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Health Care for Profit Puts U.S. System in Crisis

By Paul D. Lawrence

Health care is part of the value of labor power. Health care is necessary to produce, maintain and reproduce labor power. In other words, without access to adequate health care the quality of life for workers and their families will be poorer. They will suffer needlessly from conditions that could be prevented and treated with adequate health care; they will endure needless pain and suffering; they will die younger. Above all, they will not be able to obtain employment that will provide the other necessities of life for themselves and their families.

Health care in the United States is in critical condition. The word "crisis" may be indiscriminately used in our society. For private ownership of the socially operated means of production and distribution and the ruthless pursuit of profit produce plenty of problems capitalism cannot solve. Such is the case with the health care crisis.

Symptoms of the problem are widely reported in the procapitalist, or bourgeois, media. Much of what is reported, however, is disinformation. Genuine diagnosis and prescription are rare, for they would point to capitalism. Yet, from what is reported, an epidemic of inadequate health care is evident and things may become worse before they become better. Indeed, it is problematical that they ever will become better under capitalism.

The capitalist class needs the working class. All social wealth is the product of human labor, including the profits that capitalists exploit from the unpaid surplus labor of the working class.

One would think that keeping the working class in good health was to the advantage of the capitalist class. But labor is cheap because it is abundant, and as technology has become increasingly portable and exportable, the supply of human labor available for exploitation by capital has swollen.

Capitalists compete by selling their products more cheaply than their competitors. A capitalist who fails to meet the competition on that front is soon out of business. Capitalism creates those conditions for capitalists, and it creates those same conditions for workers. Capitalism throws workers into competition with one another for access to jobs. The greater the competition for jobs, the greater becomes the pressure on wages and so-called benefits, such as health care.

Competition for jobs today is sharper than at any time since the Great Depression of the 1930s. That's why American workers work harder, work longer and produce more than the workers of any other industrialized

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Bush and Kerry Twist Facts About Economy

During the presidential debates, and throughout the election campaign, the presidential and vice presidential candidates of the Republican and Democratic parties have made so many outrageous claims for themselves and against their opponents that they were bound to invite scrutiny.

Fact-distilling websites and supplemental reports to the nightly newscasts were common throughout the campaign. They did much to shed light on the unscrupulous tactics and fact twisting to which the two major parties would stoop to improve their chances of winning the election on Nov. 2. However, they also did much to add to the confusion and obscure the truth about the nature of the society in which we live.

Confusion Worse Confounded

FactCheck.org, the website that seemed to attract more attention than any other fact-checking source during the campaign, provides a case in point. The website is operated by the Annenberg Public Policy Center at the University of Pennsylvania. FactCheck.org describes itself as "a nonpartisan, nonprofit, 'consumer advocate' for voters that aims to reduce the level of deception and confusion in U.S. politics." It claims to "monitor the factual accuracy of what is said by major U.S. political

players in the form of TV ads, debates, speeches, interviews and news releases." It says its "goal is to apply the best practices of both journalism and scholarship, and to increase public knowledge and understanding."

The value of facts, however, is not in their accumulation but in their application. Imagine, for example, that Sen. Kerry had said that oak trees are made from marshmallows and that President Bush accused him of claiming that marshmallows are made from oak trees. Along come the fact checkers to point out that Kerry had said just the opposite of what Bush claimed he said, but then failed to point out that both men had distorted the real state of affairs concerning marshmallows and oak trees. In many instances—too many to take up here—that is essentially what the fact checkers have done.

Jobs and Small Business

President Bush and Sen. Kerry have both shown great concern for small business. They agree that small businesses account for most newly created jobs. During their second debate, Bush even claimed that "70 percent of the new jobs in America are created by small businesses," and Kerry did not disagree. FactCheck.org responded to this assertion as follows:

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Wal-Mart Profits From China's Sweatshops

By Diane Secor

China's Communist Party despots and the American bourgeois media repeat the big lie that China is a "socialist" society. With the latter, this false premise is used to explain the "failure" of "socialism" as a "workers' paradise." In reality, CP rule has made China a paradise for foreign capitalists, who seek cheap labor in pursuit of higher profits.

One beneficiary of this is the U.S. retailer Wal-Mart. For a quarter century, Wal-Mart has cultivated financial and political relationships with powerful factions in both America's and China's ruling classes. Today, Wal-Mart's retail empire relies heavily on China's sweatshops for a number of its products.

Foreway Industrial China Ltd. runs at least one of these sweatshops, the He Yi Electronics and Plastics Products Factory. The factory produces those familiar "bobblehead" dolls depicting professional athletes and a variety of other toys marketed in the United States.

Wal-Mart is not the only U.S. company to benefit from such arrangements. A joint report

by the National Labor Committee and China Labor Watch released last February also linked Disney, Fotoball and Hasbro to China's sweatshop toy factories.

"Currently, 40 percent of factory production is for the U.S. company Fotoball, which has licensing agreements with the National Football League, National Basketball Association, Major League Baseball, National Collegiate Athletic Association, Nascar and the Collegiate Licensing Company to produce their plastic bobblehead dolls," according to the report, *Toys of Misery 2004*. "Production for Wal-Mart and Disney account for approximately another 20 percent of factory production."

Workers at the He Yi plant live in dorms, 20 to a single room. They receive no health insurance and are paid less than the legal minimum. "Wages are routinely paid late," the report added, but "organizing a union is strictly prohibited." "When the workers protested in January 2004 to demand payment of their wages, management responded by firing 50 workers and withholding

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'Our Final Hour: A Scientist's Warning'

OUR FINAL HOUR: A SCIENTIST'S WARNING: HOW TERROR, ERROR, AND ENVIRONMENTAL DISASTER THREATEN HUMANKIND'S FUTURE IN THIS CENTURY—ON EARTH AND BEYOND, by Sir Martin Rees. Basic Books of Massachusetts, publisher, 2003; 228 pages. Please order from bookseller or publisher.

By B.B.

In his latest book, *Our Final Hour*, Sir Martin Rees, internationally renowned astrophysicist and cosmologist, gives humanity a 50-50 chance of surviving the 21st century. Rees believes that scientific developments are outpacing society's ability to maintain control over them and that certain of these advances could destroy the world by miscalculation or malice, particularly by falling into the hands of unscrupulous groups or individuals.

Rees also believes that modern society is ill equipped to contend with certain extraterrestrial threats, such as mammoth asteroids that could collide with the Earth, and that some scientific developments may pose an equal threat to the cosmos itself.

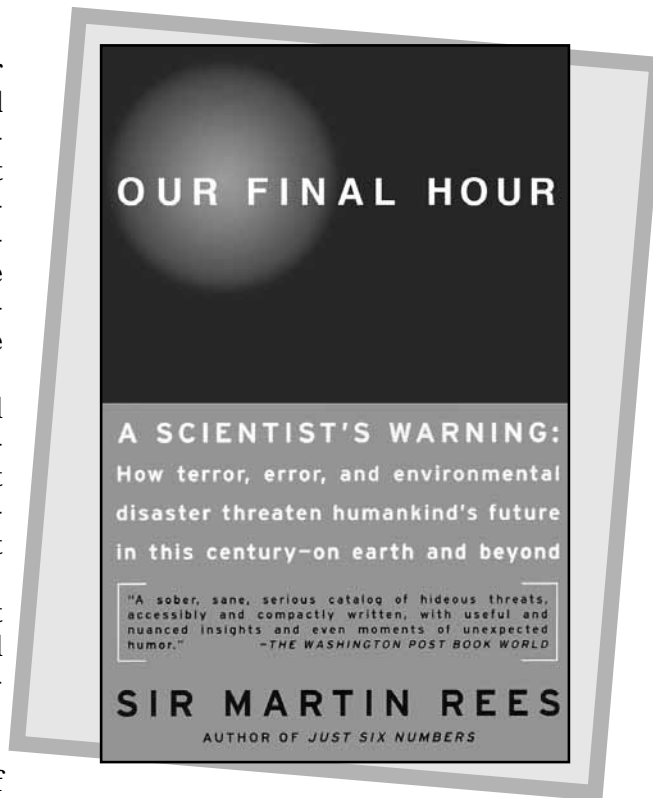
One of the threats that Rees identifies is that of a nuclear catastrophe. That threat is still high and will remain high during the 21st century despite the end of the Cold War. "Nuclear weapons can be dismantled," he wrote, "but they cannot be uninvented." The danger of nuclear weapons falling into the hands of "rogue states," or into the hands of "individuals" who would "be able to trigger catastrophe," poses a greater because uncontrollable danger.

In Rees's view, however, even that is not the greatest danger. During the 21st century, he believes, "the nuclear threat will be overshadowed by others that could be as destructive, and far less controllable." He cited several:

- A reversal of the Gulf Stream resulting from environmental destruction that could plunge northern Europe into Siberian weather conditions.
- Continuing degradation of biodiversity brought on by global warming and habitat destruction that already is killing off plant and animals at an alarming rate. (Before human intervention one species in 1 million became extinct annually. Currently species are disappearing at the rate of one in 1,000 annually, with incredible acceleration over the past two centuries.)

- Rampaging biotechnology and genetic engineering that could enable scientists to manipulate modified viruses immune from existing vaccines, with epidemic or pandemic results.

- Weaponized germs such as small pox, anthrax and other diseases produced by virus hackers that could spread SARS-like effects on a global scale.



- The possibility of dust-sized, self-replicating nanorobots designed to chew through organic matter and turn the biosphere into a lifeless "gray goo" could be on the computer screen of some lunatic scientist.

- Certain experimental uncertainties as exemplified by the gravitational wave detector devised by Stanford University scientists. (This device is a one-ton metal bar that has been cooled to -459 degrees Fahrenheit, the coldest large object in the universe, the effects of which are unknown.)

Unfortunately, Rees's study of the most distant bodies in the universe does not qualify him in social science. Indeed, this is the weakness in the author's otherwise excellent assessment of the increasingly harrowing conditions that threaten humankind. He fails to see that the chaos around him is the uncontrolled nature of a science totally beholden to competing ruling-class nations that jealously vie for the control of

world markets and sources of raw materials.

One reviewer of *Our Final Hour* noted, "It offers up lots of challenges the world could face from science, but it's short on solutions that could help guide policy." Indeed, his pallid suggestions that governments should seek international agreements to control scientific development is a futile cry in the wilderness considering the history of those efforts regarding nuclear weaponry, not to mention bans on bioweaponry and even land mines. Nor is his appeal for scientists to exercise restraint before entering into dangerous research and governments to refrain from offering grants to scientists pursuing such research any better. The most recent revelation of the leading Pakistani nuclear scientist who created a lucrative business pedaling A-bomb know-how is a case in point. The Musharef regime turned a blind eye to his activities, denials from those sources notwithstanding.

The "business of science" has spawned the menace of science. It has left few areas of human endeavor untainted by its distorting and often deadly stain. That is the rub! It reveals why Rees and others like him seem paralyzed in applying a little elementary scientific method to the issue of why science is going awry in our time.

Yes, society needs controls placed upon scientific activity and research, but not by a political state or some overweening governmental agency. Only a society in which the reigning principle of production is social use rather than private profit is capable of utilizing science for the well-being of humanity and preservation of the natural environment. It requires a social system in which the productive forces of the land are collectively owned and democratically administered by the working class.

A reading of *Our Final Hour* leads one to draw the only conclusion possible: thrive with socialism or die with capitalism.

Do You Belong?

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

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

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NEW YORK LABOR NEWS

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...Wal-Mart

(Continued from page 1)

one month's back wages."

No genuine unions, no strikes, low wages and a police state on hand to crush workers who resist. These conditions allow a bonanza for Wal-Mart and other U.S. firms who profit from Chinese factory labor. But that's not the worst of it, according to the National Labor Committee and China Labor Watch report. Conditions in prison factories, where Wal-Mart products are made, are far worse than at the He Yi factory. Investigative reporter "Greg Palast reports that Chinese dissident Hongda Wu discovered, in 1995, that Wal-Mart was contracting prison 'slave labor' in Guangdong Province." Hongda Wu himself suffered for 19 years as a prisoner in this slave labor system.

In general, American capitalists have taken advantage of China's abundant cheap labor backed by the U.S. state as the executive committee of America's capitalist class. Those, such

as Wal-Mart, with more specific ties to powerful sectors of the U.S. and PRC ruling classes have the edge.

As long as capitalism exists, a global race to find the cheapest labor will continue. Only true socialism, where production will be for the use of all instead of the profits of a few, will put an end to this insanity.

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Bush Oversees Decline In Water and Air Quality

By Ken Boettcher

President George W. Bush asserted in the second presidential debate that he was “a good steward of the land.” “The quality of the air’s cleaner since I’ve been the president,” he claimed. “Fewer water complaints since I’ve been the president,” swaggered Bush.

Bush’s claim prompted a reality-check article in Knight-Ridder newspapers. It’s not difficult to understand why. The facts, as the article pointed out, show that if the nation had more “good stewards” like Bush it wouldn’t need any environmental enemies.

“On Bush’s watch,” said the article, “America’s environment deteriorated in many critical areas—including the quality of air in cities and the quality of water that people drink—and gained in very few.”

Government and university data show that, among other things, the Bush administration “ordered dozens of sweeping changes to existing environmental policies, usually to benefit business interests. He reversed the government’s [painfully slow] course on global warming, power plant emissions, roadless areas of national forests, environmental law enforcement and agricultural runoff.”

During the Bush administration’s tenure in office, the number of civil citations against polluters decreased by 57 percent. There were 17 percent fewer criminal prosecutions of polluters. Warnings against the eating of fish from rivers increased by 200 percent; those against the consumption of fish from lakes rose 39 percent. Beach closings due to pollution increased by 26 percent.

During the same period the number of asthma attacks rose by 6 percent. That too is understandable, given that while statistics show “that major air emissions dropped 9 percent nationwide over the first three years of the Bush administration...the number of times that air in U.S. cities was declared unhealthy increased from 1,535 in 2000 to 1,656 in 2001 and 2,035 in 2002.” The inspector general of the Environmental Protection Agency recently issued a report, which said “national air-emission reductions don’t accurately reflect the stagnating pollution levels in metropolitan areas.”

Perhaps most noteworthy for workers and their families everywhere in the United States is the increased danger implicit in the Bush administration’s record on Superfund site cleanups. Superfund sites, the nation’s most hazardous pollution sites, were ostensibly intended for cleanup under the perennially underfunded federal Superfund program.

The federal government’s record on Superfund site cleanups is hardly stellar, but under the Bush administration it hit new lows. According to a recent report by the Sierra Club,

during the Bush years, “The rate of cleanups [fell] by half compared with the late 1990s.”

Presently, according to the report:

- “Human exposure to health-threatening chemicals is not under control at 111 Superfund sites.”

- “At another 158 Superfund sites, EPA has insufficient data to determine if human exposure is under control.”

- “Migration of groundwater pollution is not under control at 251 Superfund sites.”



LNS

- “The large number of federal facilities where human health exposure and groundwater pollution is not controlled demonstrates that environmental protections should apply to the federal government just as they do to everyone else. The Bush administration has repeatedly sought to put the federal government above the law by exempting the Department of Defense from environmental protection laws.”

Another four years of the Bush administration are a guarantee of further environmental destruction. But what of the environmental result of a Kerry administration, should Democratic candidate Sen. John Kerry win the election?

Kerry might slow the destruction, but he cannot stop it. It is inherent in the rapacious capitalist system of production, which Kerry supports. Environmental degradation can be counted on to continue no matter which capitalist party wins “stewardship” of the economy and the environment along with it.

Under capitalism, the small minority that owns and controls the industries and services—the capitalist class—makes all production decisions. This is as true for large corporations, where layers of management are ultimately responsible to the principal stockholders, as it is for smaller, individually-owned or family-run companies, where capitalists more often are directly involved in the decision-making process. Managers and owners make their decisions to serve only one goal—maximizing profit. That is where the pollution problem begins.

From the capitalist point of view, it is generally less costly, and therefore more profitable, to simply dump pollutants into the environment and possibly pay fines than to invest in pollution-

control equipment or pollution-free processes. Little if anything is done to prevent pollution at its source.

Likewise with regard to every aspect of their economic activity: Socially harmful decisions are made because, one way or another, they serve to enhance the profit interests of the capitalists involved.

Capitalist-class control of the economy also explains why government regulation is perennially lax. The government is essentially a capitalist institution. Politicians—Republican and Democratic alike—though elected by the general public, are financed, supported and decisively influenced by the economic power of the capitalist class. That economic power also generally holds sway over the bureaucrats appointed to the regulatory agencies. Consequently, though an individual capitalist polluter occasionally may be called to task, rarely are they punished as a group. And even when social circumstances force the agencies to take some action, the high cost of environmental cleanup is a virtual guarantee that any cleanup undertaken will proceed at a snail’s pace—just enough to give the appearance that “something is being done.”

Clearly, if the nation is to have a healthy and safe environment, it is up to the working class, the majority of people who actually produce society’s goods and services and operate its industries, to take action. The action we must take is to organize, politically and industrially, to abolish the material source of the crisis by building an entirely new social system.

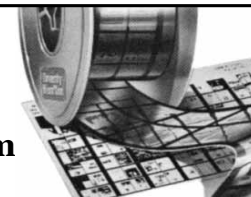
That new social system must be one in which society itself owns the industries, and in which the workers would control and operate them democratically through our own organizations based in the workplaces.

Such a society—a socialist industrial democracy—is what is needed to solve the environmental crisis. By replacing capitalist control of the means of life and the profit motive with a system in which we would produce to meet human needs and wants, the necessary resources and labor could be devoted to stopping pollution at its source and better cleaning up the damage already done.

On the environmental front alone, capitalism and its profit motive are bringing us to the brink of disaster, and time is running out to take corrective action. It is time to join in the only effort to save the environment that can possibly succeed—the movement for socialism!

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Bush Administration Guts Overtime Rules

"The characteristic weakness of the proletariat [its economic dependence] renders it prone to lures. It, the least favored of all historic revolutionary classes, is called upon to carry out a revolution that is pivoted upon the most complicated synthesis, and one withal that is easiest to be obscured by the dust that its very foe, the capitalist class, is able to raise most plentifully. The essence of this revolution—the overthrow of wage slavery—cannot be too forcefully held up. Nor can the point be too forcefully kept in evidence that, short of the abolition of wage slavery, all 'improvements' either accrue to capitalism, or are the merest moonshine where they are not sidetracks."

—Daniel De Leon

By Ken Boettcher

Labor laws that the capitalist state "give" as reforms usually are sleights of hand calculated to play on the sentiments of workers and deflect their attention from the possibilities offered by more a radical change. This important lesson is repeated whenever the state takes away today what it earlier gave. Occasionally the "giving" and the "taking away" are done in one fell swoop. These methods are evident in the Bush administration's massive rewrite of the rules governing overtime pay.

Bush has made much campaign hay of his contention that the new rules "give" overtime pay to 1.3 million more workers who earn less than \$23,660 per year. He has played down the effect that a new overtime exemption included in the rewrite will have on other workers.

In an example of simultaneous "giving" and "taking away," Bush's Department of Labor has since early this year been giving tips to employers on how to *circumscribe* overtime pay under the new rules, apparently to let employers know that they have little to fear from the changes. Among the suggestions, according to one Associated Press report: "cut workers' hourly wages and add the overtime to equal the original salary."

Other revisions may actually deny overtime pay to as many as 6 million workers—workers whose overtime pay reportedly accounts for about 25 percent of their total income. The rules exclude workers who previously qualified for overtime pay by reclassifying them as

administrative, managerial or professional employees exempt from overtime pay. They also eliminate some higher paid workers from overtime pay requirements by adding an income limit of \$100,000, above which workers do not qualify for overtime. And they effectively remove the overtime pay requirement for many workers in aerospace, defense, health care, high tech and other industries by making the definitions of who is administrative, managerial or professional so fuzzy that arbitrary exemption from overtime pay may become common.

First announced in 2003, the new rules ostensibly went into effect on Aug. 23. Election-year politics have kept parts of the changed rules from being implemented by the Department of Labor. Both the House and the Senate have approved an amendment to next year's appropriations bill for the Department of Labor that would block implementation of the most draconian changes. Present Bush has vowed to veto the bill in its present form if it lands on his desk—which it isn't likely to do before the election.

It is important for workers to remember that overtime pay was supposedly "guaranteed" by the Fair Labor Standards Act of 1938 and all its later revisions. In fact, the FLSA never applied to all workers and always provided loopholes through which capitalists could wriggle free of its authority.

The FLSA ostensibly banned child labor, though it still exists in agriculture and other industries today. It set the minimum hourly wage at 25 cents, and the capitalist state has been so resistant to revising this figure upward to account for inflation that its revisions often set the minimum at levels well under those generally established by the labor market itself. The FLSA also set the maximum workweek at 40 hours by 1941. Time-and-a-half pay was ostensibly mandated for overtime work, though again many loopholes were provided.

It did this at a time when unions were growing as workers' reflexive response to the horrendous living and working conditions spawned by capitalism's Great Depression. The FLSA effectively "bought workers off" through its promises. Yet, the ink wasn't even dry on the FLSA when Congress and the courts—federal and state—began whit-

ting away at its provisions. The Bush administration's attempt to "take away" what the political state "gave" Depression-era workers is not the first such attempt and will not be the last.

President Bush also announced in August that he wanted further revision of the overtime rules that cover workers not exempted by the Aug. 23 rules. They would allow the substitution of "comp time" for time-and-a-half overtime pay and establish a "flex time" provision. Both were offered as supposedly "family friendly" changes.

However, Bush's "comp time" substitution would amount to time off at employers' discretion, making overtime cheaper for employers. It would no doubt lead to more mandatory overtime. Both longer hours and more unpredictable work schedules would result for workers. The "flex time" provisions would mean, for example, that workers might work 50 hours one week and 30 the next, with no overtime pay for the first.

As state and federal overtime regulations are modified or eliminated, the opportunities increase for employers to increase the length of the workday or workweek. For workers there are no benefits in a return to conditions where exploiters once again unilaterally determine the length of the working day. The illusion of a shorter workweek or paid time off is no compensation for a steady diet of longer workdays that can and will lead to increased fatigue and otherwise undermine health and welfare.

Reversing the tide requires that workers stop supporting reforms and reformers. Reforms have been tried, and they have proved to be no "guarantee" against the ill effects of capitalism at all. Workers must build their own revolutionary labor movement that would not look to capitalist government for a shorter workweek, more vacation time and the like. Rather, it would win and enforce such gains because of its own organized strength on the economic field. At the same time, it would be organizing toward the higher goal of abolishing capitalism and establishing a socialist system under which no one would be denied the opportunity to work and everyone could enjoy the abundance and greater leisure time that modern methods of production make possible, but that capitalism now prevents.

IBM Worker Loses Battle With Cancer

By Bruce Cozzini

James Moore died on Oct. 8 after a nine-year battle with non-Hodgkins lymphoma and a much shorter battle with his former employer, IBM. The *San Jose Mercury News* story reporting the death of the 63-year-old former IBM worker portrayed him as an exemplary person, a good father, husband and worker. He was more than that. He was a courageous man who stood up and fought back against a heartless and greedy employer that almost certainly was responsible for his illness and his death.

Moore and another former IBM worker, Alida Hernandez, had sued IBM in a California court last year over the hazardous working conditions that they contended led to their cancers. They alleged not only that the chemicals to which they were exposed while employed by the computer giant caused their illnesses, but that IBM knew of the dangers involved and had deliberately concealed the facts from Moore, Hernandez and their coworkers.

Moore joined the suit reluctantly after his wife read about it. As a 27-year employee, he did not want to believe that IBM had knowingly exposed him to toxic chemicals. As his wife, Louella, said:

"He was total IBM. 'They did no wrong. They took care of their people.' He liked how it was a family-oriented company. But he did come to believe that they did know what they had done."

When the evidence finally convinced him that IBM was not only responsible, but had kept the truth from him, he felt betrayed by a company he had trusted. Although undergoing treatments for his illness during the course of the trial, Moore persevered, knowing how important it was to raise the issues of workplace toxic contamination on workers' health. The suit "was never about the money," Moore's daughter, Debbie, told the *Mercury News*. "He was not aware of the chemicals and not told back when he was working how to protect yourself. He wanted the awareness to be made more pub-

lic....He felt that was accomplished."

Throughout the trial, Moore and Hernandez had the support of fellow workers and survivors of other IBM workers who had died of cancer. The group spoke of themselves as part of a family.

Although a jury rejected the case against IBM last February, the trial brought out details of the chemically contaminated working environment that workers endured at IBM's disk drive plant in San Jose. The plaintiffs had virtually no chance for conviction after the judge blocked jury access to a study by Boston University epidemiologist Richard Clapp that showed that the IBM workers suffered cancer rates higher than the general population, and subjected the case to onerous restrictions posed by California's Workers' Compensation laws.

The information brought out in the trial may have influenced IBM's out-of-court settlement in

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U.S. Juggles the Numbers To Hide True Jobless Rate

By Ken Boettcher

Appearances can be deceiving, and frequently are, when they involve unemployment statistics. Take the official unemployment rate of 5.4 percent for August and September, for example.

The U.S. Bureau of Labor Statistics (BLS) cites an “unemployment rate” in its monthly report on employment. This is the official rate repeated in the major media and parroted by pundits and politicians. This *official* rate is far below the *real* unemployment rate, however, because it does not include all who are unemployed.

The official rate excludes those who work part time but want full-time work. One hour of paid work per week is all it takes for a worker to be counted in this category. The BLS calls these workers “part time for economic reasons,” whatever that may mean. It does not count them as unemployed, but it said there were 4.452 million of them in September.

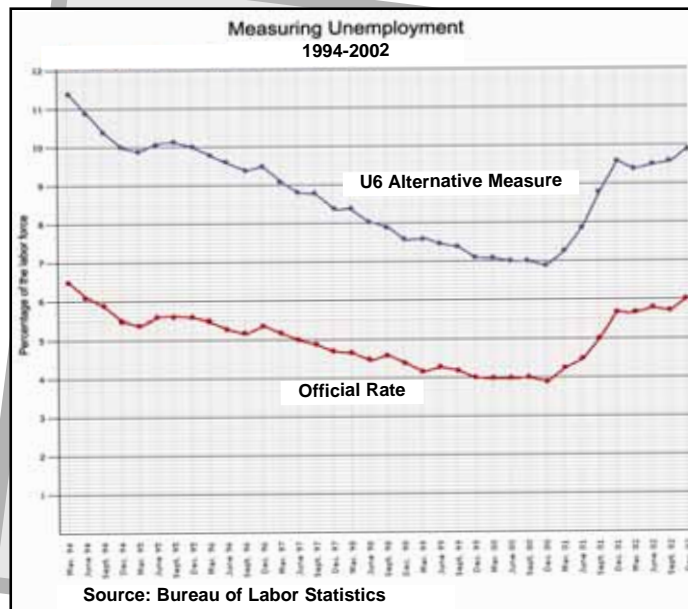
The official unemployment rate also excludes workers who still want and are available for a job, but who have lost hope and have stopped looking. The BLS says these workers are “marginally attached to the labor force.” It does not count them as unemployed because they did not seek work in the four weeks preceding the BLS’s monthly survey. In September, the BLS reported 1.6 million workers in this category, including 412,000 it classifies as “discouraged” because they had given up hope and were no longer looking for work at all.

Adding workers that the BLS classifies as “part time for economic reasons” and as “marginally attached to the labor force” to the 8.003 million workers counted as unemployed gives a more accurate—and much more grim—figure of 14.055 million unemployed workers and an unemployment rate of 9.4 percent.

It would be even more accurate to include at least some of the more than 2 million persons who are in prisons. If they were not locked up, many would almost certainly be unemployed.

Further, many are in prison for crimes that are essentially economic in nature and that arguably result primarily from capitalism’s lack of opportunities for all.

A more accurate unemployment rate would also add workers forced to take early retirement who recognize that a search for work at their age would be futile and who are therefore trying to make ends meet on their retirement or severance package plus Social Security payments. This group is not often surveyed, but its significance may be sur-



mised from a BLS report issued in September 2003. That report showed that the number of all U.S. men from 25 to 54 years old who described themselves as retired and not looking for work rose from less than 6 percent in 1991 to over 10 percent in 2001.

A truly accurate unemployment rate might also include some of the rising number of disheartened workers who have been added to the Social Security *disability* rolls and thereby removed from the labor force. According to an article entitled “Laid Off Workers Swelling the Cost of Disability Pay” in *The New York Times* on Sept 2, 2002, the number of persons on Social

Security disability rose by nearly 100 percent between 1990 and 2002, to nearly 6 million. Between January 2001 and September 2002, almost 400,000 were added to the disability rolls.

Clearly, unemployment in the United States is far more extensive than the official figures let on. To be sure, the BLS’s monthly report does include a more accurate estimate of the real unemployment rate. In its September report this data can be found on page 15, in Table A-12, titled “Alternative measures of labor underutilization.” The measure called U-6, for example, includes those officially unemployed “plus all marginally attached, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.”

While an occasional reference may be made in the major media to these “alternative” measures of unemployment, the sound bytes and quotations that pervade the print, radio and television news reports that influence U.S. workers every day almost exclusively cite the fictional official unemployment rate.

This shell game is hardly new. It has been going on for decades. Occasionally one among the major media outlets may actually gratuitously throw in a report on the shell game itself. However, the parties involved keep arrogantly playing the game by consistently and steadily hammering U.S. workers with the fictional official rate, despite the monthly availability of more accurate measures.

The reason for the game is plain. It serves to downplay the serious problem that growing permanent unemployment has become in the United States—as it has in all advanced capitalist countries. It also allows politicians of all stripes to make the most of small changes in the official rate that have little or nothing at all to do with the real level of unemployment.

Capitalists and those in their government may presently find it easy to sweep data on the real extent of misery among workers under the rug. Speed the day when workers sweep away forever the capitalist system that causes unemployment.

Capitalism Wins 2004 Election By Default

By Paul D. Lawrence

The loser in the November election was the working class. Although the election had not occurred at *The People’s* press time, the winners will have been the candidates of the capitalist class. Substantive differences between Democrats and Republicans, Greens and Libertarians, liberals and conservatives, are virtually nonexistent. Their differences are as meaningless as different sitting positions under the poisonous upas tree of capitalism.

Worse, the capitalist victory was by default. No working-class party backed by the economic might of the working class even contended.

Given the manifest problems of decadent capitalism, the absence of a working-class party is cause for grave concern. In politics, in the economy, in the media, in education—everywhere is the monopoly of the capitalist class.

It would be easy to despair, to write off the working class as hopeless, as class-comatose. But Socialists should never give in to such feelings. They are not justified. As Wendell Phillips, the great abolitionist and champion of the early labor movement, once said:

“No matter where you meet a dozen earnest men pledged to a new idea—wherever you have met them, you have met the beginning of a rev-

olution. *Revolutions are not made: they come.* A revolution is as natural a growth as an oak. It comes out of the past. Its foundations are laid far back.” (Emphasis added.)

True also, however, is a famous misquotation attributed to the 18th-century Irish-born British politician and litterateur Edmund Burke: “It is necessary only for the good man to do nothing for evil to triumph.”

If workers do not become classconscious and do not organize themselves as a class politically and economically, then they will not defeat capitalism and will never establish socialism. If capitalism collapses, workers’ intuitive measures of self-defense will not likely succeed. What would lie ahead is something like fascism, industrial feudalism or even a new Dark Ages. The progress of humankind could be arrested for centuries.

Amidst this gloomy scenario one small ray of hope exists. The Socialist Labor Party, albeit battered, continues to struggle for socialism—to educate and then to organize the working class.

The readership of *The People* far exceeds the membership of the Socialist Labor Party. The question is why.

Why are you, dear readers, holding back? You read, you renew, you contribute money. All that indicates some sort of support for the principles

and positions of the SLP. That is good. Better is to inquire about membership in the SLP and then if you agree with the policies and program, to join.

When Thomas Paine published *Common Sense* in 1776, he called upon his fellow Americans to openly embrace the cause of independence, a cause that he thought was obvious but which people, except for a few radicals, hesitated to take up.

Does capitalism work? The answer is obvious. No, capitalism does not work. It is an obstacle to social progress, a barrier to the advancement of society to the next higher stage. Behold the basic contradiction of capitalism: the means of production are operated by the socially organized labor of the working class, yet a tiny minority capitalist class privately owns the means of producing wealth and expropriates most of the wealth created by workers’ collective labor.

Common sense dictates that this unspeakable system, the origin of the problems convulsing society and threatening a virtually unimaginable social catastrophe, should be replaced—replaced before it has proceeded to its damnable conclusion. Social ownership of the means of producing wealth resolves the contradiction and is the foundation of a new order of ages.

Don't Vote for Help Build

During a speaking tour that took him to Providence, R.I., in October 1903, Daniel De Leon had an opportunity to explain why the Socialist Labor Party would not and could not support the candidates of any other political party—even those that called themselves socialist. It happened this way.

De Leon was invited to participate in a symposium with representatives of the Democratic, Republican and Prohibition parties. The symposium consisted of a series of extemporaneous speeches by each of the participants.

De Leon was the last to speak and a stenographer recorded his speech. The text of his speech was printed in the *Daily People* in July 1904, a few days before the SLP nominated its own candidates for president and vice president of the United States.

One of the speakers at the Providence meeting said that if his party did not field a candidate in the 1904 presidential election campaign he would cast his vote for the candidate of one of the other parties. De Leon, of course, meant to use his time to explain what distinguishes the SLP from all other political parties and why all other political parties are essentially alike. In this particular instance, however, he also had an opportunity to explain why, if the SLP did not nominate candidates of its own, he would not abandon his principles to cast his vote for another party that stood for what he, as a Socialist, opposed.

There is an old saying among Socialists that it is better to vote for what you want, even when there's no chance of getting it, than to vote for what you don't want and getting that instead. Frederick Engels made a similar point when he said that any would-be Socialist or socialist organization that lost sight of the wages system was hopelessly lost. What both

men meant, of course, is that there is only one basic issue in any election campaign, and that issue is the class struggle.

The Democratic and Republican parties are out-and-out representatives of the capitalist class and the capitalist system. The same is true of all the splinter parties that have broken off from the two main stems, parties such as the Greens and the Libertarians. Worse, all of the so-called socialist parties—including those that have nominated their own candidates in this year's presidential election—conduct themselves in the same way. By advocating or supporting reform measures that contradict the basic principles that socialism represents, they help to obscure those principles and add to the confusion that the out-and-out capitalist parties use to throw the working class off balance.

The duty of the Socialist is to focus attention on the basic question that confronts the working class: socialism or capitalism. It is to bring clarity, not to assist the capitalist parties in spreading confusion. That is what the SLP has always tried to do, whether or not it ran candidates for public office in any particular election.

The SLP did not nominate its own candidates for the 2004 presidential election, and its members will not cast their votes for capitalism in any of its political guises. If all those who understand what the SLP stands for and appreciate why it is necessary to stand by socialist principles would step forward and "vote" for socialism by joining the SLP, the SLP could easily take up where it left off in 1976 when it nominated its last presidential ticket. Meantime, we will concentrate all our energies on bringing clarity where confusion now reigns, as De Leon explained in this still timely speech from a century ago.

My opponents will excuse me if I drive the point home upon them. All the three have denied the existence of the classes and referred to themselves as workingmen. The point can be tested on the spot. Ask these three "workingmen" to what "market" they carry their own hides to sell. You will see them all three bristle up, as they have great difficulty in keeping from doing now, indignant at the bare thought of being sold in a market, consequently of being merchandise. And there stands the fact clear as a pike—the fact of the class distinctions in our land. Utterly un-American is the posture of ignoring a fact. Sublimely American is the socialist posture of recognizing the facts in the case.

True to the American characteristic of recognizing facts, let us weigh the present fact. What follows from the class quality of the workingman? His class quality is that of merchandise. The price of merchandise depends upon the supply and the demand. The larger the supply of pork chops in the "pork-chop market" the lower the price. Consequently, the price of labor (wages, as it is called) likewise depends upon the supply and the demand of the merchandise labor in the "labor market." Privately owned improved machinery, and concentration of plants, displace labor. The labor market is thus steadily being overstocked, with the inevitable result that the earnings of the working class decline. Even the late census attests the fact. To sum up. The working class lies on the shelves of the market alongside of beef, leather, cuspidors and all other merchandise, sharing the fate of merchandise in abject servility. That is the badge of labor under the existing social system. It goes without saying that such a system works out iniquities for the country. Let me mention just a few of these iniquities.

From census year to census year, the census records an increase—absolutely and relatively—in the numbers of our population that bears the badge of merchandise, with all the degradation that that implies. The representative of the Republican Party invoked the memory of Lincoln; the representative of the Democratic Party invoked the memory of Jefferson; the representative of the Prohibition Party invoked humanity. I ask you and I ask them: Is such a national decline that for which Lincoln labored, or Jefferson toiled? Is it human? Is it humane?

Take another iniquity. Under the capitalist system labor is even worse off than merchandise. As production is conducted by individual capitalist concerns, there are ups and downs, periods of industrial activity and of industrial depression. In order to answer the calls of trade there must be a large reserve army of labor ready to work. At times of industrial depression, rafts of workers are laid off. A winter coat or a winter shirt may be laid off when the hot weather sets in, and either will be in condition for use when cold weather returns. The workingman is used as are such garments, but during such periods of industrial stagnation, while he is shelved, he must starve. Thus the physical and mental suffering of, as I showed, an increasing portion of our population is a necessary breath in the nostrils of capitalist society. Is it that what Lincoln strove for or Jefferson contemplated? Is it human? Is it humane? [The Rev. Ernest G. Wesley from his seat on the platform: "No! It is not!"] Then why do you stand by it?

Take another iniquity. We are just now hearing a good deal about the removal of "deadwood"

go to prove the existence of the classes—the working class and the capitalist class—I shall take the most obvious for the occasion.

Language is like current coin. It passes current in the measure that it utters a truth. Take for instance the saying "as crooked as a ram's horn." Everybody knows what that means. Why? Because such a thing as a straight ram's horn is unknown. The fact of the crookedness of rams' horns is reflected in the utterance; and as the utterance has a solid fact for its foundation it becomes a luminous illustration, made and understood by all. Now, then, what social utterance is that which you will find in the mouths of all people? However Democrats, Republicans, Prohibitionists, capitalists, Socialists, etc., may differ, there is one term upon which they all agree, all use, and all understand. What term is that? It is L-A-B-O-R M-A-R-K-E-T. This term, and the universality of its use tells the tale. There is no such thing as a "capitalist market." The term would be meaningless. Why? Because it has no fact at its bottom. And what is that absent fact? It is the fact that the capitalist is not merchandise. Not being merchandise, he is not bought and sold; not being bought and sold there is no "market" for him. On the other hand there is a "beef market," a "leather market," a "pork market" and so forth—and a *labor market*, proof positive of the merchandise quality of labor. The current language of the land brings to the surface the fact that our people are divided into two classes—one class is human and not chattel or merchandise, that is the capitalist class; the other class is not human, but chattel and merchandise, and that is the working class.

Which Party Is Right?

(*Daily People*, July 24, 1904)

Mr. Chairman, workingmen and workingwomen of Providence: The gentleman who just preceded me said that, if there were no Prohibition ticket in the field, he would vote for the Democratic Party. I say that, if there were no Socialist Labor Party in the field, I would vote neither the Prohibition, nor the Democratic, nor yet the Republican nor any other ticket, but would stay at home and save my shoe leather. And I shall show you why you should do likewise, all other parties being worthless.

The representative of the Republican Party told you, amidst invocations to Americanism and to Lincoln, that there were no classes in our land. And the representatives of the Democratic and Prohibition parties did likewise, only varying the theme with invocations of Jefferson and of humanity. A strange contradiction! What one feature typifies Americanism more than any other? It is the matchless volume of American inventions. And what does that imply? It implies a close observance of facts and respect therefor. A man may make a discovery accidentally; an invention, however, is the fruit of close observation of and strict adherence to fact. It is, accordingly, utterly un-American to observe society so loosely as to fail to perceive facts that underlie it, or, perceiving their existence, to shut the eye to them. Of the score of more or less obvious sets of facts that

For Capitalism!

and the SLP!

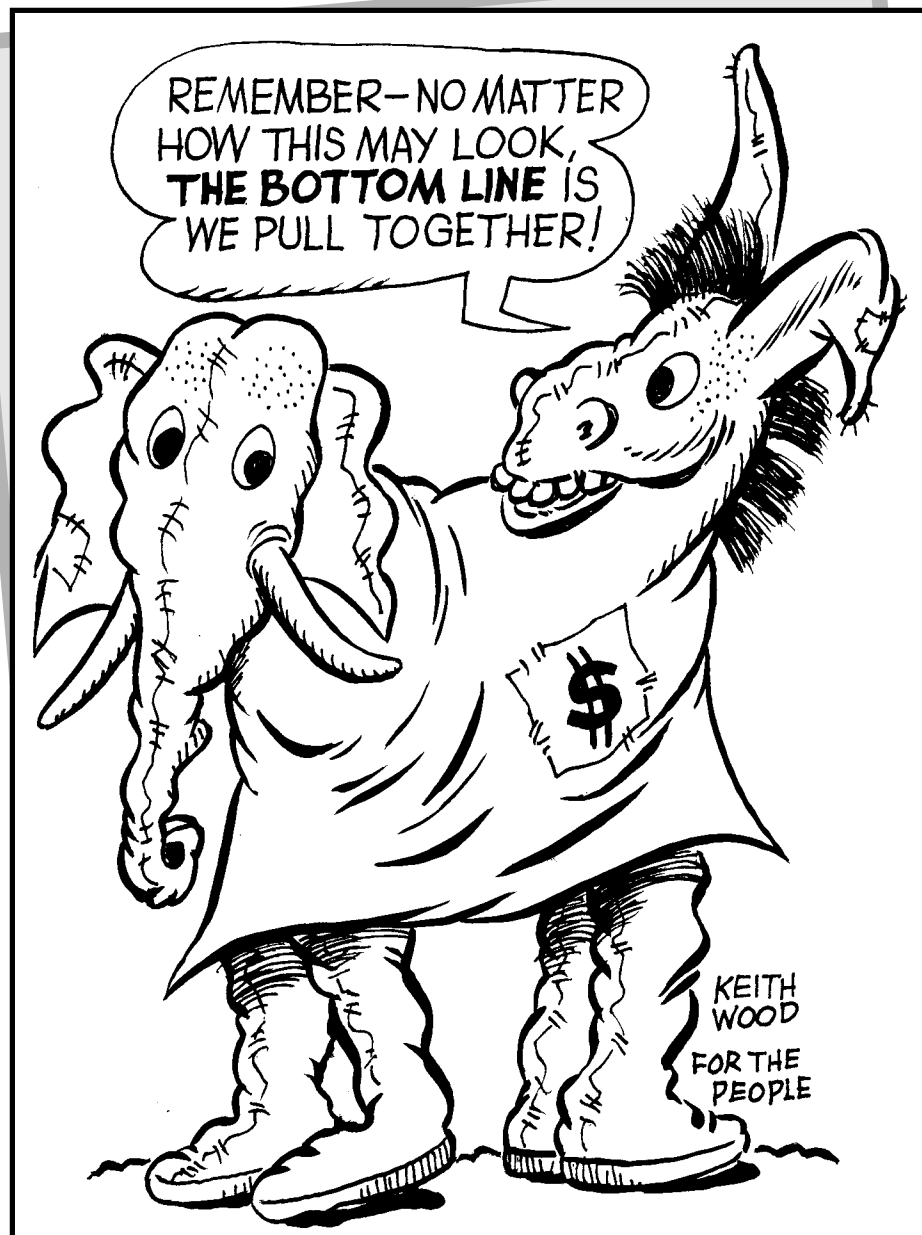
in the plants of the capitalist masters, especially in the railroad service. What does that mean? For the reasons I mentioned before, the workingman is rapidly worn out. So well known is the fact that the saying has become general: "If a workingman reaches 40 years of age take him out and shoot him; he is too used-up to be of further service, and he is too poor to take care of himself." It is this used-up human material that is called "deadwood" and is removed. And by whom is it supplanted? By the generation of its own children! These are fiendishly puffed up with the vanity of being "hustlers," and they are kept in ignorance of the fact that they will soon be "deadwood" themselves. Thus, puffed up with vanity, stuffed with ignorance, and dehumanized, the son "hustler" is instigated to drive off his "deadwood" parent. [A voice: "They are doing that very thing here in Providence!"] And everywhere else, my friend. Is it that what Lincoln strove for, or Jefferson aimed at? Is it human? Is it humane?

With the single exception of the Socialist Labor Party, all other parties—Republican, Democratic, Prohibition, or whatever other name they sail under—uphold the capitalist system of production. They either uphold it directly, or they uphold it indirectly by fusing with parties or elements that uphold capitalism. The Socialist Labor Party alone demands the unconditional surrender of the capitalist class; it alone is deserving of the support of the working class, because it alone utters the program and pursues the tactics to the certain emancipation of labor.

Obviously capitalism must be overthrown. Obviously any and every political party that approves of the capitalist system must be voted down. The question is: What to vote them down with? The feature of capitalist society lies in the chattel or merchandise character that it stamps upon an increasing majority of the people; and that feature is brought about by the private ownership of the land on and the machinery with which to work. The private-owning few become masters; the masses, deprived of these essentials of work, become chattels, become merchandise. In order to emancipate themselves from the status of merchandise the working class must own the land and the capital. The public ownership of these essentials for work is the club with which to beat down capitalism—and that is socialism.

The representative of the Democratic Party had much to say about Republican political tyranny in Rhode Island, and how the Democratic Party here will abolish such tyranny. The gentleman spoke as if Rhode Island were the only state in the union. There are 40-odd other states. Many of them are Democratic. How is it there? Look at the South. Need I narrate the harrowing tale of labor's suffering in that region and of Democratic political tyranny? And in my own, almost con-

tiguous state of New York, how is it there? We have had Republican and Democratic administrations alternatively. For the life of us we cannot tell the difference. He who seeks political freedom intelligently, must seek it via economic freedom. Not all the declarations in favor of political freedom made by the Democratic Party amount to anything in view of the party's capitalist industrial foundation, which it shares with the Republican Party.



I have shown you the fruits, some of the fruits, of the capitalist system. That system breeds industrial or economic servitude. Upon such a basis, political freedom is a snare and a delusion. We enjoy today all the political freedom that is needed to enable us to overthrow the capitalist system. What is wanted is the requisite economic knowledge to give direction and precision to our blows. The Democratic Party, by talking "political freedom," draws attention away from the real issue; it contributes with the Republican and other parties to prolong the ignorance of the masses on that great, the economic issue; and it induces the workers to aim their blows in the air.

The representative of the Republican Party declared he cared to argue only with men who proceeded upon the lines that the country had moved on. "If I want to travel to Westerly," said he, "it is useless discussing with men who propose to travel in the opposite direction"—a typical posture of the capitalist mind. Westerly lies at the border of this state. The state may be said to end there. The attitude of the capitalist mind is that civilization ends or culminates in capitalism, as Rhode Island ends at Westerly.

Now, this is false. Beyond Westerly lie vast domains. And so do vast domains of social growth lie beyond capitalism. The race has traveled up to capitalism. We are all at that Westerly. The capitalist would have us stop there. The Socialist recognizes that we cannot, and he urges the further move towards socialism. Capitalism has led society up to the point of realizing the productivity of cooperative labor. But seeing that capitalism halts at the matter of possession, socialism

urges society to march onward so as to square the possession of the requisites for work with the system of work. The system of work has become collective; collective, accordingly, must also be the system of ownership of the requisites to work. The capitalist mind would leave the country in the tortures of the present dislocated social system—collective labor and private ownership of land and capital. The Socialist sees beyond—beyond Westerly. His horizon is not bounded by the present.

The representative of the Prohibition Party deplored the vast quantities of corn that was being turned into whiskey, and he declared that if it was turned into loaves of bread there would be more to eat. I ask, *for whom to eat?* We have in the gentleman's declaration another evidence of the fallacy of the capitalist mind and its parties. More loaves of bread by no means implies more food for the workers. There are today more trousers, shoes, coats, houses, etc., etc., but the workingman does not get the increase. Under the capitalist system the workingman is a merchandise. Consequently what he gets is determined, not by the quantity of good things, but by his price in the labor market, and that price I

have shown you is and must be a declining one. Bake more loaves of bread, and the workingman will have not one more loaf. It is no longer a question of *production*; it is now a question of *distribution*.

Whether the capitalist knows the fact or not, it makes no difference; nor does it make any difference whether he resists the progress of civilization out of ignorance or out of class interests. The important fact is that he does so resist. Production is today phenomenal. Under such conditions the continued crucifixion of the working class is no longer a "social necessity." If every able-bodied male adult worked but four hours a day for 200 days in the year he could produce an amount of wealth equal to what it would today take \$10,000 to purchase. But this is impossible under a system of private ownership of the means of production and the resulting system of production for sale and not for use.

The abolition of that system is proposed and systematically pursued only by the Socialist Labor Party. For this reason am I a Socialist. For this reason do I recommend and urge all workingmen to turn their backs to all other parties, and to plump their votes for the Socialist Labor Party.

...Facts About Economy

(Continued from page 1)

"A Bush-Cheney '04 ad claims Kerry would raise taxes on 900,000 small businesses and 'hurt jobs.' But it counts every high-salaried person who has even \$1 of outside business income as a 'small business owner'—a definition so broad that even Bush and Cheney have qualified while in office. In fact, *hundreds of thousands of those 'small businesses' have no jobs to offer.*" (Emphasis added.)

That is true, as far as it goes, but it does nothing to help workers understand how our society is structured, how it works and why it doesn't work very well for the working-class majority.

According to the U.S. Census Bureau, there were 5.7 million companies or firms operating in the country in 2001 with just over 115 million people on their payrolls. The bureau also reported that 17,367 of those firms employed 500 people or more and that the total number of employees on those larger payrolls was 57.7 million. The other companies, employing fewer than 500 workers, had 57.4 million people on their payrolls. However, 703,837 of those "businesses" had no employees.

Five years earlier, in 1997, the bureau reported that there were 5.5 million companies in operation with a total of 105.3 million employees on their payrolls. The 16,079 companies that had more than 500 employees accounted for 50.76 million jobs, while the companies with fewer than 500 workers accounted for 54.54 million jobs. In addition, 719,978 of those small businesses had no employees.

In short, of the 9.8 million additional jobs in 2001 over 1997, larger companies accounted for 6.9 million, or about 71 percent of the total, smaller ones accounted for 2.8 million, or 29 percent of the total and the number of "one horse" outfits dropped by 16,141—the very opposite of what President Bush claimed during the second debate.

The American 'Entrepreneur'

However, even these numbers are contradicted by other sources. According to BizStats.com, for example, there were "over 25 million U.S. business entities" in 2000, but only 20 percent (about 5 million) of them had anyone on the payroll." The 5 million figure comes close to the Census Bureau figure of 5.7 million for 2001, but the additional 20 million so-called businesses without any employees far exceeds the number the bureau placed in that category.

On Oct. 19, Michael Taylor of Inc.com summarized another report giving yet another set of figures. That report, from an Omaha-based business tracking outfit called infoUSA, claimed a 17.4 percent increase in the number of U.S. businesses over the last five or six years, from 10.9 million in 1998 to 12.8 million in 2003. The increase, Taylor added, came "as the total number of U.S. jobs decreased and the economy stagnated...."

Taylor also quoted Giovanni Coratolo of the U.S. Chamber of Commerce, who offered several explanations having to do with taxes, but added: "Because big business condensed its workforce, many people that were laid off began to look to entrepreneurship instead of large businesses for work."

In other words, as unemployment grows and more workers are forced out of the labor market, many are dipping into hard-earned savings or going into debt to start their own businesses in a last-ditch effort to keep body and soul together.

It is difficult to know how these "businesses" fared, but there can be no doubt that the failure rate is high. Furthermore, since so many of these "businesses" have no employees and report no payroll taxes, there is no reason to doubt that they also account for a large portion of the "personal" bankruptcies and the huge

increase in working-class debt. Moreover, those bankruptcies are at record levels. As ABC News reported in August:

"The total number of bankruptcies in the year ended June 30 hit over 1.5 million—the largest number of cases ever filed in any 12-month period and the first time they have ever totaled more than 1.5 million, according to the Administrative Office of the U.S. Courts, which handles federal bankruptcy filings.

"Of that total, some 1.47 million were personal bankruptcies, up 8.6 percent from the same period the previous year."

Middle Class or Working Class?

President Bush and Sen. Kerry also had much to say about what they call the "middle class." What this so-called middle class is, however, no one seems to know. As FactCheck.org put it:

"There is no standard definition of 'middle class,' so we looked at households with pre-tax income of between \$25,000 and \$75,000—a group occupying roughly the middle half of the Census income distribution tables....[T]hat group grew smaller during the economic recession of 2001 and the initially slow recovery of 2002. Now the new Census figures indicate it continued to decline in 2003, and while this time some of the middle group were moving up, a larger portion were moving down."

In truth, however, any attempt to define social class in terms of income, rather than the source of their income, is a distortion of fact. In truth, the "middle class" is a fiction. But it is a fiction that is being effectively used to obscure the true state of social affairs. Like most myths, it has some historic basis. If the term "middle class" is traced back to its origin we learn that it was once validly used to designate the rising capitalist class of Europe at a time when that class still found itself placed between two other social classes—between feudal aristocracy (or its remnants) above and the proletarian mass below.

Here in America, during the 19th century, the term "middle class" gained currency as a designation applied to the lower layers of the capitalist class—that is, to the small manufacturers, shopkeepers, artisans and farmers. The label was, of course, inaccurate, but the social category on which it was hung—the category of the small, independent entrepreneur—was for a considerable period, quite real, relatively numerous, and played an important role in the formative years of the American Republic.

Today, as FactCheck.org's "\$1...small business owner," the millions of zero employee "businesses" and the soaring number of bankruptcies attest, the small independent entrepreneur is a virtual fiction in the United States. The millions who depend on wages for their living, or who have lost their jobs and have desperately tried to convert themselves into a "business," hardly qualify to be called a "middle class." They are of the working class, and they make up the overwhelming majority of the country's population. But the "fact checkers" failed to point this out.

Fact and Fiction

Separating fact from fiction in the presidential campaign requires more than separating the lies that the major parties and their candidates fling at each other. It requires a clear understanding of the much larger distortions and misrepresentations about the nature of the society we live in and how it functions against the interests of the majority of the American people. The whole truth is that told many years ago by President Woodrow Wilson in his book, *The New Freedom*.

"The masters of the government of the United States are the combined capitalists and manu-

facturers of the United States. It is written over every intimate page of the records of Congress; it is written all through the history of conferences at the White House; that the suggestions of economic policy in this country have come from one source, not from many sources.... Suppose you go to Washington and try to get at your government, you will always find that while you are politely listened to, the men really consulted are the men who have the biggest stake—the big bankers, the big manufacturers, the big masters of commerce, the heads of railroad corporations and of steamship corporations....Every time it has come to a critical question these gentlemen have been yielded to and their demands treated as the demands that should be followed as a matter of course. The government of the United States is a foster child of the special interests. It is not allowed to have a will of its own."

That is the truth—under Bush, as under previous presidents, and as it would be under Kerry. In short, capitalism is for the capitalists, not for the working class. The truth is that society is divided into economic classes, a working-class majority and a ruling-class minority; and the lies of the capitalists and their political defenders who distort and conceal this truth are one more proof that there is a class struggle. The final truth is that socialism is the answer to capitalism.

...IBM worker

(Continued from page 4)

June of 50 toxic chemical lawsuits by former workers at IBM's manufacturing plant in San Jose. While an attorney for Moore and Hernandez said she didn't know if their case had catalyzed the settlements, she was sure that their courage had encouraged others to speak out. Terms of these settlements were confidential.

Many other lawsuits involving IBM workers have been disposed of in similar ways. "One hundred more suits against IBM in California were dismissed after the Hernandez and Moore decision," Mike Santarini of EETimes.com reported on Oct. 15, "but 50 birth defect suits brought by plaintiffs in New York were quietly settled and the terms sealed."

Moore and Hernandez were honored on Oct. 3 with an award from the Silicon Valley Toxics Coalition for "standing up for themselves and others who have suffered work-related illnesses."

We commemorate James Moore's spirit in fighting the injustices that he and his fellow workers suffered at IBM. To further honor his fighting spirit, we would like to take the fight further, to its logical conclusion. The "best" of capitalist corporations operate by exploiting workers for profit, and will cut corners on safety when it will increase profits. We say end the system of exploitation; establish socialism, under which production will be for use rather than profit and will be managed democratically by the workers. Put workers' safety under their own control so they no longer will have to suffer needless injury, illness or death for someone else's profit.

Stand Up & Be Counted

By Robert Bills

A speech by the SLP's National Secretary urging all those who accept the revolutionary program and principles of the SLP to join its ranks and lend their support.

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Bush Bypassing Congress To Push Domestic Agenda

By B.G.

While President George W. Bush has been busy promoting and publicizing his disastrous war in Iraq and the flagging war in Afghanistan, he has used the conflicts to divert attention from his domestic agenda. While trying to convince the working class that he is protecting them from terror at home and spreading democracy abroad he has, among other things, used his executive authority to lower highway safety standards, lower workplace safety standards, despoil the environment and protect profits at the expense of public welfare. Much of this procapitalist agenda has been achieved, not through congressional enactments, but simply by presidential fiat.

Most American workers do not fully appreciate the extent of the power that resides in the executive branch of the federal government. They were taught that Congress enacts the laws, that presidents either sign or veto them, that the executive departments implement and enforce them, and that the courts settle disputes that arise around them.

The executive branch, however, has a virtual free rein in how it goes about implementing and enforcing the laws that Congress adopts and presidents sign. It is free to adopt rules that can obstruct the implementation of laws, or nullify them entirely. Furthermore, presidents can and often do issue "executive orders" directing a federal department or agency to introduce rules and regulations that affect how the law is implemented, circumvented or completely neutralized. What one president signs into law a succeeding president can effectively abrogate, leaving those who supported or were meant to benefit by what Congress and the preceding president had intended either to seek new legislation or to take their complaints to the courts.

One example that illustrates the process occurred on July 28, 2003, when the National Highway Traffic Safety Administration (NHTSA) bypassed Congress and published a new rule in the *Federal Register*, a government

publication that is published every weekday and read primarily by government officials and business personnel.

This new rule published on that date pertained to the public release of auto-safety information. Aside from certain consumer groups, few outside the NHTSA noticed the new rule, but the automotive industry and its friends did.

Some time before, auto and tire makers and their allies inundated the NHTSA with protests that claimed that early release of warning data "is likely to cause substantial competitive harm." Consumer groups, on the other hand, argued that the data were necessary to warn the public of "potential defects."

Guess who won out in this war-of-words appeals process?

On April 21, the NHTSA bowed to big capital and published in the *Federal Register* a notice that it was exempting from public release any information on warranty claims reports from industry on safety matters, consumer complaints and other matters pertaining to auto safety in order to protect the industry from "substantial competitive harm."

Another example occurred in March of 2003, when the federal Mine Safety and Health Administration came out with a new regulation that amended safety rules that protect miners from black lung disease by allowing an increase of coal dust in the mines.

In May of 2003, the Bush administration threw out a proposed rule that would have required hospitals to install procedures and facilities that would protect hospital workers against tuberculosis. Again, the Bush administration bowed to the intense lobbying of the hospital industry despite the fact that tuberculosis has risen in 20 states in the United States.

In April of 2003, the administration bypassed Congress to increase the hours a trucker could be allowed to drive at one time without rest. Regulations from 1939 onward had permitted 10 hours driving at a stretch with eight hours rest at the end of the 10 hours. In 1995, the

National Transportation Safety Board conducted a study of fatal truck accidents on highways and found that more than half resulted from fatigue of the truck driver. In response, Congress took up the problem. In 1999, it created a new agency, the Federal Motor Carrier Safety Administration, to reduce the increasing death toll on the highways because of tired truckers. The trucking industry lobbied strongly against reducing driving hours. The new Bush administration agreed and allowed truckers to drive an increased stint of 11 hours without a break but then take 10 hours rest instead of eight.

The trucking industry was understandably happy because the new regulation actually has increased the total number of truck-driving hours per week by 30 percent. A lawsuit by Public Citizen, an advocacy group, and other safety groups is presently pending at this writing to lower the driving hours in the interest of saving lives.

The Bush administration's favoritism toward big capital, even if it pollutes the atmosphere and destroys the land, is well known. In just the most recent of a long list of relaxing environmental rules, the administration in July threw out a Clinton administration rule putting nearly 60 million acres of national forest under protection to prevent development of new roads for the use by the logging industry.

Although the courts have blocked some of the Bush administration's excesses in relaxing environmental rules and rules against pollution of the atmosphere, the Bush people seem to be very pleased with their successes so far. John D. Graham, Bush's budget official, is very open about the very open tendency to favor big capital. "The Bush administration has cut the growth of costly business regulations by 75 percent compared to the previous two administrations," he happily noted.

There you have it. Big bucks and big business capital versus the American worker!

[The *Federal Register* is available online at <http://www.gpoaccess.gov/fr/>—Editor]

Drug Industry Profits Outweigh Patient Welfare

By Bruce Cozzini

The drug industry and its alleged watchdog in government, the Federal Drug Administration, epitomize the failure of the capitalist health care system in the United States. Recent disclosures of information regarding the dangers of heart attacks and strokes in users of the nonsteroidal anti-inflammatory drug (NSAID) Vioxx and its belated withdrawal from the market have shown how drug companies value their profits above safety and how the FDA seems more interested in protecting drug companies than patients.

NSAID arthritis drugs such as Vioxx and Celebrex are among the most heavily promoted and advertised drugs in an advertising market that adds up to \$3.8 billion a year according to *The New York Times*. (Oct. 12) Merck spent \$100 million a year on Vioxx alone according to Dr. Eric Topol of the Cleveland Clinic, leading to worldwide sales of \$2.5 billion in 2003. (*USA Today*, Oct. 15)

The article in *USA Today* documented a more than four-and-a-half-year span from the time cardiovascular problems caused by Vioxx were discovered until it was finally recalled. As

early as March of 2000, Merck revealed that a study had shown twice the serious cardiovascular effects for patients on Vioxx than those on Naproxen, an older NSAID. At the time, Merck tried to put the spin on the results, claiming that Vioxx didn't cause the problems but that Naproxen had a protective effect. In 2000 the FDA required labeling cardiovascular information on Vioxx, and in February of 2001 recommended a label be required warning of possible cardiovascular effects. In September of 2001, the FDA warned Merck to stop misleading doctors about Vioxx's cardiovascular risks. In April of 2002, the FDA told Merck to add information on cardiovascular risk to Vioxx's label. Still the Vioxx marketing blitz continued, as anyone with a TV can testify, without a hint of these warnings.

On Aug. 25 of this year, FDA researcher David Graham reported on a study that analyzed a database of 1.4 million Kaiser Permanente members. He found that people who took Vioxx were more likely to experience a heart attack or sudden cardiac death than those who took Celebrex, a rival drug. Graham's study connected Vioxx to more than 27,000 heart attacks or cardiac deaths.

According to Graham, the FDA tried to block publication of his findings, subjecting him to veiled threats and intimidation.

Merck tried to discredit the study as well, claiming that only a random double-blind test could give valid results. A press release the day after the Graham report stated, "Merck stands behind the efficacy, overall safety and cardiovascular safety of Vioxx." But subsequent results of a study that Merck had run for three years, intended to demonstrate that VIOXX, like Celebrex, could protect against recurrence of colon polyps, instead showed that 3.5 percent of patients on Vioxx suffered heart attack or stroke as compared to 1.9 percent of patients on placebo. With these results in hand, Merck had little option but to withdraw Vioxx.

Through this process, the FDA did little. In Dr. Topol's opinion, "The FDA didn't do anything....They were passive here." And in terms of the promotion of drugs, whether safe or not, *The New York Times* quoted an FDA spokesperson who said, "There are no additional changes expected at this time in light of the Vioxx withdrawal." In fact, according to the *Times*, "the agency is studying a proposal aimed at further

(Continued on page 11)

...Health Care

(Continued from page 1)

nation. And that's why wages continue to stagnate and capitalists are trying to reduce or eliminate health care from their labor costs.

Capitalists know how to take advantage of workers' insecurity. Almost 45 million Americans, overwhelmingly members of the working class, had no health insurance last year. That was 15.6 percent of the population compared to 15.2 percent in 2002. It is 10 million more than in 1989. That's not the worst of it. Nearly 82 million people lacked health insurance at some time over the last two years.

In the face of greater need, public, that is tax-supported, hospitals are cutting back—reducing jobs, shutting clinics and postponing surgeries. Such triage is a desperate effort to keep the doors open for the most urgent cases.

Many so-called nonprofit hospitals have resorted to strong-arm tactics to collect bills from medically indigent workers. More than 40 class-action suits have been filed nationwide against these practices. Many of these hospitals offer charitable care. But instead of informing patients, they send the bills to collection agencies, whose harassment is hardly conducive to good health. Nearly half of all personal bankruptcies result from health problems or large medical bills.

Medicare has announced the largest premium increase in the program's history. Seniors and the disabled will pay \$78.20 per month next year. That's \$11.60 more per month. With Medicare paying only part of medical costs, retired and disabled workers will more often have to choose between food or medicine, or perhaps even keeping a roof overhead. Meanwhile, Federal Reserve Chairman Alan Greenspan, the vicious pit bull guarding capitalist finance, has snarled that Social Security and Medicare "benefits" have to be reduced. That is supposedly due to the impending retirement of baby boomers, which somehow must have taken Social Security administrators by surprise.



The gravity of the crisis becomes most evident in the cutback and elimination of "employer paid" health care plans. With costs of health insurance having risen at double-digit rates for four consecutive years, many employers are eliminating coverage for workers' spouses and families. Five million workers have lost employer health care coverage since 2001. Even when workers still pay the same percentage of their costs, they pay \$1,000 more than in 2000.

While capitalists, politicians and labor leaders squabble over the numbers, no one asks where all this wealth to squabble over comes from. No one asks exactly where do the capitalists get the money with which to pay "their" share of health care insurance? From the values produced by workers' labor, of course.

For years employers have been enjoying a good deal. They buy health care wholesale, i.e., in group plans such as PPOs and HMOs. These plans restrict workers' choices of health care providers and subject health care decisions to the authority of plan administrators whose goal is to hold down costs so that the plan may make greater profits.

Without these cozy deals capitalists would have to pay workers higher wages so that they could purchase their own health care as they see fit.

The results of these cutbacks mean two things, neither good for workers. First, capitalists will increase their profits at workers' expense since they will pay less for health care if they pay at all. Second, workers without health care coverage are selling their labor power below its value. That means super profits for the capitalist class and misery for workers.

The cutback of health care coverage is part of the increasingly vicious class assault of the capitalist class on the working class. Competition and the falling rate of profit, matters that need not be dealt with here, impel the capitalist class to do that, even though it is in the interests of capitalists to have healthy workers whom they can exploit.

Help Them Out!

Dear Newspaper People,

I have enjoyed your gift of *The People* newspaper for years now but have not left prison. Texas prison does not pay me for my labor—but I am forced to labor anyway. You see they punish you for *not* working. They write it up RTW, Refused to Work, and you are punished for it. If and when I leave prison I shall have income and will be able to pay for my subscription. I am 62 years old and have been locked up 11 years on a 75-year sentence. Please continue to let me read your paper. Please.



LNS

Kathryn
Gatesville, Tex.

We renewed Kathryn's subscription, but we have a stack of similar requests from indigent prisoners. We can't afford them all, but you can help them out by sending a \$5 contribution to our Prisoner Subscription Fund. Send to The People, P.O. Box 218, Mountain View, CA 94042-0218.

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1. Paid/Requested Outside-County Mail Subscriptions Stated on Form 3541.	2,518	2,541
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17. I certify that all information furnished on this form is true and complete.

Robert Bills
Acting Editor

directory

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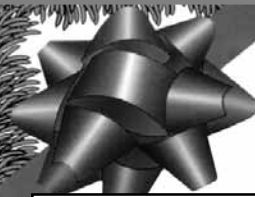
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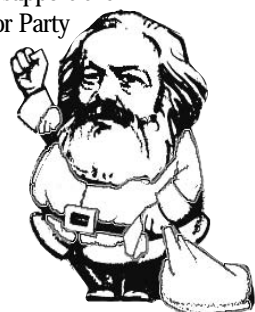


The People's Xmas Box

This is my contribution of \$ _____ for *The People's* XMAS BOX, 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.)

Name _____
 Address _____
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 City _____
 State _____ Zip _____

(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

Music to My Ears

Thanks for helping survival—peace. In the September-October issue of *The People* was a letter to *The People* about war that was music to my ears! Frank Roemhild wrote of a bumper sticker he and wife saw and didn't like.

All the world must be kept surviving and maybe creating an even better and more livable Earth for all mankind—minus war and crime.

Here is my contribution for SLP Sustainer Fund. I look forward to renewing my sub, in January 2005, so you can keep up the extraordinary work you do, as we all must.

George T. Gaylord
Tustin, Calif.

America's Prison System

Thank you for mentioning America's prison system in the article "What Kind of Freedom Is This?" in your latest issue.

I work as a mental health therapist in a 900-bed prison, and I have seen countless inmates who are incarcerated for months, sometimes years, for menial crimes such as DUIs, bad checks, etc. Along with their loss of freedom and disenfranchisement from capitalist society, they have other painful losses: the loss of a spouse, their children, their jobs, their homes, you name it. I deal with a lot of anxiety and depression, understandably. Yes, it is a war against human beings. Yes, addiction is a health issue and should not be a reason to detain an individual for long periods of time; time wasted because they are getting no help at all for their addiction problems.

Thank you for making people aware of what's going on "behind bars"; indeed, more money is being spent on incarcerating individuals than is being spent on educating/rehabilitating.

For the majority of the prisoners I work with, their time in prison is simply a waste of time. The majority are *not* murderers, rapists, etc.—they are well-meaning adults who took a wrong turn and are paying dearly for it.

Diane Poole
Monessen, Pa.

Hiibel Ruling

I am writing to compliment you on the article entitled "Hiibel Ruling Undermines Fourth Amendment Rights" (September-October). The reasoning and argumentation of the article proved both powerful and truthful. The manner in which police and the government trample without concern or caution the rights of citizens in their shakedowns is ridiculously tyrannical. The author's (Ken Boettcher) comparison to South Africa's former apartheid practices seemed right on target. I will use

... Drug Profits

(Continued from page 9)

loosening the rules. It would allow drug makers to simplify magazine and newspaper ads that are now required to list detailed data about benefits and risks—often rendered in tiny type." Print ads would be more "reader friendly" with most common or important side effects (as selected by the manufacturer no doubt) printed in larger type.

The capitalist spin is simply that the ads provide useful information, but the information was insufficient to inform the millions of users who used Vioxx over the four and a half years since the first cardiovascular problems were discovered. Victims of the drug have to number many times the 27,000 accounted for in the Graham study. The advertising blitz allows drug companies to boost their profits, promoting brand names that may have no advantages over cheaper drugs that may be sold over the counter for a fraction of the cost. Moreover, all the money spent on advertising creates added incentive to put a positive spin on negative information about their drugs or keep information secret.



The drug industry is but one part of a health care system that is increasingly inaccessible and unaffordable to workers. Health care needs to be part of a worker's wage, but as costs increase and capitalists cut real wages to remain competitive, more and more workers find themselves without adequate health care. Thus, the advances in medicine that should prolong life and increase well-being are denied to many workers. And the drive to profit puts patients at risk when drug companies put risk to their profits ahead of patients' safety.

In a socialist society, where production is for use and workers democratically operate industry, research into new drugs and medical procedures and their implementation would be in the public domain, available to all. Defective drugs would be discarded. Risk would be weighed on the basis of necessity to the patient's life and well-being rather than cost or profit. And physicians and patients alike would benefit from free information as opposed to advertising.

this article with the students in my high school government classes. Thanks again, and keep up the good fight.

Christopher Ziller
per email

100 Percent

A truly great publication. My personal sentiments = 100%.

Donald L. Ward
Corning, Calif.

The Environment

I love how *The People* reports on environmental issues. When my father was alive, he was a farmer and a factory worker who deeply loved the environment and nature. I'm always glad to help groups like the SLP who want to save our environment for future generations.

Phil Davis
Muncie, Ind.

Funds

(Aug. 14—Oct. 15)
Press Security Fund

Section Cleveland (\$800): D. Borowsky, L. Kubit, R. Burns, D. Osicky, C. Dobreff, J. O'Neill, R. & M. Simmons; Anonymous \$500; George S. Taylor \$478; \$300 each Chris Dobreff, Irene Schelin; Walter Vojnov \$100; Section Cook County, Ill. \$86.32; \$50 each Harvey K. Fuller, Robert Ormsby, Ruth Hall; Jim Plant \$45; \$40 each Anonymous, Yolanda Koptur; Marshall G. Soura \$30; George E. Gray \$26; \$25 each Blake Bearden, Daniel Kryk, John S. & Rosemary Gale, Joseph C. Massimino, Phillip Colligan, Tom Sanchez, Willard B. Shapira; \$20 each Alan Taylor, David Bartle, Horace Twiford; \$15 each Edwin Samples, Philip Kozel; \$10 each Allen Timberlake, David R. Peterson, Gordon Bennett, Gregory Kowalsky, Richard Mack; \$7 each Alphonse Eiden, Thomas McEvoy; Patrick McElhaney \$5.60; Michael Preston \$5.50; \$5 each Donald L. Ward, Francis L. Payne, Glenn A. Wilson, Joseph Gleason, Morton J. Disckind, Roberta Diamond, Todd M. Jordan, William J. Prinz; William J. Coe \$3; Robert Rodic \$2.75; Henry J. Bardel \$2.

Total: \$3,283.17

SLP Sustainer Fund

Joan Davis \$800; Chris Dobreff \$200; \$150 each Bernard Bortnick, Robert P. Burns (In memory of Mike Evanoff), Robert Burns (In memory of Frank and Margaret Rachek); Section Wayne County, Mich. \$115; Lois Reynolds \$100; Helena Stevens \$70; \$50 each Michael Preston, Frank & Margaret Roemhild; Section San Francisco Bay Area: William Kelley \$40; Carl C. Miller Jr. \$35; \$20 each Steve Littleton, Jill Campbell, George E. Gray; George T. Gaylord \$1.

Total: \$1,971.00

SLP Leaflet Fund

J. Blessington \$25; Richard Wilson \$15.75; Joseph J. Frank \$5; Todd M. Jordan \$1.

Total: \$46.75

Agitation Fund

K. Karpozilos \$45.00 (Total)

Prisoner Subscription Fund

James Lehner \$5.00 (Total)

Genevieve Gunderson Memorial Fund
Paul D. Lawrence \$20.00 (Total)

Daniel De Leon Sesquicentennial Fund

Richard Mack \$10.00 (Total)

Socialist Labor Party

Financial Summary

Bank balance (June 30).....	\$229,744.49
Expenses (July–September).....	28,078.77
Income (July–September).....	31,984.99
Bank balance (Sept. 30).....	233,650.71
Deficit for 2004.....	\$ 47,734.65

ACTIVITIES

CALIFORNIA

Discussion Meetings—Section San Francisco Bay Area will hold discussion meetings as listed below. For more information, call 408-280-7266 or e-mail slpsfba@netscape.net.

Santa Clara: Saturday, Nov. 6, 1:30–4 p.m. at the Santa Clara Public Library-Central Park, Sycamore Room, 2635 Homestead Road (between Kiely Blvd. & San Tomas Exwy.). Moderator: Bruce Cozzini.

San Francisco: Saturday, Nov. 27, 1:30–4 p.m. at the San Francisco Public Library, Conference Room (ground floor), Grove & Larkin sts. Moderator: Robert Bills.

Santa Clara: Saturday, Dec. 4, 1:30–4 p.m. at the Santa Clara Public Library-Central Park, Sycamore Room, 2635 Homestead Road (between Kiely Blvd. & San Tomas Exwy.). Moderator: Bruce Cozzini.

OHIO

North Royalton: Discussion Meetings—Section Cleveland will hold discussion meetings on Sunday, Nov. 14, and Sunday, Dec. 12, from 1–3 p.m. at the home of Robert Burns, 9626 York Rd., North Royalton. For more information, call 440-237-7933.

OREGON

Portland: Discussion Meetings—Section Portland will hold the following discussion meetings from 10 a.m.–12 noon at the Portland Main Library, SW Yamhill & 10th: Saturday, Nov. 6, "The Current Vicious Attack on Laws that Protect Our Air, Water and Land." Saturday, Dec. 11, "Socialism in the 21st Century: How Relevant Is Marx?" For more information call Sid at 503-226-2881 or visit the section's website at <http://slp.pdx.home.mindspring.com>.

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

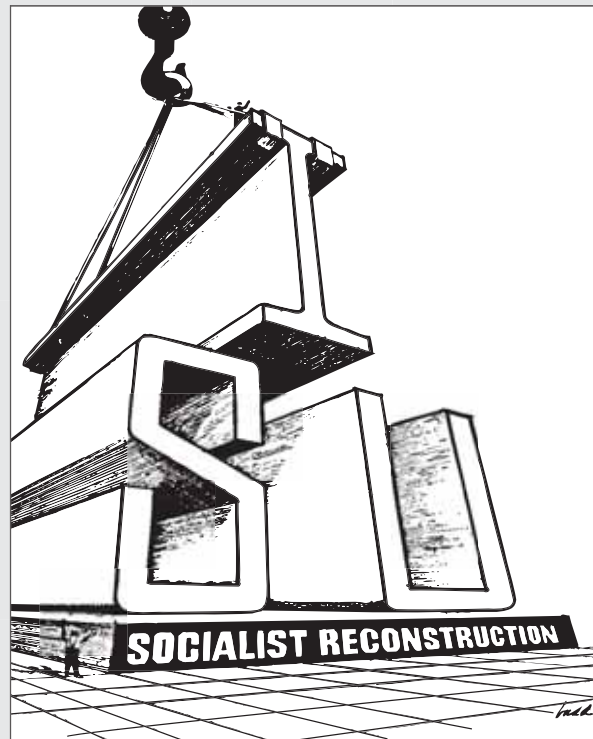
The revolutionary ballot will establish the *right of the people to establish socialist society.*

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."

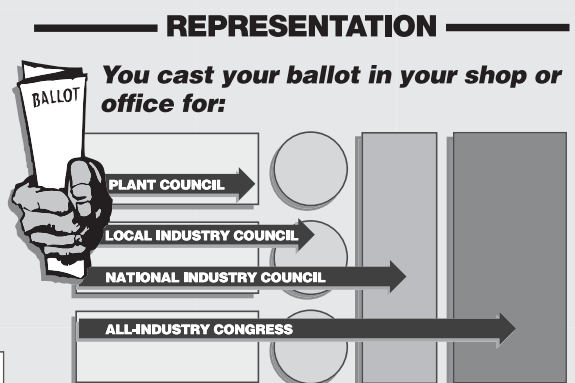
— Daniel De Leon



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

