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## Sanders versus Greenspan on Minimum Wage

Rep. Bernie Sanders said he was “stunned” last month when Alan Greenspan, chairman of the Federal Reserve Board, told the Vermont congressman that he favored abolishing the minimum wage.

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

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

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

\*\*\*\*\*

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

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

**GREENSPAN:** I hope I come out in favor of the strength and growth and sustainability of the American economy. First, with respect to the minimum wage, the reason I object to the minimum wage is I think it destroys jobs. And I think the evidence on that, in my judgment, is overwhelming. Consequently, I am not in favor of cutting anybody's earnings or preventing them from rising, but I am against them losing their jobs because of artificial government intervention, which is essentially what the minimum wage is. So it is not an issue of whether, in fact, I'm for or against people getting more money. I am strongly in favor of real incomes rising, and, indeed, that's the central focus of where I would come out.

**SANDERS:** Are you for abolishing the minimum wage?

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

**SANDERS:** You would abolish the minimum wage?

**GREENSPAN:** Well, I would, yes. Because

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

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

Regardless of what American workers may think about the tactics by the demonstrators or the Italian police, the social and economic problems behind the demonstrations are real. The question is what causes those problems, because once the correct answer is known the solution will be easier to see.

The groups that staged the demonstrations at Genoa speak of rich and powerful nations oppressing poor and underdeveloped ones. Their principal demand was that the huge financial debt of the developing countries of Africa, Asia and Latin America be canceled. They argue that the grinding poverty that afflicts much of the Third World stems from the overwhelming burden of debt. They point out that the responsibility for those debts does not rest with the poor peoples of the world, but with the rich and powerful of the poorest countries, or with oppressive regimes that, in some cases, no longer exist. They seem to believe that if the rich and powerful were to change their policies towards the others it would lift the burden of economic oppression from the shoulders of the farmer and working classes of the Third World. That done, those countries would be free to lift

themselves out of poverty.

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

There is no doubt about Third World debt being enormous. National Radio Project commentator Phillip Babich summed it up as follows during a broadcast in March 2000:

“According to some estimates, debt owed by countries in Latin America and Africa total over \$350 billion. Other estimates, which include countries such as Haiti, and factor in the long-term effects of debt put the total much higher. Mozambique, for instance, spends 33 percent of its budget on debt, much more than the 8 percent it spends on education and the 3 percent it spends on health. On average, countries in sub-Saharan Africa pay four times as much on debt servicing than they do on health care. Njoki Njehu, director of the 50 Years Is Enough U.S. Network for Global Economic Justice, says that in order to service its international debt her home country, Kenya, grows cotton and coffee to export rather than basic foods to feed its people.”

Karl Marx described the origins of

this process nearly 135 years ago when he wrote:

“By ruining handicraft production in other countries, machinery forcibly converts them into fields for the supply of its raw material. In this way East India was compelled to produce cotton, wool, hemp, jute, and indigo for Great Britain. By constantly making a part of the hands ‘supernumerary,’ modern industry, in all countries where it has taken root, gives a spur to emigration and to the colonization of foreign lands, which are thereby converted into settlements for growing the raw material of the mother country; just as Australia, for example, was converted into a colony for growing wool. A new and international division of labor, a division suited to the requirements of the chief centers of modern industry springs up, and converts one part of the globe into a chiefly agricultural field of production, for supplying the other part which remains a chiefly industrial field.” (*Capital*)

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

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

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## AFSCME Pushes Bitter Pill Of Arbitration in Detroit

By Ken Boettcher

Last month a representative of the kind of unionism workers *don't need* stood before the Detroit city council and urged it to pass a regulation that would further circumscribe the legitimate struggles of the city's 17,500 workers for a better life. Al Garrett, president of Council 25 of the American Federation of State, County and Municipal Employees (AFSCME), proposed at a July 12 council meeting that Detroit require binding arbitration in all labor disputes between the city and its workers, most of whom AFSCME ostensibly represents.

Mandatory binding arbitration already affects some 8,000 employees, according to an account in the *Detroit Free Press*. State laws that impose up to \$250 fines daily during any strike also hamper municipal workers.

Expanding binding arbitration to all city employees would mean greater control by the political state over thousands of additional workers. Already hemmed in by the effectively antistrike fines of the state on the one side, Detroit

municipal workers will further weaken themselves if they allow any deal for binding arbitration to hem them in on the other.

Garrett, like so many other chieftains of the kind of unionism workers *don't need*—procapitalist labor unionism—before him, argued that arbitration would salvage the struggles of city workers from stalemates, easing negotiations and assuring workers “fair contracts.”

In fact, arbitration assures workers *only* that a contract *will* be imposed, “fair” or not. It takes the power to determine what is or is not “fair” out of workers' hands and places it in the hands of a supposedly “disinterested” third party. That party is often a professional arbitrator skilled not in getting workers a “fair” deal, but, rather, trained to issue judgments that preserve labor peace and the status quo under a system of economic despotism in which the lion's share of workers' product is expropriated by the capitalist class.

Arbitration is fundamentally flawed

because it operates under the assumption that the settlement of a labor dispute can be “fair” to both parties. It denies the revolutionary demand for the abolition of capitalism raised by workers who realize that no agreement can be fair to both them and their capitalist-class exploiters. The class struggle teaches workers that when capitalists win, workers lose. All wealth is produced by labor: the more capitalists get, the less workers receive. That sets up a conflict between the working class and the capitalist class that, as Daniel De Leon once wrote, “is a struggle that will not down, and must be ended only by either the total subjugation of the working class or the abolition of the capitalist class.” (*What Means This Strike?*)

Capitalists—and their political representatives—are cognizant of both the class struggle and that arbitration may not be their best weapon in this struggle. J. Edward Hannan, Detroit's finance director, for example, argued against AFSCME's arbitration pro-

(Continued on page 8)

# Demographics of SE Texas Homeless Follow National Trend

By Carl C. Miller Jr.

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

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

According to the *Enterprise*, homeless experts point out that "the new homeless blend into mainstream society." "They live like everyone else, except they don't have a permanent place to call home."



LNS

Although many homeless people hold down full-time jobs, often these jobs do not pay enough for these workers to afford decent housing or other necessities. A February 1999 report by the National Coalition for the Homeless (NCH) corroborates this. It said that, "Declining wages...have put housing out of reach for many workers."

The most troubling development in the changing homeless demographic is the increase in the number of children who, along with their parents or parent,

have no permanent home.

"The stereotype of the street person is not the norm," said Pam Williford, executive director of the Houston-based Coalition for the Homeless. "They are the smallest percentage. The average homeless person is a mother and child."

Joseph Kotarba, professor of sociology at the University of Houston, backs up this assessment. "If homeless (is defined) as a situation where somebody is not sure where they are going to spend the night," he said, "a major area of growth is cer-

tainly single moms with children." (*Beaumont Enterprise*)

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

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

According to the *Enterprise*, "In Houston 37 percent of those in emergency shelters were women and children last year," and 25 percent of all homeless people "had full-time jobs."

Homelessness and the myriad of other ailments afflicting society can never be permanently solved within the framework of the capitalist system. In truth, the root cause of these problems is capitalism itself.

It is time we replaced misery-breeding capitalism with a socialist society that will benefit everyone. Only socialism can solve the problems inherent in a system based on profits instead of human needs. The Socialist Industrial Union program of the SLP offers the method by which humanity can finally and completely free itself from the evils generated by the capitalist system.

# Politicians Follow Familiar Path From Office to Industry

By B.G.

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

Those who have been prominent and influential members of a president's Cabinet, or senior advisers to a president, are in even more fortunate positions to earn a high-powered income, not by mere lobbying but by using their political knowledge and contacts both at home and abroad to facilitate the endeavors of business executives eager to conclude business deals around the world.

The senior and undoubtedly most famous of these influence-peddlers is Henry Kissinger, a former national security adviser and secretary of state in Republican administrations from 1969–1977. He initiated his advisory firm in 1982 and quickly attracted a number of blue-chip firms eager for his advice and representation, and willing to pay handsomely for smoothing the way for them in global investing.

Kissinger has made millions from this enterprise. Recently he added a partner, Thomas F. McLarty III, who was President Bill Clinton's chief of staff and later his senior adviser. Kissinger McLarty Associates has, among others, such major clients as American Express, IBM, American International Group, Exxon Mobil, Delta Air Lines and United Parcel Service. These companies look to the Kissinger McLarty firm to provide a smooth entrance for them with decision-making bodies in countries where they wish to invest.

Another major power broker is the Carlyle Group, headed by Frank C. Carlucci, former deputy director of the

Central Intelligence Agency (1978–1981) and secretary of defense in the Ronald Reagan administration (1987–1989). Two important members of the group are former President George H.W. Bush and James A. Baker, who held senior posts in both the Reagan and Bush administrations (1981–1993), including secretary of state in both administrations.

The latest to launch an advisory group and to line up corporate clients almost immediately is William S. Cohen, former Republican senator from Maine and former secretary of defense in President Bill Clinton's administration. After 18 years as a senator and four years in the Clinton Cabinet, Cohen has a vast number of contacts worldwide that are of inestimable value to the firms he advises.

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

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

Charles Lewis, the executive director of the nonprofit Washington research group, the Center for Public Integrity, has a harsh assessment of these influence peddlers. "They are getting rich from the public trusts they held and are making money from their celebrity, not just in Washington, where it is the traditional thing to do, but internationally. These are senior advisers who have worked for

years with the president and are well known. They have incredible cachet all over the world and are basically taking that to the bank."

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

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By Arnold Petersen

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# Bush Administration Prepares Assault on Social Security

By Ken Boettcher

A recurring theme of George W. Bush's election campaign last year was his plan to "reform" Social Security. His stated goal was to transform it from a federal "entitlement" program ostensibly headed for bankruptcy into a personal investment scheme.

Bush's plan faded into the shadows after the election. His first months in office were spent on a tax cut proposal that pushed the Social Security "crisis" onto a back burner. Meanwhile the debate over Social Security continued.

Some capitalist economists say the "crisis" does not exist. The Economic Opportunity Institute (EOI) takes that position in a report entitled "Bush's Individual Account Proposal: Rhetoric Versus Reality."

"The view that the sky is not falling, while seldom heard in the media, can be validated with a careful reading of the Social Security Trustees' report," the EOI report said. "According to the 2000 report, projections of...deficits are contingent on annual economic growth slowing in the next two years to 2 percent, or



B. Bortnick for The People

half the current rate, and then slowing further to the rate of growth we experienced during the Great Depression...."

Further, "according to an analysis performed by the Social Security Office of Policy, simply making all earnings subject to the payroll contribution (currently only earnings up to \$76,200 are taxed) would eliminate the entire deficit

and leave money to spare."

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

The problem with Social Security is not that the nation lacks the economic resources that could provide working people with comfortable retirement years after a lifetime on the job. The real problem is that capitalism doesn't operate to serve the needs of the working-class majority. The goal of the capitalist econo-

my is providing profits for the minority capitalist class. Toward that end, working people, throughout their active working lives, are robbed at the point of production of the major portion of the wealth created by their labor alone. The value of workers' wages represents only a small fraction of the total value of the goods and services workers produce.

Thus, it is simply not the case that workers collectively do not produce enough during their working lives to sustain them in a comfortable retirement. Rather, capitalist exploitation puts the wealth that could be devoted to such purposes in capitalist coffers. The capitalist class uses that wealth stolen from workers to maintain its own luxurious standard of living and to finance efforts—such as military spending—that it deems essential for the survival of the capitalist system. And supporting retired workers is not deemed essential for preserving capitalism.

The fact that workers are not paid the full value of their vast product and thus cannot buy it all produces repercussions that periodically culminate in a crisis of "overproduction"—a period like the present in which there are too many goods on the market for available buying power. Production is shut down and great masses of workers are tossed out of work and into poverty.

U.S. capitalism's greatest cyclical crisis, the Great Depression, shook the system to its roots. The Social Security program was a direct response of the capitalist class to that crisis.

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

But for the past three decades, the U.S. capitalist class has been increasingly pressed by international competition. This, plus a general tendency for the rate of profit to fall and the lack of any real organization among U.S. workers, has prompted U.S. capitalists to step up their attacks on unions, wages and working conditions in an effort to shore up profits. The same pressures have also moved them to hold costs—and thus taxes—down at all levels of the political state. By virtue of the capitalist class' ownership of the means of mass communication, there is no shortage of capitalist propagandists willing to make the ludicrous argument that the nation's meager social programs are responsible for its economic and budgetary problems.

But to anyone delving beyond the propaganda, it is abundantly clear that the real motivation in cutting Social Security stems from the overall economic interests of the capitalist class. The "crisis" of Social Security is a crisis of capitalism.

The proposals to cut or abolish benefits are a confession that the well-being of the elderly—like that of all working people—cannot be secured under an economic system based on the private ownership and control of the means of life by a small capitalist minority, and on the robbery of workers that such a system allows. Providing a comfortable retirement for older workers and the highest possible standard of living for all working people requires the abolition of capitalism.

## One-Third of Online Workers Under Constant Surveillance

(The following is the text of a statement released to the press on July 9 by the Privacy Foundation. The foundation's full report on workplace surveillance is posted on its Web site, [www.privacyfoundation.org](http://www.privacyfoundation.org).)

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

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

Websense is the most frequently used Internet-monitoring product, and MIME-sweeper is the most frequently used e-mail-monitoring product. North Amer-

ican sales (U.S. and Canada) account for just under 60 percent of the revenues of the firms that produce these products. The purchasers of surveillance software include top companies and government agencies, according to the vendors' own disclosures. Corporate customers include 20th Century Fox, Glaxo Wellcome, Nike, Duracell, Barclays, Marriott, Texaco, American Express, Premera Blue Cross and Zenith Electronics. Among government entities, the U.S. Army, Small Business Administration, National Park Service and city of Boston are clients.

### Growing Business

The reasons given by employers in the past for the monitoring of Internet use and e-mail ranged from productivity concerns to liability for sexual harassment or other employee misbehavior online. However, the foundation's research indicates that low cost of the technology, more than any other factor, is driving the growth of e-mail and Internet surveillance in the workplace. Employee monitoring, as measured by the sales of surveillance software, has increased at least twice as fast as the number of U.S. employees with Internet access in the past few years. Worldwide sales of employee-monitoring software are estimated \$140 million a year, or about \$5.25 per monitored employee per year. The U.S. Army recently purchased a 200,000-seat installation from Websense. Including hardware, the total cost was \$1.8 million, for a sales price of about \$9 per employee.

### Privacy Issues

A key question raised by the research report is whether employers are giving employees sufficient notice of continuous Internet and e-mail monitoring.

"Notice alone might not go far enough," said Andrew Schulman, chief researcher for the Privacy Foundation's Workplace Surveillance Project and author of the new study. "Companies and government agencies are basing firing and suspension decisions on the employee-monitoring reports. Yet, employees are generally not told beforehand what information will be gathered and how it will be judged. Companies can use employee-monitoring logs as a kind of 'wishing well'

to justify actions against employees, including dismissals and layoffs." In addition, employers may be putting themselves at risk. By creating and storing a detailed audit trail of employee activities, organizations may be inadvertently stockpiling large amounts of potential evidence that could be used against them in future litigation. This is particularly significant in government offices, where logs and reports produced by employee monitoring may be considered public records and accessible under Freedom of Information Act requests.

### Surveillance vs. Spot Checks

The Privacy Foundation study focuses on continuous and systematic monitoring surveillance, where every Internet connection and every e-mail sent or received is recorded by the employer. However, a number of cases in which employees were fired or suspended for "inappropriate" Internet or e-mail use have not involved systematic monitoring.

The most widely cited previous study, the annual American Management Association (AMA) survey of "Workplace Monitoring & Surveillance," concluded in 2001 that, "More than three-quarters of major U.S. firms (77.7 percent) record and review employee communications and activities on the job, including phone calls, e-mail, Internet connections, and computer files." The Privacy Foundation's results are not inconsistent with the AMA study, which found "most respondent firms carry on surveillance practices on an occasional basis in the manner of spot checks rather than constantly or on a regular routine." Spot checks can include anything from looking through log files on the company server to reviewing computer use as part of an ongoing investigation into a particular employee's problem behavior.

One of the main lessons from the Privacy Foundation's study is that today, more than any other factor, inexpensive technology is what drives the growth of employee monitoring. An important area for future study will be whether technological "convergence," such as Internet telephony and digital video, fosters the same widespread monitoring of phone conversations, voice mail and visible activities as Internet and e-mail use.

## the People

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# the People

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## Dot.Com Scofflaws

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

When HomeRuns.com, a similar online grocer, just as abruptly shut down its operations in Boston and Washington, D.C., a week later, it refused to say how many workers its decision directly affected, but hundreds and possibly thousands suddenly found themselves unemployed.

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

All of which raises an interesting question.

What ever happened to WARN?

WARN is the acronym for the Worker Adjustment and Retraining Notification Act of 1988. It is a federal law that supposedly provides workers with a measure of protection against precisely what Webvan, HomeRuns and other dot.com "entrepreneurs" have done during the "meltdown."

According to the U.S. Department of Labor's Employment and Training Administration Fact Sheet, "WARN offers protection to workers, their families and communities by requiring employers to provide notice 60 days in advance of covered plant closings and covered mass layoffs."

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

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

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

Webvan didn't do that. HomeRuns didn't do that. Indeed, if any of the dot.com operations did that before turning their bellies to the sky it is one of the best-kept industrial secrets of all time.

When WARN was nothing but a twinkle in the eyes of the "friends of labor" in Congress, then-AFL-CIO President Lane Kirkland called it "the single most important issue in the 100th Congress."

Many union members worked for passage of the act. They were encouraged by union leaders such as Kirkland, who assured them that there were "friends of labor" in Congress who could protect them from plant closings. Many workers thus had their energies channeled into procapitalist politics that, in truth, are anathema to their class interests.

With or without notification of plant closings, decisions to hire and fire—and all important economic decisions that vitally affect workers' lives—are made by the minority class that lives off workers' labor.

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

of what will serve its own interests.

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

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

The AFL-CIO's support for such meaningless window-dressing at a time when conditions cried out, as they still do, for a strong, organized working-class response to layoffs and concessions—serves only to further indict the procapitalist unionism for which it stands. All of which underscores the point that workers cannot look to the labor fakers any more than they can to the political state to liberate them from the cruelties of capitalist rule. Workers can and must look to themselves as a class for their own emancipation.

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

Labor law reforms like WARN are precisely what Daniel De Leon called them over 100 years ago—"concealed measures of reaction." They are concealed because they create the false impression that they can provide meaningful and lasting protection for workers. They are reactionary because they distract workers from the need to organize politically and economically to pursue their interests as a class.

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

In the meantime, however, isn't the law the law? Isn't the "rule of law" supposed to be the guiding principle on which the political state maintains order and impartially protects the interests of all? Hasn't the federal WARN Act been violated by those pillars of the national community, those entrepreneurial spirits, who have left who knows how many workers in the lurch?

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

A De Leon Editorial

## Representative Plutocracy

*The government established by the founders of the United States died out long ago. It fell victim to another revolution—the capitalist revolution—that makes a farce of representative government.*

'American Conservatism'

(Daily People, Jan. 16, 1909)

On the identical day that President-elect Taft addressed a deputation from South Carolina in Augusta upon the beauties of American conservatism, as "proved by the determination of our people not to make the government different from that which our fathers and forefathers contemplated in the formation and maintenance of the Constitution"—on that identical day, and without a blush, the dominant party of the State of Indiana, in caucus assembled to decide upon a federal senator, proceeded upon the principle that, not the state of Indiana, but the Principality of Beer was to be represented and needed representation in the Senate; and, obedient to the decision, the "brewery interests" of the nation in and outside of Indiana won out, nominating Benjamin F. Shively of South Bend.

This denotes a revolution, as radical as the revolution of weaving by steam or traveling by electric power.

Both by the letter and by the history of their enactment, the constitutional clauses concerning the formation of the federal Senate are reflexes and vestiges of the feudal system, a system in which territory, land, is the constituency, a sacrosanct constituency, at that. Congress has the power to increase or reduce the number of representatives in the House; it has not the power to reduce the representation of any state in the Senate, without the consent of the state itself. The theory of the Constitution, as regards the Senate, was purely feudalistic. Acres, not men, nor yet chattels, was represented. "Hands off!" from that holy of holies.

Such was the government that the "fathers and forefathers contemplated." Such is the government that the

president-elect pretends we are still living under. And such is the government, which, as a matter of fact no longer exists. The latest senatorial election in Indiana is the latest cumulative evidence of the revolution that has actually taken place.

**"...a fact it is that the mining industry, the railroad industry, the textile industry, the sugar industry, the tobacco industry, etc., etc., and now the brewery industry, are the entities that have seats in the Senate."**

Industry knows not territory, nor acres. It is no longer states (their acres) that are represented in the Senate. It is industries. Much though the fact be disguised, a fact it is that the mining industry, the railroad industry, the textile industry, the sugar industry, the tobacco industry, etc., etc., and now the brewery industry, are the entities that have seats in the Senate. These entities cross all state lines. A senator may be owlishly addressed by the president of the Senate: "Will the senator of Indiana yield the floor to the senator of New York!" What he means is: "Will the senator of the brewing industry yield the floor to the senator of the railroad, or of the banking industry?" as the case may be.

"American conservatism"? There is none such. Americans are no antediluvian oysters, petrified to a rock.

"American conservatism"?—rather call the thing American bourgeois lip-reverence to an extinct fetish.

## 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.

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

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. Find out more about the program and work of the Socialist Labor Party and join us to help make the promise of socialism a reality.

# Nortel Layoffs Provide Valuable Lesson in Capitalist Economics

By Ken Boettcher

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

Nortel made a big splash in Silicon Valley and national media last year by hiring one-third of Santa Clara University's graduating seniors and a "chunk of its master's class" in computer engineering, en masse, as an article in the *San Jose Mercury News* noted last month.

The article ran under the kicker, "A Lesson in Boom and Bust." Nortel hired the 34 graduates at pay ranging from \$53,000 to \$72,000 per year. Today, all but eight have been laid off. They are among 30,000 workers Nortel announced that it would lay off this year.

That capitalism has booms and busts is a simple lesson that without details may not lead to the right conclusions. Details make the lesson more useful.

The biggest factor leading to the 30,000 layoffs was the company's massive loss for the second quarter of this year. On June 15, Nortel announced that it expected to lose \$19.2 billion in that quarter alone—"one of the largest losses in corporate history," as *Business Week* put it.

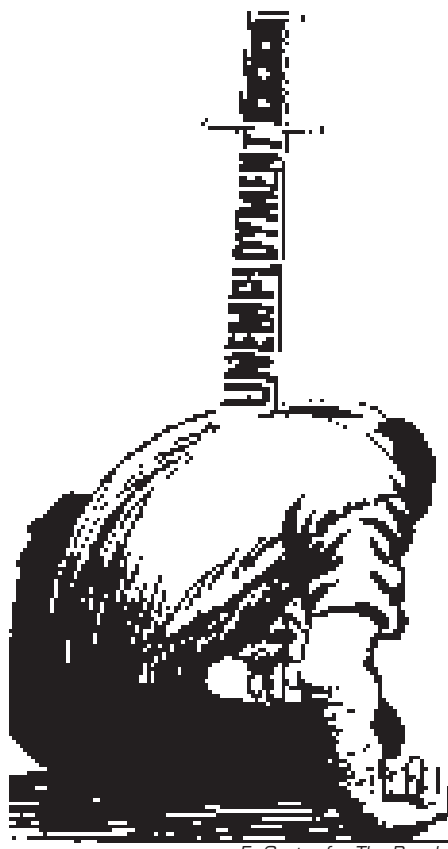
Those losses were spurred by falling demand for optical and other telecom- and Internet-related services due to the demise of so many Internet-related businesses in the so-called dot.com meltdown.

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

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

Much of the investment and facilities expansion that helped fuel "the dot.com boom" was centered around increasing the existing network's speed—primarily through the use of optical fiber as a replacement for copper wire.

As an article in *Fortune* magazine said last month, the credo of the telecom industry during this time was: "Build big, fat, expensive fiber-optic networks across the country, and all sorts of clever people will rush to invent new services that will soak up all the bandwidth. That logic became gospel among telecom executives and investors alike, and carriers ranging from big phone companies like WorldCom to energy giant Enron spent nearly \$100 billion to install millions of miles of fiber-optic cable and optical-networking equipment."



E. Gentry for The People

Dozens of companies began a headlong rush for the gold, each planning to capture as much of "the market" as it could. This is no different from the anarchistic way capitalism works in every industry. Companies commonly plan to capture more than their present share of the market, and inevitably have to lay off workers when the industry as a whole produces too much for the market to absorb.

What was different in the telecom buildup was a lack of significantly increased demand for services requiring higher speed communications and new technologies to speed the rate of communications over previously existing copper wire and optical cable. The market for most high-speed optical communications facilities and equipment added during the "boom" simply wasn't there. As *Fortune* put it, "The carriers built, but the flood of bandwidth-hungry services never came—nor did the customers."

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

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

The details point up the real lesson for workers. This is no way to run an industry, and no way to run the economy. Capitalism is a social system whose anarchistic mode of production for private profit and competition between private producers means nothing but economic insecurity for workers as a class. It is no way to provide a stable economy for the hard-working majority class that operates it and deserves the abundance the capitalists merely waste.

# Britain's Treason and Felony Act Facing Legal Challenge

By B.B.

The British tabloid press is notorious for its obsessive pursuit of scandals, irrelevant trivia and the general debase-ment of popular taste. It shrinks from anything that might be called serious. In this it reflects its capitalist sponsors' fixation with the monarchy, now essentially a major tourist and commercial attraction. Hence their maudlin devotion to the Crown. The House of Windsor has been a boundless source for vacuous gossip to titillate the imaginations of the thoughtless and separate them from their shillings.

*The Guardian*, a British paper with a reputation of being a cut above the run-of-the-mill tabloid press, is not immune from practicing the tricks of the journalistic trade. It simply chooses "loftier" subjects for exercising a scribbler's "skills." Last year, for example, it decided to challenge "a 153-year-old law that threatens anyone who advocates the abolition of the monarchy in print with life imprisonment."

The editor of the paper, Alan Rusbridger, and columnist Polly Toynbee, after submitting an inquiry about the status of the law, were rebuffed by the former attorney general, Lord Williams of Mostyn, and a two-judge panel. *The Guardian* is now considering taking the issue to an appeals court and, if unsuccessful, to the European court of human rights in Strasbourg, France. Rusbridger and Toynbee argue that the law is "incompatible with the European convention on human rights" that became British law last fall.

"A 150-year-old law which is never used may seem like a joke," Mr. Rusbridger said. "It's not a joke when Robert Mugabe uses identical laws to lock up editors then points to British laws by way

of defense."

Mugabe is president of Zimbabwe. He probably never heard of Britain's Treason and Felony Act, unless he takes *The Guardian*. Ruling classes, even in developing countries, don't need lessons in how to protect their interests. It's instinctive.

Britain is a monarchy in name only. The House of Windsor does not rule over the country. It is a relic of feudalism. Today Britain is ruled by its capitalist class, as much as any "republican" country.

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

Britain's Treason and Felony Act meant something in 1848 when it was enacted. That was the year of the *Communist Manifesto*. It was also a year in which revolutions swept the European continent.

Indeed, Parliament hastily enacted the law to deal with the spread of republican sentiment and socialist ideas in England. The English Crown head also picked up the tremors shaking tottering royalty in the form of the oppressive law.

Karl Marx foresaw that a worldwide commercial crisis would bring on the revolutions of 1848 and that Britain might not be immune. "If, therefore, the crises bring forth revolutions first upon the continent, the foundation of the same is always laid in England," he wrote. "At the extremities of bourgeois anatomy it

must naturally come to violent eruptions sooner than at its heart, because there the possibility of adjustment is greater than elsewhere."

An "extremity" of capitalism on the opposite side of England from the continent was Ireland, where nationalism and social unrest at the height of the Irish potato famine spurred Parliament to adopt the Treason and Felony Act. According to *The Guardian*, "the acquittal by a jury of the printers and distributors of Tom Paine's *The Rights of Man*" also acted to persuade Parliament that the law was desirable.

The most notorious case prosecuted under the Treason and Felony Act was that of John Mitchel, editor of *The United Irishman*. Mitchel was sentenced to 14 years' transportation. He escaped from Britain's Australian penal colony and found his way to the United States, "where he was greeted like a head of state."

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

Just how seriously concerned it is about the 19th-century law being invoked against opponents of the monarchy was shown last December when it launched a campaign to abolish it. Nothing has been done to stop *The Guardian*. Its campaign was still on in June, with nary an editor or a columnist hauled off in chains. Most likely they will be left in peace to pursue the campaign until it fizzles out or something better comes along to boost the circulation.

The reason for that, of course, is that violations of the Treason and Felony Act these days don't threaten the British state as much as the tourist industry and, lest they be overlooked, *The Guardian's* tabloid competition for shillings and pence.

## Treason Felony Act of 1848

The following excerpt from Britain's "Treason Felony Act of 1848" was posted on June 22 by the online edition of *The Guardian* (Guardian Unlimited):

### 3. Offenses herein mentioned declared to be felonies

...If any person whatsoever shall, within the United Kingdom or without, compass, imagine, invent, devise or to deprive or depose our Most Gracious Lady the Queen,...from the style, honor, or royal name of the imperial crown of the United Kingdom, or of any other of her Majesty's dominions and countries, or to levy war against her Majesty,... within any part of the United Kingdom, in order by force or constraint to compel her...to change her...measures of coun-

sels, or in order to put any force or constraint upon her or in order to intimidate or overawe both Houses or either House of Parliament, or to move or stir any foreigner or stranger with force to invade the United Kingdom or any other of her Majesty's dominions or countries under the obedience of her Majesty,...and such compassings, imaginations, inventions, devices, or intentions, or any of them, shall express, utter, or declare, by publishing any printing or writing,...or by any overt act or deed, every person so offending shall be guilty of felony, and being convicted thereof shall be liable,...to be transported beyond the seas for the term of his or her natural life.

# ... Minimum Wage

(Continued from page 1)

if what I say is accurate, then the minimum wage does no good to the level of...

"SANDERS: And you would allow employers to pay workers today \$2 an hour if the circumstances provided that?"

"GREENSPAN: The problem is that they will not be paying \$2 an hour because they won't be able to get people...."

Greenspan was right when he said that the minimum wage is the product of "artificial government intervention." But wages cannot be effectively legislated above their market level without serious consequences to workers. Wages are regulated by *economic*, not political, law.

Greenspan and Sanders are the obverse and reverse of the same coin. The former is the "conservative,"

who would let the economic forces of capitalism play themselves out. The latter is the "liberal"—some even call him a "Socialist"—who believes the economic laws that govern capitalism can be deflected by "artificial government intervention."

The obvious response to both is that the wage system is inhuman and reactionary whether politicians tamper with it to ingratiate themselves with workers, or whether it is left to keep the working class in subjugation unmolested by "artificial government intervention."

Capitalism cannot help but drive wages down. The competitive system forces constant improvement in the means of production, the increased productivity of the workers and the cheapening of commodities. Technology reduces the number of workers needed to produce a given volume of commodi-

ties, including the commodities workers require to maintain themselves. Technology also reduces the number of skills involved in productive work, thus reducing an ever growing number of workers to the level of common, unskilled or "marginal" labor. The result is to vastly increase the pool of cheap labor and, hence, to cause wages to slide ever downward.

Legislation cannot alter these facts. The interests of the working class are in abolishing the wage system. No matter what the differences between the "liberal" and "conservative" schools of capitalist thought as represented by the exchange between Sanders and Greenspan, they are both equally determined to defend the wage system of buying and selling human labor power, and thereby keeping the working class in wage slavery.

## on the web

It was the American philosopher John Dewey, we believe, who compared means and ends to roads and destinations, and who pointed out that the "traveler" who changes roads also changes destinations; that, in short, if an evil means is chosen as the road, the "traveler" will reach an evil goal rather than the good goal toward which the evil means was thought to be a short cut. The lesson is one that has constantly guided the Socialist Labor Party.

The classical expression of socialist means and goal is *As to Politics*, Daniel De Leon's public debate with advocates of violence and conspiracy. Originally published in this paper in 1906 and 1907, *As to Politics* is now available in the "De Leon Online" section of the SLP's Web site.

*As to Politics* consists of arguments by anarchists who wanted the original Industrial Workers of the World to abandon political action and of De Leon's answers showing why political action is a working-class necessity.

The main emphasis of *As to Politics* is on the point summarized in De Leon's introduction. "Means and ends supplement, they even dovetail into, each other," he wrote. "No clearness as to ends is well conceivable without correctness of means; no correctness of means can well be hit upon without clearness as to ends. This principle is peculiarly applicable to the ends and the means thereto of the socialist or labor movement."

One of De Leon's opponents in the debate was Arturo Giovannitti, an anarchist poet who later became a "respectable" labor faker. Giovannitti rejected political action and declared: "It is...by main force and through violence only that we can transform society...." In reply, De Leon wrote that "*The People* planted itself upon the principle of 'civilization,'" and added:

"Political action is the civilized, because it is the peaceful method of social debate and of ascertaining numbers. He who rejects that method places himself upon the barbarian plane, a plane where the capitalist class would be but too glad to see him, seeing that he thereby would give the capitalist class a welcome pretext to drop all regard for decency and resort to

the terrorism that would suit it. But civilization is *civilization*. It implies not only the effort for peace, but also the knowledge of the fact that right without might is a thing of air. Accordingly the civilized revolutionary organization proclaims the right, demands it, argues for it, and willingly submits to the civilized method of polling the votes—and it organizes itself with the requisite physical force in case its defeated adversary should resort to the barbarian's way of enforcing his will. The civilized man answers force with force; the barbarian begins with force...."

Answering an advocate of conspiratorial methods, De Leon wrote: "The capitalist class, however powerful, is not omnipotent. It feels constrained to render at least external homage to the genius of the age. The genius of the age demands free speech and a free vote." He added: "The ways of civilization are no mask on the face of civilized man. The ways of civilization are part and parcel of the civilized man's being; they sharply mark the profile of his face."

In reply to an advocate of violence, De Leon wrote:

"Not everything that capitalism has brought about is to be rejected. Such a Vandal view would have to smash the giant machine of modern production as well. Among the valuable things that capitalism has introduced is the idea of peaceful methods for settling disputes. In feudal days, when lords fell out, production stopped; war had the floor. The courts of law have become the main fields of capitalist, at least internal capitalist, battle, and production continues uninterfered with. It matters not how corrupt the courts have become, or one-sided against the working class. The jewel of civilized or peaceful methods for settling disputes is there, however encrusted with slime. Capitalism, being a step forward as all Socialists recognize, cannot help but be a handmaid, however clumsy, to civilized methods. Of a piece with the court method for the peaceful settlement of disputes, is the political method. The organization that rejects this method and organizes for force only, reads itself out of the pale of civilization, with the prac-

tical result that, instead of seizing a weapon furnished by capitalism, it gives capitalism a weapon against itself."

A careful reading of *As to Politics* will convince the serious student of two things: The fact that the De Leonist program of Socialist Industrial Unionism is consistent with the high goal of socialism; and the fact, that the civilized De Leonist program is the *only* road that can be used to reach socialism—the "clever" roads, the Machiavellian roads, the "end justifies the means" roads being roads that take the "traveler" away from the socialist goal. In short, socialism's civilized goal can be reached only by way of socialism's civilized means.

## Funds

(June 22–July 18)

### 2001 National Convention Banquet Fund

John & Mary Brlas "In memory of Lazar Petrovich" \$1,000; Glenn Schelin \$400; Angeline DeBord \$308.40; William Kelley \$300; Brenda Riggs \$218; Joan M. Davis \$200; \$100 each Louis Lipcon, Harvey K. Fuller; John & Mary Brlas \$93.07; Aune & Rudy Gustafson \$56; \$50 each Michael J. Preston, Angeline DeBord "In memory of Mary Pirincin," Angeline DeBord "In memory of Peter & Katherine Kapitz," Angeline DeBord "In memory of Chester Louthan," Ken Boettcher "In memory of Nathan Karp," Carl C. Miller Jr.; Arlene Haber \$40; \$25 each Karl H. Heck, R.P. Sulenta; Joseph T. Longo \$20; Jim Plant \$6.20; William G. Rickman \$3.

Total: \$3,194.67

### SLP Sustainer Fund

Robert P. Burns \$150; Bernard Bortnick \$100; Karl H. Heck \$50; Clayton Hewitt \$30; Donald Donaker \$25; Section San Francisco Bay Area: William Kelley \$10.

Total: \$365.00

### Press Security Fund

Anne Vukovich \$50; Albert Goldberg \$40; R.E. Lanh \$20; Stanley Tuttle \$15.85; Marshall G. Soura \$13; \$10 each Nikolas Trendowski, Robert Mills; Frank Rudolph \$5.

Total: \$163.85

### Leaflet Fund

John S. Gale \$8.00 (total).

## activities

Activities notices must be received by the Friday preceding the third Wednesday of the month.

### CALIFORNIA Oakland

**Discussion Meeting**—Section San Francisco Bay Area will hold a discussion meeting on Saturday, Aug. 4, 4:30–7 p.m., at the Rockridge Branch Library, 5366 College Ave., (corner of College & Manila streets), Oakland. Moderator: Frank Prince. Topic: "That Was 'Prosperity!'" For more information please call 408-280-7458.

### San Jose

**Discussion Meeting**—Section San Francisco Bay Area will hold a discussion meeting on Saturday, Sept. 15, 1–3:30 p.m., at the Empire Branch Library, 491 E. Empire St., San Jose. Moderator: Bruce Cozzini. For more information please call 408-280-7458.

### MINNESOTA

#### White Bear Lake

**Social**—A social will be held on Saturday, Aug. 25, at the home of

Karl Heck, 5414 Williams Ave., White Bear Lake. Begins at 1 p.m. A barbecue luncheon will be served. For more information please call 651-429-7279.

### OREGON

#### Portland

**Discussion Meetings**—Section Portland holds discussion meetings every second Saturday of the month. Meetings are usually held at the Central Library, but the exact time varies. For more information please call Sid at 503-226-2881 or visit our Web site at <http://slp.pdx.home.mindspring.com>. The general public is invited.

### TEXAS

#### Houston

**Discussion Meetings**—The SLP group in Houston holds discussion meetings the last Saturday of the month at the Houston Public Library, Franklin Branch, 6440 W. Bellfort, southwest Houston. The time of the meetings varies. Those interested please call 713-721-9296, e-mail [houstonslp@lycos.com](mailto:houstonslp@lycos.com) or visit the group's Web site at <http://houstonslp.tripod.com>.

## Steps You Can Take...

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# G-8

(Continued from page 1)

reinvested. A portion of those profits—of the congested and idle capital—accounts for the source of the loans at the root of Third World debt.

Capitalism cannot survive without exploiting human labor. That is as true of capitalism on a small scale, as in many of the impoverished countries of the developing world, as it is of capitalism in the

industrialized countries. While big capitalists may sometimes be forced to write off bad loans to small capitalists, the accumulation of surplus value and the compulsion to dispose of congested capital cannot be eliminated. Accordingly, even if Third World debts were written off the process would begin all over again.

No change in policy can untangle the contradictions of capitalism or relieve it of its imperialist compulsions. Only a fundamental reconstruction of society that eliminates the profit motive and human exploitation can accomplish that

goal. The primary responsibility for achieving that goal rests with the working classes of the industrial nations, particularly the United States.

That is why it is so important that more workers become informed about the Socialist Industrial Union program of the SLP.

It is the only way to establish a society in which every institution will be as naturally turned into wiping out poverty and economic insecurity as capitalism is certain to make them even worse than they already are.

## 255075100 years ago

(Weekly People, Aug. 15, 1951)

In his July 29 speech in Detroit, President Truman turned a spotlight on the ugly growth of fear that is changing the American people into McCarthyized robots. In a thinly veiled reference to the slanderous attacks of the Wisconsin senator he said: "This malicious propaganda has gone so far that on the Fourth of July, over in Madison, Wis., people were afraid to say they believed in the Declaration of Independence." The president did not exaggerate. Out of 112 persons interviewed by a reporter for the Madison *Capital-Times*, while they were celebrating their "independence," 111 refused to sign a petition that contained nothing but quotations from the Declaration of Independence and the Bill of Rights.

The corrosive effects of McCarthyism were evident in the answers of the 111 prejudiced and fear-ridden citizens who rejected the petition. Twenty asked the reporter if he were a Communist. One said, "You can't get me to sign that. I'm trying to get loyalty clearance for a government job." Another, a lawyer, after reading the document carefully, said: "You're trying to pull something—this isn't in the Constitution." "Get the hell out of here with the Communist stuff," a Fourth of July picnicker growled. "Young man," a woman

said to the reporter, "are you trying to tell me that this is a copy of the Declaration of Independence?" She read aloud the section of the preamble that says: "that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their future safety and happiness." Then she commented hotly: "That may be the RUSSIAN Declaration of Independence, but you can't tell me that it is ours."

"The 'Petition,'" said a *Capital-Times* report of the poll, "concluded with the pledge with which Thomas Jefferson ended the Declaration of Independence: 'For the support of this Declaration with a firm reliance on the protection of divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.'" This caused an elderly man to say sneeringly, "I see you are using an old Commie trick, putting God's name on a radical petition." The lone signer of the petition said, "Sure I'll sign the Declaration of Independence and the Bill of Rights—we were never closer to losing the things that they stand for than we are today."

The *New York Post* decided to try a similar poll of its own. It did—with similar results. Of 161 New Yorkers interviewed only 19 signed. "A Wall Street broker smiled cynically as he read the document. 'No, thank you,' he said, and handed it back. 'You can't trick me on that. I happen to think they did just right by your boys.' He pointed to the section of the Bill of Rights which reads: 'Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.' 'You think I don't know that this is just a trick to get low bail for those damned Commies?' he asked. 'Well, you won't get away with it.'"

But most of the refusals came from people who were just afraid. They didn't want their names on anything that could conceivably be dug up in the future. "You would not be trying to make me lose my job, would you, mister?" a Wall Street secretary asked. "You put your name on something these days and it's no telling where it might show up later." A priest said, "I'm afraid to sign anything." An immigrant begged the reporter not to insist. "Only six months I'm here," he said. "I don't want trouble. Please." A Park Avenue matron crumpled the petition maliciously and called the reporter "a damned Communist." The response was a triumph for McCarthyism—and reaction.

# Question Period

Isn't it an exaggeration to call a \$700-a-week worker a "wage slave"?

It is obvious that \$700-a-week workers don't go hungry. They have ample food and clothing. Their housing is usually more than adequate, and they can afford some of the amenities of life.

However, the definition of a "slave" is not one who is starved, poorly clothed and badly housed. Even in ancient Rome, under the system of chattel slavery, there were slaves who enjoyed some of the amenities of a comfortable life.

So, what is it that distinguishes a slave?

Herbert Spencer, the famous philosopher, wrote: "That which fundamentally distinguishes the slave is that he labors under coercion to satisfy another's desires." (*The Coming Slavery*.)

Do \$700-a-week workers labor under coercion? The test is very simple. Could they live without working? Could they live, as capitalists do, on the labor of others? Obviously, they could not. If their

employers were to replace them with a machine, or fire them for one reason or another, \$700-a-week workers, like \$300-a-week workers, would have to look for other jobs. They would have to do this because they are under the coercion of economic need—need to pay the rent, buy groceries and pay the manifold expenses of maintaining a household.

So, "coercion" is not exclusively the application of force by slave owners, or the slave owners' threats to apply force. It is also the pressure of need that even relatively high-paid workers are subject to.

Herbert Spencer continued his definition of a slave, saying: "The essential question is—How much is he [the slave] compelled to labor for other benefit than his own, and how much can he labor for his own benefit?" The degree of his slavery varies according to the ratio between that which he is forced to yield up and that which he is allowed to retain; and it matters not whether his master is a single person or a society."

Applying this criterion to \$700-a-week workers what do we find?

Obviously, their employers buy their labor power because it is profitable. It is profitable because, as Karl Marx explained in *Capital*, workers not only reproduce the value of their own labor power (wages) but something else besides—surplus value. In the first part of the working day, which Marx called "necessary labor time," workers create new values equivalent to the wages they are paid for the entire working day. In Spencer's language, this is when they labor for their "own benefit."

During the remainder of the working day ("surplus labor time" in Marx's precise terminology), workers produce surplus value or unpaid labor, which is appropriated by the employer. Or, as Spencer phrased it, it is time when the slave is "compelled to labor for other benefit than his own."

In short, it is fair and accurate to describe workers, even workers in the "upper wage brackets," as wage slaves. They, too, are exploited of the major part of their product. Their interests also lie in establishing a society of social ownership and democratic administration in which everyone will receive back, directly or indirectly, the full social value of their labor.



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## Guatemala's Human Rights Crumble as Bush Postures

By B.B.

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

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

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

The tiny Central American country of Guatemala offers a case in point. That beleaguered land is a veritable case study of U.S. imperialist oppression.

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

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

Human rights activists working in Guatemala charge that, "Assassinations, death threats and attacks have escalated since the hard-line right-wing Guatemalan Republican Front took power 17 months ago," according to the *Dallas Morning News*. "Among those targeted have been opposition politicians, indigenous activists, human rights workers, union leaders, trial witnesses and members of the country's judiciary." (May 19)

The political agents of Guatemala's ruling class and their apologists attribute the deaths to rampant crime. However, many insist that the crime wave has served as a convenient coverup for the assassinations, most of which are believed to have been carried out by the police.

The deterioration of the agreement known as the Law of National Recognition, which was supposed to end the civil war between the peasant-based insurgency and successive military dictatorships, has accelerated since the slaying of Roman Catholic Bishop Juan José Gerardi in 1998. "Observers link the deterioration to the trial of five people charged in the 1998 slaying," and to other cases involving members of the former military regime said to have the blood of 200,000 mostly Mayan people on their hands, many of whom remain in positions of power, according to Christine MacDonald, a special correspondent to *The Dallas Morning News*.

Apart from nuns and bishops, judges, attorneys, human rights activists, union leaders and witnesses are also targets for assassins. "A half-dozen lawyers and investigators have reported death threats and other harassment in recent months as they have built a case against" the five indicted for the murder of the bishop, the *News* writer reported. According to Judge Yolanda Pérez Ruiz, "eight judges have been slain since last fall as lawlessness has



Amnesty International

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

intensified." Indeed, a few days before the trial began Judge Pérez was the subject of a grenade attack! Of the judicial assassinations she said:

"This is an intolerable attack on the independence of the judiciary. It is a strategy to tie the hands of judges. What worries me the most is that the government hasn't concerned itself to make a clear statement. Not once has it expressed its repudiation of the violence."

Concerning these assassinations and other human rights violations, President Bush's lips are sealed tighter than a pharaoh's tomb, and for "good" capitalist reasons.

Guatemala, along with the other states of Central America, continues to be dominated by U.S. commercial interests. It serves both as a market to dump manufactured goods in and as a source of agricultural products and raw materials.

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

Much of the warfare that has kept Guatemala in turmoil through long periods of its history since the Spanish conquest stems from this transformation of the indigenous people into a ruled class by domestic and foreign capital.

The U.S. role in suppressing democratic rights in Guatemala is well known and well documented in, among other publications, Stephen Schlesinger and Stephen Kinzer's 1983 book, *Bitter Fruit: The Untold Story of the American Coup in Guatemala*. At the time neither Kinzer

nor Schlesinger were aware of the assassination schemes being hatched in the 1950s by the CIA against all sorts of Guatemalan political and labor leaders and activists.

The CIA goal was to bring down the democratically elected government of President Jacobo Arbenz, along with others deemed "communist." The CIA prepared a hit list of Guatemalan citizens that became public approximately four years ago with the publication of 1,400 pages of CIA records in 1997. As the *Associated Press* and *Washington Post* reported at the time, "Assassination was 'a pervasive topic of conversation and planning' throughout the operation," which ultimately led to the military overthrow of Arbenz in 1954.

Covert preparations for that event had been under way for months with a campaign of disinformation, death threats and other forms of intimidation finally culminating in an extensive "hit list" that included 58 individuals assembled and brought to Washington by a field agent. But before it could be approved assassination was removed from the CIA options by presidential order.

This episode was only a small part of the general conspiracy against governments and political figures that were regarded as obstructions to U.S. capitalism's worldwide commercial interests.

Of the Arbenz overthrow Schlesinger exclaimed: "This is one more black mark against the CIA for its absolutely reprehensible and outrageous conduct in Guatemala."

It is curious that George Jr. is not better posted on the role of the United States and its CIA in undermining human rights in Latin America given that his father, George Sr., was CIA director from 1975 to 1977.

### UKRAINE

## SLPU Activity Produces Results

KIEV, UKRAINE (July 18)—We are continuing our work in Ukraine in directions that are outlined in our report to your 45th National Convention. [See "Ukrainian Socialists Report on Struggles and Progress" in last month's issue.]

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

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

About 100 persons, mainly students of the Agriculture University, but also students from Shevchenko University and our contacts among the workers of the enterprises where we are working, were present at the seminar. With the help of such activities we have increased the number of members of the SLP to 15, and we have many contacts who seem quite promising to us.

—Sergiy Skubenko

## ... Detroit

(Continued from page 1)

posal on the grounds that it could cost the city more money by stripping "the mayor and the council of their power to negotiate contracts within the city's budget," as the *Free Press* noted. That power, like the power of the capitalist class generally, is considerable in view of workers' present lack of organization.

That attitude is not much different from the attitude expressed in 1913 by the *New York Tribune*. "We must recognize it as a weakness of the arbitration method if, by the habit of compromising, it invites constant demands from the labor unions and results regularly in the granting of a fraction of those demands," the *Tribune* said. Thus, arbitration is no good if it grants even a fraction of workers' demands—and conversely, it would be wonderful if it resisted all workers' attempts to improve their economic condition.

Garrett assured the city council and the local capitalist class whose interests it promotes that AFSCME's proposal would allow any arbitrator, as the *Free Press* put it, "The authority to rule on matters based on the city's ability to pay." (Emphasis added.)

Any representative of the kind of unionism workers *do need* would help them keep their eyes riveted upon the economic interests of their own class. It would, to paraphrase De Leon, focus their attention on the need for collective ownership of the land on and the tools with which to work. Without that collective ownership the cross workers bear today will become even heavier, to be passed on still heavier to their descendants.

Rather than capitulate to arbitration, the rational course of action for any unionism worthy of workers' allegiance would be to broaden its organization among the working class and prepare workers for the protracted battles that are required to defend and advance their interests. Workers cannot make progress in the class struggle, let alone emancipate themselves from wage slavery, by accepting binding arbitration.

A rational course of action requires that workers make a break from unionism that accepts the right of capitalists and their government to exploit workers at all. It requires a break from a form of "unionism" that assures capitalists or their representatives that the cards will be stacked in their favor by preaching the false principle that workers and capitalists have common interests capable of being fairly arbitrated.



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