

# the People

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## SENTINEL FUND—

### SLP Friends Respond to Special Appeal

The third quarter of the 2007 calendar year was a very good one for the SLP.

In July, the party's National Secretary informed the 47th National Convention that the SLP was in a serious financial bind. The convention decided to come to grips with the problem by establishing a National Telephone Contact Committee and instructing the National Executive Committee to appoint two volunteers to do the work.

The NEC did what the convention instructed and within a few weeks the special committee was hard at it. The committee made hundreds of calls to party members, other supporters who have contributed to party funds in the past and to many more regular readers of *The People*, to inform them of the financial predicament the SLP finds itself in and to urge them to come to the party's assistance.

The response to the committee's efforts was gratifying in two ways. Apart from the financial generosity that rewarded its efforts, the special committee found that support for the SLP, its Socialist Industrial Union program and its work generally was firm and enlightened. "The SLP is the only movement in the country, and even in the world, which has a program for the working class," one generous responder wrote from Ohio. A reader from California wrote to say that his contribution was "to support your support of working people."

It is not always accurate to measure the response to such an appeal as that made by the special committee strictly in terms of dollars and cents. The SLP's friends and supporters are primarily working-class men and women, and it is not always easy for them to come to the Party's assistance with large contributions. Wrote one: "Wish I could afford more! Senior citizen on very limited income." Wrote another: "This is all that I can afford because my last job was eliminated on June 1. I have three months left of unemployment insurance." It is impossible to measure the value of contributions such as those, or to adequately express the thanks and appreciation they deserve.

Just what the SLP and its program can mean to those who understand their potential for ridding the world of all the evils capitalism creates can be seen from the following from one generous couple who spoke for many when they wrote:

"The principles and program of the SLP are as important to us as food, shelter and health care. We hope our contribution, added to others', will help to extend the life of this noble advocate for the working class."

The third quarter of the 2007 calendar year was very good one for the SLP, indeed. We found that it still has many working-class friends and supporters who will stand by the organization and the SIU program as long as may be necessary. Nonetheless, the party still is not entirely out of the financial thicket it was in when the quarter began last July. Please use the SLP Sentinel Fund coupon on page 10 to do your part so we may continue doing ours.

## Nursing Home Conditions Still Producing Scandals

By Ken Boettcher

For those that capitalism has failed to rob of human sentiment, the scandals produced by its health care for profit system are as unending as the mountains of profit it produces for its capitalist owners. Nowhere is this more painfully clear than in that branch of health care for profit known as the "nursing home industry."

Elderly workers deserve to be cared for with the respect, human concern and services they need after a lifetime of hard work; likewise for the sick and unfortunate. Too many instead spend months or years subject to abuse, neglect and disrespect in nursing homes for profit that even the capitalist press sometimes calls "hell holes."

The situation is getting much worse very rapidly—just as tens of millions of so-called baby boomers enter their declining years.

One of the latest reports attesting to this appeared in the Sept. 23 issue of *The New York Times*. In an article on U.S. nursing homes entitled "At Many Homes, More Profit and Less Nursing," the *Times* details conditions in homes taken over by big capital. It examined records for "more than 1,200 nursing homes purchased by large private investment groups since 2000, and more than 14,000 other homes." Data compared included "complaints received by regula-

tors, health and safety violations cited by regulators, fines levied by state and federal authorities," and other factors reported in national databases on the industry.

Among the findings:

- "The typical nursing home acquired by a large investment company...scored worse than national rates in 12 of 14 indicators [used] to track ailments of long-term residents. Those ailments include bedsores and easily preventable infections, as well as the need to be restrained." Before their acquisition "many of those homes scored at or above national averages in similar measurements."

- "Homes owned by large private investment firms provided one clinical registered nurse for every 20 residents, 35 percent below the national average." Further, "at 60 percent of homes bought by large private equity groups from 2000 to 2006, managers have cut the number of clinical registered nurses, sometimes far below levels required by law." At the remaining 40 percent, no cuts were made, but the number of clinical registered nurses was still typically below national averages.

- Staffing cuts are cited in "some cases where residents died from accidental suffocations, injuries or other medical emergencies." Staffing

(Continued on page 2)

## Looming Coastal Crises

By B.B.

It is now a veritable certainty that sea levels are rising at an alarming rate and that nature has less to do with it than capitalism.

Capitalism rarely rates a mention when scientists and the "public" media speak up or report on such "manmade" contributions to global warming as the greenhouse gas emissions so much talked about. Greenhouse gases in the quantities needed to envelope the globe and the emissions from factories, airplanes, automobiles and other sources that account for them, are not nature's work—and they are not encircling the globe just because human beings happened to live on its surface. It is the way human beings live, their social arrangements and institutions that warrant the attention of those concerned enough to want to stop further damage from being done and put Mother Earth on the mend. Movies, Nobel Prizes and smiling former vice presidents aside, when we encounter the enemies of the Earth we find they are not us, after all, but only some of us and the rotten system they cling to as maggots cling to gore. We drive too much and work too much we are told, as if we—the working class—had much to say about how capitalists and their politicians go about conducting business.

In a report from the Associated Press, as pub-

lished in *The Dallas Morning News*, Seth Borenstein reported huge areas of North America are going to be lost in a matter of 50 to 150 years by a rise of more than three feet in surrounding ocean areas. Worse, some scientists believe it is too late to reverse the crisis, which is melting ice sheets, glaciers and the polar caps.

Ironically, the Bush family "digs" in Kennebunkport, Maine, John Edwards' spread in the Outer Banks of North Carolina and numerous other seaside retreats of the filthy rich will be inundated and "old money Wall Street as well as the new money Silicon Valley" will not be spared. Manhattan subways may require gondolas unless they are entirely submerged. Indeed, "This past summer's flooding and of subways...could become far more regular, even an everyday occurrence with the projected sea rise."

In a program aired on national television the week of Sept. 24, Washington, D.C., was depicted as awash in tidal surges, as well as eastern and western coastal areas. "The EPA, which studied only the Eastern and Gulf coasts,...projects a land loss of 22,000 square miles" (25,000 by other estimates not including Alaska and Hawaii) and that "inland areas like Pennsylvania and the District of Columbia have slivers of at-risk land." The

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# Misled Teachers Misleading Students

By Michael James

A magazine for teachers entitled *Teaching Tolerance* carried an article in its fall issue calling for teachers to help students think more deeply and critically about the social problem of poverty. Some alarming statistics are cited: "Hunger exists in one out of every 10 U.S. households," "An estimated 13 million American children go to bed hungry every night," and "In the past eight years, poverty has risen 17 percent."

The article encourages teachers to help students go beyond the traditional canned food drives or winter coat drives conducted by many public schools by introducing students to "the root causes of poverty." What are the root causes of poverty, according to this magazine on pedagogy? They are "low wages, lack of affordable housing and the ongoing reduction of social services."

This is a perfect example of bourgeois miseducation and mystification. Capitalism, of course, is the root cause of poverty. The so-called "roots" of poverty listed in *Teaching Tolerance*, "low wages, lack of affordable housing and the ongoing reduction of social services," are simply calculated and deliberate capitalist strategies for maximizing profit. Teachers confuse students by presenting these capitalist policies as mere aberrations or inevitable and tolerable peculiarities or shortcomings of our desirable free enterprise democracy.

But the truth is that our capitalist economy serves one class very well, obscenely enriching

the members of this ruling class beyond imagination, while exploiting and degrading the creators of all wealth, the working class. This class antagonism is fundamental to capitalism and can only be resolved through socialist revolution. The *Teaching Tolerance* article is so distressing because it reveals the shallow reformism and lack of classconsciousness that teachers bring to the classroom. Young working-class students, eager to learn and deserving of truth, are denied their working-class identity, denied their working-class history and denied the reality of class struggle. And the need to question, let alone abolish capitalism, a system that routinely places profit before justice, peace, decency and sanity, is nowhere to be found in contemporary curricula.

A prominent historian in *Lies My Teacher Told Me* finds that teachers shrink from addressing the class struggle because "formulating issues in terms of class is unacceptable, perhaps even un-American." He further concludes that textbooks are "willing to credit racial discrimination as the cause of poverty among blacks and Indians and sex discrimination as the cause of women's inequality but don't see class discrimination as the cause of poverty in general." The result is that "Publishers or those who influence them have evidently concluded that what American society needs to stay strong is citizens who assent to its social structure and economic system without thought. As a consequence, today's textbooks defend our eco-

nomie system mindlessly."

Formal education professes neutrality and objectivity, but bourgeois assumptions and values saturate textbooks, curricula and teachers themselves. Brazilian teacher and writer Paulo Freire, in *Pedagogy of the Oppressed*, confirmed that there is no such thing as educational neutrality. Education must either 1) reproduce or 2) resist the dominant ideology. The educational system reproduces and perpetuates our dominant ideology of capitalism by ignoring the fact that socialism is the only genuine alternative to capitalism and the only ideological and political force that can save humankind from war, poverty and ecological disaster.

Marx wrote that to be radical is to grasp things by the root. Without Marx and classconsciousness, teachers can never help students grasp the root cause of poverty. Few teachers, because of their own miseducation, are willing or able to help students to understand much less oppose capitalism. Again, Paulo Freire: "It would be extremely naive to expect the dominant classes to develop a type of education that would enable subordinate classes to perceive social injustices critically." Many teachers oppose and dismiss the possibility of true social change because they assume the legitimacy, superiority and natural existence of capitalism, or because they have no faith in the working class. Even those having a "liberal" or "progressive" bent of mind serve capitalism well because they fail to identify it as the root problem of humankind and fail to identify socialism as the necessary alternative. They leave students with no hope and no solution to the profound social ills, which threaten civilization itself. *The People* and other SLP literature are the urgent educational remedy needed to save the working class, young and old, from capitalist miseducation.

## ...Nursing Homes

(Continued from page 1)

cuts "help explain why serious quality-of-care deficiencies—like moldy food and the restraining of residents for long periods or the administration of wrong medications—rose at every large nursing home chain after it was acquired by a private investment group from 2000 to 2006."

•Further, "The typical number of serious health deficiencies cited by regulators last year was almost 19 percent higher at homes owned by large investment companies than the national average, according to analysis of Centers for Medicare and Medi-caid Services records."

There is no question that big capital is accelerating the grim contradictions of health care for profit in the nation's nursing homes. It can be counted on to continue to do so. Nursing homes are a huge growth industry. According to the *Times* article, nursing homes received more than \$75 billion in 2006 from programs like Medicare and Medicaid.

Fillmore Capital Partners paid \$1.8 billion last year to buy one of the largest U.S. nursing home chains. As Ronald E. Silva, president and chief executive of Fillmore put it in the *Times* article, "There's essentially unlimited consumer demand as the baby boomers age." "I've never seen a surer bet," said Silva.

Big capital brings its legal resources along with it when it buys up nursing homes. Its army of lawyers came up with a way to break down all the operations of nursing homes under different owners so that ownership—and therefore liability—is almost impossible to trace, making enforcement of reform regulations increasingly difficult. As one nursing home expert cited by the *Times* put it, "Private equity is buying up this industry and then hiding the assets...residents are dying, and there is little the courts or regulators can do."

Some reformers want to outlaw complex ownership arrangements like those now being used in more and more of the industry. But history shows that reforms have merely begot more

scandal and more reform, with little benefit to nursing home residents.

Operating nursing homes for profit has always meant cutting staff to the bone, providing as little training as possible, skimping on real doctors, nurses, medicine, physical rehabilitation and proper nutrition, and spit-polishing everything for inspection when regulators make their too-infrequent inspections.

As the *San Jose Mercury News* wrote in 1999, for example, "More than 20 years ago, investigations of California nursing homes revealed a shameful tale of neglect and abuse. Stung into action, legislators passed laws reforming the industry and demanded that nursing homes treat residents properly."

In 1986, "the *Mercury News* revisited the issue and found that a decade of reform efforts had failed to end conditions that made the last months of life undignified and miserable for thousands of patients. Despite some improvements, poor care and outright abuse still led to many deaths." It called for more reform.

A Government Accounting Office report released in 1998, the *Mercury News* noted,

revealed "the suffering is still going on." "Patients in California nursing homes," it grimly observed, "are dying from malnutrition, dehydration, bed sores and other results of poor treatment."

True to form, the *Mercury News* in 1999 demanded more regulations and more enforcement of regulations. Reformers in other states raised the same cry. Their efforts merely gave impetus to the complex ownership arrangements that big capital is using today to circumvent regulation.

Clearly, the only thing that can place the care of our parents and grandparents—and eventually of ourselves—on a social foundation that allows the best possible care and most humane treatment to accompany the last years of all, instead of the horrors capitalism now produces, is to remove the profit motive from health care.

Older workers can only be cared for as they should be when all society is democratically administered by the workers themselves.

That means socialism, an economic system based on worker ownership and control of all the industries and services, and under which all productive activity is carried on for human wants and needs—rather than for the profit interests of a relatively tiny minority called the capitalist class.

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# Baby Formula Companies Undermine HHS Campaign

By Donna Bills

The capitalist quest for profits is insatiable, often ruthless, and so base at times that it can even encroach upon the nurturing relationship between mother and child. *The Washington Post*, while no anticapitalist institution, inadvertently called that very thing to mind last August when it reported that the baby formula industry had weakened efforts by the Department of Health and Human Services (HHS) to promote breastfeeding among mothers.

According to *The Post*, HHS had planned a hard-hitting advertising campaign in 2003–2005 to educate women about health risks if they did *not* breast feed their infants. The department based its ads on scientific research, including its own, which found that breastfeeding is generally “associated with fewer ear and gastrointestinal infections, as well as lower rates of diabetes, leukemia, obesity, asthma and sudden infant death syndrome.”

These findings could surprise only the uninformed. Indeed, the World Health Organization recommends that all infants be exclusively breastfed for the first six months of life “to achieve optimal growth, development and health” and for the health of the mother. Health care professionals also recognize psychological benefits of nursing.

When the infant formula industry got wind of HHS’s educational plan, it sprang into action. The industry called on the International Formula Council, a manufacturers’ group, to intervene. The IFC put together a team to counter the HHS’s campaign, which included two former government insiders—Clayton Yeutter, who served as an agriculture secretary during the first Bush administration, and Joseph A. Levitt, a former official with the Food and Drug Administration.

The IFC team pursued its goal of undermining the HHS’s ad campaign with vigor. As Kevin Keane, the HHS’s assistant secretary at the time, said: “We took heat from the formula industry, who [sic] didn’t want to see a campaign like this.”

The result of the industry’s pressure was that the HHS campaign changed to publicize the benefits of breastfeeding rather than the risks associated with not breastfeeding and, consequently, proved ineffective. But that was not all. While the HHS ran its watered-down ads, the formula industry stepped up its own advertising efforts by boosting its spending from \$30 million in 2000 to \$50 million in 2003 and 2004.

The results of HHS’s effort and the formula industry’s promotional ads were not surprising. A survey by the company Abbott Nutrition found that the number of new mothers in hospitals who breastfed their babies in 2006 was lower (63.6

percent) than it had been in 2002 (70 percent), before the ad campaigns. The formula industry also received a boost from the controversial practice of hospitals sending new mothers home with free formula and other infant-care products provided by the formula companies.

In addition to demonstrating the impact of advertising and the misinformation given to mothers, the failure of the HHS’s educational



effort points out the complicated relationship between overlapping and sometimes conflicting capitalist interests and the political state. That relationship can and often does thwart such well-intended efforts as the HHS’s sabotaged campaign to promote breastfeeding. In this instance, it turns out that the federal government’s nutritional program for women, infants and children also is a large recipient of infant formula.

According to a 2004 posting on the U.S. Department of Agriculture’s website, “Each month, USDA’s Special Supplemental Nutri-

tion Program for Women, Infants, and Children, commonly known as WIC, provides infant formula at no cost to almost 2 million nutritionally at-risk infants in low-income households. In fact, *over half of all infant formula sold in the United States is obtained through WIC.*” (Emphasis ours.) Further, “Infant formula manufacturers provide the state agencies administering the WIC program with rebates of 85 to 98 percent of the wholesale price for each can of formula purchased by WIC participants. These rebates totaled \$1.48 billion in fiscal 2002 and supported over a fourth of WIC’s participants.”

Predictably, a February 2006 report from the government’s General Accounting Office found that breastfeeding “rates were significantly lower for WIC infants: 64 percent of WIC infants had ever been breastfed, compared to 78 percent of non-WIC infants.”

With formula companies worried that profits would decline if more women chose to nurse and with the government relying on those companies to supply it with lower cost formula, it is no wonder that HHS changed the tone of its educational message. Workingwomen and their infants never had a chance.

Fact is that workingwomen and their babies have not had much of a chance in this regard for a long time. The trend away from breastfeeding and toward bottle-feeding in the United States began in the 1880s, as economic pressure forced growing numbers of working-class women to seek employment outside the home. Tragically, many workingwomen today do not realize that they have been denied the choice to breastfeed their babies. They simply are not aware how the basic human bond between mother and infant is disrupted, nor are many aware of the infant formula companies’ governmental lobbying efforts and pervasive advertising to influence them simply to enhance profits.

What at one time was a common and uniquely personal human experience has now become the unusual in capitalist America.

## 255075<sup>100</sup> years ago

*Following the third annual convention of the Industrial Workers of the World at Chicago in 1907, Daniel De Leon traveled to Germany to attend the International Socialist Congress at Stuttgart. Upon his return to New York and the editorial offices of the DAILY PEOPLE, De Leon wrote and published a series of articles under the general heading of “Notes on the Stuttgart Congress.” The following excerpt from the fifth installment discusses the importance of a proper understanding and informed utilization of parliamentary law as a safeguard for democracy within the socialist movement.*

### Political Life

(*Daily People*, Nov. 3, 1907)

The continent of Europe has been frequently charged with lack of “political life.” If pure and simple physical forcists had had a delegation at Stuttgart, they might have added that European parliamentary activity, besides having proved itself barren of results for the benefit of labor, has not done to the parliamentarians themselves any good. It has not even trained them in the elementals of parliamentary practice. The general charge is, the specific charge would have been, justified.

“Parliamentary practice” is not “trickery.” There are folks who have the habit of attempting to conceal their ignorance on things they ought to know with an affectation of contempt for such knowledge. Anyone at all active in the labor

movement is familiar with the species here at home. They consist of a heterogenous element—frayed “intellectuals” and morally “slum proletarians.” If, for instance, an economic or sociologic principle is advanced that happens to take the plug from under some of their pet schemes, or that is beyond the weak grasp of their intellects, forthwith, although charlatan-like they may have assumed the airs of vast erudition on the subject, they give the information, wholly superfluous in the case, that they are not “professors.” Similarly, if their intrigues are shattered by parliamentary tactics they contemptuously declare they are not experts at “parliamentary trickery.” The IWW convention of 1906, where the long-plotted schemes, which the reactionists sought to force upon the organization, were baffled by parliamentary moves that disconcerted the intriguers, presented copious illustrations of both instances, as the stenographic report of that memorable gathering reveals. “Parliamentary practice” is a code of methods that experience has found to be useful and necessary in order to ascertain the will of a gathering as clearly as possible, and with the least possible delay or friction. To a great extent “parliamentary practice” consists of conventionalities, but even including these, “there is a reason”—as the recent slang phrase goes. It goes without saying that familiarity with the reason for parliamentary methods is promoted by the political life of a people, or retarded by lack of the

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# the People

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National Secretary: Robert Bills

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## The Mukasey Charade

The Senate will soon write a new chapter in its cynical charade to convince American workers that it has any real concern for their civil liberties as the ruling class pursues its failed tactics in the "war on terror." Senate Judiciary Committee Chairman Patrick Leahy (D-Vt.) said Oct. 4 that confirmation hearings for President Bush's nominee for attorney general, retired federal judge Michael Mukasey, could begin by Oct. 17.

In this charade, Senate Democrats will pretend they are actually interested in assuring that Mukasey will curb the Bush administration's illegal and unconstitutional secret policies on torture and spying and heel the administration to the rule of law.

Republicans will pretend that the Bush administration is already within the law and that Mukasey is the man to bring respectability to the unprecedented rollback of civil liberties wrought under the guise of fighting terrorism—a rollback spearheaded by the administration, fostered by a lapdog Congress and "justified" by the now infamous secret memos on torture and spying penned by the administration's inquisitorial scribe, the disgraced and now retired attorney general, Alberto Gonzales.

Sen. Leahy, whose responsibility it is to set the date for the hearings to begin, has already backed off the stance he declared with some fanfare when Bush announced his nomination of Mukasey to succeed Gonzales. As an Associated Press report put it, "Then, Leahy signaled that he would not schedule confirmation hearings until the White House furnished him with information about the administration's eavesdropping and interrogation methods."

But the administration declared the information off-limits under executive privilege, and no objections were heard from other Democrats—Sen. Charles Schumer (D-N.Y.) had suggested Mukasey to the White House in the first place—so Leahy never mentioned his "ultimatum" again.

Indications are that Mukasey will breeze through the political theater of the absurd the hearings will produce, while both sides feign concern for a "balance" between security and the Bill of Rights they threw out the window the moment they passed the nefarious Patriot Act's broadside against civil liberties after the terrorist attacks of Sept. 11, 2001.

So who is Mukasey, the man our senatorial guardians of liberty are promoting to the position of chief federal law enforcer? The holder of the office of attorney general is supposed to be the primary protector of the individual and collective rights and liberties guaranteed by the U.S. Constitution. Does Mukasey fit that bill?

Mukasey was the judge in the case of "dirty bomb" suspect José Padilla. In a ruling on the case, Mukasey decreed that Padilla, a U.S. citizen taken into custody on U.S. soil, could be indefinitely held in military custody as an "enemy combatant," helping to establish the precedent for others to be unconstitutionally held. Padilla was reportedly tortured during his ensuing detention.

In the aftermath of the Sept. 11 attacks, Mukasey reportedly signed more material witness warrants than any other judge. These warrants are based on a 1984 law ostensibly enacted, as a Human Rights Watch report puts it, "to enable the government, in narrow circumstances, to secure the testimony of witnesses who might otherwise flee to avoid testifying in a criminal proceeding." "If a court agrees that an individual has information 'material' to a criminal proceeding and will likely flee if subpoenaed," says the HRW report, "the witness can be locked up—but, in theory, only for as long as is necessary to have him testify or be deposed."

Mukasey authorized the aggressive use of these warrants "to throw men into prison without any showing of probable cause that they had committed crimes." Since the Sept. 11 attacks, "at least 70 men living in the United States have been thrust into a world of indefinite detention without charges, [on] secret evidence, [subject to] baseless accusations of terrorist links."

Further, as *The Washington Post* observed on Oct. 11, in an opinion piece for *The Wall Street Journal*, Mukasey recently "advocated creating national security courts for terrorism cases, where classified information could be presented to judges in secret."

Such a record hardly demonstrates a commitment to the fundamental rights and liberties that are the hallmarks of a democratic society—a commitment that would qualify Mukasey to be the nation's chief law enforcement officer. In fact, Mukasey's record shows that he will fit in perfectly with the increasingly autocratic tendency of our political state.

Of course, it is not the great mass of people—workers—who will confirm Mukasey as attorney general. That is the job of the political defenders of the capitalist class, who judge those nominated to be heads of government departments or agencies not on the basis of their demonstrated dedication to democratic principles or their record of service to the people, but on the basis of their demonstrated dedication to the capitalist state and to the overall interests of the class that owns and controls the economy.

The defenders of capitalism have no strategy to counter terrorism but more of the imperialist policies and state terror that produce desperate terrorists. They will continue taking the capitalist state down the slippery slope toward totalitarianism. The trend will not stop until the sleeping giant of the working class realizes its latent power, organizes classwide to abolish capitalism and establishes the collectively owned and democratically administered industrial republic of socialism.

—K.B.

A De Leon Editorial

## How They 'Fight' Marxism

*Falsification is the only intellectual weapon capitalism has to "refute" the Marxian law of value.*

**Impregnable Socialism**

(Daily People, Oct. 22, 1901)

The original, of which the below is a literal transcript, speaks for itself:

"Jersey City, Sept. 29, 1901

"Editor, *The Sun*:

"Sir:

"In your issue of Friday, Sept. 27, 1901, the leading editorial, entitled 'The German Socialists Changing Ground,' contains the following statement:

"'As for Karl Marx's theory of value, a theory which represents value as the product of labor alone, and as being, indeed, nothing but the quantity of labor communicated to a commodity and preserved in it, this was thrown over by Marx himself before he died. In the third volume of his work on *Capital*, which was published by his friend Engels in 1894, he acknowledged that his theory was not really true of value, as value is constituted in this world, however, it might be true of value as it ought to be constituted in some other world.'

"This is to me highly interesting. Would you refer me, either by letter or through your columns, to the passages in Marx that substantiate your statement, that Marx himself threw over his theory of value,

"And oblige,

"Yours very truly,  
"W.G.D."

The letter was accompanied with a prepaid envelope bearing the name and address of the writer in full, and was mailed in Jersey City on Sunday morning of last Sept. 29.

Three full weeks have since passed; and no answer. Of course not. The statement made by the *Sun* was a fabrication. Marx never did "throw over" that fundamental law of value, that is to scientific economics what Galileo's postulate was to scientific astronomy. Galileo, living in an age such as the *Sun's* class would reintroduce, was tortured beyond physical endurance to recant; but even his recantation was promptly recanted and had the effect of emphatic reiteration. In the instance of Marx and the theory of values, however, it never underwent even theoretic recantation. On the contrary. Like one of those great truths that are imperishable, once announced, it has grown and gathered strength, and, like a pillar of smoke by day and of fire by night, it is guiding the working class of this generation out of the plague-ridden Egyptian darkness of capitalism, in which the *Sun* figures in the capacity of a burglar's "dark lantern."

Impregnable socialism! As an army gathers courage and marches with increased resolution upon the breastworks that are capable of firing only blank cartridges against it, so does socialism gather courage and march with increased resolution upon the breastworks of the capitalist class that are capable of combating it only with the blank cartridges of falsehood. Such

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## what is socialism?

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

Under socialism, all authority will originate from the workers, integrally united in Socialist Industrial Unions. In each workplace, the rank and file will elect whatever committees or representatives are needed to facilitate production. Within each shop or office division of a plant, the rank and file will participate directly in formulating and implementing all plans necessary for efficient operations.

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

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

For individuals, socialism means an end to economic insecurity and exploitation. It means workers cease to be commodities bought and sold on the labor market, and forced to work as appendages to tools owned by someone else. It means a chance to develop all individual capacities and potentials within a free community of free individuals. It means a classless society that guarantees full democratic rights for all workers.

Socialism does not mean government or state ownership. It does not mean a closed party-run system without democratic rights. Those things are the very opposite of socialism.

"Socialism," as the American Socialist Daniel De Leon defined it, "is that social system under which the necessities of production are owned, controlled and administered by the people, for the people, and under which, accordingly, the cause of political and economic despotism having been abolished, class rule is at end. That is socialism, nothing short of that." And we might add, nothing more than that! Remember: If it does not fit this description, it is not socialism—no matter who says different. Those who claim that socialism existed and failed in places like Russia and China simply do not know the facts.

Socialism will be a society in which the things we need to live, work and control our own lives—the industries, services and natural resources—are collectively owned by all the people, and in which the democratic organization of the people within the industries and services is the government. Socialism means that government of the people, for the people and by the people will become a reality for the first time.

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

You are needed in the ranks of Socialists fighting for a better world, to end poverty, racism, sexism, environmental disaster and to avert the still potent threat of a catastrophic nuclear war. Find out more about the program and work of the Socialist Labor Party and join us to help make the promise of socialism a reality.



140TH ANNIVERSARY—

# Celebrating 'Capital,' Marx's Greatest Work

The 140th anniversary of *Capital*, Karl Marx's most important work, provides an opportunity to celebrate and call attention to one of history's most important breakthroughs in one of the most important fields of scientific inquiry and study, the field of political economy.

Why is political economy so important? It is important because it explains how the social system we live under operates.

Every social system brings certain consequences with it, but none before capitalism had the power, or even the potential, to unleash forces capable of bringing the world to the brink of destruction. It is only necessary to mention nuclear weaponry and global warming to prove the point, though many other crimes and consequences of capitalism could easily be added to the indictment.

Nothing could be more important or decisive in determining the future of the Earth and all that clings to it than a clear and accurate understanding of how the human race arranges its affairs and interacts with its natural surroundings. Political economy alone can explain these things, and the key to understanding the political economy of capitalism is the law of value, which Karl Marx elaborated and perfected in *Capital*.

Unfortunately, Marx's great accomplishment is not widely understood and appreciated by the working-class millions whose lives are directly and adversely affected by the capitalist system, or why the opponents of socialism go to such lengths to grapple with and refute it. Daniel De Leon touched on that very question in the following passage from *Marxian Science and the Colleges*:

"The strongest spot in the fortress of socialism is the Marxian law of value. It is at once the keystone of socialism, and the hearth from which the refutation of all bourgeois schemes radiates. Against that spot the bourgeois artillery is directed most numerous, and correct is the judgment or instinct of the bourgeois in their strategy. If the Marxian law of value could only be battered down, bourgeois society is vindicated. In many instances the attack is open, in most instances it is masked behind an insidious affectation of ignoring Marx....The long and short of the story is that, directed by both instinct and reason, the forces of bourgeois attack center upon the Marxian law of value; reason and instinct, in turn, marshal the SLP to answer with the only strategy which the circumstances dictate—to mass its forces there where the attack is strongest—to silence by refuting the open batteries, to unmask the concealed ones."

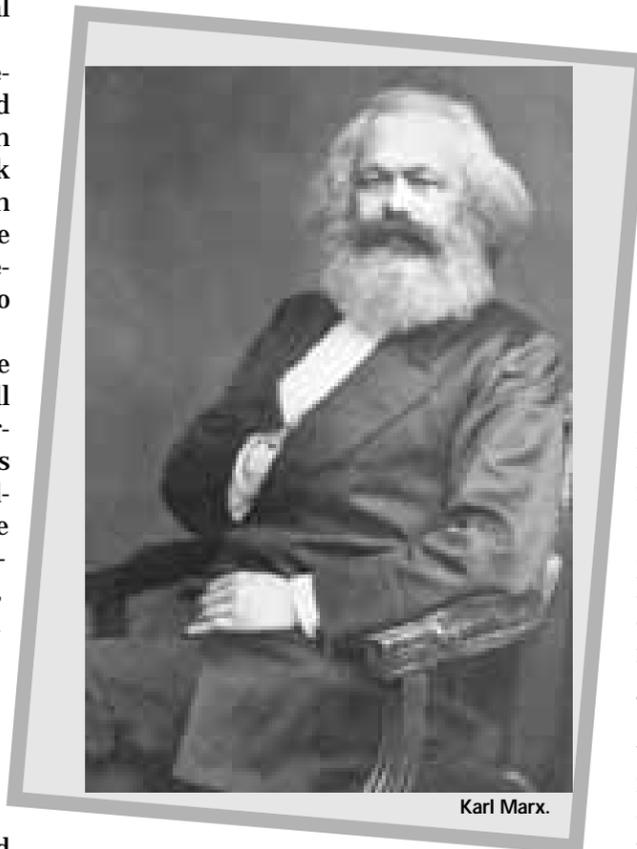
The following excerpt from Frederick Engels' introduction to a much earlier work by Marx, *Wage-Labor and Capital*, provides as good an introduction to the later and culminating work of Marx's career as any ever written. Although Engels did not write it for that purpose, his introduction to that earlier work explains the fundamental principles that Marx would later explore and elaborate in *Capital*, and the significance of what Marx ultimately accomplished in the culminating work of his career. —Editor

[From the Introduction to *Wage-Labor and Capital*]

Classical political economy<sup>1</sup> borrowed from the industrial practice the current notion of the manufacturer, that he buys and pays for the labor of his employees. This conception had been quite serviceable for the business purposes of the manufacturer, his bookkeeping and price calculation. But naively carried over into

political economy, it there produced truly wonderful errors and confusions.

Political economy finds it an established fact that the prices of all commodities, among them the price of the commodity which it calls "labor," continually change; that they rise and fall in consequence of the most diverse circumstances, which often have no connection whatsoever



Karl Marx.

with the production of the commodities themselves, so that prices appear to be determined, as a rule, by pure chance. As soon, therefore, as political economy stepped forth as a science, it was one of its first tasks to search for the law that hid itself behind this chance, which apparently determined the price of commodities, and which in reality controlled this very chance. Among the prices of commodities, fluctuating and oscillating, now upward, now downward, the fixed central point was searched for around which these fluctuations and oscillations were taking place. In short: starting from the prices of commodities, political economy sought for the value of commodities as the regulating law, by means of which all price fluctuations could be explained, and to which they could all be reduced in the last resort.

And so classical political economy found that the value of a commodity was determined by the labor incorporated in it and requisite to its production. With this explanation it was satisfied. And we too may for the present stop at this point. But to avoid misconceptions, I will remind the reader that today this explanation has become wholly inadequate. Marx was the first to investigate thoroughly into the value-

<sup>1</sup>["By classical political economy I understand that economy which, since the time of W. Petty, has investigated the real relations of production in bourgeois society, in contradistinction to vulgar economy, which deals with appearances only, ruminates without ceasing on the materials long since provided by scientific economy, and there seeks plausible explanations of the most obtrusive phenomena for bourgeois daily use, but for the rest confines itself to systematizing in a pedantic way, and proclaiming for everlasting truths, trite ideas held by the self-complacent bourgeoisie with regard to their own world, to them the best of all possible worlds.—(Karl Marx, *Capital*, p. 53.) Classical bourgeois economy closes with David Ricardo, its greatest representative.—Translator.]

forming quality of labor and to discover that not all labor which is apparently, or even really, necessary to the production of a commodity, imparts under all circumstances to this commodity a magnitude of value corresponding to the quantity of labor used up. If, therefore, we say today in short, with economists like Ricardo, that the value of a commodity is determined by the labor necessary to its production, we always imply the reservations and restrictions made by Marx. Thus much for our present purpose; further information can be found in Marx's *Critique of Political Economy*, which appeared in 1859, and in the first volume of *Capital*.

But so soon as the economists applied this determination of value by labor to the commodity "labor," they fell from one contradiction into another. How is the value of "labor" determined? By the necessary labor embodied in it. But how much labor is embodied in the labor of a laborer for a day, a week, a month, a year? The labor of a day, a week, a month, a year. If labor is the measure of all values, we can express the "value of labor" only in labor. But we know absolutely nothing about the value of an hour's labor, if all that we know about it is that it is equal to one hour's labor. So thereby we have not advanced one hair's breadth nearer our goal; we are constantly turning about in a circle.

Classical economy, therefore, essayed another turn. It said: the value of a commodity is equal to its cost of production. But what is the cost of production of "labor"? In order to answer this question, the economists are forced to strain logic just a little. Instead of investigating the cost of production of labor itself, which unfortunately cannot be ascertained, they now investigate the cost of production of the laborer. And this latter can be ascertained. It changes according to time and circumstances, but for a given condition of society, in a given locality, and in a given branch of production, it, too, is given, at least within quite narrow limits. We live today under the regime of capitalist production, under which a large and steadily growing class of the population can live only on the condition that it work for the owners of the means of production—tools, machines, raw materials, and means of subsistence—in return for wages. On the basis of this mode of production, the laborer's cost of production consists of the sum of the means of subsistence (or their price in money) which on the average are requisite to enable him to work, to maintain in him this capacity for work, and to replace him at his departure, by reason of age, sickness, or death, with another laborer—that is to say, to propagate the working class in required numbers.

Let us assume that the money price of these means of subsistence averages three dollars a day. Our laborer gets therefore a daily wage of three dollars from his employer. For this, the capitalist lets him work, say 12 hours a day. Our capitalist, moreover, calculates somewhat in the following fashion: Let us assume that our laborer (a machinist) has to make a part of a machine which he finishes in one day. The raw material (iron and brass in the necessary prepared form) costs 20 dollars. The consumption of coal by the steam engine, the wear and tear of this engine itself, of the turning lathe, and of the other tools with which our laborer works, represent for one day and one laborer a value of one dollar. The wages for one day are, according to our assumption, three dollars. This makes a total of 24 dollars for our piece of a machine.

But the capitalist calculates that on an average he will receive for it a price of 27 dollars from his customers, or three dollars over and above his outlay.

(Continued on page 8)

# Frederick Engels on How Not to Translate Marx

This year marks the 140th anniversary of the publication of the first German edition of *Capital*, Karl Marx's most important work and arguably one of the most important books of the modern era. The first English edition of this monumental contribution to the science of political economy would not appear for another 20 years.

Although that science originated and matured in England, few works by Karl Marx were available for English readers before the English translation of *Capital* was published in 1887. *The Northern Star*, a newspaper published by the British Chartist movement, published his speech on "Protection, Free Trade and the Working Classes" in 1847, and an English translation of the *Communist Manifesto* appeared in 1850.

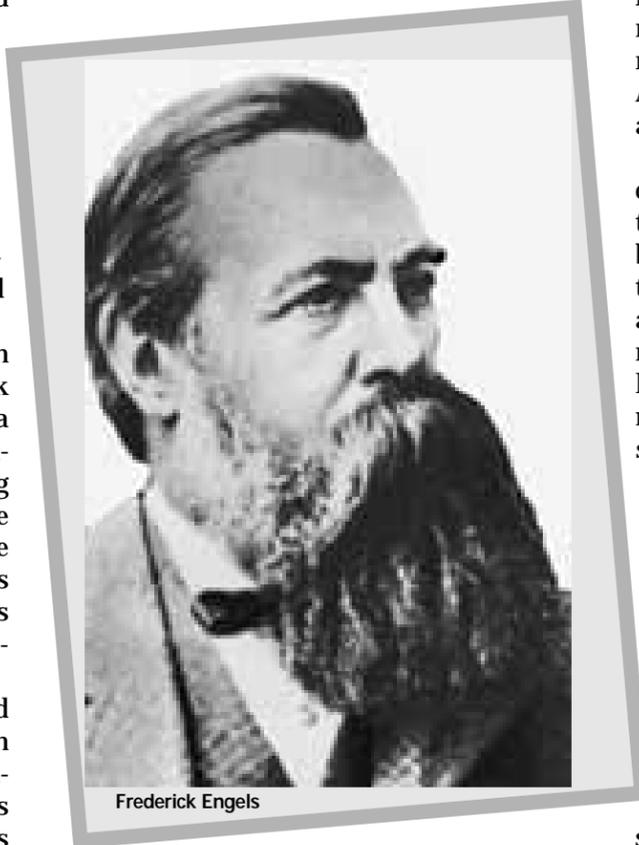
It was during this period that an English aristocrat, H.M. Hyndman (1842–1921), took an interest in Marx's work and published a translation of *Wage-Labor and Capital*. Hyndman was also instrumental in publishing Marx's address on *Value, Price and Profit*. The text of that speech, delivered in English before a meeting of the International Workingmen's Association in London, was lost among Marx's notes until rediscovered by one of his daughters sometime after his death in 1883.

Although Hyndman eventually abandoned the socialist movement, his early interest in bringing Marx's economic works to the attention of English workers unquestionably was sincere. While sincere, and in some respects successful, Marx and Engels occasionally felt compelled to be critical of his efforts.

After Hyndman had published his own *England for All*, in 1881, for example, Marx justifiably complained that his admirer had literally extracted whole chapters from a French edition of *Capital* without crediting the book or its author. Hyndman's excuse was a provincial one, that "the English don't like to be taught by foreigners" and that Marx's name "was so much detested." Marx's response was that Hyndman's book, "insofar as it pilfers *Capital*, makes good proposals, although the man is a weak vessel." Hyndman, however, did acknowledge his debt to Marx in a pref-

ace to his book.

Hyndman also was one of the founders of the Social Democratic Federation and its periodical, *Justice*, which published articles by Hyndman and other Socialists of the period, notably William Morris and E. Belfort Bax. Another periodical to which Hyndman contributed articles on Marx's economic works was *The Com-*



Frederick Engels

*monweal*, official journal of the Socialist League, in which he used the pen name of "Broadhouse."

One of Hyndman's "Broadhouse" articles prompted Engels to write "How Not to Translate Marx" in the autumn of 1885. *The Commonweal* published it in November of that year. *The People* has printed it once before, in January 1967, the centennial year of *Capital*. It is represented in observance of the 140th anniversary of the completion and publication of Marx's most important work.

—Editor

The first volume of *Das Kapital* is public property, as far as translation into foreign languages is concerned. Therefore, although it is pretty well known in English socialist circles that a translation is being prepared and will be published under the responsibility of Marx's literary executors, nobody would have a right to grumble if that translation were anticipated by another, so long as the text was faithfully and equally well rendered.

The first few pages of such a translation by John Broadhouse are published in the October number of *To-Day*. I say distinctly that it is very far from being a faithful rendering of the text, and that because Mr. Broadhouse is deficient in every quality required in a translator of Marx.

To translate such a book, a fair knowledge of literary German is not enough. Marx uses freely expressions of everyday life and idioms of provincial dialects; he coins new words, he takes his illustrations from every branch of science, his allusions from the literatures of a dozen languages; to understand him, a man must be a master of German indeed, spoken as well as written, and must know something of German life too.

To use an illustration. When some Oxford undergraduates rowed in a four-oar boat across the straits of Dover, it was stated in the press reports that one of them "caught a crab." The

London correspondent of the *Cologne Gazette* [*Kölnische Zeitung*] took this literally, and faithfully reported to his paper, that "a crab had got entangled in the oar of one of the rowers." If a man who has been living for years in the midst of London is capable of such a ludicrous blunder as soon as he comes across the technical terms of an art unknown to him, what must we expect from a man who with a passable knowledge of mere book-German undertakes to translate the most untranslatable of German prose writers? And indeed we shall see that Mr. Broadhouse is an excellent hand at "catching crabs."

But there is something more required. Marx is one of the most vigorous and concise writers of the age. To render him adequately, a man must be a master, not only of German, but of English too. Mr. Broadhouse, however, though evidently a man of respectable journalistic accomplishments, commands but that limited range of English used by and for conventional literary respectability. Here he moves with ease; but this sort of English is not a language into which *Das Kapital* can ever be translated. Powerful German requires powerful English to render it; the best resources of the language have to be drawn upon; new-coined German terms require the coining of corresponding new terms in English. But as soon as Mr. Broadhouse is faced by such a difficulty, not only his resources fail him, but also his courage. The slightest extension of his limited stock-in-trade, the slightest innovation upon the conventional English of everyday literature frightens him, and rather than risk such a heresy, he renders the difficult German word by a more or less indefinite term which does not grate upon his ear but obscures the meaning of the author; or, worse still, he translates it, as it recurs, by a whole series of different terms, forgetting that a technical term has to be rendered always by one and the same equivalent. Thus, in the very heading of the first section, he translates *Werthgrösse* by "extent of value," ignoring that *grösse* is a definite mathematical term, equivalent to magnitude, or determined quantity, while extent may mean many things besides. Thus even the simple innovation of "labor time" for *Arbeitszeit*, is too much for him; he renders it by (1) "time labor," which means, if anything, labor paid by time or labor done by a man "serving" time at hard labor; (2) "time of labor," (3) "labor time," and (4) "period of labor," by which term (*Arbeitsperiode*) Marx, in the second volume, means something quite different. Now as is well known, the "category" of labor time is one of the most fundamental of the whole book, and to translate it by four different terms in less than 10 pages is more than unpardonable.

Marx begins with the analysis of what a commodity is. The first aspect under which a commodity presents itself is that of an object of utility; as such it may be considered with regard either to its quality or its quantity. "Any such

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## KARL MARX The Man

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thing is a whole in itself, the sum of many qualities or properties, and may therefore be useful in different ways. To discover these different ways and therefore the various uses to which a thing may be put, is the *act of history*. So, too, is the finding and fixing of *socially recognized standards of measure* for the quantity of useful things. The diversity of the modes of measuring commodities arises partly from the diversity of the nature of the objects to be measured, partly from convention."

This is rendered by Mr. Broadhouse as follows:

"To discover these various ways, and consequently the multifarious modes in which an object may be of use, is a *work of time*. So, consequently, is the finding of the *social measure* for the quantity of useful things. The diversity in the *bulk of commodities* arises partly from the different nature," etc.

With Marx, the finding out of the various utilities of things constitutes an essential part of historic progress; with Mr. Broadhouse, it is merely a work of time. With Marx the same qualification applies to the establishment of recognized common standards of measure. With Mr. B., another "work of time" consists in the "finding of the social measure for the quantity of useful things," about which sort of measure Marx certainly never troubled himself. And then he winds up by mistaking *Masse (measures)* for *Masse (bulk)*, and thereby saddling Marx with one of the finest crabs that was ever caught.

Further on, Marx says: "Use values form the material out of which wealth is made up, *whatever may be the social form of that wealth*" (the specific form of appropriation by which it is held and distributed). Mr. Broadhouse has:

"Use values constitute the actual basis of wealth *which is always their social form*"—which is either a pretentious platitude or sheer nonsense.

The second aspect under which a commodity presents itself is its exchange value. That all commodities are exchangeable, in certain varying proportions, one against the other, that they have exchange values, this fact implies that they contain something which is common to all of them. I pass over the slovenly way in which Mr. Broadhouse here reproduces one of the most delicate analyses in Marx's book, and at once proceed to the passage where Marx says: "This something common to all commodities cannot be a geometrical, physical, chemical or other natural property. In fact their material properties come into consideration only insofar as they make them useful, that is, insofar as they turn them into use values." And he continues: "But it is the very act of *making abstraction from their use values* which evidently is the characteristic point of the exchange relation of commodities. *Within this relation*, one use value is equivalent to any other, so long as it is provided in *sufficient* proportion."

Now Mr. Broadhouse:

"But on the other hand, it is precisely *these use values in the abstract* which apparently characterize the exchange ratio of the commodities. *In itself*, one use value is worth just as much as another if it exists in the *same* proportion."

Thus, leaving minor mistakes aside, Mr.

Broadhouse makes Marx say the very reverse of what he does say. With Marx, the characteristic of the exchange relation of commodities is the fact that total abstraction is made of their use values, that they are considered as having no use values at all. His interpreter makes him say, that the characteristic of the exchange *ratio* (of which there is no question here) is precisely their use value, only taken "in the abstract"! And then, a few lines further on, he gives the sentence of Marx: "As use values, commodities can only be of different quality, as exchange values they can only be of different quantity, *containing not an atom of use value*," neither abstract nor concrete. We may well ask: "Under-



Cover of the first edition.

standest thou what thou readest?"

To this question it becomes impossible to answer in the affirmative when we find Mr. Broadhouse repeating the same misconception over and over again. After the sentence just quoted, Marx continues: "Now, if we *leave out of consideration*" (that is, make abstraction from) "the use values of the commodities, there remains *to them* but one property: that of being the products of labor. But even this product of labor has already undergone a change in our hands. If we make abstraction *from its use value*, we also make abstraction *from the bodily components and forms which make it into a use value.*"

This is Englished by Mr. Broadhouse as follows:

"If we *separate use values from* the actual material of the commodities, there remains" (where? with the use values or with the actual material?) "one property only, that of the product of labor. But the product of labor is already transmuted in our hands. If we abstract *from its use value*, we *abstract also the stamina and form which constitute its use value.*"

Again, Marx: "In the exchange *relation* of commodities, their exchange value presented itself to us as something perfectly independent of their use values. Now, if we actually make abstraction *from the use value of* the products of labor, we arrive at their value, as *previously* determined by us." This is made by Mr. Broadhouse to sound as follows:

"In the exchange ratio of commodities their exchange value appears to us as something altogether independent of their use value. If we now in effect abstract *the use value from the labor products*, we have their value as it is *then* determined."

There is no doubt of it. Mr. Broadhouse has never heard of any other acts and modes of abstraction but bodily ones, such as the abstraction of money from a till or a safe. To identify abstraction and subtraction will, however, never do for a translator of Marx.

Another specimen of the turning of German sense into English nonsense. One of the finest

researches of Marx is that revealing the duplex character of labor. Labor, considered as a producer of use value, is of a different character, has different qualifications from the same labor, when considered as a producer of value. The one is labor of a specified kind, spinning, weaving, ploughing, etc.; the other is the general character of human productive activity, common to spinning, weaving, ploughing, etc., which comprises them all under the one common term, labor. The one is labor in the concrete, the other is labor in the abstract. The one is technical labor, the other is economical labor. In short—for the English language has terms for both—the one is work, as distinct from labor; the other *is labor*, as distinct from work. After this analysis, Marx continues: "Originally a commodity presented itself to us as something duplex: use value and exchange value. Further on we saw that labor, too, as far as it is expressed in value, *does no longer possess the same characteristics* which belong to it in its capacity as a creator of use value." Mr. Broadhouse insists on proving that he has not understood a word of Marx's analysis, and translates the above passage as follows:

"We saw the commodity as first as a *compound* of use value and exchange value. Then we saw that labor, so far as it is expressed in value, only *possesses that character so far as it is a generator of use value.*"

When Marx says: White, Mr. Broadhouse sees no reason why he should not translate: Black.

But enough of this. Let us turn to something more amusing. Marx says: "In civil society, the *fictio juris* prevails that everybody, in his capacity as a buyer of commodities, possesses an encyclopaedical knowledge of all such commodities." Now, although the expression, civil society, is thoroughly English, and Ferguson's *History of Civil Society* is more than a hundred years old, this term is too much for Mr. Broadhouse. He renders it "amongst ordinary people," and thus turns the sentence into nonsense. For it is exactly "ordinary people" who are constantly grumbling at being cheated by retailers, etc., in consequence of their ignorance of the nature and values of the commodities they have to buy.

The *production (Herstellung)* of a use value is rendered by "the *establishing* of a use value." When Marx says: "If we succeed in transforming, with little labor, *coal* into diamonds, their value may fall below that of bricks," Mr. Broadhouse, apparently not aware that diamond is an allotropic form of carbon, turns *coal* into *coke*. Similarly he transmutes the "total yield of the Brazilian diamond mines" into "the *entire profits* of the whole yield." "The primitive communities of India" in his hands become "venerable communities." Marx says: "In the use value of a commodity is contained" (*steckt*, which had better be translated: For the production of the use value of a commodity there has been spent) "a *certain productive activity*, adapted to the peculiar purpose, or a certain useful labor." Mr. Broadhouse must say:

"In the use value of a commodity is contained a certain *quantity of productive power* or useful labor," thus turning not only quality into quantity, but productive activity which has been spent, into productive power which is to be spent.

But enough. I could give tenfold this number of instances, to show that Mr. Broadhouse is in every respect *not* a fit and proper man to translate Marx, and especially so because he seems perfectly ignorant of what is really conscientious scientific work.\*

Frederick Engels

\*From the above it will be evident that *Das Kapital* is not a book the translation of which can be done by contract. The work of translating it is in excellent hands, but the translators cannot devote all their time to it. This is the reason of the delay. But while the precise time of publication cannot as yet be stated we may safely say that the English edition will be in the hands of the public in the course of next year.

## Marxian Science and The Colleges

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# ...Marx's Greatest Work

(Continued from page 5)

Whence do the three dollars pocketed by the capitalist come? According to the assertion of classical political economy, commodities are in the long run sold at their values, that is, they are sold at prices which correspond to the necessary quantities of labor contained in them. The average price of our part of a machine—27 dollars—would therefore equal its value, i.e., equal the amount of labor embodied in it. But of these 27 dollars, 21 dollars were values already existing before the machinist began to work; 20 dollars were contained in the raw material, one dollar in the fuel consumed during the work and in the machines and tools used in the process and reduced in their efficiency to the value of this amount. There remain six dollars, which have been added to the value of the raw material. But according to the supposition of our economists themselves, these six dollars can arise only from the labor added to the raw material by the laborer. His 12 hours' labor has created, according to this, a new value of six dollars. Therefore, the value of his 12 hours' labor would be equivalent to six dollars. So we have at last discovered what the "value of labor" is.

"Hold on there!" cries our machinist. "Six dollars? But I have received only three dollars! My capitalist swears high and dry that the value of my 12 hours' labor is no more than three dollars, and if I were to demand six, he'd laugh at me. What kind of a story is that?"

If before this we got with our value of labor into a vicious circle, we now surely have driven straight into an insoluble contradiction. We searched for the value of labor, and we found more than we can use. For the laborer the value of the 12 hours' labor is three dollars; for the capitalist it is six dollars, of which he pays the workingman three dollars as wages, and pockets the remaining three dollars himself. According to this, labor has not one, but two values, and, moreover, two very different values!

As soon as we reduce the values, now expressed in money, to labor time, the contradiction becomes even more absurd. By the 12 hours' labor a new value of six dollars is created. Therefore in six hours the new value created equals three dollars—the amount which the laborer receives for 12 hours' labor. For 12 hours' labor the workingman receives, as an equivalent, the product of six hours' labor. We are thus forced to one of two conclusions: either labor has two values, one of which is twice as large as the other, or 12 equals six! In both cases we get pure absurdities. Turn and twist as we may, we will not get out of this contradiction as long as we speak of the buying and selling of "labor" and of the "value of labor." And just so it happened to the political economists. The last offshoot of classical political economy—the Ricardian school—was largely wrecked on the insolubility of this contradiction. Classic political economy had run itself into a blind alley. The man who discovered the way out of this blind alley was Karl Marx.

What the economists had considered as the cost of production of "labor" was really the cost of production, not of "labor," but of the living laborer himself. And what this laborer sold to the capitalist was not his labor. "So soon as his labor really begins," says Marx, "it ceases to belong to him, and therefore can no longer be sold by him." At the most, he could sell his *future* labor, i.e., assume the obligation of executing a certain piece of work at a certain time. But in this way he does not sell labor (which would first have to be performed), but for a stipulated payment he places his labor power at the disposal of the capitalist for a certain time (in case of time wages), or for the performance of a certain task (in case of piece wages). He hires out or sells his *labor power*. But this labor power has grown up with his person and is

inseparable from it. Its cost of production therefore coincides with his own cost of production; what the economists called the cost of production of labor is really the cost of production of the laborer, and therewith of his labor power. And thus we can also go back from the cost of production of labor power to the value of labor power, and determine the quantity of social labor that is required for the production of a labor power of a given quality, as Marx has done in the chapter on the "Buying and Selling of Labor Power." (*Capital*, Vol. I, Chapter VI)

Now what takes place after the worker has sold his labor power, i.e., after he has placed his labor power at the disposal of the capitalist for stipulated wages—whether time wages or piece wages? The capitalist takes the laborer into his workshop or factory, where all the articles required for the work can be found—raw materials, auxiliary materials (coal, dyestuffs, etc.), tools and machines. Here the worker begins to toil. His daily wages are, as above, three dollars, and it makes no difference whether he earns them as day wages or piece wages. We again assume that in 12 hours the worker adds by his labor a new value of six dollars to the value of the raw materials consumed, which new value the capitalist realizes by the sale of the finished piece of work. Out of this new value he pays the worker his three dollars, and the remaining three dollars he keeps himself. If, now, the laborer creates in 12 hours a value of six dollars, in six hours he creates a value of three dollars. Consequently, after working six hours for the capitalist the laborer has returned to him the

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**The rock upon which the best economists were stranded as long as they started out from the value of labor, vanishes as soon as we make our starting point the value of labor power.**

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equivalent of the three dollars received as wages. After six hours' work both are quits, neither one owing a penny to the other.

"Hold on there!" now cries out the capitalist. "I have hired the laborer for a whole day, for 12 hours. But six hours are only half a day. So work along lively there until the other six hours are at an end—only then will we be even." And, in fact, the laborer has to submit to the conditions of the contract upon which he entered of "his own free will," and according to which he bound himself to work 12 whole hours for a product of labor which costs only six hours' labor.

Similarly with piece wages. Let us suppose that in 12 hours our worker makes 12 commodities. Each of these costs two dollars in raw material and wear and tear, and is sold for 2-1/2 dollars. On our former assumption, the capitalist gives the laborer one-fourth of a dollar for each piece, which makes a total of three dollars for the 12 pieces. To earn this, the worker requires 12 hours. The capitalist receives 30 dollars for the 12 pieces; deducting 24 dollars for raw material and wear and tear, there remain six dollars, of which he pays three dollars in wages and pockets the remaining three. Just as before! Here also the worker labors six hours for himself, i.e., to replace his wages (half an hour in each of the 12 hours), and six hours for the capitalist.

The rock upon which the best economists were stranded as long as they started out from the value of labor, vanishes as soon as we make our starting point the value of labor *power*. Labor power is, in our present-day capitalist society, a commodity like every other commo-

ty, but yet a very peculiar commodity. It has, namely, the peculiarity of being a value-creating force, the source of value, and, moreover, when properly treated, the source of more value than it possesses itself. In the present state of production, human labor power not only produces in a day a greater value than it itself possesses and costs; but with each new scientific discovery, with each new technical invention, there also rises the surplus of its daily production over its daily cost, while as a consequence there diminishes that part of the working day in which the laborer produces the equivalent of his day's wages, and, on the other hand, lengthens that part of the working day in which he must present labor *gratis* to the capitalist.

And this is the economic constitution of our entire modern society: the working class alone produces all values. For value is only another expression for labor; that expression, namely, by which is designated, in our capitalist society of today, the amount of socially necessary labor embodied in a particular commodity. But these values produced by the workers do not belong to the workers. They belong to the owners of the raw materials, machines, tools, and money, which enable them to buy the labor power of the working class. Hence, the working class gets back only a part of the entire mass of products produced by it. And as we have just seen, the other portion, which the capitalist class retains, and which it has to share, at most, only with the landlord class, is increasing with every new discovery and invention, while the share which falls to the working class (per capita) rises but little and very slowly, or not at all, and under certain conditions it may even fall.

But these discoveries and inventions which supplant one another with ever-increasing speed, this productiveness of human labor which increases from day to day to unheard of proportions, at last gives rise to a conflict, in which present capitalistic economy must go to ruin. On the one hand, immeasurable wealth and a superfluity of products with which the buyers cannot cope. On the other hand, the great mass of society proletarianized, transformed into wage laborers, and thereby disabled from appropriating to themselves that superfluity of products. The splitting up of society into a small class, immoderately rich, and a large class of wage laborers devoid of all property, brings it about that this society smothers in its own superfluity, while the great majority of its members are scarcely, or not at all, protected from extreme want. This condition becomes every day more absurd and more unnecessary. It *must* be got rid of; it can be got rid of. A new social order is possible, in which the class differences of today will have disappeared, and in which—perhaps after a short transition period, which, though somewhat deficient in other respects, will in any case be very useful morally—there will be the means of life, of the enjoyment of life, and of the development and activity of all bodily and mental faculties, through the systematic use and further development of the enormous productive powers of society, which exists with us even now, with equal obligation upon all to work. And that the workers are growing ever more determined to achieve this new social order will be proven on both sides of the ocean on this dawning May Day, and on Sunday, the third of May.

Frederick Engels

London, April 30, 1891

International Publishers edition—

*Capital*

KARL MARX

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NEW YORK LABOR NEWS

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# THE INDUSTRIAL DEMOCRACY OF SOCIALISM

## Revolutionary Program

The Socialist Labor Party has a twofold program for building a socialist society. What follows is a brief summary of its main points.

### POLITICAL ACTION

To establish socialism, political unity under the banner of a mass political party of labor is needed. The role of the party is to educate workers to the need to abolish capitalism, to agitate for the formation of classconscious industrial unions, and to express the revolutionary mandate of the working class at the ballot box. The party must also aim to capture and dismantle the political state—the present territorial form of government—and thus pave the way for a new form of government, a participatory democracy based on *industry*.

### ECONOMIC ACTION

To establish socialism, workers must unite *as a class*, by organizing new unions. These democratic, rank-and-file-controlled unions, built along the lines of industry, would not only fight day-to-day battles for better wages and conditions. Based on the principle that the working class is involved in a *class struggle* with the employing, capitalist class, a struggle that cannot be ended under the capitalist system, a Socialist Industrial Union movement would be motivated by a higher goal: replacing capitalist ownership of the industries and services with social ownership and democratic workers' control.

Thus, while fighting day-to-day battles, these unions would move toward that goal, mobilizing workers' real strength as the sole productive class in society by building the greatest possible unity and solidarity. When the majority of society is in favor of socialism, the Socialist Industrial Union would back up the decision made at the ballot box by taking, holding and operating the industries and services of the land in the social interest.

Socialist Industrial Unions would then become the governing bodies of socialist society. We would have a truly democratic government in which society's useful producers would be in control of their own economic security and well-being.

### NOT A BLUEPRINT

The chart below is not a blueprint. Rather, it is intended to illustrate graphically the principle upon which Socialist Industrial Unionism and the future socialist industrial democracy rest, using the auto industry as an example. A similar chart could be used for any socially necessary industry or service. A chart at the upper right depicts the flow of representation in socialist society.

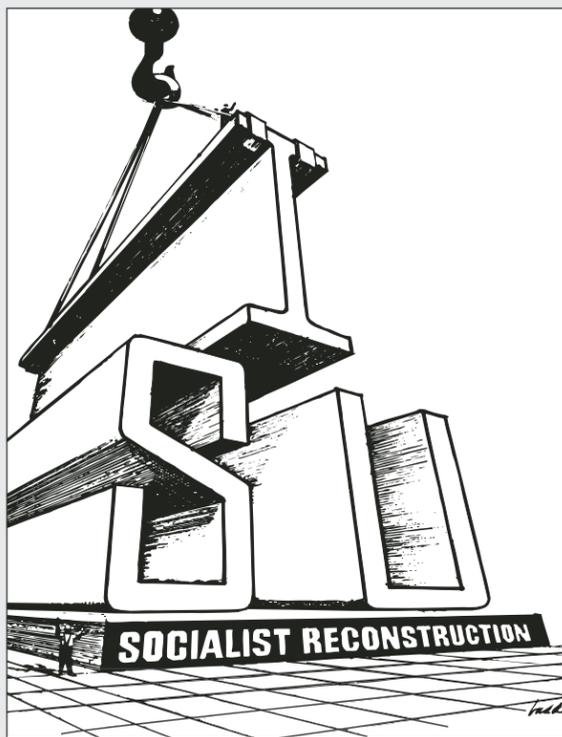
The Socialist Industrial Union unites workers for the establishment of socialism. And it provides the governmental framework through which to organize and administer social production for the benefit of all the people. Council members at every level of government will be elected from industrial constituencies which coincide with the subdivisions of the integral industrial union of all the useful producers. This industrial self-government of the producers provides a viable means for society to operate the economy collectively and democratically, without social classes or any form of state oppression.

## Revolutionary Act

The revolutionary ballot will establish the *right* of the people to establish socialist society.

The Socialist Industrial Union will create the power to *back up* that right.

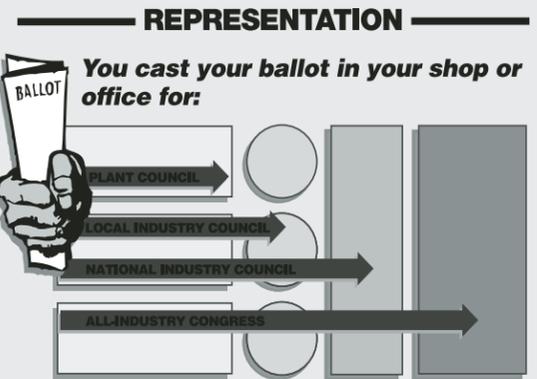
**"Industrial unionism is the Socialist Republic in the making; and the goal once reached, the industrial union is the Socialist Republic in operation."**  
— Daniel De Leon



## New Society

After the revolution, the administration of all production and distribution will be the function of the democratically elected Socialist Industrial Union government.

As industry is organized for production, so will be the administration of the new socialist society:



Socialist Industrial Unionism is the only certain safeguard against bureaucratic usurpation. In socialist society final authority will rest with the rank and file of useful producers.

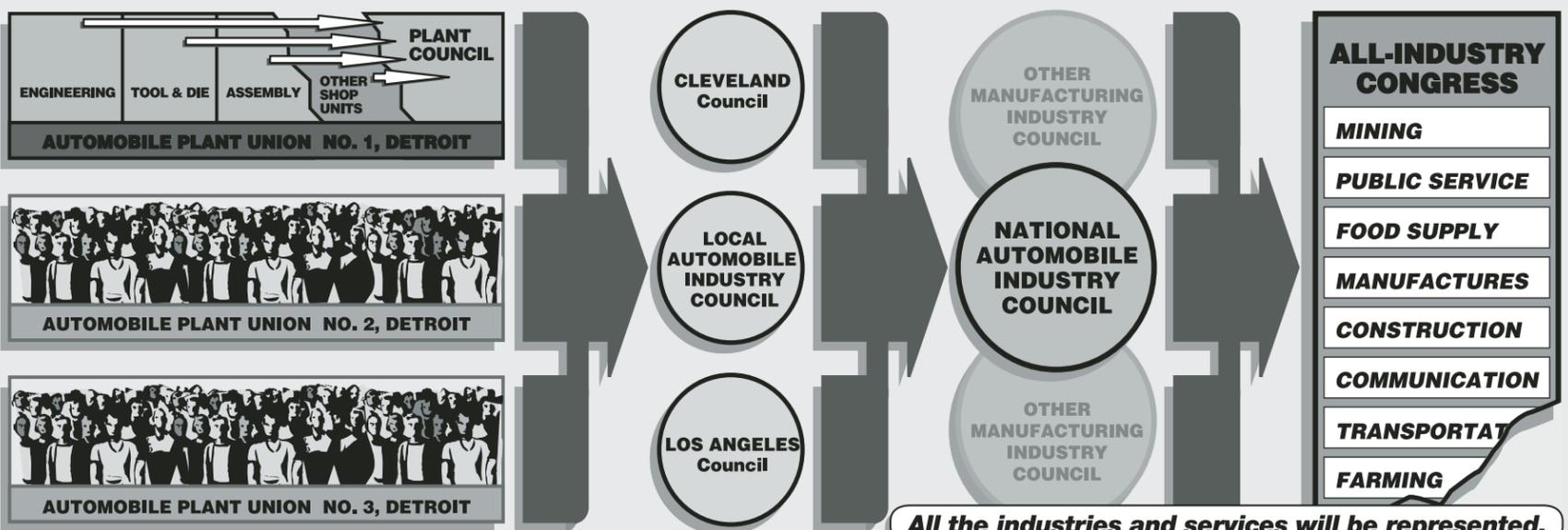
The useful producers will elect administrators and representatives to all levels of government, and they will have the easily and immediately exercisable power to recall and remove any administrator or representative who, in their judgment, fails to serve their interests in office.

The Socialist Industrial Union, in firm possession of the industries and services of the land, will insure that all power remains in the only safe place for power to be—with the rank and file of society's useful producers.

Today, in the procapitalist unions, union bureaucrats are almighty, and union members are virtual subjects. But in the Socialist Industrial Union each individual worker will have an effective voice as well as a vote in everything from the operation of the workplace to the administration of society.

This will be a social organization in which the people who do the work will have complete democratic control of their tools and products—thus production will at long last be for use and the benefit of all.

### THE STRUCTURE OF SOCIALIST INDUSTRIAL UNIONISM



# Lafargue Book Online

The SLP recently posted what we believe to be the first online edition of Paul Lafargue's *The Evolution of Property* to its website, where it may be viewed and downloaded free of charge.

Lafargue was a distinguished French Socialist of the late 19th and early 20th centuries and a son-in-law of Karl Marx. *The Evolution of Property* was originally published as a series of articles, under the *nom de plume* of "Fergus," in the *Nouvelle Review* of Paris in 1890.

Recognized immediately as a serious and informative attempt to work out the history of property along the lines of Marxian materialist conception of history, the articles attracted wide attention and were translated into several languages. The famous London book publishing firm of Swan Sonnenschein & Co. Ltd. brought out an English edition in 1890. Some time later Charles H. Kerr & Co. of Chicago printed an American edition.

The online edition now posted to the SLP's website is taken directly from the original Swan Sonnenschein edition, with the difference that several passages from Marx's *Capital* incorporated into the chapter on "Feudal Property" without their sources being clearly identified have been placed in bracketed quotation marks and identified by a number of bracketed footnotes.

In his classic work, *Ancient Society*, Lewis Henry Morgan wrote: "A critical knowledge of the evolution of the idea of property would embody, in some respects, the most remarkable portion of the mental history of mankind." Lafargue's study, written with wit and erudition, demonstrates how very true Morgan's observation is. Moreover, in giving us an

account of the evolution of property, Lafargue has also given us a broad but useful panoramic picture of the evolution of society.

Readers of *The People* who visit the SLP's website to read this engaging and informative work by Paul Lafargue will be well rewarded.

Log on to [www.slp.org](http://www.slp.org), click on "Other Marxist Literature Online" and follow the links to the works of Paul Lafargue.

## ... De Leon

(Continued from page 4)

blank cartridges may scare only the weak and the foolish; in that sense such ammunition fired at socialism from behind the ramparts of capitalism redounds doubly to the benefit of the camp of the Socialist Labor Party: by cleansing the camp of the weaklings, the modern Gideon's band becomes ever more invincible; by serving as proof of the imbecility of capitalism, the modern Gideon's band grows ever more enthusiastic and aggressive.

Impregnable socialism! The law of values utters a truth that can never down. Labor and labor alone produces all wealth; the only source of value in society is the quantity of labor communicated to the commodity, and socially necessary for its reproduction. Against that square-jointed truth capitalism has for over a generation been firing its blank cartridges in rageful despair. And no wonder. From that truth flows the sentence of death to the capitalist system. Labor being the source of all values in society, the idle capitalist stands branded as, not a *values-impartier*, but a *values-sponger*. Once launched, a Truth of such dimensions and significance takes care of itself. In its own deliberate way, first slowly then with increasing celerity, it plows its way forward and crushes the social class whose condemnation it has decreed.

Impregnable socialism! The fusillade against it

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Robert Bills Acting Editor		

is growing weaker: from the blank cartridges of bogus science, the fusillade has come down to the *Sun's* devices, that, as in this instance, are easily turned against that paper, and leave it in the unenviable plight of standing under the glare of its own dark lantern, a convicted fool-falsifier.

255075100 years ago

### Arms and Medals for Dictators

(*Weekly People*, Nov. 23, 1957)

Headline, *New York Times*, Oct. 30: "U.S. Confirms Shipping Supply of Arms to Cuba." The arms, along with other U.S. arms previously sent by the Eisenhower administration, will be used to support Dictator Batista's brutal rule and to kill off his democratic opposition. An example of the cold-blooded, murderous tyranny of the regime supported by Eisenhower was reported by the Cuban Medical Association on Nov. 4. The report, published in the *Times*, told how two Cuban physicians and another innocent person "were murdered for having ministered to insurgent wounded in fighting the regime of President Fulgencio Batista."

Headline, *New York Times*, Nov. 5: "Dec. 15 Plebiscite Set in Venezuela." The story reported the decision of Dictator Marco Perez Jimenez to forego an "election," because no one dared to challenge his dictatorship, and to hold a plebiscite in which the people would "cast 'yes' or 'no' votes on whether they approve of the regime." In 1954, President Eisenhower bestowed the Legion of Merit medal upon the dictator, who is vicious and avaricious even by Latin American standards of class rule. The dictator "earned" the medal for his services to Standard Oil of New Jersey and other big U.S. oil companies.

## ... 100 Years

(Continued from page 3)

same. Here in America, a display of blundering ignorance on parliamentary elementals, or of clumsiness in their application, denotes unfitness; while gross violation of parliamentary elementals denotes moral uncleanliness. The active political life of the land has popularized parliamentary practice—a great boon, in that it makes possible the organizing into intelligent active forces what otherwise would be mindless mobs...

## directory

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## SLP SENTINEL FUND



This is my contribution of \$ \_\_\_\_\_ for the SLP Sentinel Fund, which will help support the SLP's official journal. (Please make checks/money orders payable to the Socialist Labor Party or *The People* and mail to P.O. Box 218, Mountain View, CA 94042-0218.)

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(Political contributions are not tax deductible.) Acknowledgments will be made in *The People*.

Please indicate if a receipt is desired:  Yes  No

# letters to the People

## Suicidal Planet

After reading *The Suicidal Planet*, subtitled *How to Prevent Global Climate Catastrophe*, by Mayer Hillman (Thomas Dunne Books, 2007), I came across my copy of the September-October 2006 issue of *The People*, which contains an article titled "Texas Pushing Coal Use Despite Global Warming."

The book certainly reinforces the points made in the article by providing the results of the latest scientific reports. Hillman states that, based on current use of fossil fuels and attendant carbon dioxide emissions and its buildup in the atmosphere, scientists have concluded that humanity must reduce its carbon footprint by 80 percent over the next two or three decades. Hillman explains that most of us would be shocked to realize the extent of reduction that we must make and the profound effect that making these reductions will have on our daily lives.

He states that "if no action is taken to reduce greenhouse gas emissions...this would be disastrous for the climate, the environment, and the world's population." He also explains that the effects "of climate change...are already striking."

In a chapter called "As If There's No Tomorrow," he details the increase in the U.S. car population from 40 million in 1957 to 225 million today, the increase in the human population, the greater distances we travel to work, the increase in aviation travel, and the increases in energy use both in the commercial and residential sectors.

Continuing, he shows that any hopes for a technological solution that would allow us to maintain current levels of energy usage to be no more than "wishful thinking."

Realizing that reducing greenhouse gases will interfere with commercial interests and eco-

nomie growth, Hillman quotes a Danish energy expert as saying: "It may not be cost-effective to save the planet, but we should do it anyway." Using automobiles as an example, he states it's not enough to get more miles per gallon; we have to drive a lot fewer miles.

Mr. Hillman's solution is to initiate a carbon credit card for everyone and on a global basis. Everyone has the same allotment, which decreases with time. If a better-heeled person wants more carbon credits, to perhaps fly to Europe for vacation, then this person will be able to purchase credits from lower income people who couldn't afford to purchase enough goods and services to use up their allotment. This arrangement provides lower income people with an income increase.

Although he claims that we would have to develop a version of success different than the material-based one we currently accept, he doesn't explain how this would happen. Moreover, he doesn't explain how capitalism abandons profit-making and the continuing growth that it demands. He makes no notice of the continuing pressure on profits that exacerbate the growth in consumption trends he finds so ominous.

The book is quite informative and, if anything, reinforces the need for working-class action to end class rule by replacing capitalism with an industrial democracy.

Jim McHugh  
Quaker Hill, Conn.

## Just One Regret

Although I'm not a member of the SLP, reading *The People* over the past couple of years has taught me so very much. The writing is both insightful and refreshing, and I'm only sorry the publication isn't more frequent.

Karl Behn  
Portland, Ore.

## Minneapolis Bridge Collapse

Subsequent to my last letter to you [not published], my trepidations have been vindicated. I indicated that there is increasing lack of money for infrastructure, as evident by the Minneapolis bridge collapse, yet there is always money for the fruitless and unjust war for Iraq. It would have taken \$11 billion to repair all the highways, yet \$12 billion goes to Iraq every month. Let us hope you discuss the socioeconomic implications of the Minnesota bridge collapse in your coming issue.

Stephen B. Isabirye  
Flagstaff, Ariz.

*Reply: We addressed what we believe to be the central sociological implication in our editorial "Badge of Slavery." Any number of articles could be written on why the nation's infrastructure (bridges, dams, roads, etc.) are allowed to rot and decay, even when such outworn structures are known to pose a danger, while billions are spent on militarism and war. We will attempt to do more of that in future issues. In general, however, the answer is plain: Bigger profits can be had by "investing" elsewhere.*

# Funds

(Aug. 11-Oct. 12)

Press Security Fund

Chris Dobreff \$400; Ron Harner \$150; \$100 each Earl Prochaska, Rick Farwell, Tom Puszykowski; William Barry \$60; \$50 each Anonymous, Horace Twiford, John S. & Rosemary Gale, Wayne Urffer; \$40 each Dan Kryk, Eugene E. Ruyle, Tony Ruiz; Tony Marsella \$32; \$30 each Anonymous, Blake Bearden; \$25 each Dave Cawley, Mike Miller, Robert Ormsby, William Smaldone; \$20 each Paul Anthony McClung, Joseph Jurich, Wendel Wettland; Phil Goodstein \$15; Richard Shuldiner \$14; \$10 each Donna Meyer, Lawrance Phillips, Mr. & Mrs. Robert Walker, Paul Sheldon, Richard F. Mack, Stephen Isabirye; Jan Reiner \$7; \$5 each Frank B. Evans, James Sweeney; Joseph Bellon \$1.

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Prisoner Subscription Fund

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SLP Leaflet Fund

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Total: \$15.00

SLP Sentinel Fund

\$1,000 each Robert P. Burns, John O'Neill; Irene Schelin \$800; Jill Campbell & Steve Littleton \$650; Anonymous \$500; Richard Edgar \$400; Section Cleveland \$300; \$250 each James G. McHugh, Kay Lewis, Marjorie Mills; \$200 each Albert Mitch, Helen Deneff, Karl H. Heck, Roy K. Nelson, Section Wayne Co., Mich.; Henry Coretz \$101; \$100 each Al & Ada Bikar, Anthony Econom, Bob & Sita Brothers, D.M. Giachino (In memory of my father Herman Rhael and my grandfather John Leahy), Daniel G. Mackintosh, Donald Rogers, Edward J. Madejczyk, Gloria Grove Olman, Helen Stevens, Irene Louik, James & Nancy Kniskern, John Motzer, Lloyd Wright, Michael J. Boyle, Stephen Shenfield, Thomas Klepper, Warren & Nancy Carlen; Donald L. Scott \$75; Frank Cline \$53; \$50 each Barbara Graymont, Bill Bonte, Bruce Gard, Chris Townsend, Don Patrick, Gertrude Sim (In memory of Archie Sim), Jane Christian, Kenneth Stibler, Robb Angelo, T. Marsella; Anonymous \$41.

\$40 each John Hagerty, Louis J. Marovitch (In memory of Frank Novosel), Richard Cassin; \$35 each Howard Hecht, Robert Teunio; \$30 each Jeffrey Heuser, Manuel Rodriguez; \$25 each Irving Hulteen, James A. Barr, James A. Carr, James Lomont, James Whiteside, John Dinse, Lois Kubit, Louise Radley, Margaret & Frank Roemhild, Matt Casick, Nelson Stoll, Paul Zuppan, Peter Teeuwissen, Richard Bell, Severino Majkus, Sid Fink, William F. Jansky; \$20 each Alan Baron, Anonymous (In memory of Nathan Karp), Bill Conklin, Dionisio Villarreal, Edward Poll, Raymond R. Jones, Robert F. Jensen, Stephen Rockwell, Valery Zaytsev; \$15 each Burton Dupree, Eugene J. Pacharis, Lloyd Davis, Marotte; \$12 each F. Paul Kelly, Keith O'Camb; \$10 each Dora Ruggiero, George E. Gray, Harold Bauer,

Jim (per website), Joseph Gleason, June Svoboda, Paul Gillis, Robert Curnow, Sharon Rockne; Anthony W. Greco \$8; William Prinz \$5; Joseph Bellon \$2.

Total: \$9,914.00

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Joan Davis \$800; Bernard Bortnick \$425; \$200 each Gerald Lucas, Ruth Hall; Frank Cline \$175; Robert Burns (In memory of John Gappa) \$167; Robert Burns (In memory of Marie Simmons) \$167; Richard A. Aiken (In memory of John W. Aiken) \$140; Richard Cassin \$120; \$100 each Anonymous, Anonymous, Karl Heck, Ken Jewell, Lois Reynolds, Olaf Mend, Phillip Colligan, Sidney W. Blanchard, Steve Banks (In memory of Faye & Harry Banks), Walter Vojnov, William Kelley; Harvey Fuller \$75; Henry Coretz \$57; \$50 each Ali Ebrahimi, Margaret Kay, Mr. & Mrs. Walter Leibfritz, Mrs. Annie Malivuk, Nick York, William Collar,

Duluth, Minn., gathering (\$66): \$20 each Karl Heck, Irene Schelin; Ross & Norma Schelin \$11; Donald Donaker \$10; Aune Gustafson \$5.

Jill Campbell & Steve Littleton \$40; T. McGregor \$38.65; Kenneth Klein \$30; \$25 each "In memory of Edward T. Jasiewicz," Albert Evenich, Anonymous, Bryan Jessup, Camille Symons, Donald Donaker, Donna Meyer, George McGeorge, Harley Selkregg, Harold B. Madsen, Henry Bardel, Jean Lee, Jon Gardner, Lee Maternowski, Matthew Rinaldi, Owen Brill, Paul Bakulski, Paul Basch, R. Brunson, R.E. Wolf, Robert E. David, Robert E. Nordlander, Robert Ormsby, Sarah Haggard, Stephen Holoviak, Wayne Lovett, William H. Nace; \$20 each Alex Iwasa, Anonymous, Ben A. Kroup, Calvin Slack, Charles Saunders, Daniel Goodsaid, Edward Killian, Fred Didomenico, Grace Brunel, Guido Lenaerts, Josephine Burdua, Leonard Kitts, Marshall G. Soura, Mary Chapin, Michael J. Preston, Orville Rutschman, Paul Anthony McClung, Paul D. Lawrence, Severino Majkus, William W. Zepf; Robert F. Jensen \$16; \$15 each Dave Bartle, John Sillito, Juliette Jackson, Michael K. Brooks, Nancy Kniskern (In memory of Russell & Helen Walker), Rick Jones, Roberta Diamond, Roger Hudson, William Feely; \$10 each Bob & Sita Brothers, Charles Lundquist, Don Borowsky, Donald P. Ruehl, Frank W. Goheen, Gregory Kovalsky, Harry C. Segerest, J. Pandaru, James Larson, James Lehner, John P. Pisaneschi, Kenneth E. McCartney, Lawrence W. Golden, Mark McGrath, Mike Kowalski, Milton Poulos, Morton Disckind, Paul L. Wolf, Richard F. Mack, Robert Giesen, Roger Stevens; Samuel Enciso \$6; \$5 each Charles Wolfsfeld, Chester Hensley, Jack Lally; Martin Rosner \$3; John Holman \$2; Joseph Bellon \$1.

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Socialist Labor Party  
Financial Summary

Bank balance (July 31)	\$ 58,750.96
Expenses (Sept.-Aug.)	21,985.99
Income (Sept.-Aug.)	18,631.65
Bank balance (Sept. 30)	\$ 55,396.62
Deficit for 2007	\$ 23,391.62

# ACTIVITIES

## CALIFORNIA

San Francisco: **Discussion Meetings**—For information call 408-280-7266 or email slpsfba@net-scape.net.

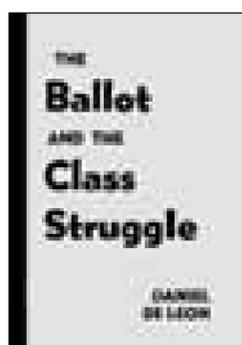
## OHIO

Independence: **Discussion Meetings**—Section Cleveland will conduct discussion meetings on Sunday, Nov. 18, and on Sunday, Dec. 16, from 1-3 p.m., at the Independence Public Library, 6361 Selig Dr., off Rt. 21 (Brecksville Rd.) between Chestnut and Hillside. For more information call 440-237-7933.

Columbus: **Discussion Meeting**—Section Cleveland will conduct a discussion meeting on Sunday, Nov. 11, from 1-3 p.m., at the Carnegie Library, Grant and Oak streets. For information call 440-237-7933.

## OREGON

Portland: **Discussion Meeting**—Section Portland will hold a discussion meeting on Saturday, Nov. 3, 10 a.m.-12 noon, at the Portland Main Library, SW Yamhill & 10th. Topic: The Media Monopoly. For more information call Sid at 503-226-2881 or visit the section's website at <http://slp.pdx.home.mindspring.com>.



This speech, delivered by De Leon in 1909 during the suffrage movement of his day, explains the socialist position concerning women's suffrage and calls upon women to join the larger socialist movement for full emancipation. 80 pp.

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NEW YORK LABOR NEWS  
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# 'Disaster Capitalism' And the 'Shock Doctrine'

By B.B.

Naomi Klein is widely regarded as a leading spokesperson of what has come to be called the "antiglobalization movement." She is the author of at least two books on the subject, the latest being *The Shock Doctrine: The Rise of Disaster Capitalism*, and of numerous articles, notably "Baghdad Year Zero, Pillaging Iraq in Pursuit of a Neocon Utopia," in the September 2004 issue of *Harper's Magazine*. It is not the currency of her articles and books on capitalist globalization that concerns us here, however, but the consistency of her argument and her approach to the problem.

Klein's new book, released in September, reportedly develops the thesis that an investment strategy known as "shock therapy" promoted by the United States and its allies over past decades utilizes crises that countries and regions become immersed in to deliver something analogous to the electroshock therapy given the mentally ill in the past in an effort to cure their afflictions. Its socioeconomic counterpart are theories developed by bourgeois economists, notably those adherents of the "Chicago School" once led by the late Milton Friedman, who advocated that cataclysmic events created a favorable climate for investment—in reality, capitalist plunder.

Taking advantage of hyperinflation, insolvencies, trade-deficit burdens and natural disasters such as earthquakes and tsunamis, Ms. Klein asserts that advocates of "shock therapy" require victimized countries and regions be brought to their "knees" by crises. After that, the "bailing out" process is launched, often given over to the tender mercies of the International Monetary Fund, World Bank and other capitalist institutions.

Shock therapy measures include privatizing state property, deregulation, gutting social spending, mass layoffs and wage cutting, all of which induce, in turn, "grinding poverty and hardship for millions while often permitting multinationals to buy up a country's most valuable assets for going-out-of-business prices." (*The New York Times*, Sept. 10)

One gets a glimpse of Ms. Klein's perspective in her September 2004 article for *Harper's*.

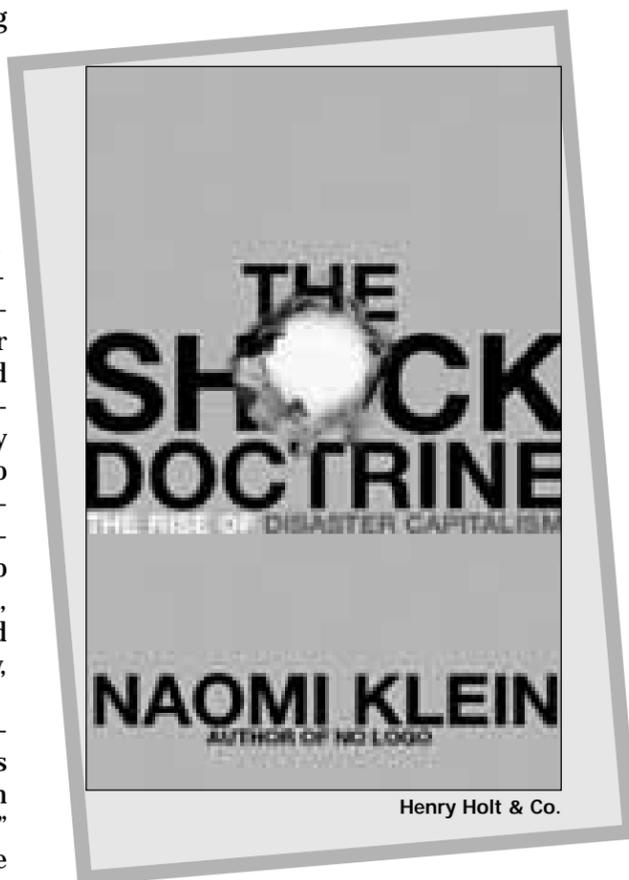
Countering the argument that the Iraq imbroglio was the result of Bush not having a plan, she asserted to the contrary. "The Bush administration did have a plan for what it would do after the war; put simply, it was to lay out as much honey as possible, and sit back and wait for the flies," a reference to the capitalists that would come buzzing into the prostrate country for plunder and profit. "A country of 25 million would not be rebuilt as it was before the war," she observed, "it would be erased, disappeared. In its place would spring forth a gleaming showroom for laissez-faire economies, a utopia such as the world has never seen. Every policy that liberates multinational corporations to pursue their quest for profit would be put into place," while the attendant misery, disaster and death for the Iraqi working class is conveniently ignored.

"Imperial Pro-Consul" L. Paul Bremer, appointed by Bush to direct this capitalist "nirvana" shortly after the "shock and awe" on the eve of the U.S. military invasion and destruction, set to work during his two-month tenure. He—

- Fired 500,000 Iraqi state workers, including soldiers, doctors, nurses, teachers, publishers and printers;
- Opened the borders to unrestricted imports;
- Lowered corporate taxes from 40 percent to 15 percent and opened ownership of Iraqi

assets to 100 percent "outside of the natural-resource sector," while permitting 100 percent of the profits to be taken out of Iraq;

- Memorialized Saddam Hussein by maintaining his harsh impositions on trade unions and "collective bargaining";



- Privatized 200 state-owned companies even though the United States didn't own them, a minor legalistic detail ignored by precisely those who cherish private ownership above all. Nonetheless, everything from washing machine manufacturing to cement plants was to be put on the auction block, the "crowning piece" of Bremer's efforts.

It is now known, and only too well, how this "utopia" turned into dystopia, with death, disease, chaos, widespread torture, civil war and every evil known to humankind having descended upon this ancient land. Little if anything comes out of Iraqi factories except the infamous "improvised explosive devices," or IEDs. Electricity is virtually on permanent shutdown. Utilities, water, sewage and city services have been largely neglected and in most cases are nonexistent. Thus revealed, we perceive in sharp relief 21st-century capitalist barbarism.

This brings us to the relevance of Ms. Klein's thesis and socialism. Consider the observation made by Marx and Engels in *The Communist Manifesto* that the ordinary markets under capitalist production "are too narrow" to absorb "the wealth created" through the system of private ownership of the means of production. The resulting crises of overproduction can only be overcome "On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones."

As the exploitation of labor intensifies and increases, the mass of capital accumulated outstrips the expansion of markets and other traditional investment opportunities, even in an increasingly globalized economy. One result, naturally enough, is that the impulse toward destruction and war grow ever more powerful. The disasters that already are upon Earth, particularly global warming and the melting of the polar caps and glaciers, are looked upon as

"investment opportunities." Hurrah for the long sought after northern passage! Think of the boom in shipping this disaster will bring.

In the Dutch lowlands, where most of The Netherlands is situated, enterprising manufacturers of housing have conceived of floating communities capable of negotiating the rise in the North Sea. "Experts," as recently reported in *The Dallas Morning News*, "say protecting U.S. coastlines would run well into the billions," while inundation of areas of Florida, California and coastal Gulf of Mexico are accepted as givens.

One would think such capitalist-caused "natural" disasters would suffice for market growth but the military-industrial beast has an insatiable appetite for profit and blood. Hence, the never-ending "war on terror" ruse serves as a convenient justification for invasion and plunder. Every crisis from Hurricane Katrina, to the devastation resulting from the tsunami in the Indian Ocean, to earthquakes in Pakistan are all regarded as legitimate capitalist profit ventures and a stimulus for investment, often garnished with maudlin expressions of sacrifice and humanitarianism.

When those don't suffice, the destruction rained down upon Iraq and Afghanistan by the United States and its imperialist allies are regarded as exceptionally expanded opportunities for investment.

Indeed, Ms. Klein's "disaster capitalism" has been with us since the 1850s when Marx and Engels first observed that capitalism portends disaster. The only conceivable civilized objective must be to get rid of the system as quickly as possible and to establish the sane society propagated within these pages.

Join with the SLP in this effort.

## ... Crises

(Continued from page 1)

"New Orleans Katrina experience and the daily loss of Louisiana wetlands, which serve as a barrier that weakens hurricanes—are a preview of what's to come there."

San Francisco's China Basin, Marina and Embarcadero will be lost. Lower Manhattan, Long Island and New Jersey coastal areas bordering the East River are a few among the many that will be lost. The Florida Keys, Miami and all the way up to Naples, Fla., will be history. The heavily urbanized Gulf areas along coastal Texas and Louisiana will be inundated, all subject to periodic tidal flooding and storm surges.

Donald Boesch, a University of Maryland scientist, reflecting the myopic parameters of the scientific perspective on the subject, said, "We're going into this big national debate about what we protect and at what cost."

Anonymous experts are cited as saying "that protecting America's coastlines would run well into the billions, and not all spots could be saved." There is utterly no consideration given to ridding the country of the capitalist system that is generating this impending catastrophe, for that is what the scientific community is willy-nilly bent on protecting.

Indeed, as the article on "disaster capitalism" in another column of this issue of *The People* reveals, all of this represents profitable market expansion for reconstruction to "shock doctrine" ideologues and ardent adherents of "the best of all possible systems."