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The monopoly capitalist basis of the American political mainstream

Speech at the Third Congress of
the MLP, USA -- Fall 1988

The following speech placed before the Third Congress for discussion some tentative results of a study made of U.S. monopoly capitalist groups. It has been edited for publication.

What follows Reagan?

Comrades,

The title of this speech is "The Future of Reaganism". On this topic there are two essential points to be made.

Firstly, the incoming Bush administration, by intent but also by its historical origin and momentum, is to be a continuation of the Reagan administration, and particularly of the last two years of the Reagan administration. The Reaganite policies of hunger and sabre-rattling are not going to disappear in a new era of goodwill and enlightenment.

Secondly, it must also be kept in mind that intentions have a way of breaking on the rock of reality. Economic and social factors play out their role quite independent of how the bourgeoisie might like them to. As a consequence, the future is by no means fixed by the intentions of an incoming administration and its backers. Any major break on the international or economic fronts is capable of shattering their present complacency and throwing their policies into crisis.

For the rest, I would like to go into some detail to give substance to these points.

The political role of monopoly capitalist groups

In 1980 our Party declared that Reaganism was a qualitative development of reaction on the part of the bourgeoisie, representing, not a capture of the White House by the lunatic fringe, but rather a rightward move on the part of the bourgeoisie as a whole. The past eight years have amply confirmed this analysis.

This, however, poses further questions. Why did this rightward turn take place? What is its social basis?

Over a fairly long period of time, a group of comrades and friends of our Party have been engaged in a study of finance capital groups in the U.S. The intention was to understand the ruling class in this society, how it organizes itself, and what political implications this may have.

In the course of a number of years of work we have been able to identify various groupings within the bourgeoisie and to know a few things about how they organize themselves. We've also reached some conclusions about their political role.

In general terms:

- *within the narrow realm of bourgeois politics in the U.S. there are fairly stable and fairly well-definable political trends, and this is not the same as the difference between Democrat and Republican;

- *the class interests and stands of the bourgeoisie express themselves through these groupings, through the strengthening and weakening of various trends and through shifts in the capitalist mainstream, and this goes beyond the bounds of the clash of Democrat and Republican, with the bourgeois parties reflecting these trends or maneuvering among them;

- *these trends arise on a definite social basis and then

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Notes from Nicaragua -- Part Four: The scorecard of the "mixed economy" Sacrificing the masses to the wealthy hasn't solved the economic crisis

Below is the fourth and final installment of the report by the MLP, USA delegation that visited Nicaragua in July. It contains additional material on the Sandinista economic program that was omitted from part three for lack of space. (See the October 1 issue of the Workers' Advocate for Part 3 "FSLN's 'mixed economy' can't deal with economic crisis".)

Layoffs and closings

Part Three showed that the present austerity program has cut away at the protections for the working people that were won by the revolution. Instead "free market"-style policies have been implemented.

As well, the austerity budgets have trimmed tens of thousands of workers and employees from the state sector. The combined impact of hyperinflation and these austerity cutbacks is putting a crimp in the economy as a whole. What happens when prices double in a month and workers are out of work? The masses simply can no longer pur-

chase what they are accustomed to. Factories and plants which have been limping along are cutting back or even shutting down for lack of sales.

There is also a political side to the layoffs and cutbacks. The FSLN is purging the government ministries of those who are too independent-minded. In state-owned factories like the Metasa steel mill, the Corona vegetable oil plant, the Macen textile mill, layoffs hit the militant workers the hardest, sometimes eliminating entire departments. State construction projects have virtually all been shut down, both to save money and to break the struggle and organization of the combative constructive workers.

Capitalist sabotage

Meanwhile sabotage by the Nicaraguan bourgeoisie is also crippling production. Plantation owners refuse to plant or harvest crops. Business owners sell off machinery, refuse to invest in upkeep, and let their factories rust. This is because profits are lower than what they want. It is also to add fuel to the political pressure for dismantling the revolution.

The government has tried to urge the "national" producers to produce by helping them raise profit margins. The FSLN has tried to create a favorable business climate by holding down wages, keeping in force the anti-worker labor code from the days of the Somoza dictatorship, and other measures against the workers' movement. This has gone to the point where, as discussed in part Three, it has scrapped a series of reforms protecting the masses and adopted the austerity policy demanded by the capitalists.

Hand in hand with this austerity for the masses goes the continued flow of money to the bourgeoisie. In May, President Daniel Ortega met with 3,000 businessmen and promised to forgive 3 billion cordobas of their debt, to loosen their credit and to drop the interest rates they pay on government loans. Cotton growers were also given a new incentive of one million cordobas for every manzana of land they plant.

These goodwill gestures to stimulate the private sector amount to throwing good money after bad. The so-called national producers are in reality quite international. The millions the government gives them are not put-back into cotton growing; they are put into accounts in Miami or Panama in search of more stable profits. As well, with such steps the capitalists also intend to undermine the regime. They transfer funds to the contras and other right-wing projects. Counterrevolution towards a new right-wing

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dictatorship is their idea of long-term investment.

Not quite confiscations

No amount of promises and incentives from the FSLN has changed the minds of the big owners. From time to time this pushes the FSLN to resort to threats of confiscation. In June, three major coffee growers, including Enrique Bolanos, a leader of the big business association COSEP (The Supreme Council of Private Enterprise), had their farms seized. Such seizures, however, are not the crackdown against private enterprise that they are portrayed in the U.S. press. These things are usually politely negotiated.

Take the case of the San Antonio sugar mill. This is one of the largest sugar mills in Central America, owned by one of Nicaragua's wealthiest families. For a number of years the FSLN managed the mill and sent the profits to the Pellas family in Miami. Two years ago, in a conflict over management policy, the mill was declared confiscated by the government. But behind the scenes the FSLN agreed to millions of dollars in compensation and now must squeeze the rusting mill to pay off the Pellas clan in dollars and sugar.

Around the same time, in the midst of a sharp clash between the workers and management, the government stepped in and took over the Julio Martinez enterprises. But after the workers' struggle receded, the FSLN quietly returned the enterprises to Julio Martinez.

One other note on these confiscations. They tend to be used as public relations to rally support for the FSLN and usually come in the days leading up to July 19, the anniversary of the revolution. Because of the class hatred for the big capitalists, this has in the past had some impact. The Marxist-Leninist comrades of the Workers Front (Frente Obrero, or FO) have been told by their fellow workers that maybe such takeovers are a sign that the FSLN really agrees with the Marxist-Leninists and is heading towards struggle against the capitalists, but only slowly and carefully. That thinking has changed after seeing what happened with the San Antonio mill and with Julio Martinez; now the confiscations gain little support from the workers.

Ruin of the Small Producers

According to Sandinista doctrine, the new "mixed economy" of Nicaragua is to be built on three fundamental sectors. The first is the state sector, which has been slashed to the bone to guarantee the profits of the second, the private capitalist sector which has dug in its heels to overturn the revolution. But what about the small producers, the peasants and handicrafts people, which are supposed to be the third pillar of the "mixed economy"?

The rugged peasants and small artisans, along with the workers, played an important part in the insurrection against Somoza. Given the folklore of the petty-bourgeois Sandinista movement, one might think they would be given special attention under the FSLN regime. It hasn't panned

out that way though; they have suffered neglect almost to the extent of the workers.

Much could be written about the half-hearted and limited nature of Nicaragua's agrarian reform. At this point the reforms are being turned back. Confiscations of the big landholders have been halted. Some of the lands are being returned to their previous owners. This is despite the acute land hunger among the poor peasants. Everywhere the small peasant cooperatives are under siege for lack of supplies and credits, which are more available to the bigger owners and ranchers.

The Rodriguez Brothers coop in Jinotega province is an example of small peasants putting together what has become a relatively successful cooperative. But now it is under intense pressure from the government, which wants to remove half the lands the peasants got from the owner. The government has also forced the disarming of the cooperativists despite the ongoing attacks of the contras in the area. This coop happens to be linked to the Committees of Popular Struggle encouraged by the Marxist-Leninist Party of Nicaragua. But a similar fate has hit many of the cooperatives as the FSLN tries to calm the fears of the rich farmers and landlords about the government's agrarian policy.

The small individual producers in the town and villages are also being ruined. We talked to a tailor who belongs to a cooperative in Masaya. Masayans are famous for their handicraft industry and for their heroism in the insurrection against Somoza. With the revolution they launched a cooperative movement.

But their livelihood and their cooperatives have been squeezed by taxes, the high cost of credit, and the high cost of cloth and other raw materials when they are available. In June, Daniel Ortega went to Masaya and promised tax and credit relief. In the opinion of this tailor, however, it is too little, too late. Many small producers have already been driven under. In 1983 there were 18 working cooperatives in Masaya; now there are four.

This ruination of the peasants and small producers is driving tens of thousands from the countryside and villages to Managua to seek work. There they join with the tens of thousands of unemployed workers who are scraping by on the edge of hunger. They sell cigarettes, collect scraps of metal or other junk, or swap and hustle any way they can.

Meanwhile, the government has nothing to offer this swelling army of marginalized unemployed. Lately the FSLN leaders have been telling them to go to the countryside and grow food. But that is just where many of them come from because there they lack land, supplies, and have even less possibilities to survive.

Sandinista "mixed economy" ends up as capitalism

The Sandinista doctrine calls for creating a "mixed economy" that is supposed to take the best of both socialism and capitalism. But this petty-bourgeois middle road

has ended up floundering in the sea of capitalism. The CIA's war and capitalist counterrevolution has put the Sandinista model to a harsh test. Today, ten years after the revolution, the verdict is in. The Sandinista model has collapsed and the workers and peasants are being subject to the hell of capitalism.

The social democrats of Western Europe, the Castroist revisionists of Cuba, and the other friends of the FSLN leaders, say that Nicaragua has no other choice. To gain peace and an economic blood transfusion, they say, Nicaragua had had no choice but to come to terms with the capitalists and reactionaries. But the imperialist drive to strangle Nicaragua continues nonetheless. A pro-capitalist and laissez-faire economic policy has only compounded the

impact of war, blockade, and sabotage.

Revolution, not capitulation!

This is why the revolution has been run into the ground under the Sandinista policy. It must be continued towards socialism as advocated by the Marxist-Leninist Party of Nicaragua, or it will soon be a memory. The toilers who are organizing in the Committees of Popular Struggle, the activists who are building the workers' press, and all those who stand for mobilizing the working masses up against the bourgeoisie, are the hope for Nicaragua's future. ■

From the Nicaraguan workers' press: UNAG does not represent small cattle growers

UNAG is the Sandinista farmers' association. The following article in the August 10 issue of El Pueblo was another example of how the Sandinistas favor the large capitalists with subsidies, while the peasant is being ruined:

The small and medium beef producers in the country this week debated the grave situation in this sector. This is 4 months after the historic 3-day meeting between the government and the agricultural bourgeoisie.

On April 21 the Sandinista government gave a series of concessions to the big export bourgeoisie of the country, without any positive results.

At the meeting, numerous economic specialists warned about the inviability of the Sandinista program: collaborating with the big agroexport bourgeoisie, and ignoring the huge productive force of the peasantry.

The small cattle growers are demanding fair appropria-

tion of the services of the slaughterers; a reasonable share in the export of live beef; revision of transport tariffs, and a real effort by the authorities to stop cattle theft, especially in Region V.

Other demands of the small producers of milk and beef center on UNAG's representation of their sector. The peasants feel that the small beef producers are not represented by UNAG at the National Beef Commission. Over the last few months this commission has permitted the government to pass a series of policies hurting these peasants.

For example, the peasants wanted the government to distribute more fairly the shares in the export of live beef. According to UNAG's figures, the government authorized the export of 2,000 head to Costa Rica, of which 700 corresponded to the small producers affiliated with UNAG. ■

Contras in the cooperatives

Several issues of El Pueblo have dealt with the kid gloves treatment that the Sandinistas and the local bourgeoisie are going to give to returning contra war criminals. The issue of August 22 pointed out:

Despite the huge material and human losses that the counterrevolution caused to the cooperatives in the past few years, UNAG (the Sandinista growers' association) wants to integrate the demobilized mercenaries into these agricultural collectives.

Alberto Blanco, director of UNAG, told this to *El Pueblo* recently.

In Blanco's view, the eventual integration of the ex-

contras into the cooperatives is not incompatible with the line of UNAG to restore the damaged collectives as quickly as possible. ...

Confronted by *El Pueblo* on the possibility that at the cooperatives an ex-contra might meet the relatives of some of his victims, the UNAG leader claimed that this would not happen. But "if that situation did arise, we would have to deal with it cautiously," he said.

UNAG hasn't even discussed this possibility, he said, but he claimed it would be preferable to have the ex-contras under control, than to have them in the mountains where they could easily engage in destructive activities. ■

"Casualties of war" and casualties of the retelling of the war

Brian DePalma's film *Casualties of War* shows American troops in Vietnam kidnaping, raping, and murdering a young Vietnamese woman. It presents a bit of the anti-Vietnamese brutality that was an inseparable part of a colonial war waged with racist ferocity by an imperialist power.

For this reason, two veterans organizations condemned *Casualties of War*. One spokesman said that yes, these things occurred, but they were just minor incidents that shouldn't be dwelled on. One should show how the U.S. occupiers allegedly built schools, did good deeds, and were benefactors of the people whose rights were being trampled upon.

Such objections are part of a campaign by the ruling class to whitewash American militarism. Films and TV series are being put forward to present the allegedly human side of U.S. aggression against Vietnam. Vietnam is being raped again--the first time by the U.S. army of occupation, and now by those who prettify it as a veritable Salvation Army for the Vietnamese.

This new atrocity against Vietnam is sometimes done in the name of being kind to the soldiers. According to the ruling class apologists, it was not the Vietnamese who were oppressed by being napalmed and carpet-bombed, nor was it the generals and politicians who oppressed the draftee cannon-fodder by sending it to fight in an unjust war of occupation and aggression, but the anti-war movement which oppressed the troops by not lauding the war and sending love letters to the army barracks in Vietnam. Why, the militarists sputtered, we were called "baby-killers". And hence, they say, to dwell on atrocities is no good. In truth, the only real kindness to ordinary people who are forced to fight in an imperialist army is to help them open their eyes and assist them organizing against imperialism--this is what publications like "FTA" (Fuck the Army) did during the Vietnam War.

Casualties of War thus came under some fire for portraying the atmosphere of utter disregard for the Vietnamese in the occupying army. It shows a bit of the reality behind the rhetoric about helping the Vietnamese. It is definitely not a recruiting film. This is why it irritates the ultra-chauvinists. (But only the ultra-chauvinists--other "patriotic" bourgeois reviewers were more or less satisfied with it.)

In its early scenes, it seems for a time that the film might be even better. The first battle scene shows, in the beginning at least, the platoon bewildered and sinking into a quagmire. Then the troops go take rest and recreation in a "safe" village, and are shot at by snipers outside the village--and snipers inside the village, who are aided by the villagers to go in and out of the village through tunnels. The idea comes through that no one wants the American

troops to be there. One would think that this would create the possibility of showing something about the nature of the nature of the war itself.

But such scenes of troops in trouble are, to a certain extent, a standard part of Vietnam war films or of most half-way realistic war films. What they actually signify, to the viewer or as part of the film, depends on their context and how they are developed. And unfortunately, the film itself converts the idea of the isolation of the American troops into something solely of interest in explaining the rhetoric and psychology of people committing atrocities. Indeed, the view that everyone opposes the American army is put forward in the film basically by the most backward characters, as their justification for committing horrors against the population.

The utter narrowness of spirit of all the characters, the failure of the film to put forward a single idea that goes beyond this narrowness, the utter preoccupation with only the rhetoric of the blood-stained criminals, accomplishes this diversion of the idea of isolation of the troops from the issue of the war itself. The idea that it is an atrocity to occupy the country is never made--it is just the atrocity against an INNOCENT BYSTANDER that is at stake. As well, the film apparently presents that there is the slaughter of both sides in the war. The idea that it is first and foremost Vietnam that is being submerged in blood, that one side is oppressing the other, is alien to the film.

The crimes against bystanders are indeed a horror of war. But it is only this and other horrors of war in general, and not the particular features of the American bourgeois war against Vietnam, that the film deals with. True, the film does not pretend to express a more general idea on the Vietnam conflict, and for sure it doesn't.

Hence the film ends up basically a pacifist horrors of war film. War is the target, and the reasons behind this particular war, the issue of what it was and who's responsible, gets lost.

Buried even deeper is the issue of how to fight against the war. The film hides that mass opposition to the war grew up among the American troops. From its portrayal of the army and of fragging, one would believe that opponents of the war were fragged by blood-crazed common "grunts," not that it was the gung-ho militarist officers who suffered fragging. This hides a crucial part of history from those who didn't personally experience it. And it hides the real honor among the soldiers, which did not reside in simply seeking to carry out the slaughter without staining oneself with some reprehensible incidents, but in those soldiers who opposed the war, opposed the army brass, in those who organized or fragged or otherwise resisted the slaughter of a people rising against the foreign, American yoke.

Thus in the film, it is simply one gung-ho soldier (whose patriotic fervor is established by his having originally volunteered to be a "tunnel rat" and who hates the atrocities because "this isn't the army") who opposes the atrocity, along with a chaplain who finally sets a legal process in motion. This is in line with the patriotism of even liberal Hollywood films on Vietnam who think that the right to criticize the war must be established by one being an efficient killing machine for the bourgeoisie (such as sergeant Alias in *Platoon*) or a lover of the army, as in *Casualties of War*. Why, in *Casualties of War*, it is supposedly the instigator of the atrocities who hates the army. You would hardly know that, to this day, basic training for the marines at Parris Island, South Carolina includes the chant "kill, rape, pillage, burn", as one member of the Senate Armed Services Committee reported recently. (*Detroit Free Press*, Oct. 4) Or perhaps basic training "isn't the marines".

Perhaps a gung-ho soldier and a chaplain were those who opposed the atrocities in this incident, which is supposedly based on a true story revealed in the *New Yorker* magazine in 1969, but this hardly gives a picture of the actual anti-militarist forces. There is no picture of the mass struggle over the nature of the war. Nor does the spiritually outraged soldier end up with any broader view

of Vietnam from his experience with the atrocity or even with concern for the other atrocities against the Vietnamese going on all the time around him—he is simply morally haunted by this one atrocity until the end of the film when a Vietnamese girl in the U.S. tells him that his nightmare is over.

But to complain about the casualties of war while hiding the opposition to this same war doesn't lead too far. It may be far enough to irritate the Pentagon (this doesn't take much), and Brian DePalma did not even bother to ask for Pentagon cooperation to get military equipment, but went to Thailand instead. But it does not go so far as to lose financing from the Columbia picture bigwigs (or cooperation from the pro-U.S. Thai army).

Casualties of War is among the most liberal of the current Hollywood crop of films on Vietnam. (Most of the films seem to be flag-wavers or sentimental homilies to the "forgotten" warriors.) Simply focusing on the cruelty of the American army distinguishes this film from most of the others. At the same time, what does it mean that this film is about as far as Hollywood will go? It shows why it is vital to build up revolutionary literature and art that will tell the truth that the bourgeois film industry will not tell, the truth that the bourgeois mass media does its best to hide. ■

'89 is Payback Time! Support the Boeing Strike!

On Oct. 4, Boeing workers struck for the first time since 1977. The Seattle Branch of the MLP had been agitating on the issues for some time. Its Aug. 10 leaflet was titled: "Wages at Boeing: It's time to pay back grades 1 through 4 and all recently hired workers." The Aug. 12 leaflet on Boeing's racism was reprinted in the Sept. 10 issue of the Supplement. There was also a leaflet for the first mass meeting at the Kingdome on Sept. 14. Then there was a Sept. 24 leaflet denouncing the phony optimism of the union bureaucrats about the negotiations and setting forth a program of demands. 8,000 copies of another leaflet were handed out at the Kingdome meeting on October 3, which took place a few days after a spirit for struggle had broken out among the workers. And finally, there is the Oct. 12 leaflet reprinted below, which explains the issues so as to help generate solidarity with the strike.

On Tuesday, October 3, 40,000 Boeing aerospace workers in Seattle (and 14,000 in other areas) militantly denounced the company's proposal for a new labor contract. More than 2/3 voted it down and the strike has brought all production to almost a complete halt. Every

day, Boeing loses about \$45 million in revenue that it would normally receive from commercial airplane deliveries and military work.

One strike aim is to win back the wage concessions that Boeing grabbed in 1983. It is also a fight against the excessive, forced overtime that has increased to outrageous levels in recent years.

The aerospace workers are angry that the insulting contract proposal came from top executives who continue fabulous profiteering and give themselves big raises. (For example, Chairman Shrontz got a 17% raise to \$866,000 last year.) Four days before the vote, Shrontz had the arrogance to issue a statement declaring that shareholder profits had to be raised another 8% for Boeing to be "a healthy company." (*Boeing News* 9-29-89)

Boeing Took \$100 Million of Wage Concessions in 1983

Boeing has never lost money in this decade nor has its market share of Western commercial jets dropped below 60%. But in 1983, it used large layoffs and the support of

the union officials to jump on the Reaganomics bandwagon to cut wages. Boeing imposed a complex wage system with 121 different wage rates. This system attacked the workforce in two main directions. First of all, it held back the wages of the lower labor grades relative to the higher ones. Thus, before '83, the gap between the lowest paid and highest paid workers was \$3.90/hour (\$11.08--\$14.98). Today, that gap has increased to \$9.54/hour (\$8.88--\$18.42).

The other cut was to bring in all new-hires at \$3/hour below their full wage. It now takes a new-hire 5 years to reach full wage rate.

Between '83 and '86 this new wage system saved Boeing \$100 million from reduced labor costs (*Wall Street Journal* 10/6/86). And in 1986, although a larger yearly bonus was added, these wage concessions were continued.

The lower labor grade and lower seniority workers make up over 3/4 of the workforce. They include most of the fabricators, assemblers and handlers of the planes and aircraft parts. Boeing's wage system is especially unjust for them. This is why they in particular are expecting a big raise this year. Boeing's offer of 24 to 52 cents/hour does not cut it.

Boeing Wants to Continue Forced Overtime

The other major issue of the strike is relief from excessive overtime. Many shops, especially in Everett, have been working 12 hour days, seven days a week for years. Many other shops frequently work over 60 hours a week. The workers are demanding an end to the mandatory overtime clause in the contract.

Most of the forced overtime is not technically mandatory--it is coerced through other means. Workers are demanding double time pay for all overtime. This would give Boeing a strong financial incentive to reduce overtime and hire more workers and add shifts instead.

Excessive overtime is a major profit-maker for Boeing. By reducing the amount of hiring it can keep productivity higher (new-hires cannot keep up the same production pace). It also saves paying medical benefits to new-hires and saves on training costs.

'89 is Payback Time!

Workers in many different industries went under the concessions knife in the early and mid-'80s. Since then, the profits of the companies have recovered. But the capitalists haven't been willing to pay back the cuts. Workers in

lumber/paper, boatyards, grocery and building trades have waged strikes recently in order to win back some of the losses. The aerospace workers at Boeing are doing the same. Group Health nurses waged a strike against the overwork/understaffing that has been growing at all hospitals. All of these strikes are an encouragement to the whole working class to stop sacrificing for the rich and fight back. All workers should join the picket lines and support the strikers every way they can.

IAM Officials Tried to Avoid the Strike

The International Association of Machinists (IAM) District 751 represents the production workers at Boeing. District 751 is completely controlled by the sellout gang headed by Tom Baker. This is the same Tom Baker that supported concessions in '83 and '86. Mr. Baker has played a sellout role so far this year, too.

As negotiations progressed, the Baker gang refused to rally the workforce behind the demand to pay back concessions and eliminate mandatory overtime. The union officials won't even mention the past concessions and consider the new wage system that shafts the lower labor grades and new-hires as an established fact and beyond discussion. They kept the workforce totally in the dark during the negotiations in hopes of preventing rank-and-file anger and militancy from developing.

On Monday, October 2, 200 workers marched throughout the Everett plant at lunch chanting "Strike! Strike!" When workers saw the proposal at the Kingdome on Tuesday, the strike sentiment spread. When Baker walked to the stage, he was met with the deafening boos of 40,000 workers and chants of "strike!" and "bullshit!" The jeering did not let up until Baker finally recommended rejection of the contract.

These facts show once again that the fat and happy union bureaucrats cannot be relied on to lead any real struggle. It is up to the workers themselves to organize and fight.

While the union leaders kept the membership uninformed and sought deals with the company behind closed doors, the Marxist-Leninist Party worked to clarify the issues and unite the workforce. In its leaflets and stickers the MLP has widely promoted the demands to **payback the lower labor grades with a big raise, to cut in half the time it takes for new-hires to reach full wage and to eliminate mandatory overtime.**

These are the key demands for uniting the majority of workers and strengthening their *determination to win.* ■

10th month of auto parts strike in Syracuse

The following report was sent in by a reader of the Workers' Advocate:

About 200 workers at R.E. Dietz Co., an alternative lights, mirrors and equipment manufacturer in Syracuse, New York, have been on strike since early January, protesting unfair labor practices by the management. The members of UAW Local 33 have been without a contract since June 88. That '86 concessions-contract hit the workers with a seven percent wage cut. The COLA was cut which was supposed to be restored after a year, but it wasn't.

The main issues leading to the strike were unfair labor practices, unsafe working conditions, management harassment, topped off with the firing of the Local's president. She has taken her case to the National Labor Relations board, charging Dietz fired her because of her union activity, violating the National Labor Relations Act. The hearing/decision process through the bourgeois legal system takes outrageously long and is still tied up in the capitalist courts.

The unsafe working conditions are not just "alleged", as the local media reports, but a matter of fact. During '87, 24 safety-related incidents were reported by the Occupational Safety and Health Administration (which is no real friend of the workers), which fined the company \$6,000 recently for safety violations. A worker who badly injured his back on the job was told by the company to go to the hospital in a car rather than an ambulance (too many ambulance trips don't look good), demonstrating the management's callousness and disregard toward the workers.

Management harassment of the workers was severe and regular. Union members related being insulted and abused, "treated like idiots", "like dirt", with no respect. The company allowed virtually no worker input in the production process, running the plant in typical capitalist-elitist "we know better" style. The inept management would attempt to compensate for its mistakes and poor production planning by ordering speed-up and overtime work. They want to reduce job classifications and increase the workloads. Their motto: squeeze the workers more.

Dietz continues to operate with a smaller scab-labor workforce. These replacement workers are paid a little more than \$5.00/hour with no benefits at all. The ruthless Dietz capitalists want to keep it this way, as their strategy is to break the union.

In June, the beleaguered rank-and-file voted to return to work by a narrow margin while "negotiations" continued, but were then locked-out by the company. The management tyrants say that what's good for the union is not good for the company and if the workers were allowed to return, "the company believes that the primary incentive to the union to reach a satisfactory contract (which the Dietz

capitalists refuse to negotiate!) will be removed and the uncertainty surrounding union/management relations in the plant will return." In other words--to hell with the union!--we forced the workers to strike and they can stay out!--we don't want them here!

The management has been totally intransigent, showing no interest in bargaining or negotiating with the union. A federal mediator has helped nothing. Thirty union members who defied the picket and kept working through the strike were booted out in June. They have now learned their lesson that their "loyalty" to the company means nothing.

As it is an unfair labor practice strike, the reactionary Dietz bosses, by refusing to reinstate the workers after they voted to return to work, are supposedly breaking the law, which makes them liable for back pay. This is a fact, this is supposedly the law, but the company objects, and the capitalist fuckers must be given every possible consideration by the state, so the matter goes to court for a hearing judge to rule on, with the built-in delays. Again, the bourgeois hearing and appeal process has to run its lengthy course as the months go by, while the workers wait, wait, wait, as the company tries to demoralize and break them.

Let the strikers set up militant mass pickets to block the company and the scabs from stealing their jobs and livelihood, though, and the capitalist courts would move swiftly and immediately! Injunctions would be imposed to limit their numbers and clear the gates to let the scabs pass through and allow operations to continue, with plenty of cops to back up these orders with as much harassment, intimidation, brute force and arrests as necessary. Fines would also be imposed on the resisting strikers to punish them even further financially. Such is justice under capitalism in the great American "democratic" tradition.

Discussions with strikers made clear the awareness that the courts and indeed the whole system is stacked against the workers and their class interests, that the capitalist system shackles them, their struggles, has a corrupting influence and stranglehold on the trade union, and assures their subordinate position in society.

They know their rights are very limited and that the real freedoms and privileges in this "democracy" are reserved for the ruling capitalist hierarchy/oligarchy, the rich and wealthy, a minority, while the rights of the majority, the working class, consist mainly of being subjugated, oppressed, exploited and impoverished. They have learned the futility of "working within the system" and relying on the system from first-hand experience. This points toward revolutionary-mindedness and revolutionary conclusions and convictions among the workers and shows that the working class is the force to organize and base the socialist revolution on. ■

At GLS steel: Union hacks on rampage vs. militant workers

From the Sept 19 issue of *Detroit Workers' Voice*, paper of the MLP-Detroit:

Massengill attacks banner supporting Pittston miners and Easter workers strike

[Local 1299 president, elected as a reformer] Steve Massengill has launched another assault against GLS workers. On September 4, Local 1299 had its usual contingent in the Labor Day parade. But this year a group of GLS workers carried a banner of their own declaring: *Steelworkers support the Eastern workers and Pittston miners strike*. This was not an "officially" sanctioned banner of Local 1299.

For over an hour before the parade began, these workers stood with the 1299 contingent. But, just before the march started, Massengill approached the workers and told them they couldn't march with the rest of the contingent. They were told they would have to march by themselves between a bus and a truck behind the contingent.

Naturally, the workers refused to do this, saying they had every right to march with the contingent. At that point Massengill became infuriated and attacked the banner attempting to tear it down. The workers carrying the banner resisted and prevented it from being taken down. They loudly denounced Massengill in front of many other workers. To quiet things down, parade marshals from District 29 appeared and ordered the workers to obey Massengill. Although the banner was torn, they refused to take the banner down and marched with another section of steelworkers. Massengill's attack on a banner supporting workers on strike, is SCAB activity at its worse.

Trend to attack militant workers

Massengill's assault is part of an effort being coordinated by the company and top union bureaucrats to attack left-wing and militant workers in the plant. This effort is really aimed at trying to stop the growth of the workers movement at GLS.

Other incidents have taken place in the plant and at union meetings, attacking *Detroit Workers' Voice* and the network of militants around it.

Over a year ago *Detroit Workers' voice* began organizing a campaign to oppose the company attacks on the workers in the form of drug testing and firings. Supporters of *DWV* circulated leaflets, stickers and posters widely in the plant. This work helped strengthen the movement among the

workers to oppose testing. *DWV* exposed the collaboration of the union hacks with the company attack. This put a lot of heat on the newly elected local bureaucrats. One result of this was that local president Massengill kicked a militant worker out of a union meeting because he opposed the drug testing agreement and was defending workers who had been fired. By kicking the worker out of the meeting, Massengill aimed at stopping the movement of opposition throughout the plant. But he didn't succeed in stopping the growth of the movement.

The workers' movement had its strongest manifestation in the militant first rejection of the sellout contract. In the plant and at the "informational" meetings, there was a widescale anger against the contract. In the meetings the union hacks were shocked at the loud massive opposition. The communist supporters of *DWV* were among the clearest and most militant spokespersons. And they were voicing the sentiment of the majority of workers. This clearly outraged the union hacks like Lester and Davis who went hoarse yelling at us.

At the time of the first rejection of the contract, a semiliterate leaflet titled "DON'T KILL THE GOOSE THAT LAYS THE GOLDEN EGG" was circulated in the plant. It attacked *Detroit Workers' Voice* and the Marxist-Leninist Party. That leaflet defended the sellout contract and tried to tell the lie that the *DWV* supported the suppression of the Chinese students. We replied explaining that we have openly opposed the false-communist bureaucrats that [have] ruled China for over 10 years. And that we supported the struggle of the Chinese students against the state-capitalist rulers in China. The pro-company writers of this leaflet used anti-communism to defend the sellout contract.

Following that incident, another flyer circulated pretending to be an "internal report" to the MLP on the struggle by workers at the contract informational meetings. This flyer tried to portray the workers as "dupes" of the MLP who couldn't understand how rotten the contract was and had to be "incited" to oppose the sellout. This flyer was distributed in numbers to various union representatives by way of the company mail system. Coinciding with this flyer, anti-communist graffiti were sprayed on the walls of a locker room.

Right-wing conspiracy against the workers' movement

This kind of reactionary activity is an attack on the workers' movement. It begins in a typically McCarthyite-style attack on the militant leading wing of the movement. The sold-out union hacks are in league with the company in this attack. That's because a rise in the militancy of the

workers' movement threatens their cushy jobs.

Over the last fourteen years the Marxist-Leninist workers have fought hard to defend the workers in the plant. Through all these years the Marxist-Leninist Party has been the only organization that has kept up consistent opposition to the company's attacks on the workers. We have published leaflets against unsafe working conditions, exposed sellout contracts, and dealt with every major issue confronting the workers.

The organization built up to circulate the leaflets by the Party in the plant, has played a major role in strengthening and guiding the movement of the workers. This organization must be defended by the workers. The aim of the company and union attacks on *DWW* and the network, is to suppress the rising workers' movement. All of us workers need to respond to the company/union attempts to suppress *DWW* by taking up the task of building up the movement and circulating the *DWW* even more widely. ■

A picket against health care cuts in Los Angeles

Two hundred activists picketed the office of Governor Deukmejian in Los Angeles, California, on August 31. The protesters shouted "Tax the Rich--Not the Poor. We Need Health Care, Not bombs and War!"

The "L.A. Supporters of the Marxist-Leninist Party, USA" took an active part in the picket. They distributed their leaflet widely, and it read:

Health clinics and other forms of medical services for working people are being gutted on both the state and federal levels. Here, in California, Governor Deukmejian serves as the point man in these attacks. But it is the Democratic Party-controlled state legislature which is allowing these massive cutbacks in the already meager bare-bones health care programs. As cited in the *Los Angeles Times* (August 28), the governor "has cut the state's budget for women's health care and family planning services from \$36.2 million to \$12 million for fiscal year 1989-90." This

measure sailed through the legislature with nary a whimper of opposition because the Democrats, like the Republicans are ardent supporters of the capitalist system which puts profits before people.

Health care in the U.S. is a scandal. There is no national health care system. Medical research is based on the drug companies' calculations of profits. Medical insurance is available only for those who can afford it or who can win it in union contracts.

By organizing demonstration, pickets, mass meetings, teach-ins, etc., we will move forward in the fight for better health care for all the people. But we can't allow our movement to become a mere plaything to be manipulated by smooth talking lawyer-politicians to build up their own careers. We will only be able to force the capitalists to meet our health needs by building up a militant independent mass movement of the working people. ■

Philippine KPRP on the events in China

Below are excerpts from the editorial in the June issue of Pugadlawin (Vol II. #2), paper of the Union of Proletarian Revolutionaries of the Philippines (KPRP). The KPRP seeks to build the proletarian communist political trend in the Philippines, and it opposes the revisionist line of the leadership of the Communist Party of the Philippines. The mistaken and non-proletarian stands of the CPP owe much both to Maoism and various local nationalist traditions. Thus the assessment of Chinese revolutionary history and of the present regime directly affect one of the ideological bases of the CPP's stands. We would not necessarily formulate everything the way the following editorial does, but we think it gives a good idea of the importance of the struggle against Chinese revisionism for the Philippine movement.

The Supplement has previously carried statements from the KPRP's trend (for example, the statement from "VIL" in the Jan. 15 Supplement).

**Not socialism but state capitalism exists in China--
Support the Chinese people's struggle for democracy!**

Isn't it that China is socialist or communist? Isn't it that in books and periodicals it is called "Red China" or "communist China"? Isn't it that teachers of history and social and political science call it such names? Isn't it that, for the "communists" and national democrats, it is no less the model of socialism for the colonial and semi-colonial nations?

But, why is it that there is martial law and severe repression in Beijing, the Chinese capital? Why are the ruling "communists" arresting, detaining, beating and killing the students, workers, etc., who are struggling for democracy?

Martial law in Lhasa and Beijing

In March, the State Council led by Deng Xiao-ping, the chairman of the Military Commission of the Communist Party of China, and Li Peng, the State Premier, imposed martial law in the city of Lhasa, the regional capital of Tibet ...

On May 29, the Deng-li regime imposed martial law in Beijing. ...

At present, by way of military violence, the regime enforces peace and order throughout the capital as it intensifies repression by its searches, arrests, incarcerations and shooting of identified and suspected leaders and active members of independent associations of the militant students, workers, and other people.

Besides the intense repression happening in Beijing, there have also been repressions in Shanghai and other cities where the people also had their own militant actions in support of the struggle in Beijing and in protest of the fascist terror in that city.

The various wrong views

... Why are these things happening? What is really the truth about China?

U.S. imperialism and its local lackeys and the various groups of bourgeois democrats and revisionists are involved in a chorus: "China is a socialist country ruled by communists." They believe in the names that the Chinese leaders call their society and government ("socialist") and themselves ("communists"). They give more importance to names than to the concrete realities that such names are made to refer to. ...

For U.S. imperialism and its local lackeys, the happenings in China are like those in other "communist" or "socialist" countries including the Soviet Union, Yugoslavia, Poland, etc. Such happenings, they explain, only prove that the people in communism or socialism have no future except crisis, graver crisis and unrest, thus, at present, they are rising against the social and political system. ...

Thus the western bourgeoisie is greatly elated. It has already been pleased by the sight of the continuous development of the Chinese leaders' conciliation and collaboration with its camp. The more it is pleased now that it sees through its own eyes "a giant rising of the Chinese people against communism or socialism". The bourgeoisie wants that such uprising serves to develop the people's love for American-style or western-style democracy thus, motivated by such desire, U.S. imperialism seeks to ride upon the "pro-democracy" movement.

Here in our country, U.S. imperialism and its local lackeys are most active in propagating their views on the events in China and the lessons taught by such events. They say that the Chinese people are rejecting socialism ... Thus there is no more reason to struggle or revolt against democracy and for socialism or communism. and thus the only correct road left for the "Communists" rebels consists of renouncing the revolution and socialism, surrendering to the government...

For the social-democrats, the events in China, like those in the Soviet Union, Yugoslavia, Poland, etc. only mean that the Marxist or Marxist-Leninist type of socialism is not fitted for man....

Thus, the social-democrats insist, the Filipino people must renounce Marxism-Leninism or Marxism-Leninism-Mao Zedong Thought, put an end to the revolution for national democracy or socialism, and participate actively in the peaceful revolution for the attainment of social democracy and democratic socialism. ... What is needed is humane, Christian and democratic socialism like that existing in the Scandinavian countries (Norway, Sweden and Denmark).

For the popular democrats and petty-bourgeois socialism, the struggles and troubles in China imply that socialism is not enough. Socialism is alright, but it is inadequate.

Socialism needs democracy or participation of other political parties in running the state. Not monolithism but liberalization, democratization and multi-party system.

Thus, the popular democrats and petty-bourgeois socialism claim, their struggle for the broadest unity of all socialist and democratic forces is correct. The Filipino people must fight against the possibilities of rightist fascism and leftist authoritarianism, unite all the democratic forces (social-democrats, liberal democrats, national democrats and those in the ranks of the "extreme right" and "extreme left") and put pressure on the Aquino government towards the immediate end of pluralist government and society.

Meanwhile, from the ranks of the revisionist leaders of the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front], two views related to the events in China have been propagated. Firstly, the leadership via some unofficial statements of certain top officials stresses that the events are local (to China) and should not affect the present national-democratic revolution here in our country. If questions are again asked concerning Chinese socialism in view of the realities of martial rule and repression in Beijing and also repression in other cities, such questions must not be given any importance so as not to disturb the level of unity for the ongoing revolution here. The contradictions are a problem of the Chinese people, and not our problem; we have our own problem and it is this problem that we should address ourselves to. And, secondly, the leadership of the May First Movement (KMU) [the trade union center associated with the CPP and NDF] recently announced their support for the Deng-Li regime and the "socialist" system it defends. The U.S. and British imperialism, they reasoned out, have something to do with the unrest and violence in China. But socialism in China, they continued, prevails in spite of the attempts of the imperialists to sabotage it and to derail the people from their correct path.

But the KMU's "anti-imperialist" and "pro-socialist" stance has no meaning. In fact, its support for the criminal Deng-Li regime is an open betrayal of the working class, democracy and socialism. The organization only manifests its revisionist character. And that they are in unity not with the workers, peasants, students, etc., who are struggling against the corrupt leadership of the party and government and for democracy and genuine socialism but with the revisionist-fascist Deng-Li clique which is responsible for the death of thousands of militant people, wounding of a bigger number, and incarceration of many others.

Our view and stance

Now, what then is the correct view and position? We have been saying again and again that what exists in China is not socialism but state capitalism and the ruling communist are not real communists but fake communists or revisionists. In 1949, under the leadership of the petty bourgeoisie and national bourgeoisie who had control over the Communist Party of China, the Chinese revolution

triumphed. But, due to such petty bourgeois and national bourgeois leadership, it did not proceed to the stage of socialist revolution. By means of the achieved political power, the leading petty bourgeoisie and national bourgeoisie became the state bourgeoisie while, under the "democratic coalition government", "national democracy" developed in the direction towards the fullness of state capitalism.

The Chinese state bourgeoisie presently led by Deng Xiao-ping, Li Peng and other top party and government officials is most powerful. They have control over the economy, government and military and they continue to enrich themselves and their relatives. To amass more wealth, they have opened the economy and have as partners the foreign monopoly capitalists and local private capitalists. And they in unity with such business partners intensify the exploitation of the workers and peasants.

It is thus not surprising that under Chinese "socialism" the masses of workers and peasants are in poor and difficult situation. ... Meanwhile, graft and corruption and nepotism are rampant in the country. This is one reason why the richest men throughout the country and in the localities are the party and government officials.

State capitalism justified, supported and defended by revisionism--this is the system of severe exploitation by the state capitalist, foreign monopoly capitalist and local private capitalist classes of the broad worker and peasant masses. It is the root of the poverty and sufferings of the workers and peasant masses, continuous growth of capitalist wealth, rampant graft and corruption in the government, etc. It is the root of the monopoly of power in the hands of the party and government leaders and the lack of freedom and democracy among the masses. And it is the root cause of the struggle of the workers, peasants, students, intellectuals, etc. for freedom and democracy. And the defense of such system is the reason behind the imposition of martial law and the policy and conduct of continuous repression by the Deng-Li regime of the rights of the people.

Thus, the people's struggle against the ruling revisionist party and government, against the monopoly of power and prevalent graft and corruption, is just, necessary and correct. Their struggle for freedom and democracy is just, necessary and correct. It deserves the support of the peoples of the world.

But it is necessary and correct to push forward the development of their struggle towards the level of struggle against state capitalism and revisionism and for a real socialist revolution, dictatorship of the proletariat and socialist society. It is necessary and correct to work for the advance of the struggle for democratic reforms towards the stage of socialist revolution. And whatever support for their struggle should serve the development of their reform struggle into a victorious revolution and the attainment of political power by the working class.

And thus our position runs as follows: we stand in unity with the workers, peasants, students, etc. who struggle for freedom and democracy and are presently persecuted,

arrested, jailed and killed in their thousands by the fascist revisionist regime. In the strongest terms, we condemn the criminal Deng-Li regime and its present campaign of terror and violence against the people who seek for freedom, democracy and a real socialist society.

We stand in unity with the workers, peasants, students, etc. not only in their struggle against the Deng-Li regime but also in their struggle against attempts by the western bourgeoisie and U.S. imperialism to influence and derail the "pro-democracy" movement. The Chinese people need to guard against any infiltration or interference by the foreign bourgeoisie and its allied local capitalists and agents in their movement and struggle. They need to consciously emphasize that their struggle is not anti-socialist or anti-communist but anti-capitalist and anti-revisionist.

Most of all, we stand in unity with those militant workers, peasants, students, etc. who work for the advance of the struggle towards the goals of the overthrow of the capitalist class, establishment of a real working class government, and creation of a genuine socialist society. We are in unity with the Chinese masses in their continuous

development in ideology, politics and organization towards a new Chinese revolution and genuine Chinese socialism.

Unity with the Chinese workers and people and support their struggle for freedom and democracy!

Support the continuous development of their struggle for reforms into a genuine socialist revolutionary struggle!

Down with Deng Xiao-ping and Li Peng! Down with the revisionist Communist Party of China and fascist Chinese government! To hell with revisionism and state capitalism!

Fight for a genuine working class government--a government free from bourgeois control, bourgeois privileges, graft and corruption and fascist tendency! Fight for genuine socialism!

Long live the unity of the Chinese workers, Filipino workers and all other workers in the world! The world revolution against world capitalism and revisionism and for the complete victory of socialism will triumph!

Union of Proletarian Revolutionaries
of the Philippines, June 1989 ■

"Democratic" tyrant bans teachers union in South Korea

On September 25 thousands of teachers, students and others demonstrated across South Korea to protest a ban on a teachers' union. In downtown Seoul, about 1,500 students hurled rocks and bottles at riot police who attacked with tear gas.

The U.S. government portrays the South Korean government as democratic. But Roh Tae Woo's regime has

banned the National Teachers Union and ordered teachers punished for participating in it.

Working people's rights won't come through the generosity of the capitalist regime. They will be achieved only through fighting hard against the exploiters and their reactionary dictatorship. ■

Correspondence

9/25/89

Dear Chicago comrades,

Enclosed is an article by an official of the opportunist CISPES outfit. [It was an article by Mike Zielinsky, editor of CISPES's publication *Alert!*, on page A13 of the Sept. 22 issue of the *Los Angeles Herald Examiner*, which entitled it "Peace finally has a chance in El Salvador."] Read this. Unfortunately a lot of what is put forward here to warm the hearts of the capitalists and their state may be an accurate description of the FMLN negotiating position. This I think is both a result of years of fatigue from the battlefield and the influence of pro-Russia/Cuba revisionism in their political line. I also think that the pacifist/"love your fellow man (including the bosses)" ideology (mysticism) has made much corrosive headway through purveyors inside the liberation coalition movement. I think we tend to underestimate this kind of spiritualistic bunkum which really plays a Trojan Horse role ideologically/politically inside the workers and peasants struggle for freedom. We should scope in on this much more sharply. I have not seen the Catholic Church-sponsored movie *Romero* about the murdered archbishop but I was told by activists that it has played up the "progressive" role of the Church in the struggle (real rubbish) and plays down the real heroism of the masses of the workers and peasants in the struggle for socialism (can you review this film?)

We must be quite explicit about the treacherous role of the Church hierarchy (left and right) who are with might and main trying to paralyze the workers' class struggle and subordinate all the sacrifice for a suicidal capitulation to ARENA and U.S. imperialism. And CISPES and Co. (ardent defenders of a wing of the US rulers) are per usual echoing the political line of the Democratic Party "policymakers."

Fraternally,

(...) of the L.A. Supporters of the MLP

Comment by the Supplement:

The LA Supporters of the MLP carry out active work in the anti-intervention movement. The remarks above are inspired by the clash with reformism that is necessary to carry out this work on an anti-imperialist basis.

A comment on the newest twist in the reformist views being put forward with respect to El Salvador can be found in the article "talk of peace and reality of war in El Salvador" in the October 1 issue of the *Workers' Advocate*.

We have not yet had the opportunity to see the film *Romero*. But it can be noted that in the reformist plans that have been put forward for some time in El Salvador, and that are promoted in CISPES publications and

elsewhere, there is a good deal of promotion of the role of the Church. The contradiction between the needs of the toiling masses and the stand of the Church is hidden. This too helps fasten another chain upon the masses.

18 Aug., '89

The Supplement,

My Dear Friends and Comrades:

Re the Aug 10, 1989 issue: I've read our Swedish comrades theses re the degeneration into capitalism of the Soviet Union, and your rebuttal.

Comrades, it strikes me like our Swedish comrades were not even trying to make an analysis in depth! They merely "told it like it is", or rather like it was! I commend you in your aim of going into the entire matter in its entirety, in depth. That is sorely needed!

It is needed so we won't make those same mistakes, sometime in the not too distant future.

But, the Swedish comrades gave us an over-all, thumbnail sketch of what happened! Before any analysis can be made in depth, the entire picture of what occurred has to be known! They told what Stalin did! Khrushchov was blamed for the "revision"! Stalin had already completely consolidated that position!

I told you before, Stalin was a czarist plant in the communist party! After the revolution, he became a bureaucrat! He was a schemer, an opportunist, who saw a chance to "take-over" the business, and he did! He headed one rotten faction, Khrushchov belonged to another! It was "dog eat dog"! But, what the hell, that kind of power politics has been with us for millennia!

Comrades, I've told you before, and I will repeat: the communist revolution happened in the wrong place, at the wrong time.

And that's why all those problems arose!

Russia had German troops fighting on their soil! The, the revolution, and civil war! The country was in shambles! A backward, agrarian nation! On top of that, the U.S., and rittain were in there, and, their gents were in their continually, and still are!

The commnists "had three strikes against them" right from the word go!

Well okay, capitalism won that round! Let's make goddamn sure they lose the next on! The next one is going to be here! And you, comrades, will lead it and fight it! Be thoroughly prepared. Be ruthless when the time comes!

M, Lexington, Ky.

Comment by the Supplement:

The above comment is one of several enthusiastic

remarks greeting the study of the Soviet Union. We would like to make a few points on the subjects it raises.

It seems to us that the study of the Bolshevik revolution does not lead to the fatalist conclusion that the conditions damned them, but to a great many lessons about the transition between capitalism and communism. They achieved an amazing amount despite the harsh conditions, and this should inspire future attempts.

Our study of the Soviet Union has of course emphasized that Khrushchov was not the first to set upon the path of betrayal. Nevertheless, we do not agree with the view that Stalin was a czarist agent. The task is to deal with the political trends that reflected the capitalist degeneration of the Soviet Union, and this is both more complex and more useful than reducing Stalin's turn away from Leninist communism to his supposedly being an agent.

August 8/89

Dear MLP:

Please do not send *Workers' Advocate* any more. (Enclosed I return latest issue.) I do not enjoy "revolutionary" FBI propaganda.

Ana Lucia Gelabert

Comment by the Supplement:

Comrade Gelabert will be familiar to readers of the *Supplement* correspondence columns. She is one of the leaders of the Prisoners United for Revolutionary Education, and she has corresponded with us for some time. And even after the above note, she has continued to send in prison materials.

Comrade Gelabert has always had a series of disagreements with us on the issue of reformism, the nature of revisionism, etc. Recently these differences have intensified. She has abandoned her former criticism of the Arias plan and turned to belief that this plan has been brilliantly utilized by the Sandinistas. She holds that opposition to U.S. imperialism in Panama is fraudulent unless it includes defense of General Noriega, who she holds is popular and won the last elections. And finally, apparently the last straw for her, she disagrees with us concerning the Chinese government's massacre of the popular movement. She seems to believe stern condemnation of this massacre means to fall into the hands of the imperialists or to become an FBI mouthpiece. Comrade Gelabert has always had spirit, and maintains political activity in the midst of the heavily oppressive Texas prison system. But she has never grasped the corrupt nature of world revisionism. While she may oppose this or that action of the revisionist governments or parties, she does not understand the sharp struggle between revisionism and the revolutionary Marxist-Leninists. She is not fond of the line of the Chinese government, for example, but when it comes down to the sharp condemnation of it for its

crimes against the people, she has cold feet, fearing that this means to side with imperialism. In letters to us, she has supported the Chinese government lies about the troops being the victims. In this case, the Chinese revisionist lies are so discredited, the reformist and trotskyist Workers World Party to the contrary, that even most revisionist governments and revisionist groupings have seen fit to stand aside from them.

Unfortunately, this unwillingness to look the crimes of revisionism in the face has led Comrade Gelabert to use one of the most dirty of the methods of the revisionists and opportunists--to denounce the anti-revisionists as police (FBI) etc. We would remind Comrade Gelabert that it is the revisionists themselves, from the Chinese government to the Gorbachovites, who are constantly striving to work hand-in-hand with the imperialists, including their police. The revisionists have always denounced the anti-revisionists as pro-imperialists, simultaneously with the revisionists advocating the wonders of a world build up hand-in-hand with the imperialists. In the U.S. movement, such false charges were also used by the FBI itself, in "Operation Chaos" and other dirty tricks, in an attempt to disrupt the left movement. It is important that serious activists find proper methods of dealing with political differences, and not resort to the methods used by the revisionists and the bourgeoisie.

[17 July]

Let me start by saying I love your paper. I don't completely agree on the issue of the mode of production of early Soviet/Russian society any time you have a privileged minority ruling over the rest of us, whose relationship to the means of production differs from that of the ordinary workers, you don't have working class rule.

My idea of working class rule is control from below in the production process and generally in the running of society in an advanced industrialized society: workers as a whole, coming to the conclusion through their own struggles and experiences that we can run things better than these mother fuckers, taking away all power from the rulers (economic and political).

I agree with the model of "bureaucratic state monopolized capitalism" but I disagree with the notion that there's nothing wrong with the hierarchy, just the ideas in the heads of the rulers (i.e. enlighten the exploiters so they'll be nicer to us).

I've talked to the party people and RAG about this and other things, forgive me for rambling.

Accept this donation for your paper. It's not much, but I have to have 2½ part-time jobs just to make ends meet.

In solidarity,

[S. from Seattle]

Comment by the Supplement:

We have reproduced the brief note from the comrade to

help illustrate the varying views that come up in the study of Soviet history. There is no question that the comrade expresses a view held by a number of people.

We, of course, do not believe that the difference between the revisionist bureaucratized system and the communist system is that some bureaucrats have slightly different ideas. But we do believe that organizational work is more complex than just the contrast between rank-and-file and apparatus. To regard centralism as bureaucracy and exploitation by definition, cadre as always a privileged minority, is to condemn the working class to political impotence and eliminate the possibility of revolution.

Socialism is based on and requires a real flowering of the formerly oppressed majority, on their independent action. But it is not simply democracy from below taken to an extreme, as if it were a New England town meeting, but one based on workers' assemblies or on unions. Both syndicalism and anarchism, for example, essentially believe this. Developed consistently, this gives rise to all sorts of ideas denigrating the role of the proletarian party, of revolutionary methods, and of the dictatorship of the proletariat.

We think that the study of the Marxist principles of socialism and of the experience of revolutions does much to clarify such issues.

And we thank the comrade for her contribution to the **Workers' Advocate**. Without the support of many activists, all hard pressed by the difficult conditions of life under Reaganite capitalism, the **Workers' Advocate** wouldn't exist.

21 June 1989

The Chinese Revisionists are Social-Fascists

The Chinese revisionists have brought an "end" to the demonstration in Beijing's Tienanmen Square with a military-style assault on the students and workers. They have since launched a campaign of mass arrests, as well as shrill denunciations of the students as "counter-revolutionaries" and "thugs." In another outrageous act, they are

broadcasting lies to the Chinese people, denying the perpetration of the massacre of June 3-4. They are attempting to blatantly cover their tracks with an unbelievable campaign of repression, terror, and disinformation.

The Chinese revisionist gang are proving to the world, as well as the Chinese people, that they are a group of social-fascist thugs: The "moderate, pragmatic" Deng Xiaoping and company are waging a white terror against the freedom-loving Chinese people. They have earned the scorn and hatred of the world's progressive and democratic peoples. The true, Marxist-Leninist communists denounce these caricatures of Marxism as a gang of social-fascists.

The Western imperialists are attempting to capitalize on the massacre to, on one hand, discredit the "communist" leaders in Beijing, and on the other, pose as friends of the Chinese people. Of course, they had been praising Deng Xiaoping and co. for their "moderate, pragmatic" leadership for many years now. Their main concern is the "stability" of imperialist investment in China. While they have pro-Western leaders in the opposition, the imperialists fear the reaction of Chinese workers, peasants and students will upset their profitable relations with the ruling bureaucrats. The U.S. imperialists, in particular, have engaged in "wrist-slapping" sanctions, while continuing to value [their] ties with the revisionists. They want to have their cake and eat it, too--the sanctions express their "disapproval", while they hope to continue business as usual.

The Chinese workers are presently encountering some great difficulties. They are faced with the fascist repression of the revisionists. The pro-Western "democracy" bourgeoisie is clamoring about the massacre as "proof of communism's failure(?)" and advocate a Western-style bourgeois republic. The proletariat must come out for its own class independence in the struggle against the fascist regime. The Chinese workers can rally the oppressed masses of China, especially among the peasantry, to fight the battle for true worker's socialism and proletarian democracy.

With revolutionary greetings,
[JR, Boston] ■

The monopoly capitalist basis of the American political mainstream

Continued from the front page

have their own motion and development;

*all the propertied classes, big or small, enter into political contention, vie for their own interests, and identify with one or another of these trends;

*a small handful of monopoly groups exercise a great weight in the politics by fostering, allying with or adhering to these trends; and while there may be individual differences, brief alliances of convenience, and so forth, the fact of the matter is that on the whole particular monopoly groups tend to identify with particular political trends over a fairly long period of time.

THE DEVELOPMENT OF MONOPOLY CAPITALIST GROUPS

To explain these points further I would like to devote a few minutes to a very incomplete presentation of the most important of these groups.

Probably everyone at some time has heard some stories about the robber barons, about Jay Gould, about James Fisk and the others, and the machinations and maneuvers they went through, stealing railroads from each other, organizing pools in the stock market, and so on and so forth. These were not monopoly capitalists in the modern sense. In the era of the robber barons, particularly the 1870's, an economic basis did not yet exist for sustaining monopolies. The cartels they tried to organize fell to pieces. Modern monopoly awaited the development of large-scale industry and the development of the corporation as a form for pooling vast amounts of capital.

By the turn of the century the situation had changed. Instead of iron works with fifty to a hundred workers you now had modern, or close to modern, steel mills with thousands of workers. This required a tremendous concentration of capital. And from the scale of the capital itself came a certain impulse toward monopoly. This tendency toward concentrating capital was also taking place in banking. And with the emergence of corporations the banks assumed an important role in their finance, in the issue of stocks and bonds, etc. In his work *Imperialism, the Highest Stage of Capitalism*, Lenin describes the phenomenon of the merger of monopoly industrial capital with monopoly banking capital. The classical form of this merger is the formation of more or less stable groups with one or more banks at the head of them exercising control and domination over a number of industrial corporations, sometimes controlling them quite closely and sometimes by more indirect means. By such means entire industries, even entire regions of the world, can be carved up among a handful of

big cartels.

The Morgan group

One important finance capital group in U.S. history was the Morgan group, so named because it was a bank headed by J.P. Morgan which stood for decades at the head of this group. In the late 19th century U.S. industry was built up on the basis of capital that had been borrowed from Britain. And the Morgan bank, which had extensive British connections, was one of the main conduits for this capital and grew on this basis.

The Morgan bank organized some of the first and most important of the giant industrial monopolies in the U.S. It was the Morgan bank, for instance, which persuaded Judge Gary and a dozen other steel capitalists to pool their resources and form U.S. Steel. It was the Morgan group

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which presided over the pulling together of a number of electrical companies to form General Electric. The Morgan bank was also banker for many of the railroads. And of course the Morgan-dominated railroads bought their steel from US Steel.

Steel and railroads ran on coal, and there was another Morgan director who was the man for coal. Nowadays we rarely think of coal as a widespread industry, you know, it's something up in the mountains. But at that time the economy ran on coal. And big important coal companies such as Peabody were connected with Morgan.

Morgan also had extensive influence among the utilities. And the principal suppliers of electrical equipment to the utilities was General Electric Co., for which Morgan again was the banker.

The Morgan group thus stood on two legs: its extensive position in basic industry and its extensive British connections. In fact in the early part of this century the Morgan group was the premier, the super-group, of finance capital groups in the U.S. It was the ex-officio banker to the government. At one point the gold holdings of Morgan were greater than those of the U.S. Treasury.

The Rockefeller interests

A second group that should be mentioned are the interests which come out of the Standard Oil monopoly, usually referred to as the Rockefeller group after the wealthiest of the Standard Oil families. The Standard Oil Co. grew up into a huge monopoly in the oil industry. It began by dominating the oil industry in the United States, but by no means ended there. Lenin in his day pointed out the division of the entire world market in oil between British and Dutch petroleum interests on the one hand, and Standard Oil and some of its American partners on the other.

The Standard Oil interests, having built up this monopoly, then went to Wall Street, bought themselves a few banks, and became more all-rounded monopoly capitalists. But they have always based themselves disproportionately on oil.

In the earlier part of this century, anti-trust action broke up Standard Oil into several different companies, but by and large, the Rockefeller and other founding interests retained control over most of the former Standard Oil companies. I should add that there has been no anti-trust action against the Standard Oil company since then. And one reason for this is that the Rockefeller group brought other monopoly capitalist groups into the various Standard Oil companies as junior partners, giving them a stake in the enterprise. In what was formerly the New York part of Standard Oil, Mobil, you find the Morgan group participating. In Standard Oil of Indiana you find the Chicago group, and so forth.

To further complicate matters, there is a second branch of the Rockefeller family which acts in accord with the first group to the extent that oil interests are concerned. But

they have other interests as well. In the 1930's they got involved with a little start-up company called United Aircraft, which was then broken up by anti-trust action into three companies which are today known as United Technologies, United Air, and Boeing. This defines a distinct identity, with one foot in oil and the other in aerospace.

These two groups--the Morgan group and the Rockefeller group--operate on a national and on a world scale. All other groups, while still very large, are of a somewhat more limited size and scope.

Lesser groups

I will now pass quickly over some of the lesser groups.

There are a number of smaller, mainly New York-based, banks which act in concert. They tend to specialize in international banking and because of their role in the New York and international capital markets carry special weight. One such house is Brown Brothers, Harriman.

Mention should also be made of the Du Pont family, which once played a dominant role in GM, and played an active role in the politics of the 1920s and 30s.

The next tier down consists of about 8 or 10 groups or groupings whose strength, both economic and political, are based in particular regions, and who enter into the national scene chiefly in alliance with other forces. Thereafter, we find smaller groupings, mainly families, controlling one or two corporations worth a few hundreds of millions of dollars. Often, this last group is characterized by great personal wealth but much less institutional strength. Of these there are a few hundred.

The vast scope of industry and of the domestic market in the U.S. has given rise to big bourgeois interests more diverse and unwieldy than in some other countries, where the number of big groups can be counted on the fingers of one hand. This is seconded by the federal political structure, which permits regional domination by local groups.

Such groups come into being with the advent of new markets and new industries, and in time pass out of being as prey to stronger groups. Particular alignments may not be cast in stone, but the existence of these groups has been a basic fact of economic and political life throughout this century.

LEADING UP TO ROOSEVELT'S NEW DEAL

In the Fall of 1936 the New York Times reported that, at a mass meeting in the heart of the Wall Street District, about 200 business leaders, most of whom described themselves as Republicans, enthusiastically endorsed the foreign trade policy of the Roosevelt administration and pledged themselves to work for the President's reelection.

History tells a story more complex than the myth of the New Deal as the triumph of "the people" over Wall Street. The New Deal came into being against the background of the Great Depression and the threat of a high tide of class

struggle. But it was brought about by a coalition of bankers, oil men and other bourgeois interests in a fight over what policies and what interests within the bourgeoisie would predominate.

The Republican era

From the defeat of the Populists in 1896 to the election of Roosevelt in 1932 the Republican Party held the White House for 7 of 9 terms and were the leading spokesmen of the mainstream of bourgeois politics of that era. The Republican idyll consisted in:

- *prohibitively high tariffs and a sound money policy based on the gold standard;

- *neutrality in European affairs while carving out a U.S. sphere of influence in Latin America, the Pacific and China;

- *suppression of strikes and the revolutionary workers' movement.

This was the platform of industrial capital. But industrial capital was not just industrial capital any more. This was the era of the formation of monopolies, the merger of monopoly industrial capital with monopoly banking capital, and the formation of giant monopoly capitalist groups which held sway in large sectors of the economy and made their weight felt in affairs of state.

There were a series of differences within the bourgeoisie, which gave rise to conflicts and fights: there were the usual fights over who would dominate which industry and over who would reap the spoils of office; there were the differences between agriculture and industry; between industry and banking and commerce; there were regional differences; there were differences as well between those geared to the domestic and semicolonial market and those geared toward Europe and the world market; and so forth. Monopolization did not abolish these differences but rather concentrated them.

The tremendous expansion of the U.S. economy during the first World War and the following decade had muted these differences; with the Great Depression they came to a head.

Crisis of the 1930's

In the face of the crisis Hoover had followed the long-standing sound money policies of the Republicans. He shunned relief for the masses of unemployed. He maintained the dollar's exchange value. Hoover departed from Republican tradition in only one respect: setting up the Reconstruction Finance Corporation to bail out the railroads, utilities and other big capitalist enterprises.

Hoover's policies had the support of most of industrial capital. Hoover was encouraged as well by the Morgan interests.

The Morgan group was the greatest of the finance capital groups at that time. The Morgan interests dominated large sectors of the economy: rail, utilities, and a

part of basic industry. They had extensive interaction with European, especially British capital. They were the bankers' bankers, dominating Wall Street and the Federal Reserve, often to the detriment of others. Embodying the special role of the House of Morgan as, ex officio banker to the government was the special telephone line that ran from the Oval Office in the White House to the desk of the managing director at Morgan.

With its massive gold holdings, the Morgan bank was interested to keep the U.S. on the gold standard. With its British and European connections, the Morgan interests were intent upon preserving the relationship of the dollar to the European currencies, even if to the detriment of the U.S. economy.

Other sectors, however, were crying for relief. Texas oilmen wanted a reinflation of prices--oil prices in particular. The capitalists of Sears Roebuck wanted a way out of the crisis in agriculture. Western and Midwestern bankers wanted an end to Wall Street's domination of the banking system.

The anti-Hoover coalition

By 1932 an anti-Hoover coalition had built up in the bourgeoisie. Around Roosevelt formed a coalition of diverse bourgeois interests who wanted to break with the policies of Hoover--and the power of Morgan.

At the heart of this coalition stood a grouping of lesser Wall Street banks who were determined to break Morgan's stranglehold over the banking system. Among them were such firms as Brown Brothers, Harriman and the law firms who acted on their behalf. They counted among Roosevelt's closest advisors and backers, for these were the circles he himself came from. These interests were themselves as internationally-oriented as was Morgan. But they lacked Morgan's special attachment to gold and to the British pound. They were willing to devalue the dollar in the hopes of jump-starting the U.S. economy.

Closely allied to them were the Rockefeller/Standard Oil interests. The Standard Oil interests controlled an oil monopoly that spanned half the world. This group was second only to Morgan. It was moreover locked in a bitter rivalry with Morgan.

These key players were joined by a range of other interests who despaired at the prospect of a second Hoover term.

Consolidation of the Rooseveltian coalition

In the first days of the Roosevelt administration measures were taken to reform the banking system, thereby breaking Morgan's stranglehold; to devalue the dollar and seize private gold holdings, not least of all Morgan's; and to organize government-sponsored industrial cartels. Later came subsidies for agriculture, anti-trust legislation to break up the Morgan-dominated utility trusts, and finally, some measures of relief for the masses. After having taken the

protectionist measure of devaluing the dollar, the Roosevelt administration turned around and entered into a series of trade negotiations to lower tariffs.

The Roosevelt coalition soon redivided over questions of attitude toward the working masses and the trade unions. The Roosevelt policy was to dance with the trade unions rather than suppress them outright; to grant some relief and reforms for the masses when obliged to do so. This was enough to provoke the walkout of some elements. The Du Ponts, for example, the largest stockholders in GM, promptly became outspoken members of the anti-Roosevelt National Association of Manufacturers, joined up with Morgan interests to launch the right-wing Liberty League, and entered into negotiations with the American Legion with the aim of launching a coup d'état.

In the bitter struggle that ensued, a large part of the Roosevelt coalition remained intact. In the 1936 elections the Republicans nominated an independent oil man on a protectionist platform. This may have won the hearts of many industrial capitalists, but it assured that the Standard Oil interests and most of Wall Street would stick with Roosevelt. Having handed the Morgan and Du Pont interests a serious defeat, Roosevelt turned around and entered into negotiations with them, reaching a truce with them in the face of the rising tide of the workers' movement.

On the eve of the Second World War, a further shift took place in the ruling coalition. Roosevelt's preparations for war were opposed from the right by a coalition of interests embraced by the America First Committee and represented by the right-wing Republicans in the Senate. This coalition included elements tied to German trade and others motivated by ideological kinship to Hitler. But at the base of it stood agricultural, retail, industrial, and oil interests geared to the domestic market. With Roosevelt, on the other hand, stood interests oriented toward Europe and the world market--and, of course, the munitions manufacturers. Thus, General Woods of Sears, Roebuck forsook Roosevelt, joined the board of the National Association of Manufacturers, and became titular head of the America First Committee. The Du Pont and Morgan interests, on the other hand, returned to the fold, with Morgan men serving in the Cabinet during the war.

By 1940, the Republican candidate for president, Morgan utility executive Wendell Wilkie, was pledging to continue Roosevelt's foreign policy and preserve the New Deal. This is a measure of the change which had been wrought in the mainstream of bourgeois politics under the extraordinary conditions of the Great Depression. Further change would come in the new conditions in which U.S. imperialism found itself at the close of the Second World War.

EMERGENCE OF U.S. AS THE DOMINANT CAPITALIST WORLD POWER

Prior to the Second World War the United States was the dominant power in the Americas and a competitor in

the Pacific. But the U.S., despite its vast economy, had only recently become one of the half dozen or so world-class powers. With the Second World War this changed decisively.

The United States emerged from the Second World War as a superpower, an imperialist power whose standing was unrivaled by any other. Such a situation had not existed since the erosion of the monopoly position of Britain the better part of a century earlier. While much of the world lay in ruins, the U.S. had come out of the war unscathed, with a strengthened economy and with a military strength much greater than it had possessed before. On a world scale it was unrivaled. Measured in terms of manpower, the U.S. possessed greater military strength than the rest of the imperialist powers put together. Measured in terms of military hardware, its strength was still greater.

The military strength of the U.S. corresponded to a strong industrial position. At the close of the Second World War the United States accounted for half the world's industrial production, for some three fourths of the gold reserves held by all the central banks of the "free world", and for the lion's share of international trade.

Working from this position of strength, the Wall Street bankers and lawyers who populated the State Department set to work on a new international order based on the cornerstone of U.S. hegemony.

The first feature of this new order was that the old colonial empires and spheres of influence of the individual imperialist powers should give way to one unified world market to be dominated by whoever happened to be the strongest.

Second, a new financial order would be constructed, based upon the primacy of the dollar.

Third, a system of formal alliances, in the first place the NATO alliance, was set up, putting the U.S. at the head of all the Western powers.

Fourth, Germany would be rebuilt, rearmed, and brought into the NATO alliance as a cornerstone of the U.S. strategy in Europe.

To enforce this system, a permanent worldwide U.S. military presence would be maintained, together with a permanently high level of arms production, financed through deficit spending.

The cold war

A key problem for U.S. planners was the Soviet Union. The Soviet Union, no longer really communist but in a trajectory of degeneration, had pledged itself to continuing the wartime alliance in the post-war era. But it did not commit itself on the question of a unified world market, leaving the position not only of the Soviet Union, but also of Eastern Europe in doubt. For the U.S., this was an unacceptable breach. When the Soviet Union announced a five year plan for reconstruction, this was taken as a sign of recalcitrance, and the U.S. turned to an hysterical anti-communist campaign and tactics which became known as

the Cold War.

The Cold War began with hardball tactics to ensure U.S. hegemony in a unified world. But the world did not stand still. The U.S. had scarcely begun its reign as the dominant world power when it was confronted by the liberation of China--one-fourth of the world--and by the continuation of the liberation struggle in Korea. As events unfolded this tactic seemingly took on a life of its own. It hardened and quickly developed into the central point of U.S. policy.

These policies defined the mainstream of bourgeois politics in the U.S. for the next generation. While there was a certain orientation set from early on, the specifics of these policies did not emerge in a single day. Rather, they emerged over time in the course of a series of trials of strength both internationally and among different bourgeois factions at home.

Clash of capitalist mainstream and the right-wing of the Republicans in the post-war period

The postwar orientation of U.S. imperialism met with opposition from the Republican Right. Former America Firsters in the Senate argued long and hard. They opposed NATO as an infringement upon U.S. sovereignty. Later, they made MacArthur their hero and accused the State Department of abandoning the U.S. sphere of influence in Asia. This culminated in McCarthy and McCarthyism. Unable to overcome the dominant trend, the Republican Right took up the anti-communist campaign spawned by the authors of the Cold War and turned it around against its very authors.

Where were those liberals who had championed non-Cold War policies while the mainstream and the right fought it out? By and large, hiding behind the skirts of the mainstream. Wall Street bankers and lawyers who had been at the heart of the Roosevelt coalition the previous decade were the initial authors of the cold war. And the Democratic Party Truman administration ushered in the cold war, while other liberals went along or fell silent. Nevertheless the liberals and their associates, among the professional diplomats, including various cold-warriors themselves, became the targets of McCarthyism.

The clash between mainstream and right in the 1950s found its social basis in the differences between the most developed monopoly capitalist interests--above all, the international bankers and oilmen--who could afford to orient themselves toward the world market, and those who remained geared to the domestic market, or at most, toward a well-defined sphere of influence in the Americas and Asia. Unable to extend themselves economically into the world market, these interests were unable to extend their thinking beyond the Republican traditions of isolationism.

Had the international bankers and oil interests been obliged to stand alone against all takers their forces might well have not been enough to have resisted the onslaught of the right. But this was a period of tremendous economic expansion. In industry after industry the capitalists were

filling their coffers to overflow. Big monopolies in basic industry, at first cautious, came bit by bit to see the wisdom in an international orientation which brought them such benefits. A special role in this was played by the massive military spending.

The economic boom of the 1950s and 60s

The economic boom of the 1950's and 1960's brought about a series of structural changes in the economy,

The oil industry, already massive, had undergone tremendous growth, spurred by the growth of auto and aerospace and the conversion of large parts of industry from coal to oil. International production overshadowed the domestic. With this development the Rockefeller group came to enjoy the super-group status which once belonged to Morgan.

Developments were seen as well in other industries. Big monopolies such as GE, once confined to the borders of the U.S., were now ringing the world with branch plants.

New industries such as aerospace and electronics grew to tremendous proportions, as did the local economies in the regions where they were centered.

Politics of the boom

In the course of the sustained economic boom, the ground seemed to disappear from beneath the feet of the Republican Right. During the 1950's the Republican Right nominally controlled the U.S. Senate. But it was unable to capitalize on its position. Indeed, as the years passed by, many of its leading figures deserted to the mainstream. By the early 1960's, big industrial corporations such as GM were learning to put on a new, more cosmopolitan face and were disengaging themselves from the National Association of Manufacturers and other right-wing ties.

This sustained economic growth had an impact on the workers' movement as well. With the sustained economic growth of the period came a sustained rise in the standard of living of the class. Against this background it was possible for the bourgeoisie to come down with a mailed fist against the militant wing of the workers' movement and dampen the class struggle, while still maintaining a relatively benign appearance.

The Eisenhower administration maintained a careful balance among the different interests within the bourgeoisie, while always giving first place to the mainstream. The Secretary of State was linked to the Rockefeller/Standard Oil interests; he was, in point of fact, the former President of the Rockefeller Foundation. The secretaryship for defense went to heads of industrial corporations who banked with Morgan: first GM, and then GE. The Secretary of the Treasury, on the other hand, was the president of National Steel, representing mining and manufacturing interests that leaned heavily toward the domestic market--and toward the right. He spent his years in office complaining about the budget deficit that foreign policy was forcing

on him. Out of office, he became a booster of the Republican Right.

As a large part of the bourgeoisie gravitated toward the mainstream, the Kennedy administration abandoned this cautious balance. The Cabinet became the playground of technocrats representing Wall Street and kindred interests. Traditional domestic interests were virtually locked out, as were such interests as the aerospace-based Los Angeles group, which had sponsored Nixon's candidacy. One consequence of this was that an enraged Right briefly took control of the Republican Party in 1964. The Goldwater campaign resulted in fiasco because an overwhelming part of the bourgeoisie remained loyal to the mainstream policies. Indeed, no less a Republican eminence than Thomas J. Lamont, managing director of the Morgan investment house, headed up the Wall Street committee for Johnson. It was not the time for the Republican Right.

DECLINE OF THE EMPIRE

At its peak U.S. imperialism enjoyed a position of worldwide monopoly not unlike that of Britain in the mid-nineteenth century. Henry Luce proclaimed this *the American Century*.

The American century lasted about 20 years. By the late 60's and early 70's a series of crises afflicted U.S. imperialism.

First and foremost of these was the war in Vietnam. The war in Vietnam showed that U.S. imperialism was not all-powerful. It stirred powerful mass motion in the U.S. Along with the upsurge in the black people's movement and other struggles it provoked crisis in U.S. society.

Together with this came economic woes. While the U.S. economy had enjoyed an extensive boom, production in other countries and world trade had grown even more rapidly. The U.S. economy no longer had a position permitting the dollar to be the sole medium of world trade, and the standard for all other currencies. A series of dollar crises resulted, forcing a redefinition of the international currency system. This signified a relative decline of the once all-mighty dollar.

Hard on the heels of this came a series of economic crises and a decade of stagflation, signifying an end to the lengthy economic boom.

These crises reflected the erosion of U.S. imperialism's near-absolute hegemony. And with this came as well an erosion of the alliance which had dominated bourgeois politics throughout the era.

Wanderings and trilateralism

The crises of the 1960's and 70's put an end to the previous consensus. Confusion reigned as different forces searched in different directions and waffled.

Internationally-oriented bankers such as Brown Brothers, Harriman and the Rockefeller oil interests advocated a continuation under new conditions of the policies they had

long championed: they were willing to make substantial tactical concessions to the bourgeoisies of Western Europe, Japan and of various developing countries in order to maintain a world market in which to operate; they put priority on sustained economic growth in order to restore and maintain class peace, even at the cost of continuing the inflation plaguing the capitalist economies; they wanted to continue maneuvering with USSR and China for reasons of big power politics but also in the hopes of making inroads into these markets. This orientation was associated with the Trilateral Commission launched to foster it.

This may have been fine for international bankers and oil men; it was not for the big industrial monopolies and their bankers. They were feeling the squeeze of stagnation, inflation and increased international competition. They were in no mood for concessions. On the international plane they were inclining toward protectionism. At home, they inclined away from playing at good relations with the trade union bureaucracy to keep the workers in line, preferring to emphasize labor discipline.

These developments came side by side with a revival of the Republican Right. In 1976 Reagan had lost the Republican presidential nomination by a matter of inches on the basis of running against the Panama Canal Treaty, a symbol to the Right of the sacrifice of U.S. unilateral interests for the sake of the world market.

Trilateralism quickly peaked and fell from grace in the first years of the Carter administration.

The Reagan alliance and the shift of the mainstream

As the crisis dragged on, things came to a head with the coming together of a grand alliance around the Reagan candidacy in 1980.

In 1976 Reagan had run in the Republican primaries with the support of the entire Republican Right but without the backing of major monopoly capitalist interests bigger than the Coors family and the Pews of Sun Oil and Sun Chemical. But 1980 found the big bourgeoisie without a consensus and without a consensus candidate. In a few months, a trickle of elements coming over to Reagan became a stream.

In the Business Roundtable, George Shultz, President of Bechtel and Director of the Morgan Guarantee Trust, lobbied on Reagan's behalf. To his voice was added that of Roger Blount, head of US Steel and also a Morgan director. They were joined by the President of Morgan Guarantee, and a long list of Chief Executive Officers of major industrial corporations, both Morgan related and not. Adding insult to injury, a section of the Standard Oil interests with a major position in aerospace also threw in with the Reagan forces.

Following the Republican Convention the Rockefeller camp, their candidate coopted for the vice-presidency, surrendered to the inevitable.

Suddenly, the traditional backers of the Republican Right found themselves joined by an array of more power-

ful interests. This alliance centered on two points. One was reversing the policies to which these interests attributed the declining fortunes of U.S. imperialism. The other was breaking the power of the Rockefeller group, the principal backers of these policies and the nemesis of independent oil men, the nuclear power industry, and various and sundry industrialists.

By themselves, the traditional backers of the Republican Right were unable to bring their forces to power; and had they been so able, they would have been unable to rule without the support of at least a section of the big monopoly capitalist groups. It was the participation of mainstream monopoly capitalist interests that put Reagan over the top. This signaled a change in the mainstream of bourgeois politics.

The new alliance in power

The new alliance was not an easy one. Beneath the facade of unity, the Reagan administration was characterized by continual infighting and chaos.

The Reagan administration brought to power a motley assortment of often conflicting interests, united chiefly by greed and a longing to turn back history. Western groups, long hungering for a share of power, fell with a vengeance upon the national forests and offshore oil reserves. Corporations of all sizes fell upon the treasury and tax credit leasing became the latest word in fiscal policy. Aerospace interests drank their fill from the public trough and drank again.

Many of the biggest Reagan atrocities (the defense budget, tax credit leasing, budget cuts for the poor, the invasion of Grenada, the firing of the flight controllers) were not particularly the doing of the Right. Rather, they were what all and sundry could agree on. For the rest, there was chaos.

In economic policy anarchy reigned. Supply-siders, monetarists, gold bugs and old-line Republican budget cutters grouped, quarreled and regrouped.

Foreign policy was an arena for internecine warfare. The right was handed Central America to keep them out of more important, viz., European policy, but the taste of this meaty bone just made them hungrier. In the course of the infighting the right was able to bring down Haig, only to see him succeeded by Schultz. Schultz in turn became for a time a hostage of the White House staff, unable to requisition as much as a plane for a flight abroad. Twisting through the issues of Europe, arms control, Central America, etc. was a common theme: the hard-liners and unilateralists of the Republican Right, grouped around the Heritage Foundation, united with the CIA-old boys network in common battle against Council for Foreign Relations members (Shultz, Haig) and career diplomats.

These issues came to a head over foreign policy. Die-hard trilateralists had launched several campaigns against Reagan on foreign policy, but always without success. But the Reykjavik meeting, launched by Reagan without

consulting NATO nor the State Department, upset a large part of the bourgeoisie in both the U.S. and Europe, winning Reagan's critics a new hearing as the Iran-Contra scandal was dragged into the light of day.

A changing of the guard in the Reagan administration followed. In the White House, Regan was replaced by Howard Baker. The entire National Security Council was purged. Weinberger and much of his staff resigned from the Defense Department. In the course of this came the Intermediate Nuclear Forces treaty and the Wright and Arias plans.

More recently, Meese's resignation was followed by the purging of most of his cronies from the Attorney General's office.

Seven years of maneuvering within the Reagan administration have resulted in a recasting of the Reagan alliance, with the Republican Right reduced to the status of junior partners within the alliance. The alliance nonetheless holds. The result is a Reaganism with the rough edges filed down.

The Bush succession

The logical heir to this recast alliance is none other than George Bush, who has made a career out of balancing among the different factions of the Republican Party and the different trends in bourgeois politics: Bush, the Nixon protege who survived the fall of Nixon; Bush, the CIA director who fought against trilateralism--and then ran for President with the blessings of the chairman of the trilateral commission; Bush, who now becomes the beneficiary of the years of infighting within the Reagan administration after having stayed carefully aloof from those fights.

With the change in administration, the cabinet is being reshuffled. The Federal Reserve--an independent agency--is now headed up by a former director of Morgan Guarantee. Bush is placing his own men at State, Justice and Treasury. Defense will go to someone acceptable to aerospace and the right.

All that now remains is for Bush to appoint a Kissinger protege as National Security Advisor and secure an understanding with the Standard Oil interests as he has already with the right, and a broad alliance will be in place.

(Since the speech, the following has occurred: Brent Scowcroft, a longtime Kissinger associate, was appointed National Security Advisor. John Tower was nominated for Defense. Bush was greatly indebted to Tower for his role in having buried the Iran-Contra investigation. However, some jobs are thankless, and Tower came under attack from disaffected Reagan supporters and foes alike. In the end Defense went to Cheney. Cheney lacks Tower's extensive ties in the aerospace industry. He has, however, served his time at defense-oriented thinktanks, including in one working group together with Brent Scowcroft.--Supplement)

The new mainstream grapples with the erosion of the world position of U.S. imperialism

Bush accedes to the presidency through an election characterized chiefly by its dull emptiness.

But while the candidates were busy not discussing the issues, a bipartisan commission was quietly meeting to propose a united approach to economic questions.

This approach, which will be publicly unveiled around the time of the inauguration, will offer the very finest in the collective wisdom of the bourgeoisie. The budget deficit is too great? Cut the remaining social programs and rip off the social security funds. The trade deficit won't disappear? Cut domestic consumption, that is, the workers' standard of living.

(Since the speech, the bipartisan economic commission ended in fiasco when its report proved too embarrassing for public unveiling and some of the participants scurried to disavow it. It appears that the issue of a national economic policy has been placed on the backburner for the present. But it may be expected that it, or other draconic measures, will be revived with a vengeance as the economic crisis deepens.--Supplement.)

In the face of economic problems that won't go away, there are sectors of the bourgeoisie who have become irreconcilably committed to protectionism, whether by means of quotas and tariffs, or by the more sophisticated means of playing with the dollar's international exchange rate.

This provokes alarm among other sectors, who fear the disintegration of the world market and do not appreciate having their capital halved.

Reducing the standard of living of the workers has become the common ground of both camps. Walter Joelson, chief economist at GE, declaims "What in the Bible says we should have a better standard of living than others? We have to give back a bit of it." Peter G. Peterson, investment banker and head of the Council on Foreign Relations, puts forward the same in the name of reducing consumption and increasing investment.

Corresponding to wage cutting at home is the narrowing of flexibility on international plane. The imperialists have been unable to resolve the Latin American debt crisis, in large measure because they are disinclined toward any solution that might involve forgiving part of the loans, or otherwise cost them money. Hand in hand with this has gone a tremendous disinclination to tolerate any independence on the part of the Latin American bourgeoisie, and to tolerate any politics that fall short of out-and-out counterrevolution.

This growing disinclination to share crumbs with others and growing inability to tolerate policy differences appear

against the background of the erosion of the world position of U.S. imperialism and the decline in its share of world trade.

The secret of the 1988 elections--the complete lack of content--is that a new mainstream of bourgeois politics has been staked out and no one within the bourgeoisie is willing or able to challenge that.

The bourgeois mainstream as Reaganite reactionaries

Ronald Wilson Reagan was elected President of the United States in 1980 with the promise of making America number one again. But the problems which had gripped U.S. imperialism were not just the making of weak-kneed liberals and could not be dispersed simply by blowing so much chauvinist hot air.

The U.S. remains the world's greatest military power. And its industrial capacity remains greater than that of any other one country. But the industrial and financial monopoly on the basis of which U.S. imperialism established its world hegemony after World War Two has eroded. Along with it has eroded the basis of the NATO and the other alliances which defined the post-war relations among the imperialist powers.

Today we are witnessing the disintegration and break up of the post-war relations among the capitalist powers and the drift toward new alignments and new divisions of the booty of international plunder. This involves a slow, protracted and painful process. But the process is underway nonetheless.

This same process has eroded the basis of the political consensus which dominated U.S. politics for half a century.

The erosion of the hegemonic position of U.S. imperialism has not led to peaceful retirement. On the contrary, it has brought forth Reaganism.

Eight years of Reaganism have solved none of the fundamental problems facing the bourgeoisie. But it has left a legacy: the dissolution of the mainstream politics of the previous era and its replacement with a new mainstream.

The alliance of groups and interests put to the fore by the new mainstream is bound together by necessity and by a common orientation. But putting its program in place has been more difficult. There are considerable conflicts within this alliance and a lack of consensus on many questions. Moreover, the world will not stand still. A major break on the international front or the onset of severe economic crisis may shatter this particular alliance. Intentions, as I said earlier, have a way of breaking on the rock of reality. ■