all workers.

The factory occupation began after the Republic bosses gave three days' notice that the plant would be shut down, throwing its 260 union employees out of work, and then refused to pay severance benefits. The bosses tried to put the blame on Bank of America, which had cut off the company's credit line, but the union exposed the fact that Republic's owners were moving the plant's equipment and setting up a non-union shop in Iowa. When the bosses refused to negotiate severance pay, Local 1110 members gathered in the factory cafeteria, where they enthusiastically voted to occupy the plant.

With the loss of *over one million jobs* in

No Reliance on Democrats, Enemies of Labor! For a Class-Struggle Leadership of the Unions!



Left: Workers occupy Republic Windows plant in Chicago; sit-in lasted six days. Right: Rally outside plant in support of workers, 6 December 2008.

the U.S. in just the last three months and widespread anger at the government bail-out of financial institutions like Bank of America, news of the Republic plant occu-

pation struck a chord among working people from coast to coast. Hundreds of union members and officials from across the Midwest went to the factory, bringing

donations of food and funds. Trade-union federations internationally, including France's CGT and Zenroren in Japan, *continued on page 11*

Victory After 15-Year Battle UFCW Organizes Smithfield Plant

North Carolina

In a major victory for all labor, workers at the Smithfield Foods pork processing plant in Tar Heel, North Carolina, voted to unionize in mid-December. The fight to organize the 5,000 workers at the facility, the world's largest hog slaughterhouse, began over 15 years ago. To keep the United Food and Commercial Workers (UFCW) union out, the company has routinely fired union supporters and engaged in a wide-ranging campaign of coercion, intimidation and violence. At times, it has orchestrated its anti-union terror with the forces of the bosses' state, from local deputy sheriffs to federal immigration agents.

One of the biggest organizing successes in private industry in recent years, this victory in the least unionized state in the U.S. remains fragile and reversible. Workers face an ongoing battle to win a contract from Smithfield, which runs the plant like a plantation. In the past, the company has segregated black and Latino workers from each other and detained union activists in a jail cell *in the plant*. To this day, supervisors enforce a break-neck work pace and humiliate workers daily. With its stock price down more than 70 percent in recent months, Smithfield is even less likely to concede anything to the union without a fight.

A court-supervised settlement between Smithfield and the UFCW in October set up last month's vote. Under the settlement, the union agreed to end its "corporate campaign" designed to publicly embarrass and put financial pressure on Smithfield for its anti-labor practices; in turn the company dropped its RICO racketeering lawsuit against the union (see "Smithfield Plant: Smash Anti-Union RICO Suit!" WV No. 909, 29 February 2008). The agreement also set the terms for what the union and the company could legally



Smithfield workers and supporters rally in 2007 in Williamsburg, Virginia, at Smithfield shareholders' meeting.

do to make their cases to the workers in the lead-up to the representation election. Shortly after the results were announced, UFCW head Joseph Hansen declared: "We won because that [the settlement] gave us more of a level playing field."

In fact, the union did not get into the plant as the result of a "fair" legal process. Unions are built in struggle, not through ballots. With the UFCW tops tying up the organizing effort for years in the capitalist courts after failed representation elections in 1994 and 1997, workers began taking matters into their own hands. In 2003, workers on the plant sanitation crew walked out to protest wages and working conditions, winning concessions despite intimidation by company goons. Inspired by this action, workers stopped production to get the company to talk with them about health and safety concerns.

As immigrant rights protests swept the

country in early 2006, Smithfield workers stayed off work, idling the Tar Heel plant on May Day. Six months later, when Smithfield fired 75 immigrant workers and threatened to fire hundreds more on the pretext that their Social Security numbers did not match government records, a two-day walkout that included black and white workers as well as Latinos forced the company to rehire everyone. Union supporters then collected 4,000 signatures demanding a paid holiday for Martin Luther King's birthday. When management spurned them, some 400 workers stayed off the job. In 2008, the company for the first time gave the holiday to workers at *all* its non-union plants. Nine days after the MLK Day protest in 2007, immigration authorities raided the plant and workers' homes, and another raid followed in August. The raids were carried out with the complicity of the company,

which wanted to drive out union supporters. Since the start of 2007, more than 1,500 immigrant workers, most from Mexico, have been intimidated into leaving the plant, which is now 60 percent black.

If black and immigrant workers had not worked together, the organizing effort would have fallen apart. For years, management attempted to inflame racial and ethnic divisions. In the days before the election, union organizers had to combat widespread rumors that the National Labor Relations Board, which monitored the election, might ask workers to confirm their identities. The struggle for union recognition at Smithfield underlines that it is crucial for labor to fight against black oppression and to demand full citizenship rights for all immigrants.

The victory in Tar Heel could provide a springboard for organizing the open shop South, where "right to work" laws have historically been enforced by racist terror. The price of inaction can be seen in the growth of non-union plants in the South and other areas of the country where union power is weak to nonexistent. The refusal of the pro-capitalist tops of the United Auto Workers (UAW) to fight to organize the unorganized auto plants now threatens the very existence of the UAW, as the capitalists seek to destroy the union amid the current economic meltdown.

Revitalizing the labor movement in the South will require a level of class and social struggle that challenges the very foundations of the American bourgeois order, which is based on exploitation and racist oppression. But with their legalistic, pro-Democratic Party policies, the AFL-CIO and Change to Win officials are incapable of undertaking a militant mass organizing drive. What's needed is a fight for a new, class-struggle union leadership that will unleash the social power of the working class, beginning with the existing beachheads of integrated union power in the South. ■

Young Spartacus



Bettmann



SDS

From Tepid Liberalism to Radicalism and Back Again

A “new” Students for a Democratic Society (SDS), founded in 2006, has mushroomed on campuses across the country. This heterogeneous lash-up pounded the pavement to bring out voters for the Democratic Party (see “UCLA SDS Hitches Skateboard to Obama Bandwagon,” p. 5), but it has also occupied military recruitment centers. Disdainful of “ideology” and dominated by hysterical liberal anti-Communists, the new SDS sticks together by shunning political debate in favor of “politically correct” platitudes about democracy. So, for example, SDS’s voluminous “Who We Are” statement does not take a position on a single concrete political issue (studentsforademocraticsociety.org, 2007). Veterans of the early SDS, including Bernardine Dohrn, Bill Ayers, Mark Rudd and Mike Klonsky, have rallied around the new SDS, giving talks and raising money, as well as holding their own tepid liberal protests and nostalgic conferences under the auspices of a refounded Movement for a Democratic Society.

So, what’s in a name? SDS cofounder Pat Korte explained, “The reason we chose to keep the name SDS is because it accurately describes us (we are students for a democratic society)” (“The New SDS: Towards a Radical Youth Movement,” *CounterPunch*, 10 July 2006). What being “for a democratic society” means in racist, capitalist America becomes clear from a look at SDSers’ activities. Having gained some experience at the business end of a nightstick, the original SDS was known for its petty-bourgeois radical “off the pig” rhetoric—but the new SDS in Boston went on hunger strike in support of *security guards* at Harvard! Former *SDS News Bulletin* coeditor and UCLA SDS honcho Dave Shukla wants to braintrust the Feds, who witchhunted the first SDS, by “developing a model for mass participation and engagement with institutional design and policy formation for each agency and program in the federal government” (“Left Forum 2008 Speaker Bio,” leftforum.org, undated). At Rutgers, SDS has taken up local New Jersey gerrymandering so “each [ward] gets to elect it’s OWN Council person to represent their neighborhood” and “the student community will get the representation it deserves”

Chicago, October 1969: Tom Hayden addresses rally in Lincoln Park while on trial for organizing SDS protest against 1968 Democratic Party Convention. Right: Today’s SDS promoting Obama victory in presidential election, Asheville, North Carolina.

(Tent State University/Students for a Democratic Society Facebook page, undated).

The institutions of bourgeois democracy are institutions of capitalist class rule with which the bourgeoisie dupes, defrauds and represses working people and the oppressed. SDS’s pushing of “democratic models” diverts young activists into the dead end of bourgeois electoral politics. What unites the liberals in the new SDS with reformists of all varieties is the view that the capitalist system can be made to serve the interests of working people and the oppressed. As revolutionary Marxists, we seek to win youth to building a revolutionary workers party that can lead the working class in the struggle to overthrow the whole rotten capitalist system and lay the basis for an egalitarian, communist society.

Pushing the myth that communism destroyed the first SDS, the new SDS’s leadership raises the spectre of “sectarian takeovers” and “totalitarian principles” in the service of liberal anti-communism. Voicing her opposition to members of the Maoist Freedom Road Socialist Organization being in SDS, New York SDS honcho Rachel Haut told *Platypus* magazine: “I think it is inappropriate to have conversations about ideological differences when we still have Maoists in the organization. Why should we be having these conversations with them, including them in the discussion, if their ideology is in direct opposition to building a democratic society?” (September 2008). Who needs the House Committee on Un-American Activities when you have the new SDS! The Workers World Party, Freedom Road Socialist Organization and other reformists work in SDS anyway, but this says less about SDS’s “non-sectarianism” than about the reformists’ toothless politics. They must feel right at home with the new SDS’s parochial campus activism and Democratic Party lesser-evilmism.

Forty years ago, Students for a Democratic Society played a prominent role in protests at the Chicago Democratic National Convention. The dirty, losing Vietnam War, initiated and escalated under

Democratic Party presidents Kennedy and Johnson, was a burning issue. Most of the protesters in Chicago in 1968 opposed the Democratic Party as a capitalist party presiding over social injustice. As Kirkpatrick Sale described in *SDS*, his well-known history of the organization, SDSers rejected “as usual the idea of mass marches but [were] doubly scornful of any project mired in electoral politics.” SDSers propagandized and organized actions against the Democratic Party and raised general hell in the city. For that, they were arrested, savagely beaten, and one young man was shot to death, all under the aegis of the Democratic Party city administration of the infamous Daley machine.

Last August, the new SDS mobilized for protests at the Democratic National Convention in Denver. They did so as part of the Alliance for Real Democracy, whose stated intention was “to convince and pressure Democrats to work for just and progressive policies at home and abroad” (realdemocracy2008.org, undated). Ostensibly more radical chapters of SDS, including the one from Grand Rapids, Michigan, stated in their call to action, “If we, as a radical movement, are going to attempt to pressure the Democratic Party candidates, the time to do so is before they are elected” (“SDS Call to Action: Disrupt the DNC,” undated). The new SDS is a far cry from the iconic New Left organization of the 1960s, but the history of the old SDS sheds light on the new one.

Heirs of Stodgy Cold Warriors

While the first SDS emerged as part of a radicalization of U.S. society, the new SDS reflects a rightward social shift in a period of little struggle. Capitalist counterrevolution in the Soviet Union and Eastern Europe was a grave defeat for working people and the oppressed worldwide. It ushered in a period of bourgeois triumphalism over the “death of communism,” in which social struggle has been limited and isolated. In their works *Empire* and *Multitude*, American academic Michael Hardt and his mentor, veteran Italian New Left intellectual

Antonio Negri, developed on the bourgeois idea that communism has failed—an idea also embraced by the new SDS. As our article “*Empire, Multitude* and the ‘Death of Communism’: The Senile Dementia of Post-Marxism,” noted:

“Claiming to update Marx, Hardt and Negri jettison the programmatic core of Marxism: *proletarian revolution to overthrow the capitalist system*. They dismiss the lessons distilled from the 1871 Paris Commune, the first proletarian insurrection, and the subsequent history of the revolutionary workers movement. They deride class war and proletarian power as ‘old, tired and faded’ notions....

“In the late 1930s, following the victory of fascism in Germany and the defeat of the Spanish Revolution, Marxist revolutionary Leon Trotsky observed: ‘As always during epochs of reaction and decay, quacks and charlatans appear on all sides, desirous of revising the whole course of revolutionary thought’ (Transitional Program [1938]). The triumph of capitalist counterrevolution in the Soviet Union and East Europe in the early 1990s has nurtured a new generation of ideological quacks and charlatans. Hardt and Negri peddle their ideological wares to young leftists who, having no sense of the revolutionary capacity of the proletariat, accept the subjective outlook that a new world will be won not by uprooting the material reality of oppression but by changing the ideas in people’s heads.”

—*Spartacist* (English-language edition) No. 59, Spring 2006

Dismissing communist revolution as a “failed experiment,” today’s SDSers are left with nothing more than the grubby politics of “lesser evil” capitalism. They are running the film of the first SDS’s radicalization in reverse.

The new SDS’s “democratic” and “anti-authoritarian” rhetoric recapitulates the Cold War anti-Communism that the first SDS broke from. SDS originated as the Student League for Industrial Democracy (SLID), the student affiliate of the League for Industrial Democracy (LID). Moribund by 1960, the LID had served as a handmaiden of the U.S. government in the left and the labor movement, peddling the virtues of “democratic,” “anti-authoritarian” capitalism. Populated by “State Department socialists” such as Norman Thomas and Michael Harrington, the LID also counted among its members the labor traitors Victor and Walter Reuther, who rode to power in the United Auto Workers by purging Communists from the union in the

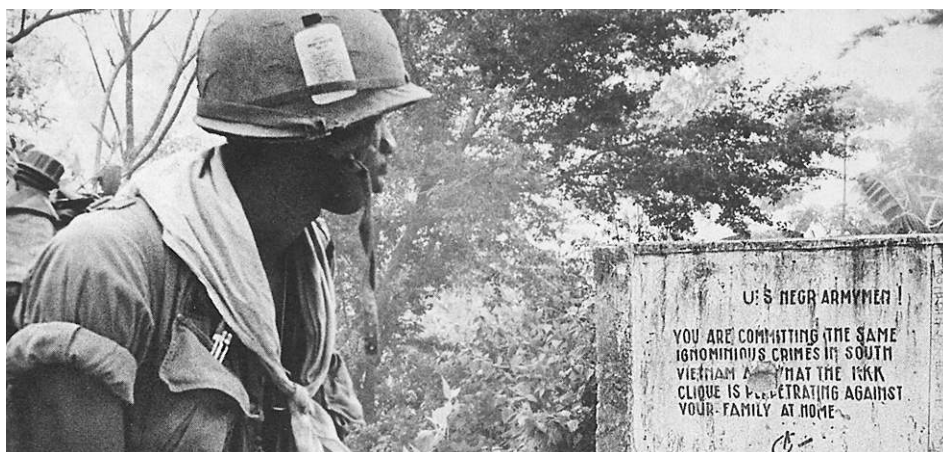
1940s, and Sidney Hook, a former Communist turned “god that failed” supporter of the established order. Hook was a leading light in the Congress for Cultural Freedom—a CIA-funded operation devoted to counteracting the appeal of Communism and the Soviet Union.

Despite posturing as champions of democracy in the Cold War, the U.S. imperialists supported right-wing military dictatorships, reactionary regimes and the remnants of European colonial rule around the world. On the home front, in the American South black people faced legal segregation and were deprived of basic rights—a fact publicized by the Soviet Union. The Southern Jim Crow system was based on police/Klan terror against atomized rural sharecroppers, and it had become increasingly anachronistic as industrialization in the American South during and following World War II drew blacks into the working class. By the mid 1950s, black anger at Jim Crow segregation had given birth to the civil rights movement, shattering the climate of Cold War McCarthyism and increasingly polarizing American society.

Seeking to refurbish its image and in response to early struggles, the U.S. capitalist class made some concessions, notably in the Supreme Court ruling *Brown v. Board of Education* that mandated the integration of public schools. But implementation of this ruling proceeded at a snail’s pace. Young liberal activists, black and white, came forward courageously in lunch-counter sit-ins and freedom rides. Students from the North, defiant in the face of the murder of young civil rights militants, poured into the South to register black voters. In this changed climate, in January 1960 SLID changed its name to Students for a Democratic Society; its membership began to grow.

Early SDS: Confronting Cold War Anti-Communism

The Cuban Revolution coincided with the civil rights movement, reinforcing the appeal of more radical ideas among young activists. In January 1959, Castro’s rebel army overthrew the brutal, corrupt, U.S.-backed military dictatorship of Fulgencio Batista. A petty-bourgeois nationalist, Castro formed a coalition government with venal local bourgeois forces and pledged to protect their interests. However, Castro’s program of land redistribution and the measures taken against



Liberation News Service

Vietnamese appeal to black servicemen during Vietnam War: “U.S. Negro Armymen! You are committing the same ignominious crimes in South Vietnam that the KKK clique is perpetrating against your family at home.” Below: Spartacist banner at antiwar protest in Washington, D.C., January 1973.



WV Photo

Batista’s police torturers alienated Castro’s Cuban bourgeois supporters and the U.S. imperialists, including Eisenhower’s CIA director Allen Dulles and his brother, Secretary of State John Foster Dulles, both major stockholders in the United Fruit Company. Eisenhower responded with brute economic pressure to bring Castro’s regime to heel. This pushed Castro into the arms of the Soviet Union. By early 1961, the holdings of the National City Bank, United Fruit, Standard Oil, the sugar barons and the Mafia—as well as the Cuban bourgeoisie—had been expropriated, and the Cuban capitalists were either in exile or in prison.

Facing the unrelenting pressure of U.S. imperialism, the Castro government sought the protection of the Soviet Union. It was compelled under these circumstances to liquidate the bourgeoisie as a class, carrying out a social revolution. Cuba became a bureaucratically deformed

workers state in which capitalism had been overthrown but political power was held by a parasitic bureaucratic caste fundamentally sharing the nationalist political program of “socialism in one country” with the Stalinist bureaucracy in the Soviet Union. In 1961, newly elected president Kennedy launched the Bay of Pigs invasion, attempting to overthrow the Cuban Revolution and establish a puppet regime. Leftist youth were inspired by the Cubans’ defense of their revolution against U.S. imperialism. However, other guerrilla insurgencies aiming to overthrow right-wing capitalist regimes in Latin America were crushed with murderous repression.

In response to the Bay of Pigs invasion, SDSers posed the question “whether our foreign policy had really changed from its old imperialist ways” (*The Port Huron Statement of the Students for a Democratic Society*, July 1962). Early SDSers

were increasingly at odds with the Cold War-era anti-Communism of their parent organization, which they rightly saw as a loyalty oath to the powers that be. The Port Huron Statement, adopted at SDS’s June 1962 National Convention, sought “to oppose communism without contributing to the common fear of associations and public actions.” It criticized the Cold War as “not sufficient for the creation of appropriate policies with which to relate to and counter communist movements in the world” and argued that “the American military response has been more effective in deterring the growth of democracy than communism.” A delegate of the Communist Progressive Youth Organizing Committee was allowed to attend the convention as an observer.

Even these small steps away from McCarthyism were too much for the LID elders, who hauled the SDS leadership into a trial for not being anti-Communist enough, then cut all funds to SDS and changed the locks on the SDS office. After much organizational wrangling, SDS and the LID patched things up. Although moving away from the dried-up LID social democrats, SDS had not fundamentally broken from lesser-evil Democratic Party pressure politics, drawing disaffected youth back into the two-party shell game and perpetuating illusions in bourgeois democracy. In the 1964 elections, a wing of SDS campaigned to go “part of the way with LBJ,” maintaining that the Democratic Party platform was “superior to any passed by a major national party since the first New Deal” and that a victory by arch-conservative Barry Goldwater would spell disaster (Sale, *SDS*).

But the times, they were a-changin’. In 1964 at the University of California at Berkeley, the Free Speech Movement (FSM) broke out against the Berkeley administration’s attempts to censor political life on campus by barring reds and other civil rights activists (“outside agitators”) and restricting the activities of student organizations. Facing reprisals from both the liberal campus administration and Democratic governor Pat Brown, FSM activists defended their right to “hear any person speak in any open area of the campus at any time on any subject” (see “The Student Revolt at Berkeley,” *Spartacist* No. 4, May-June 1965). The FSM’s victory fueled further

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UCLA SDS Hitches Skateboard to Obama Bandwagon

On 3 November 2008—one day before the U.S. presidential elections—Stop McCain, Stop the War! (a new Students for a Democratic Society [SDS] working group) along with Freedom Road Socialist Organization and the Strategy Center of Los Angeles (the group behind the Bus Riders Union) held a rally on the UCLA campus under the call “Speak Out: No to the War! No to McCain! No on the Six [California ballot propositions]!” for the purpose of “going to the polls on November 4 and sending a resounding defeat to John McCain.” This call to vote for the capitalist politician Barack Obama is but the latest and most explicit expression of the rad-lib SDS’s pro-Democratic Party politics.

In our article “UCLA: 16 Arrested at SDS/SWF Protest—Drop the Charges! For Free, Quality, Integrated Education for All! Down With Racist Fee Hikes!” we laid out exactly what kind of a group SDS is:

“SDS is a part of the radical liberal milieu that actively pushes ‘anybody but Bush’ politics. Their efforts are aimed at pressuring (through various

means, including ‘direct action’) and boosting the electoral fortunes of the Democratic Party, which is the other capitalist party of racism and imperialist war. Indeed, when the SYC was distributing our defense letter defending those arrested for protesting fee hikes, SDSers told us that they were going to vote for Democrat Barack Obama in the upcoming presidential elections.” —WV No. 918, 1 August 2008

When SDS organizer Babken DerGrigorian read our article he was furious; he claimed that these characterizations were slanders, insisted that SDS members are radicals and denied that any of their members were voting for Obama. But facts are stubborn things.

In the subsequent months, written arguments about why SDS should work in the Obama campaign have spilled from the pens of UCLA SDS’s leading lights. Dave Shukla argued that “Our fellow students and youth are becoming more anti-militarist, anti-capitalist, and for economic democracy—without hardly even knowing it!... SDS will miss this historic opportunity if we collectively ignore what the elections are

already doing for our movements” (“Will SDS Miss the Boat? Engaging With Those Newly Politicized by the Elections is Crucial for Radical Movements,” *SDS News Bulletin* No. 5, June/July 2008). Gurujivan Khalsa followed up with, “A huge majority of people in this country are deeply concerned with the current state of affairs in it. Obama’s candidacy happens to be the way that many are expressing that concern. We ought to plug into this groundswell. We ought to talk to them on their terms” (“What Is at Stake in the Coming Elections and What SDS Ought to Do About It,” *SDS News Bulletin* No. 6, undated). Babken DerGrigorian certainly did not want to miss the boat—he dove into the groundswell, taking a job as a staff member for the Obama campaign!

The speeches at the rally argued that it was crucial to defeat McCain and Palin, the continuators of the Bush regime, as was, in the words of leading SDSer Eric Gardner, “holding the Obama administration to their antiwar promises.” The claim that Obama made

“antiwar promises” is patently false, as evidenced by his defense of American imperialist interests, such as his calls to increase troops in Afghanistan and his military threats against Iran and Pakistan.

The irony is, jumping headfirst onto the Obama bandwagon only netted SDS a headache—basically the only attendees at the demo were the organizers! People won’t hobnob with Robin when they can hang with Batman: the pro-Obama students didn’t stay home—they were a little way down UCLA’s Bruin Walk with the real deal, the Bruin Democrats.

We in the Spartacus Youth Club know campaigning for capitalist politicians only builds faith in the capitalist system. We stood in opposition to this rally for the Democratic wing of the bourgeoisie, selling *Workers Vanguard* with the front page headlining, “McCain, Obama: Class Enemies of Workers, Oppressed” and “Down With the Rotten Capitalist System! For a Workers Party to Fight for Socialist Revolution!” On the battlefield of class struggle, the SYC stands with the working class and for its historic task of international socialist revolution. SDS has proven time and time again, they stand with the capitalist camp and its current commander, Barack Obama.

SDS...

(continued from page 5)

student radicalization across the country and undermined illusions in the good offices of campus administrations and the Democratic Party.

Meanwhile, the escalation of the imperialist war in Vietnam meant more youth were being drafted, adding a direct material interest against American imperialist aims to the moral outrage felt by student activists. In 1965, SDS initiated the first nationwide protest against the Vietnam War. To many LID liberals, protesting a war against Communism was as bad as supporting the Communists outright. Furthermore, SDS's call for the march included no anti-Communist exclusion clause. With a rush of new members and continued radicalization, SDS would abolish its anti-Communist exclusion clause at its 1965 summer convention, and soon afterward it split from the LID entirely.

Radicalization: the Civil Rights Movement

When the civil rights movement spread to the North, fighters for black freedom confronted not Southern legal segregation, but the vicious inequality and racial oppression embedded in the American capitalist system. The struggle for fundamental change in the conditions of black life—for real equality, for jobs, decent housing and adequate schools—collided head-on with the realities of American capitalism. The Northern ghettos were exploding in protest. At the 1964 Democratic Party convention, the Johnson/Humphrey machine crushed the attempt by delegates from the anti-racist Mississippi Freedom Democratic Party to unseat the Jim Crow Mississippi delegation.

The civil rights movement was fracturing as young militants broke from the Democratic Party and the liberal pacifism exemplified by Martin Luther King Jr., who said of the Watts ghetto upheaval, "It was necessary that as powerful a police force as possible be brought in to check them" (*New York Times*, 16 August 1965). As we wrote in "Black Power—Class Power":

"In contrast to the reform program of the civil rights movement, the demands of the black masses are necessarily and inherently class demands, and demands which the ruling class cannot meet.... It is this transition which is represented by the black power slogan. Its popularization represents the repudiation of tokenism, liberal tutelage, reliance on the federal government, and the non-violent philosophy of moral suasion. In this sense, therefore, black power is class power, and should be supported by all socialist forces."

—*Spartacist West* No. 8, 30 September 1966, reprinted in *Marxist Bulletin* No. 5 (Revised), September 1978

At the same time, we warned of the "black power" slogan, in the absence of a broader class fight:

"It can be used by petty bourgeois black nationalist elements who want to slice

Jackson, Mississippi, 1963: Civil rights activists sit in at lunch counter to protest Jim Crow segregation.



the social cake along color rather than class lines and to promote reactionary color mysticism. More seriously, it can be degraded to mean mere support for black politicians operating within the system."

This was a prescient warning. As struggle ebbed, such was exactly the bill of goods sold to the black masses.

Co-optation was one weapon of the racist rulers; extermination was another. The best elements of radicalized black youth drawn to the Black Panther Party faced a systematic government campaign of assassination, police provocations, frame-ups and imprisonment, including through the FBI's notorious Counter-Intelligence Program. The Panthers' glorification of ghetto rage and rejection of the Marxist understanding of the role of the working class left them vulnerable to state repression. In the face of this repression, the Panthers turned to the right, into the orbit of the reformist Communist Party and its lawyers, as well as of the Democratic Party. (See "Rise and Fall of the Panthers: End of the Black Power Era," *Marxist Bulletin* No. 5 [Revised], September 1978.)

The Vietnam War

Today, the SDS of the second mobilization displays chauvinist support for the forces of U.S. imperialism. In a grotesque testament to "support our troops" patriotism, the Lancaster, Pennsylvania, chapter of SDS "collected and sent care packages to U.S. soldiers in Iraq and civilians in Iraq and Afghanistan. This is now going to be a monthly event..." (*SDS News Bulletin* No. 4, May/June 2008). The University of North Carolina-Asheville chapter set out white flags commemorating U.S. soldiers killed in Iraq together with shoes representing Iraqis killed under the American occupation ("UNCA SDS Iraq Body Count," *SDS News Bulletin* No. 1, October 2007). SDS's University of Chicago chapter has close relations with Platypus, an organization known for *not* opposing the occupation of Iraq (see "Platypus Group: Pseudo-Marxist, Pro-Imperialist, Academic Claptrap," *Workers Vanguard* No. 908, 15 February 2008).

We stand for the military defense of the peoples of Iraq and Afghanistan against the brutal U.S. imperialist occupiers. As revolutionary Marxists, we side with oppressed countries against the predatory imperialist powers. But unlike in Iraq and Afghanistan, there was also another element at work during the Vietnam War: there was a socially progressive character to those who fought against the imperialist butchers. The heroic Vietnamese had carried out a social revolution, albeit bureaucratically deformed, overturning capitalism in the North, and they were fighting to extend this to the South. We demanded the immediate and unconditional withdrawal of U.S. forces and called for the military defense of the National Liberation Front and North Vietnamese forces, raising revolutionary slogans, including "Victory for the Vietnamese Revolution...No negotiations!" and

"All Indochina must go Communist!"

As U.S. involvement in the Vietnam War escalated, draft resistance spread among militant youth and SDS members. We oppose the draft, demanding "not one man, not one penny" for the imperialist military. But in the event of a draft, as we argued in "You Will Go!", adapted from a position paper we put forward in SDS, we oppose the voluntary purging of radicals from the army, which would only strengthen the ideological purity and political reliability of the army. Instead, we said young militants should go with the working-class and minority youth and continue their political agitation (see *Spartacist* No. 11, March-April 1968).

As opposition to the war grew, more and more young activists stopped chanting for "peace" and began calling for "Victory to the NLF!" As we explained in the founding document of our youth organization, *Youth, Class and Party* (adopted in 1971; reprinted as a pamphlet in December 1974):

"When the liberal establishment backed the imperialist adventure in Vietnam, it drove the radical student movement to the left and opened the path to revolutionary politics.

"As the Vietnam war drove the New Left away from the liberals, the New Left began to re-examine the 'Communist bloc' and came to identify with Stalinism in its 'militant Third World' form. New Lefters did not consciously identify with the legacy of Stalinism as embodied in the Soviet Union. Instead they created a false dichotomy between the conservatism and opportunism of Soviet Stalinism and the apparent militancy of 'Third World' Stalinist governments and leaderships like those of China, Cuba and the NLF."

Several variants of Maoism would attract a following in SDS. One was Progressive Labor Party (PL), a left split from the pro-Moscow Communist Party. PL put forward a crude working-class line against the blatant petty-bourgeois politics of Mike Klonsky's wing of SDS, the Revolutionary Youth Movement (RYM), which advanced a petty-bourgeois notion of sectoralist struggle, according to which the Vietnamese would fight for their liberation and independence, blacks in the U.S. for theirs, women for theirs, and so forth. By RYM's lights, the role of revolutionary-

minded students was to act as propaganda bureaus and support groups for these various "vanguards." Ultimately, this sectoralism was just a "radical" version of standard ward-heeling-type Democratic Party constituency politics, with the working class relegated at best to another "oppressed" constituency rather than the agency for fundamental social change. Various Maoist outfits contended within and emerged from RYM, including what would become today's Revolutionary Communist Party.

Maoism did not represent a break from Stalinist class collaboration, but rather "Khrushchevism under the gun" of U.S. imperialism. Seeking to win young radicals to a Trotskyist program, we exposed the Chinese Maoists' repeated attempts to form a reactionary, anti-Soviet bloc with U.S. imperialism at the expense of social struggles around the world. This alliance was sealed by Mao's 1972 meeting with U.S. war criminal Richard Nixon in Beijing as American warplanes rained death and destruction on Vietnam, and it eventually destroyed the Maoist movement for all intents and purposes within the "belly of the U.S. beast."

As we stated in *Youth, Class and Party*: "Only by replacing the Stalinist parties with parties unalterably committed to internationalism can the power of the Sino-Soviet states be used to further the struggle for world socialism. Recognizing that collectivized property and economic planning constitute a major qualitative gain for the workers in the Sino-Soviet states, we unconditionally defend these property forms against imperialist attacks and capitalist encroachment." Uniquely on the left, today we uphold the same Trotskyist program of unconditional military defense and proletarian political revolution for the remaining bureaucratically deformed workers states of China, North Korea, Vietnam and Cuba.

Student Radicals in Search of Revolutionary Program

By the end of the spring of 1968, universities had been shut down and reopened, administration buildings occupied and then abandoned. This did not stop the Vietnam War—the government escalated troop deployments to Vietnam. Radical youth within SDS were becoming increasingly restive with student-centered politics. Clearly, there was a limit to "student power." The question was posed: if not students, then what force could bring social change? The French general strike of May 1968 gave an answer. This incipient workers revolution in France exposed the charlatanry of an earlier generation of "post-Marxist" ideologues such as Herbert Marcuse, who had written off the revolutionary potential of the working class. May '68 forced the New Left to confront the key question of class, laying the basis for new layers of youth to be won to revolutionary Marxism.

SDS's rejection of the "Old Left" was in large measure a response to the boring reformist politics of the Stalinist Communist Party, which had been deeply ensconced in Democratic Party politics



Cuban soldiers during 1961 Bay of Pigs invasion. Heroic Cuban forces defeated Kennedy's attack on Cuban Revolution.

SPARTACIST

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Exchange with Revolutionary History

For a Leninist Party in Greece! For a Socialist Federation of the Balkans! The Founding of the Trotskyist Group of Greece

Elizabeth King Robertson, 1951-2005

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for decades and whose idea of black struggle was to follow the lead of the “respectable,” religious black leaders. The most widely known self-styled Trotskyist organization at the time, the Socialist Workers Party (SWP), was moving rapidly to the right when our founding cadres were expelled as a left-wing opposition in 1963-64. The SWP and its National Peace Action Coalition (NPAC) gave Trotskyism a bad name as they promoted “peaceful, legal” single-issue antiwar peace crawls in order to make a reformist alliance with the defeatist wing of the U.S. bourgeoisie and social-democratic trade-union bureaucrats. The SWP’s alliance with liberal imperialists was sealed in blood when Spartacist supporters along with PLers and SDSers were beaten and expelled from a 1971 NPAC conference for protesting the presence of ruling-class politician Vance Hartke on the platform. (See “The Vietnam Antiwar Movement and the National Peace Action Coalition,” WV No. 920, 12 September 2008).

Our Trotskyist program won a hearing within SDS, and the forebear of today’s Spartacus Youth Clubs was founded as the Revolutionary Marxist Caucus (RMC) in SDS in early 1970. The RMC sought to win radical-minded students to a revolutionary, internationalist and proletarian communist program. This included fighting for an understanding of the lessons of the Russian Revolution of 1917, the world’s first successful workers revolution, which pulled Russia out of the bloody slaughter of World War I, expropriated the capitalist class, and placed Russia’s economy under the control of democratic workers rule through soviets (workers councils). The RMC also sought

Fight for Women’s Liberation’,” WV No. 910, 14 March 2008).

PL was vulnerable to our Trotskyist criticism, but ultimately they clung to their reformist “minimum/maximum program,” combining “communist” rhetoric with reformist practice. We warned: “By attempting to build on social guilt, moralism, and empiricism, the three most obnoxious and defective characteristics of the American left, PL creates the conditions for its own defeat and the continuous splits to the right.... Without a clearly reasoned theoretical explanation for its break with Stalinist theory, without an institution of real inner party democracy, and without a transitional program which bridges the gap between ‘rubber mats’ [PL’s concrete demands for workers struggle on campus were usually grotesquely minimal] and the dictatorship of the proletariat, PL is bound to create within itself right wing splits and transmit the same process to SDS” (“Final SDS Convention?,” *Revolutionary Marxist Caucus Newsletter* No. 6, March 1971). Indeed, PL eventually “led” its WSA-SDS in retreat into out-right liberal idealism, campus parochialism and ordinary reformism.

Terrorism and Communism

As we wrote in *Youth, Class and Party*:

“The break-up of the New Left, most evident in the 1969 SDS split, was caused by the inadequacy of New Left politics in the face of the general social crisis of the late ’60’s. With the collapse of the traditional New Left, there remained three general political tendencies on the left. One is an attempt to re-establish the ties between the left and the liberal political establishment, now possible because of the deep split in the ruling class over the Vietnam war. The sec-



Berd Whitlock

Olympia, Washington, November 2007: SDSers and others delay shipment of military goods for use in Iraq occupation. Although such actions are courageous, SDS opposes Marxist political program necessary to defeat U.S. imperialism.

to lay out Trotsky’s understanding of the material roots of the bureaucratic degeneration of the Russian Revolution (see our pamphlet, *The Stalin School of Falsification Revisited*).

In the summer of 1969 at the SDS National Convention in Chicago, facing the prospect of Progressive Labor’s positions gaining a majority, a clique within the SDS National Collective (NC), including Bernardine Dohrn and Mike Klonsky, engineered a split, lining up Black Panthers and others to race-bait PL supporters. When PL refused to take the bait, the NC splitters led their followers out of the conference. We remained with the PL-led Worker-Student Alliance (WSA) wing of SDS, based on its orientation, however crude, to the proletariat. But while PL correctly opposed the RYM splitters’ sectoralism, it also advanced (as it continues to do) a line of indifference toward special oppression, for example, racial and sexual oppression. We fought for a proletarian orientation on this question—we issued position papers within SDS, arguing for a Leninist vanguard party to bring the power of the working class to bear in the interests of *all* the oppressed (see “Racial Oppression and Working-Class Politics,” WV No. 897, 31 August 2007, and “The

ond is a policy of confrontation with the armed forces of the state and terrorism practiced in the name of Third World nationalism. The third tendency is that of proletarian socialism of which the Revolutionary Communist Youth is an important element.”

Lacking a proletarian strategy, and desperate to *do something*, some in the RYM wing ended up in the Weather Underground. The Weathermen would conduct acts of individual terror that were self-defeating and, more times than not, far more dangerous to themselves than to the bourgeoisie. Such a program was no break from liberalism, but in fact a logical conclusion, in extremis, of the liberal program of bearing “moral witness” to the government’s crimes. The Weathermen’s strategy was futile; at the same time, their targets were representatives of imperialism and capitalist oppression. As comrade Trotsky wrote of a German youth who had assassinated a Nazi:

“We Marxists consider the tactic of individual terror inexpedient in the tasks of the liberating struggle of the proletariat as well as oppressed nationalities. A single isolated hero cannot replace the masses. But we understand only too clearly the inevitability of such convulsive acts of despair and vengeance. All our emotions, all our sympathies are with the self-sacrificing avengers even



Helena Hermes

Paris, 29 May 1968: 800,000 workers at protest called by General Federation of Labor (CGT), led by the Communist Party. Prerevolutionary situation showed social power of working class, but was betrayed by Stalinist misleaders.

though they have been unable to discover the correct road.”

—“For Grynspan: Against Fascist Pogrom Gangs and Stalinist Scoundrels,” February 1939

While politically in opposition to the Weathermen, we fought for their defense, insisting that they were “an integral part of the radical movement.” We wrote:

“The real crime vis-a-vis terror politics and heroic individualism is that it allows the revolutionary energies of some of the movement’s most talented, dedicated people to be channeled into futile and self-destructive actions. It is our job to seek to redirect these energies into genuinely revolutionary directions.”

—“Terrorism and Communism,” *Spartacist* (English-language edition) No. 17-18, August-September 1970

Other so-called “socialists” refused to defend the Weathermen and often even joined the witchhunting chorus against them. The Communist Party and Socialist Workers Party both denounced this small, isolated, and persecuted outfit of misguided radical youth. For its part, PL branded the Weathermen “police agents.”

Although the new SDS is divided over whether the Weathermen were heroic, criminal or simply irrelevant, the Weathermen’s politics have a pale echo in the new SDS’s “acts of resistance” which, even at their most militant, lack both the social power and political program required to challenge the class rule of the capitalists. Like much of the “anti-globalization” movement, these protests are based on “the dangerously false idea that the capitalist U.S. is or could be pressured into being a democracy ‘for the people’ if only the anti-globalization youth were determined or creative enough to make the rulers pay attention.... Lacking a perspective of mobilizing the working class against the rule of capital, such confrontations with the cops amount to the streetfighting face of reformism” (“What Strategy to Defeat Imperialism?” WV No. 817, 9 January 2004).

In the Pacific Northwest, SDSers and others have repeatedly blocked military convoys, delaying shipments of war materiel to Iraq. These courageous protesters have been arrested, beaten and pepper-sprayed, but they lack the social power and political program needed to stop the U.S. imperialists’ overwhelming military might. Despite our vast political differences, we revolutionary Marxist youth defend SDS when it runs afoul of the state (see “UCLA: 16 Arrested at SDS/SWF Protest—Drop the Charges! For Free, Quality, Integrated Education for All!” WV No. 918, 1 August 2008, and “Drop Charges Against Evergreen 6! Reinstate Olympia SDS!” WV No. 914, 9 May 2008).

SDS Today: Second Time Farce...

Once the U.S. had been defeated on the battlefield in Vietnam and mass protests had ended, many former SDSers reconciled themselves to the capitalist system. Tom Hayden, for example, went on to become a well-known California Democrat and state senator. Many other lead-

ing lights from the “generation of ’68” went to work for Democratic Party mayors who oversee the oppression of the working class and oppressed in major urban centers. Former radicals also people the union bureaucracies and liberal civil liberties outfits, as well as the Democratic Party itself. Most recently, Tom Hayden, Carl Davidson and others got involved in Barack Obama’s presidential campaign. Obama, having been vetted and approved by the ruling class, is about to assume the role of overseer of the whole plantation.

The Republicans had attempted to make electoral hay out of Obama’s acquaintance with former Weather Underground member Bill Ayers, a luminary for many new SDSers. Chicago machine Democrat and mayor Richard M. Daley (whose father unleashed the police on the ’68 protests) testified to Ayers’ “rehabilitation”: “This is 2008, people make mistakes. You judge a person by his whole life” (*New York Times*, 4 October 2008). It is also the case that a section of the ruling class will never forgive the likes of Ayers and Dohrn, no matter how “rehabilitated” they are by other sections of the bourgeoisie with whom they have made their peace. Even more vicious has been the continuing racist persecution of former Panthers, not least Mumia Abu-Jamal, America’s foremost death row political prisoner (see “D.A. Petitions Supreme Court to Reinstate Death Penalty,” p. 2). The racist rulers have long memories. Believe it: they seek to stamp out even the hint of the militant challenge, however politically flawed, which faced them during the social explosions in the late 1960s and early 1970s.

Our model is not the confused, eclectic radicalism of the 1960s and early 1970s but rather the Bolsheviks who led the 1917 Russian Revolution. Alienated radical students have no social power per se; they can, however, be won to the fight for a revolutionary workers party, one that struggles for the political independence of the working class from all bourgeois parties and for workers’ state power. Today the fight for revolutionary consciousness is surely an uphill battle, but a necessary one. There is a massive gulf between this understanding and that of the liberal politics, including their more “militant” face, of the present SDS. ■

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Economic Crisis...

(continued from page 1)

wages and profits, or more broadly, surplus value, including rent and interest. The entire book was focused on the division of surplus value between financial and non-financial capitalists, and among competing groups of financial capitalists. It showed that for the most part capitalists are out to screw each other to the max. The politically decisive section of the bourgeoisie will subordinate their own immediate self-interest to what they see as the broader and longer-term interests of their class only when they feel sufficiently threatened by the working class from below or from hostile states from without. And when not, it's a Hobbesian world of all against all.

End of U.S. Post-World War II Economic Hegemony

Keeping that in mind, let's schematically view the postwar history of the American capitalist economy. For the first two decades following the Second World War, the U.S. dominated the world market in industrial products. It consistently ran very large balance of trade surpluses with almost all other capitalist countries. However, by the mid 1960s, West Germany and Japan had rebuilt and modernized their economies such that they could compete effectively with the U.S. in world markets, and also in the U.S. domestic market. So the flow of trade magnitudes was reversed. The U.S. began to run large balance of trade deficits.

Within a few years, this reversal destroyed the postwar international monetary system established at a conference in Bretton Woods, New Hampshire, in 1944. This was called the gold-dollar exchange standard. The currencies of most important capitalist countries were fixed for long periods against one another and anchored by the dollar. Washington promised—and the emphasis here is on “promised”—that other governments could freely exchange all the dollars they had for gold at a rate of \$35 an ounce.

By the beginning of the 1970s, that was no longer objectively possible. The volume of dollars held by foreign central banks far exceeded the U.S. stock of gold at \$35 an ounce. The French government of Charles de Gaulle, who resented American international dominance and aspired to restore the “grandeur” of France, started exchanging its dollar holdings for gold. So in August 1971, U.S. president Richard Nixon closed the “gold window,” ending the convertibility of the dollar into a universal commodity of intrinsic (labor) value. After a few ineffectual international conferences, what emerged was a non-system of fluctuating exchange rates. Since then currency exchange rates have been determined by market conditions modified by occasional government intervention. The reason I'm going into this is because the regime of fluctuating exchange rates had two long-term consequences, which underlay the present financial crisis.

One: it created a large new element of uncertainty, that is, risk of loss, in all



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international financial transactions, especially long-term financial transactions. Hence, currency exchange rates became a major sphere of financial speculation. A large part of Das's book on derivative trading discusses hedging against and speculating on changes in currency exchange rates.

Two: by severing the tie between the dollar and gold, American capitalism, at both the corporate and governmental level, has been able to massively increase its foreign debt, the only upper limit being the willingness of foreign governments and investors to hold dollar-denominated assets. The dollar is now worth only about **20 cents** in 1971 terms. This aspect of the current world crisis was recently underscored in a commentary by Richard Duncan in the London *Financial Times* (24 November 2008):

“When Richard Nixon destroyed the Bretton Woods International Monetary System in 1971 by closing the ‘gold window’ at the Treasury, he severed the last link between dollars and gold. What followed was a spiralling proliferation of increasingly spurious credit instruments denominated in a debased currency. The most glaring and lethal example of this madness has been the growth of the unregulated derivatives market, which has ballooned in size to \$600,000bn, the equivalent of almost \$100,000 per person on Earth.”

Increasing the Rate of Exploitation

In 1974-75, there was a major, very sharp world economic downturn. Though it didn't last long, it had important consequences especially in the U.S. Coming out of the economic downturn, the American capitalist class made a concerted effort to increase the rate of exploitation of the proletariat—that is, the ratio of surplus value to wages. They demanded, and got, give-back contracts and two-tier wages from the trade-union bureaucracy. They shifted production from the unionized Northeast and Midwest to the non-union South and Southwest and to low-wage countries in Latin America and Asia.

This anti-labor offensive, which began under right-wing Democratic president Jimmy Carter, was then escalated under the even more right-wing Republican president Ronald Reagan. It was signaled by the smashing of the PATCO air con-



John Harris/IFL

Capitalist class war against workers. Left: Leaders of PATCO air traffic controllers union hauled off in chains during 1981 strike. Above: Cops battle pickets during British coal miners strike in September 1984.

trollers strike in 1981, and the subsequent union-busting during the Greyhound strike and other strikes. We addressed the need of the labor movement to combat the capitalist offensive at the time, especially in the piece “Labor's Gotta Play Hardball to Win” (WV No. 349, 2 March 1984). What we said in “Hardball,” that labor can't play by the bosses' rules, remains just as valid for the U.S. labor movement today.

Here I want to emphasize an aspect of the anti-labor offensive in the early-mid 1980s that was not so obvious at the time. The ascendancy of monetarism and financial “deregulation” as a doctrine and pol-

2000s, the weight of manufacturing had been reduced to 14 percent of total output, and employed only 11 percent of the total labor force.

Basically, real hourly wages for non-supervisory workers peaked in the early 1970s. For most of the past three and a half decades, real compensation per unit of labor has been less than that level. Only occasionally and briefly, for example during the last phase of the 1990s economic boom, has real hourly take-home pay approached or exceeded what it was in the early '70s. Insofar as working-class families increased their income in recent decades, it was by having both husband and wife work full-time, working a lot of overtime and even two jobs, if such work was available.

However, by the beginning of the 2000s this extensive means of increasing family income was pretty much exhausted. At the same time, working people were faced with a sharp increase in certain basic expenses—housing (both buying and renting), medical care and college tuition for their children. So they had recourse to ever greater debt. By the eve of the current crisis in early 2007, average household debt was **30 percent greater** than annual disposable income. This was possible mainly because families were borrowing against the equity in their homes by “taking advantage,” so to speak, of the then expanding housing-price bubble.

Dot-Com Boom and Housing-Price Bubble

To understand the housing-price bubble of the early-mid 2000s, we have to backtrack a bit and look at the so-called dot-com boom of the mid-late 1990s. This was a classic boom-bust cycle as described by Marx in *Capital*. A burst of investment mainly in new technology—in this case, computerization, Internet services and telecommunications—increased what Marx called the organic composition of capital. This is the value of the means of production (the labor time embodied in it) needed to employ living labor. In bourgeois economics, it's called capital per worker. A rising organic composition of capital drives down the rate of profit. Even if productivity rises and wages don't, increased profit per worker does **not** offset increased capital per worker.

This dynamic was clearly seen during the 1990s boom in the telecommunications sector, one of the mainstays of the “new economy” or “IT (information technology) revolution.” The return on capital for telecommunications companies fell steadily from 12.5 percent in 1996 to 8.5 percent in 2000. At the time, a Wall Street analyst, Blake Bath, described in his own way the law of the falling tendency of the rate of profit with regard to telecommunications. “It looks like the sector is way overcapitalized,” he judged. “Spending has grown at absurdly fast levels relative to the revenues and profits produced by that spending” (*Business Week*, 25 Sep-



March 1984 WV supplement underlines the necessity for a class-struggle strategy for the workers movement.

icy in Reagan's America and also in Thatcher's Britain was in part based on and conditioned by the crippling of the labor movement. In Britain, the decisive rightward shift in the balance of class forces was the defeat of the 1984-85 miners strike. Comrade McDonald's recent note on the impact of the economic crisis in Britain pointed out that in 1986 the Thatcher government “deregulated” the City of London. It was, as they say, no accident that the unleashing of speculative finance capital in Britain took place right after the defeat of the miners strike.

In the U.S. in the 1980s, which liberals often call “the greed decade,” there was a massive upward redistribution of income, combined with a massive increase in U.S. foreign indebtedness. The Reagan administration cut taxes for the rich while greatly expanding military spending in the escalating Cold War II against the Soviet Union. To finance the resulting large government deficits, a large proportion of newly issued Treasury bonds were sold abroad, mainly to the Japanese. Within the space of two or three years, the U.S. went from being the world's largest creditor nation to the world's largest debtor nation.

The upward redistribution of income and the increasing U.S. foreign indebtedness was organically tied to the deindustrialization of America. Large parts of the Midwest came to be called the “rust belt.” In the mid 1960s, manufacturing accounted for 27 percent of U.S. gross domestic product and employed 24 percent of the labor force. By the early

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tember 2000). Or as Marx put it in volume three of *Capital*: “The *real barrier* of capitalist production is *capital itself*” (emphasis in original).

In 2000-01, the dot-com boom went bust, ushering in a recession. Seeking to soften the impact of the economic downturn, Alan Greenspan, head of the Federal Reserve (the U.S. central bank), flooded financial markets with money. The Fed cut the interest rate charged on short-term loans to member banks from 6.5 to 1 percent by 2003, at the time the lowest rate in half a century. During most of this period, the so-called federal funds rate was less than the rate of inflation. In effect, the government was giving away money to Wall Street financiers. In late 2004, the London *Economist* warned that America’s “easy-money policy has spilled beyond its borders” and “has flowed into share prices and houses around the world, inflating a series of asset-price bubbles.”

At the core of the current crisis is a class of financial instruments known as derivatives. Traditional, primary financial securities—corporate shares and bonds—are in a formal, legal sense claims on commodities, i.e., goods and services that embody both use value and exchange value as a product of labor. Derivatives are based on, or otherwise tied to, primary securities. A typical and important type is a credit default swap. Formally, and I emphasize formally, this is a kind of insurance policy against a corporate bond defaulting. However, you can buy a credit default swap without owning the corporate bond. In that case, it’s a form of speculation that the corporation will default. Imagine that 20 people hold fire insurance policies on the same building, 19 of whom *don’t* own the building. Well, welcome to the world of derivatives. Moreover, you can also speculate on price changes of a corporate default swap through what are called put or call options.

The basic point is that derivatives have been piled on top of derivatives on top of other derivatives. To quantify: in 2005, if you added up the nominal market value of all derivatives in the world, they were *three times greater* than the primary securities on which they were supposedly based. To understand the extreme severity of the current financial crisis, you have to recognize the *sheer magnitude* of what Marx called “fictitious capital” generated over the last few decades. In the early 1980s, if you added up the nominal market value around the world of all corporate shares and bonds and also government bonds, they were equal to about the annual output of goods and services, what bourgeois economists call the global gross domestic product. In 2005, the International Monetary Fund calculated that if you did the same operation, the value of only primary securities to global gross domestic product was almost four times greater. And if you put on top of that derivatives, the amount of risk in the financial system has been mul-

tiplied many times over.

Charles R. Morris, a critically minded financial journalist, described how this Everest of spurious paper “wealth” was concocted:

“How could leverage get so high? In the class of instruments we’ve been talking about, there are relatively few ‘names,’ or underlying companies, that are deeply traded, several hundred at most. And a relatively small number of institutions, basically the global banks, investment banks, and credit hedge funds, do most of the trading. In effect, they’ve built a huge Yertle the Turtle-like unstable tower of debt by selling it back and forth *among themselves*, booking profits all along the way. That is the definition of a Ponzi game. So long as a free-money regime forestalled defaults, the tower might wobble, but stayed erect. But small disturbances in any part of the structure can bring the whole tower down, and the seismic rumblings already in evidence portend disturbances that are very large.” [emphasis in original]

—*The Trillion Dollar Meltdown: Easy Money, High Rollers, and the Great Credit Crash* (2008)

As the tower of debt collapses, it is relentlessly pressing down the prices of

other governments offer seemingly more generous bailout packages.

We’ve also seen an increasing rift between the two core countries of the EU and euro zone: Germany and France. The vainglorious French president Nicolas Sarkozy, who perchance also happened to hold the revolving-door “presidency” of the EU during the second half of 2008, has presented himself as the savior of world capitalism. He has pushed various ambitious financial regulatory and economic “stimulus” schemes on both an EU-wide and international basis. Needless to say, Sarkozy’s posturing has not endeared him to the rulers of non-French imperialist states.

In particular, the German ruling class, represented by the coalition government of the Christian Democrats and Social Democrats, has rudely squelched the Frenchman’s various schemes. No German *geld*, they declaim, will be spent to pay for the profligacy and economic foibles of its European “partners.” More generally, the powers that be in Berlin have insisted that it’s up to other coun-

which the debtors have invested. So that increases the real burden of their outstanding debt and future debt repayments. Imagine that you were bailing out a large tub of water and that for every bucket you threw out, a bucket and a half flowed back into the tub through an underground pipe. Well, that’s basically the situation now facing foreign and also the Japanese investors who have taken advantage of the more than a decade-long yen carry trade.

At the same time, the appreciation of the yen is driving up the prices of Japanese goods in world markets at a time of rapidly declining global demand. The core of Japanese industrial capitalism is taking a big hit. Toyota expects a loss in its auto/truck business this fiscal year for the first time in seven decades. Sony has announced it is laying off 5 percent of the workforce in its electronics division and closing down up to six factories around the world.

Global Crisis Jolts China’s “Socialist Market” Economy

So what about China—which we understand is not capitalist, but a bureaucratically deformed workers state? During the 1997-98 East Asian financial-economic crisis, China effectively offset the impact of the crisis by substantially expanding investment in industrial construction and infrastructure. And the Beijing Stalinist regime is trying to replicate that policy now. In early November, it announced a big stimulus package (equivalent to \$585 billion) centered on expanding infrastructure—railways, roads, airports, ports and the like. Subsequently, however, it was reported that the actual amount is much smaller than initially indicated. Only one-quarter of the funds will be provided by the central government; the other three-quarters are supposed to come from local government bodies and state-owned banks. But these institutions have far more limited financial resources. Stephen Green, an economist with the Standard Chartered Bank in Shanghai, commented in this regard: “With revenues falling, it is difficult to see how local governments, banks and companies can make up the rest of the Rmb 4,000bn” (*Financial Times*, 15-16 November 2008).

Comrade Markin and I have discussed the impact of the global crisis on China. And we both think that this time around, unlike in the late 1990s, the Chinese economy is not going to get by basically unscathed. To begin with, this is not a regional but a global economic downturn. And it’s centered in the U.S. and West Europe. All indications are that it’s going to be very severe and fairly prolonged. One consequence is that this increases the likelihood of anti-Chinese trade protectionism in the U.S. and in West Europe.

We are going to see, and are now actually seeing, the *downside and inflexibility* of what the Chinese Stalinists call a “socialist market” economy. There are tens of thousands of factories in China employing tens of millions of workers

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Workers occupy office at Kaida toy factory in Dongguan, China, November 2008. Global economic crisis reveals downside and inflexibility of Chinese Stalinists’ “socialist market” economy.

all financial assets other than First World government securities. And they, too, may soon go.

Impact on West Europe and Japan

The financial crisis has greatly exacerbated the interimperialist tensions and conflicts of interest in what is increasingly becoming the European Dis-Union. The various national bailout schemes have intensified intra-EU financial competition. Short-term speculative money capital flows into those countries—for example, initially Ireland—in which government policies appear to make the banks and other financial institutions more secure. And then it flows right out again when

tries—read the U.S.—to fix their own economies in a way that will help Germany as well. In the words of German economics minister Michael Glos: “We can only hope that the measures taken by other countries...will help our export economy” (*Financial Times*, 1 December 2008). Dream on, Herr Minister!

Japan, which is a very big player in the international economy, has not gotten sufficient attention from the American financial press. Japan is the second biggest economy in the world. Even more importantly, it’s the largest creditor nation in the world. While China has recently overtaken Japan as the biggest holder of U.S. government securities, Japan holds a far larger volume of private debt from corporations all around the world.

In 1989-90, a real estate and stock market bubble in Japan burst, and it ushered in a decade of stagnation, what later came to be known as “the lost decade.” The monetary authorities pushed interest rates down to effectively zero in order to stimulate investment. As it happened, the policy worked but not in the way the government authorities intended it. The huge overhang of excess industrial capacity and “nonperforming bank loans” discouraged additional investment *in Japan itself*. So Japanese financiers and investors all over the world borrowed cheap money in Japan and then invested it in other countries where for one reason or another the rate of return was higher. In the financial press this was known as the “yen carry trade.”

The yen carry trade is now being pushed hard into reverse gear. That is, investors are selling their assets all over the world, at rapidly diminishing prices, in order to repay their loans to Japanese banks and other institutions. But this has become a *self-defeating* process. Because as this money floods into Japan, it drives up the value of the yen relative to the currencies of almost all the countries in

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Economic Crisis...

(continued from page 9)

owned by domestic entrepreneurs, off-shore Chinese capitalists in Hong Kong and Taiwan and foreign corporations that produce commodities specifically geared to the advanced capitalist countries, commodities like toys, CD players and global positioning systems for cars. These factories cannot quickly and easily shift production to, say, producing household appliances for Chinese workers and peasants. And that would be the case even if the People’s Liberation Army flew helicopters over working-class neighborhoods and rural villages and dumped bundles of money for the inhabitants.

Furthermore, the Beijing regime has encouraged its own version of a housing-price bubble and a residential construction boom. The large and increasingly affluent urban petty bourgeoisie—Chinese yuppies—borrowed money to buy, build and expand houses not just to live in them but as financial investments. They expected that the market price of these would continue to spiral ever upward. Well, the housing bubble has now burst. In one upscale Beijing neighborhood, the price to purchase new apartments fell 40 percent between February and October of last year. The London *Economist* (25 October 2008) commented: “The housing market provides some nasty shocks to China’s new middle classes.” Of course, we’re not that concerned about the travails of Chinese yuppies. We are, however, very much concerned about the effect of the collapse of the housing-price bubble on *our* class: the proletariat. It’s had a depressing effect on the residential construction industry, most of whose labor force consists of male migrant workers from the countryside.

The upshot is that China, unlike almost all capitalist countries, is not going to go into a recession. But the likelihood is that it is going to experience a sharp decline in the rate of growth, which in the past couple of decades has averaged around 10 percent. Correspondingly, there’s going to be a large increase in the number of urban unemployed, both from workers, who are laid off in the private sector, and from peasants, who are coming into the cities looking for work but not finding any. According to official figures, by the end of November, ten million migrant laborers were laid off from their jobs in urban China. And this economic distress is going to produce increased social unrest. There have already been angry protests by laid-off factory workers in the Pearl River delta, the main region in China producing light manufactures for First World markets. What we do not and cannot know is whether the increase in worker unrest will destabilize the political situation. That is beyond the scope of our current knowledge.

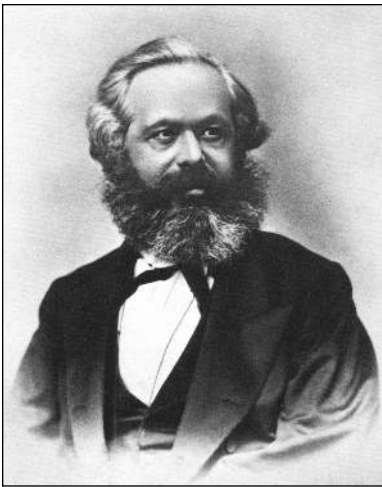
The Revival of Keynesianism

What’s likely to happen? All indications are that this is going to be an exceptionally severe and prolonged world economic downturn, especially bad in the

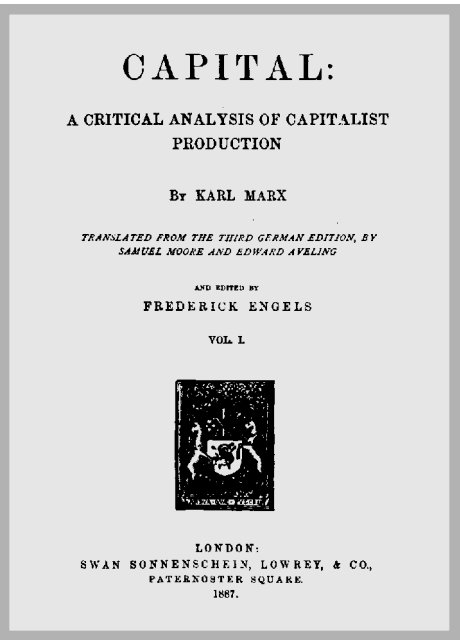
U.S. and Britain. At the level of ideology, and to a lesser extent, policy, we are going to see, and have already seen, a shift from the right wing to the left wing of the bourgeois political spectrum: fiscal policy based on increased deficit spending, partial nationalization of the banks and other financial institutions, attempts at expanding and tightening regulation of financial transactions and the like.

Comrade Robertson and others have observed that monetarism as a doctrine has been completely discredited and Keynesianism is back in fashion. I have seen more positive references to John Maynard Keynes in the English-language financial press in the last six weeks than I have seen in the last ten years. Comrade Blythe pointed out that it is a deeply ingrained American liberal myth that Franklin Roosevelt’s New Deal, based on Keynes’s doctrines, got the U.S. out of the Great Depression of the 1930s. No, what got the U.S. out of the Depression was the expansion of “public works” during World War II, the “public works” being tanks, fighter planes, aircraft carriers and the atomic bomb.

We have written about Keynesianism in the past, unfortunately the rather distant past in terms of our tendency’s history. I recommend in particular three pieces. In the early 1960s Shane Mage, a founder of our tendency, wrote a doctoral thesis, “The ‘Law of the Falling Tendency of the Rate of Profit’: Its Place in the



Progress Boom-and-bust cycles outlined by Karl Marx in his seminal work, Capital, demonstrate fundamental irrationality of capitalist system of production.



Keynes at the theoretical level as well as an empirical analysis of the U.S. during the 1930s, the actual policies of the New Deal and the economic developments during the Second World War.

I want to conclude with a couple of points where the current situation is very different than in the 1930s. As I previously indicated, the current situation is very different in that the sheer volume of nominal, legally contractual debts that cannot be repaid far exceeds, by large multiples, the financial resources of capitalist govern-

be enough investors to buy the bonds, or at the very least over whether this will push yields substantially higher to attract them.”

So all these bailout schemes can at most offset a small fraction of the losses.

The second is that the U.S. is going into this deep downturn with an enormous existing overhang of debt, much of which is held by East Asian governments and investors. And this puts a pretty tight upper limit on additional deficit spending. In his first post-election pronouncement, Barack Obama sought to *dampen*, not encourage, expectations that the U.S. is soon going to return to “prosperity”: “I have said before and will repeat again: It is not going to be quick, and it is not going to be easy for us to dig ourselves out of the hole that we are in.” Thus spake the new chief executive of the most powerful capitalist country in the world.

So what is the solution? It is, as we know, both simple and radical. The working class has to take over the productive resources of society—the factories, transport systems, electric power generating systems—from the capitalists and, through the establishment of a planned economy, use these resources in the interests of the working class and society at large. But in order to do that, you need a political party that represents the interests of the working class against the capitalist class. In the U.S., such a party would also stand for the rights and interests of the black and Latino oppressed minorities, for the rights of immigrants and all other oppressed sections of society. To build such a party, the workers have to break with, in particular, the Democratic Party—that is, the more liberal, or at least more liberal-talking, party of American capitalism. It is also necessary to oust the existing pro-capitalist labor bureaucracy and replace it with a leadership that fights for the interests of the workers, and again, of all of the oppressed. And it’s only when that is done that it will be possible to realize a basic principle, namely, that those who labor must rule.■



Barcelona, Spain: Nissan workers protest job cuts, November 2008, as world economic downturn hits Europe.

Marxian Theoretical System and Relevance to the U.S. Economy” (Columbia University, 1963). Incidentally, his thesis adviser was Alexander Ehrlich, the author of *The Soviet Industrialization Debate 1924-1928*. Mage’s work contains a section explaining the difference between Keynes’s and Marx’s understanding of the basic cause of economic downturns. In the 1974-75 world economic downturn, I wrote a piece called “Marx vs. Keynes” (WV No. 64, 14 March 1975), which was partly theoretical and partly empirical. And in 1997-98, WV ran a five-part series under the general heading of “Wall Street and the War Against Labor.” Part Three, “The 1930s New Deal and Labor Reformism” (WV No. 679, 28 November 1997), contains an analysis of

ments. Already, Britain and Italy have encountered difficulties in financing the increased budget deficits resulting from their various bailout schemes. The *Financial Times* (1 December 2008) quoted Roger Brown, a financial analyst with the Swiss bank UBS, who pointed out:

“Governments are already running into problems, which does not bode well so early after the [bank] recapitalisations and extra funding needs have been announced. “We do have to ask whether there will

Mumia...

(continued from page 2)

In building for the December 6 protests in Philadelphia and other cities, *Workers World* (18 October 2008) stressed, “This is now his last chance for a new guilt-phase trial.”

The reformists’ illusions in capitalist democracy can be seen in the elation of WWP and the ISO over the election of Barack Obama. *Workers World* (14 November 2008) declared: “The election victory of Barack Obama will go down in history as a triumphant step forward in the struggle against racism and national oppression in the U.S.” The ISO threw an election night party in Harlem to “celebrate the end of far too many years of republican [*sic*] rule.” Just weeks earlier, Obama gave an interview with another admirer—right-wing journalist Michael Smerconish, a prominent voice calling for Mumia’s death and co-author, along with Maureen Faulkner, of the 2006 lying

tract, *Murdered by Mumia*. Claiming he hadn’t studied Mumia’s case, Obama nonetheless promised, “In my mind if someone killed a police officer, they deserve the death penalty or life in prison.”

The battle for Mumia’s freedom cuts to the core of racist American capitalism and its state. We fight for Mumia’s freedom as part of the struggle for black liberation based on the program of revolutionary integrationism. We fight against every manifestation of racist oppression, a struggle which can be victorious only through the full social, political and economic integration of black people into an egalitarian *socialist* society. The social power of labor needs to be mobilized in his defense. *Mumia Abu-Jamal is innocent! Free Mumia now! Abolish the racist death penalty!*

To contribute to Mumia’s legal defense, make checks payable to “National Lawyers Guild Foundation” (earmarked “Mumia” on bottom left) and mail to: Committee to Save Mumia Abu-Jamal, P.O. Box 1012, New York, NY 10159-2012.■

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UE Workers...

(continued from page 3)

issued statements of solidarity. The Partisan Defense Committee, a class-struggle, non-sectarian legal and social defense organization associated with the Spartacist League, wrote in a December 6 letter of support: “This action is an example of what is needed for working-class struggle throughout the country.... If there is any attempt on the part of the company or the state to victimize these workers, we call on all labor to rally to their defense.”

Reeling from the global economic crisis, the U.S. capitalist rulers are intent on restoring profits by gutting the United Auto Workers (UAW) and other manufacturing unions. Detroit, home to auto’s Big Three, is already one of the nation’s most beleaguered cities, with official unemployment now above 21 percent and more than 44,000 abandoned homes.

A host of capitalist Democratic Party politicians immediately stepped in to contain the struggle at Republic and helped broker the quick settlement. With sit-in demands limited to calls for the severance benefits and eight weeks’ pay to which workers are entitled under federal law, Democrats, from president-elect Barack Obama on down, expressed their support. As *Workers Vanguard* salesmen said in discussions with Local 1110 members occupying the Republic plant, workers must place no reliance on such support, coming as it does from the quarters of the class enemy. Democrats voice sympathy for workers only so they can more effectively pose as phony “friends of labor” while defending the interests of big business.

Obama and the Democrats have worked hand-in-hand with the Bush administration to bail out Wall Street and now put the squeeze on the UAW. If auto workers were to occupy a plant in defense of their livelihoods, Obama et al. would have a very different reaction. In a December 21 interview on ABC’s *This Week*, vice president-elect Joseph Biden summarized the incoming White House’s position: “Labor, in order to save their own jobs, in order to save the prospect of an industry, is going to have to make some more sacrifices.”

To hell with sacrifice! The working class has been taking it for decades. Speaking at the PDC’s December 14 Holiday Appeal for Class-War Prisoners in Chicago, Local 1110 steward Ricardo

Caceres said, “This is an example right now for each person working in the United States. Take the example—no more abuse!” What’s needed is militant labor action, drawing upon the collective strength of the union movement backed by the millions of working and unemployed people. Key to fighting the bosses’ all-sided and escalating attacks is the *political independence* of the working class from the bourgeois state and the capitalist parties.

By chaining the unions to the class enemy, primarily through support to the Democratic Party, the trade-union bureaucracy has effectively done the dirty work of keeping class peace and enforcing givebacks. Over a century ago, American socialist pioneer Daniel De Leon aptly called these union misleaders the “labor lieutenants of capital.” Today the labor tops, who poured **\$450 million** into the 2008 elections, spread the lie that the Democrats will “fight for our jobs.”

The UE brass is no exception. Not only did they mobilize the UE ranks to hustle votes for Obama last fall, but they also embraced one Democrat after another during the sit-in at Republic. Even before the sit-in began, the UE tops had placed the fate of union members in the hands of Democratic Congressman Luis Guterrez, a loyal cog of the Chicago Daley machine, to “mediate” the dispute with the Republic bosses.

This open class collaboration was cheered on by reformists like the International Socialist Organization (ISO) and Workers World Party (WWP), water boys for “progressive” pro-capitalist trade-union bureaucrats and Democratic Party politicians. Having helped build support rallies for the Republic workers, the ISO gushed in its online *Socialist Worker* (10 December 2008): “With this grassroots support from below, and the support of politicians like President-elect Barack Obama from above, there’s heavy pressure on Bank of America to hand over the cash needed to settle workers’ claims.” Meanwhile, *Workers World* (10 December 2008) proclaimed the Democrats’ “support of the workers’ struggle” a “monumental victory.”

Such shameless enthusing over the role of the Democratic Party is typical of the reformists, who share with the union bureaucrats a touching faith in this capitalist party. In fact, there is little that the reformists won’t say to cover for the Democrats. In the December 17 issue of

its paper, WWP absurdly proposes that the arrest of Illinois governor Rod Blagojevich was planned to stop him from carrying out his threat to cut off the state’s business with Bank of America unless the Republic workers got their checks, as well as “to warn Obama not to do anything like this ever again”!

As Marxists, we seek to arm the proletariat with the consciousness and leadership necessary for combat with the forces of the capitalist class. This means taking on the class-collaborationist politics of the trade-union bureaucracy and their left hangers-on. Not so the centrist Internationalist Group (IG), which in its December *Internationalist* article on the plant occupation entirely conceals the fact that the UE tops, like the rest of the labor bureaucracy, reinforce the political subordination of the workers to the Democratic Party. So while the IG warns that “unemployment is going to get worse, a lot worse, under Obama,” it alibis the UE bureaucrats by leaving unsaid their support for him.

Even after winning their demands of severance pay, Republic workers are out of a job and the bosses are free to open their non-union Iowa shop. At the same time, this action gave a taste of the power of labor. There is no simple trade-union solution to the situation confronting the working class. But by wielding the methods of class struggle on a wide scale, workers can advance their cause, starting with organizing the unorganized. As we wrote in “Bosses Declare War on UAW Workers” (WV No. 926, 5 December 2008): “The labor movement would find many allies if it were to take up the fight for socialized medicine—the expropriation of the parasitic health care and drug companies, who are an immediate threat to the well-being of just about everyone in this country. A fight to demand that the government extend unemployment benefits and guarantee the pensions of all workers...would also garner many allies.”

But the present sellout union leaders are not about to step beyond what is acceptable to the capitalists. The road forward requires a political struggle against the labor tops and the forging of a new leadership that will mobilize union power independently of the bosses’ government and parties. As the revolutionary leader Leon Trotsky wrote after the waves of sit-down strikes that rocked the U.S. and France in the 1930s: “Independently of

the demands of the strikers, the temporary seizure of factories deals a blow to the idol, capitalist property. Every sit-down strike poses in a practical manner the question of who is the boss of the factory: the capitalist or the workers?” (*The Death Agony of Capitalism and the Tasks of the Fourth International*, 1938). The UAW was born in the 1936-37 occupation of the huge Fisher Body plants in Flint, Michigan, which in turn inspired workers to occupy production lines in plant after plant across the country. Significant gains were won in those years, but from the outset workers were pushed away from a socialist political perspective by CIO union leaders and into the arms of Franklin D. Roosevelt’s “New Deal” and the Democratic Party.

Importantly, in the process of occupying the Republic factory, black and Latino workers were able to overcome the poisonous racial and ethnic divisions fueled by the company. Up until then, according to Latino worker Apolinar Cabrera, many immigrant UE members felt that black workers were privileged: “They get a chance to communicate with the management. When layoffs come, maybe they get a chance to stay in the plant [instead of] being laid off” (Chicago Public Radio, 17 December 2008). At the same time, black Local 1110 vice president Melvin Maclin recalled that black workers had felt that they were being laid off because they were black and that they had considered reporting the Latinos to immigration. But opinions changed with the plant occupation: “When we first decided to do this, we all thought we were going to jail,” said Maclin. “But for me to see a lot of people standing up, willing to occupy the plant, concerned that there could be immigration issues, that just raised my respect for them even [more]. It’s to the ceiling.”

It is through *united class struggle* that the divisions between white and black workers, and between the native-born and immigrants, can be overcome. As we wrote in “Labor: Defend Immigrant Rights!” (WV No. 898, 14 September 2007):

“There is a crying need for a revolutionary workers party—a party that fights to *organize the unorganized*; that mobilizes labor’s power to *bust the union-busters*; that fights tooth and nail in defense of the rights of black people, immigrants and all the oppressed; that fights for a *workers government* that will expropriate the bloodsucking capitalist rulers and uproot their system of exploitation, oppression and imperialist war.” ■

Bloodbath in Gaza...

(continued from page 1)

destroyed lives, with barely supplied hospitals overwhelmed by the number of the injured and mutilated arriving. Even the pro-Zionist *New York Times* found that the initial airstrikes, which took place as women congregated in the markets and children emerged from schools, had “a shocking quality.”

The Israeli air attacks especially targeted government buildings and other installations occupied by Hamas, which the Zionists and imperialists have long labeled “terrorist.” In preparation for the attacks, Israel launched a disinformation campaign, announcing that it would open border crossings and postpone threatened airstrikes. Hamas, which had evacuated its personnel from official buildings, then, according to an Israeli official, “sent its people back in when they heard that everything was put on hold” (*Ha’aretz* online, 28 December 2008). Scores of them died under the bombardment.

Meanwhile, in the West Bank, the Palestinian population has been sealed off by an apartheid wall and subjected to a deadly military occupation. A Palestinian youth participating in protests near Ramallah against the airstrikes in Gaza was shot to death by Israeli forces. *All Israeli troops and settlers out of the Occupied Territories!*

Israel’s mass murder in Gaza was cold-

bloodedly prepared months in advance. *Ha’aretz* online (28 December 2008) reported that Barak “instructed the Israel Defense Forces to prepare for the operation over six months ago, even as Israel was beginning to negotiate a ceasefire agreement with Hamas.... Barak gave orders to carry out a comprehensive intelligence-gathering drive which sought to map out Hamas’ security infrastructure.” Israel effectively put an end to the unstable “ceasefire” with Hamas—on the night of the U.S. presidential election—by launching attacks in Gaza that killed half a dozen Hamas militants. The resulting (largely ineffective) mortar and rocket attacks from Gaza against nearby Israeli towns were then used as the pretext for the massive assault.

Across the Near East, protests of tens of thousands have erupted, not only denouncing the Zionist massacre but also condemning the pro-U.S. Arab regimes, not least that of Egypt. On the eve of the assault, Israeli foreign minister Tzipi Livni briefed Egyptian president Hosni Mubarak on Israel’s plans. Mubarak promptly rushed several hundred additional guards to help police the border wall separating Gaza from Egypt. As frantic Palestinians fleeing the Israeli bombardment stormed across the border, Egyptian guards opened fire. According to *Al Jazeera* (30 December 2008), “Mubarak announced on Egyptian television...that the Rafah crossing will not be fully re-opened until Mahmoud Abbas, the Palestinian president, regains authority in the territory.” For his part, while condemning the Israeli

attacks, Palestinian Authority president Abbas grotesquely blamed Hamas for the Israeli attack and called on them “to stop the bloodshed.”

That call parallels the line of the Bush administration, which predictably announced that it “holds Hamas responsible.” Meanwhile, Democratic president-elect Barack Obama made his support to Israeli attacks on Hamas clear during the presidential election campaign, stating: “If somebody was sending rockets into my house where my two daughters sleep at night, I’m going to do everything in my power to stop that. And I would expect Israelis to do the same thing.”

A 27 December 2008 statement by Workers World Party’s (WWP) International Action Center declared: “We demand that U.S. aid to Israel be cut to zero, and that this money be used instead for reparations for the Palestinian people, to ensure their right to return, and for homes, jobs, health care and education for working people in the U.S.” The reformist WWP, which celebrated Obama’s victory as a “triumphant step forward in the struggle against racism” (*Workers World*, 14 November 2008), promotes the lie that U.S. imperialism can serve the interests of the Palestinians abroad and working people at home. U.S. imperialism—responsible for the slaughter of hundreds of thousands in the occupations of Afghanistan and Iraq—is the deadliest enemy of workers and the oppressed throughout the world. *U.S. out of Iraq and Afghanistan! Down with U.S. imperialism!*

Both the Palestinian Arab and Hebrew-

speaking peoples of Israel/Palestine lay claim to the same small piece of land. Under capitalism, the exercise of national self-determination by one will necessarily be at the expense of the other. The national emancipation of the Palestinians—including the right of all refugees and their descendants to return to their homeland—necessarily entails workers revolutions to shatter the Zionist state from within and to sweep away the Hashemite Kingdom of Jordan, the Syrian Ba’athist bonapartists and the capitalist rulers of Lebanon—countries that all have sizable Palestinian populations. We look to the proletariat of the region more widely, such as in Egypt, which has been a center of working-class strikes and protests over the past several years. *For a socialist federation of the Near East!*

Israeli society is not a seamless mass of reaction but a class-divided society, with a working class exploited at the hands of its “own” ruling class. We have no illusions that it will be easy to shatter the chauvinism of the Hebrew working class. It will likely take cataclysmic events—such as military defeat or revolutionary upheavals in the region—to break the Israeli proletariat from Zionism. This task is not made easier by the criminal indiscriminate terror bombings carried out by Palestinian forces against Israeli civilians, which drive the Hebrew population further into the arms of the Zionist rulers. The key in Israel/Palestine, as throughout the region, is the forging of revolutionary workers parties that fight for socialist revolution internationally. ■

Greece Rocked by Protests

In response to mass protests in Greece against police violence and state repression, the Trotskyist Group of Greece on 9 December 2008 issued the leaflet published below. The translation and accompanying introduction, which we have adapted here, were first published by *Workers Hammer*, paper of the Spartacist League/Britain. The TGG and SL/B are sections of the International Communist League, as is the Spartacist League/U.S.

The protests erupted over the cop murder of a student in Athens on December 6. The leaflet was distributed during the massive one-day general strike on December 10, which had been called by the main union federations before the killing, in opposition to the government's anti-working-class austerity program. The Greek government asked the trade-union leadership to call off the strike but the bureaucracy feared a backlash at the base if they cancelled the strike. The unions rallied at the parliament building instead of marching through the city. The main Greek trade-union federations—the General Confederation of Workers of Greece (GSEE) and the Confederation of Public Servants (ADEDY)—are led by PASOK, which, while often painted as a reformist workers party by the Greek left, is a thoroughly bourgeois-populist formation.

Greek organizations such as the Socialist Workers Party (SEK), cothinkers of the British Socialist Workers Party (formerly allied with the International Socialist Organization in the U.S.), and the Xekinima (Start) group, allied with the Socialist Party in Britain and represented in the U.S. by Socialist Alternative, tail PASOK. Their central slogan is: “Down with the government of murderers!” These reformists, as the TGG leaflet explains, aim to replace the rightist “neoliberal” regime of Karamanlis's New Democracy (ND) with a “left” bourgeois government. This would mean either the return of PASOK or a new popular front made up of some combination of PASOK and Syriza (Coalition of the Radical Left, which is dominated by Synaspismos, formed out of the old “Eurocommunist” wing of the Communist Party). Such an outcome would simply create a new roadblock to the working class in its struggle against the capitalist exploiters, while nourishing the growth of fascists like Golden Dawn who have been mobilizing to attack the youth protests.

The Communist Party of Greece (KKE), which leads a significant section of the proletariat, today strikes a posture of opposition to PASOK, saying in its newspaper *Rizospastis* (11 December 2008): “ND/PASOK, same story—austerity, unemployment, terrorism,” declaring “No more illusions” and posing the choice as: “Either with capital, or with the workers.” However the KKE certainly does not stand for the class independence of the proletariat or for principled opposition to entering into coalitions with bourgeois parties. Quite the contrary—throughout its history the KKE has upheld the treacherous Stalinist policy of popular-front betrayal of the working class. Most recently, in the late 1980s, the KKE participated in popular-front coalitions with both New Democracy and PASOK and will have no compunction against doing so again if the opportunity presents itself.

Grotesquely, the KKE participated in violence-baiting the anarchists and initiated a witchhunt of the tame social democrats of Syriza, falsely claiming that the latter condones the burning of shops. Refusing to defend the anarchists against the right-wing government's witchhunt,



Rizospastis

Down With Police Terror!

Above: Students protest in Athens on December 13 against police killing of 15-year-old Alexandros Grigoropoulos. Right: Police assault demonstrator before funeral of slain youth, December 9.

both the KKE and Syriza are attempting to prove to the bourgeoisie that they are reliable candidates to defend the capitalist order.

The protests against the brutal police killing of Alexandros Grigoropoulos intersected planned strikes and protests by the trade unions against the impact of the global economic crisis on workers. Greece has a current account deficit of about \$53 billion, or 15 percent of its gross domestic product, the highest in the euro zone. Youth unemployment is around 19 percent, while the overall jobless rate is over 7 percent. There is massive public anger against the Karamanlis government that has attacked the living standards of the working class through privatizations, tax increases and “reform” of pensions, in a country where it is estimated that 20 percent of the population lives in poverty. Contrary to PASOK leader Papandreou's promises of “change,” a PASOK government would be just as committed to making the working class pay for the capitalist crisis.

* * *

ATHENS, DECEMBER 9—On December 6 in the district of Exarchia in Athens a 15-year-old student, Alexandros Grigoropoulos, was murdered in cold blood—shot by a police officer. Spontaneous protest demonstrations broke out in Athens and Salonika, spreading rapidly to the



EPA

rest of Greece, where they are ongoing today. In what the press describes as the biggest crisis in Greece since the end of the bloody colonels' rule in 1974, demonstrators have come face-to-face with the brutal reality of the “democratic” capitalist state. At least 150 people have been brought before the police department, 70 have been detained and the repression continues. ***We defend the anarchist and other youth protesters against state repression! We demand the immediate dropping of all charges against the protesters! For the immediate release of all those arrested!***

The Trotskyist Group of Greece, sympathizing section of the International Communist League (Fourth Internationalist), solidarizes with the rage that has exploded in the streets against the police

terror of the capitalist state. Fury over the murder of Grigoropoulos is only the “tip of the iceberg” of popular hatred toward the right-wing New Democracy government of Karamanlis which presides over mass unemployment, financial scandals, a huge and growing gap between rich and poor, and the brutal exploitation and repression of immigrants.

The protests against the cop terror need an organized expression—one that welds the anger of the youth protesters with the social power of the proletariat. The working class must be mobilized not only to defend youth protesters against the violence of the cops, but as part of a struggle against the capitalist system itself.

The reformist left is offering its own schemes for sanitizing the capitalist state and its forces of repression. The Communist Party of Greece, in a statement of 7 December 2008, declared: “The responsibilities of the government of ND are large and obvious, both in general and in particular for the climate which has been cultivated and for the education of the security forces.” The president of Syriza, Alavanos, in a question in parliament to the Minister of Internal Affairs on December 8 asked: “What measures do you propose to take in order to instill in the police concepts of tolerance, democratic behavior and cooperation toward citizens?” The KKE and Syriza once again spread illusions that the capitalist state can be reformed and that the capitalist rulers can educate and enlighten the security forces or even be compelled to cede control of the police to the exploited and oppressed masses—the very masses the cops are paid to repress.

The perspective of the KKE and Syriza is to replace the ND government with a new popular front. With crass opportunism these reformist parties hope to join with bourgeois parties in administering the bourgeois state, which will necessarily mean attacks on the working class. Support to such a popular front is also what lies behind the calls by reformists like the Cliffite SEK and DEA to get rid of the Karamanlis government.

As Lenin wrote in *The State and Revolution* (1917), “A standing army and police are the chief instruments of state power.... The state is an organ of class rule, an organ for the oppression of one class by another; it is the creation of ‘order,’ which legalizes and perpetuates this oppression by moderating the conflict between classes.” The “order” to which Lenin refers cannot be changed by throwing Molotov cocktails. Although anarchists may seem “militant” to some youth, they are opposed to building the one instrument that is indispensable for getting rid of the capitalist exploiters and their state—a Leninist vanguard party.

The world economic crisis has demonstrated the bankruptcy of the capitalist system, but there are no impossible situations for the bourgeoisie. We, as genuine Trotskyists, seek to mobilize the forces of the multiracial proletariat in class struggle, not only in protests against the capitalist system but in the fight to uproot it. We fight to forge Leninist vanguard parties as sections of the revolutionary international that is required to lead the working class to sweep away the capitalist exploiters and their states and to build workers states and a global socialist society based on equality.

An injury to one is an injury to all! Drop the charges!

For a revolutionary workers vanguard party in Greece, section of a reformed Fourth International! ■