

THE MILITANT

INSIDE

Celebrating 80-year fight to maintain Marxist leadership
—PAGE 7

A SOCIALIST NEWSWEEKLY PUBLISHED IN THE INTERESTS OF WORKING PEOPLE

VOL. 72/NO. 40 OCTOBER 13, 2008

UK actions to demand freedom for Cuban Five

BY JONATHAN SILBERMAN

LONDON—Protests outside the U.S. embassy in London October 7, and the U.S. consulate in Edinburgh, Scotland, October 9, will demand the release of five Cubans who have been unjustly jailed in the United States for a decade.

The protests, called by the Cuban Solidarity Campaign, are part of activities around the world to mark the 10th anniversary of the imprisonment of Gerardo Hernández, Ramón Labañino, Fernando González, René González, and Antonio Guerrero, known as the Cuban Five.

The Cuban Five were arrested in 1998 on frame-up charges that included “conspiracy to commit espionage” and in one case, “conspiracy to commit murder.” The five had been keeping the Cuban government informed about rightist groups that have a long record of carrying out bombings and armed attacks against Cuba from U.S. soil.

Adriana Pérez and Olga Salanueva,
Continued on page 4

Banks seek gov’t bailout as credit tightens

BY BRIAN WILLIAMS

September 30—In a 228–205 vote, the House of Representatives September 29 defeated a \$700 billion bailout plan to purchase from banks securities and other “assets” whose values have declined steeply. News of the bill’s defeat sent stock prices plummeting with \$1.2 trillion in losses in the worst single-day decline since the 1987 stock market crash. The Dow Jones Industrials fell nearly 778 points.

While legislators were considering the bill, two of the largest U.S. commercial banks—Washington Mutual and Wachovia—collapsed. Congress is considering a new version of the bill.

The filing for bankruptcy by investment bank Lehman Brothers September 15, noted the *Wall Street Journal*, “sparked a chain reaction that sent credit markets into disarray. It accelerated the downward spiral of giant U.S. insurer American International Group Inc. and precipitated losses for
Continued on page 9

‘Workers need to take political power’

Róger Calero, socialist presidential candidate, speaks out on capitalist crisis



Militant/Arlene Rubinstein

Socialist Workers Party candidate for U.S. president, Róger Calero, left, campaigning at Labor Day parade in Los Angeles September 1.

The following statement was released by Róger Calero, Socialist Workers Party candidate for U.S. president, on October 1.

The cascading financial and political crisis spreading from the United States to every part of the globe in recent weeks shows what the capi-

talist system and the tiny handful of propertied rulers who benefit from it have in store for workers and farmers here and around the world. It poses the urgent need for a revolution in this country, a socialist revolution that will throw the billionaire ruling families out of power and replace them with a
Continued on page 9

SATURDAY, NOVEMBER 1 — NEW YORK CITY

The Crisis Has Barely Begun!

... and Workers’ Fight to End the Wages System Is Posed

Jack Barnes, National Secretary of the Socialist Workers Party

Reaching to the World:

Workers and Oppressed Nations Unite!

Mary-Alice Waters, editor of *New International* magazine and *Our History Is Still Being Written*, recently returned from Equatorial Guinea

Celebrate the Victory of the Socialist Workers Party 2008 Presidential Campaign!

Reception 3 p.m. Program 4 p.m.
Dinner, refreshments, talk, & dance 7 p.m. on
Location to be announced

Sunday, November 2

at 307 W. 36th Street, 10th floor north

- **10 a.m.** Discussion on Saturday’s presentations for youth and worker contacts of the Young Socialists and Socialist Workers Party
- **1 p.m.** Young Socialists national meeting
- **Noon** Join SWP 2008 presidential campaign and ‘Militant’ subscription teams
- **8:30 a.m.–1 p.m.** Meeting of supporters of the communist movement (Location to be announced)

Sponsors: New York City and Newark Socialist Workers Party and Young Socialists
For more information: (212) 629-6649 or (973) 481-0077
Spanish and French translation will be provided

‘Militant’ supporters begin campaign to win new readers

BY ANGEL LARISCY

“Using the momentum in Atlanta from building a broadly sponsored panel on the book *Our History Is Still Being Written: The Story of Three Chinese-Cuban Generals in the Cuban Revolution*,” Lisa Potash writes, “a dozen supporters of the *Militant* fanned out across the city in teams Saturday and Sunday. By Sunday night, we had signed up 16 people for subscriptions.”



Militant/Mary Ellen Marus

Militant supporter campaigns with paper September 28 in Vancouver, Canada.

The socialist newsweekly has launched an eight-week effort beginning September 27 to win 2,400 new and long-term readers. Supporters across the globe are setting up street tables, visiting campuses, participating in protest actions, and going door-to-door to introduce workers to the paper. They are also calling current subscribers to encourage them to renew. Subscribers to the paper are urged to take advantage of a special offer to get *New International* no. 14, a magazine of Marxist politics and
Continued on page 4

Also Inside:

- | | |
|--|---|
| Tonga gov’t reimposes emergency rule | 2 |
| Calero in Miami demands end to deportations | 3 |
| Fight continues to stop Troy Davis execution | 4 |
| Atlanta library hosts panel on ‘Our History’ | 6 |

Nebraska beef company fires 200 Somali workers

BY FRANK FORRESTAL

GRAND ISLAND, Nebraska—Somali workers report that almost 200 of their coworkers were fired by JBS Swift in a dispute over the company’s refusal to give them time to pray during the Muslim month of Ramadan. The firings of the workers came on the heels of a week of protests and walkouts at the meatpacking plant here.

This is not the first time that Somali workers have fought for prayer breaks. In early September, at a Swift slaughterhouse in Greeley, Colorado, hundreds of Somali and other Muslim workers walked off the job for similar reasons. Swift then fired about 120 meat packers. In May 2007 more than 100 Somali workers at the Grand Island plant walked off the job to protest company denial of prayer breaks.

In 2005, 300 workers walked out at the Tyson beef plant in Norfolk, Nebraska, after the company fired 10 workers for “unauthorized breaks.” Later United Food and Commercial Workers (UFCW) Local 271 won the right to two 10-minute breaks for all workers, which would allow Muslim workers time to pray.

The two-shift beef slaughterhouse in Grand Island employs about 2,500 workers—the overwhelming majority of them Latino immigrants. In the aftermath of the December 12 immigration raid by Immigration and Customs Enforcement, which resulted in 252 arrests of mostly Latino workers, the company began hiring African workers, especially Somalis, but also Sudanese and other Africans, to meet the labor shortage. A large part of the plant is now composed of African workers, of whom the big

majority are Somali. The workers are represented by UFCW Local 22.

After several hundred Somalis walked off the job September 15, Swift altered the break on second shift so that Somali workers could make their final daily prayers at sunset. But the new schedule required other workers to start their break 15 minutes earlier. Swift also reduced their hours and forced them to work on Saturday. These workers then walked off the job.

Many of these workers also raised other demands, including better facilities for handling workplace injuries, the need for sanitary bathrooms, better parking, and “being treated with respect as a human being instead of being treated like a machine.” In discussions with workers as they left the plant, a good number of Latino and Sudanese workers expressed anger at what they considered preferential treatment given to the Somali workers. But two older Mexican workers said that they had no problems working with the Somalis and that the dispute had been

Pathfinder at Spanish-language library fair



Militant/Michael Baumann

EL PASO, Texas—Pathfinder stand at the September 18–21 national conference of Reforma, an organization committed to improving library service to the growing number of Spanish-speaking people in the United States. The conference, held here in this border town, drew more than 400 participants, including several from Mexico. Many learned about Pathfinder’s Spanish-language publishing program for the first time and some 20 asked to schedule a meeting with a Pathfinder representative.

—MICHAEL BAUMANN

blown out of proportion.

At the Somali community center, which is located in Grand Island’s Latino community, Abdi-Qader Hirsi said, “Our conflict is not with the Latinos, the company is the one making the di-

visions. They refused to come up with a just solution.”

To fill its growing labor shortage, Swift is bringing Cuban workers from Miami to Grand Island, according to the daily *Independent*.

Tonga government reimposes emergency rule

BY FELICITY COGGAN

AUCKLAND, New Zealand—Tonga’s government reimposed and extended emergency rule in the capital, Nuku’alofa, September 5, despite a promise by the new king, George Tupou V, to enact democratic reforms.

Emergency regulations were first imposed in 2006 after a street rebellion erupted in Nuku’alofa following a mass protest for democratic rights,

and have been reduced in scope since. The new rules allow police to stop and search people or buildings without warrants, to seize evidence or impose curfews, and have been extended over a wider area of central Nuku’alofa. News reports indicate that the new commander of the Tonga Police Force—a New Zealand police officer—was consulted over these steps.

Leading up to his coronation in late July, the king announced that he would “voluntarily surrender his powers to meet the democratic aspirations of many of his people.” He promised to step back from his day-to-day role in government affairs, while retaining the right to appoint judges and king’s counsel, and to grant clemency and commute prison sentences.

No time frame was given by the king for these changes.

Tonga’s government is controlled by the monarchy. The king appoints 15 of the 33 members of parliament, the

country’s nobility appoints nine, and nine are elected by popular vote.

’Akilisi Pohiva, a long-time leader of protests for democratic and political reforms, expressed disappointment at the new regulations, which people had expected to be lifted after the coronation. He welcomed moves by the king to reduce his powers as a step “towards the end of a long campaign for political reform in our country.”

Protests for democratic and political reforms have gained momentum in Tonga over the past three years, with large demonstrations against the government and monarchy. A successful six-week strike by government employees in 2005 culminated in a 10,000-strong march calling for democratic rights. Pohiva and four other members of parliament still face sedition charges arising from the 2006 rebellion. Trials continue for hundreds of others arrested, some of whom have received prison sentences of up to 11 years.

THE MILITANT

End the embargo of Cuba!

Washington does not want you to see the difference a revolution makes, as shown by the Cuban response to hurricanes Gustav and Ike. The ‘Militant’ reports on the Cuban recovery efforts and the fight against the U.S. embargo. Don’t miss a single issue!



Militant/Maggie Trowe

Participant in car caravan in Miami March 8 protesting U.S. government restrictions on travel to Cuba.

SUBSCRIBE TODAY!

NEW READERS

☐ \$5 for 12 issues

RENEWAL

☐ \$10 for 12 weeks

☐ \$20 for 6 months

☐ \$35 for 1 year

NAME

ADDRESS

CITY STATE ZIP

UNION/SCHOOL/ORGANIZATION PHONE

CLIP AND MAIL TO THE MILITANT,
306 W. 37TH ST., 10TH FLOOR NEW YORK, NY 10018.

The Militant

Vol. 72/No. 40

Closing news date: October 1, 2008

Editor: Sam Manuel

Managing Editor: Martín Koppel

Business Manager: Angel Lariscy

Editorial volunteers: Róger Calero, Ved Dookhun, Seth Galinsky, Cindy Jaquith, Ben Joyce, Doug Nelson, Ben O’Shaughnessy

Published weekly except for one week in January and one week in July.

The Militant (ISSN 0026-3885), 306 W. 37th Street, 10th floor, New York, NY 10018. Telephone: (212) 244-4899 Fax: (212) 244-4947

E-mail: themilitant@mac.com

Website: www.themilitant.com

Correspondence concerning subscriptions or changes of address should be addressed to the Militant, 306 W. 37th Street, 10th floor, New York, NY 10018.

Periodicals postage paid at New York, NY. POSTMASTER: Send address changes to the Militant, 306 W. 37th Street, 10th floor, New York, NY 10018.

SUBSCRIPTIONS: United States: for one-year send \$35 to above address.

Latin America, Caribbean: for one-year subscription send \$65, drawn on a U.S. bank, to above address.

Africa, Asia, and the Middle East: Send \$65 drawn on a U.S. bank to above address.

Canada: Send Canadian \$45 for one-year subscription to the Militant, 7105 St. Hubert, Suite 106F, Montreal, Quebec. H2S 2N1.

United Kingdom: £25 for one year by check or international money order made out to CL London, First Floor, 120 Bethnal Green (Entrance in Brick Lane), London, E2 6DG, England.

Republic of Ireland and Continental Europe: £50 for one year by check or international money order made out to CL London at above address.

France: Send 76 euros for one-year subscription to Diffusion du Militant, P.O. Box 175, 23 rue Lecourbe, 75015 Paris.

Sweden, Finland, Norway, Denmark: Send 400 Swedish kronor for one year to Bildhuggarvägen 17, 12144 Johanneshov, Stockholm, Sweden.

New Zealand: Send NZ\$50 to P.O. Box 3025, Auckland, New Zealand.

Australia: Send A\$50 to P.O. Box 164 Campsie, NSW 2194, Australia.

Pacific Islands: Send NZ\$50 to P.O. Box 3025, Auckland, New Zealand.

Signed articles by contributors do not necessarily represent the Militant’s views. These are expressed in editorials.

Calero: ‘Open the books to inspection by workers’

BY TOM FISKE

MINNEAPOLIS—“What would your reorganization of our society look like?” a young woman asked Róger Calero, the Socialist Workers Party candidate for U.S. president. Calero was addressing a class of more than 100 students at the University of Minnesota here September 24.

“Let’s look, for example, at the crisis in banking,” replied Calero. “Vice presidential candidate Joseph Biden says, ‘Open the books.’ What he means is, open the books to a panel of ruling-class politicians and capitalists who are trying to stabilize the system so they can keep on exploiting us.

“The socialist campaign says, ‘Open the books to the inspection of working people.’ We should know where the profits are going. We should know how the money is being spent. There should be representatives of the small farmers and of the unions on commissions that have access to the ‘business secrets’ of the giant banks and corporations.”

“Having access to the facts is a condition for working people being able to defend ourselves,” Calero explained. “Earlier this year a company put 143 million pounds of contaminated beef on the market. Hillary Clinton said the lesson was we need a better ‘recall system.’ But we say, workers should be able to shut the plant down when that happens.”

Another student followed up, “If you nationalize a company, don’t you give it over to the government?”

Calero replied, “My point is nationalization under workers’ control. Take the energy industry. If we nationalize it and run it under workers’ control, workers will determine line speed, safety conditions, and have the power to stop pollution. This will be a step toward working people gaining experience and confidence in our ability to manage produc-

tion, advancing us further toward taking political power out of the hands of the capitalists.”

A young man asked, “What can be done about the political repression that is developing in this country?”

“The ruling rich in this country are anticipating greater resistance by working people as austerity conditions are imposed on us,” Calero said. “They are developing new instruments of repression in order to keep us in line.

“Our challenge is realizing our class interests and organizing independently of the capitalist political parties, the Democrats and Republicans. We need to forge a revolutionary movement that can replace the ruling rich with a workers and farmers government.”

Calero also participated in the discussion at a meeting of more than 30 people



Militant/Natalie Morrison

Socialist Workers Party presidential candidate Róger Calero addresses a class at the University of Minnesota on September 24 where he was also interviewed by the campus newspaper.

at Metro State University in St. Paul on the theme, “Hurricanes: The Politics of Disaster Response in Cuba, Haiti and the United States.”

The socialist was interviewed on two

radio stations and by the daily student newspaper at the University of Minnesota. He also campaigned at the entrance to the Dakota Premium Foods beef slaughterhouse in South St. Paul.

Calero in Miami demands end to deportations

BY DEBORAH LIATOS

MIAMI—“I join with others in this country and in Haiti to demand an end to deportations of immigrant workers and that they be granted legal status,” said Socialist Workers Party presidential candidate Róger Calero speaking to the weekly Friday meeting of the Haitian solidarity organization Veye Yo.

“Haiti’s foreign debt should be cancelled now,” said Calero. “The fight for legalization is not just a question of basic working-class solidarity, but a life and death question for the unity of the working class and the labor movement in the United States.”

Calero made a campaign stop in the Miami area September 19–21.

In the aftermath of the devastation of Haiti by recent hurricanes Gustav and Ike, U.S. immigration officials have decided to temporarily halt deportations.

The U.S. Coast Guard, however, is still intercepting and sending back Haitians at sea.

The next day, Calero participated in a 25-car caravan demanding the lifting of Washington’s travel restrictions against Cuba and an end to the U.S. rulers’ embargo against that country. Prior to the caravan’s departure, Calero was introduced by Andrés Gómez, director of the Antonio Maceo Brigade.

“There is no solution with the Democrats or Republicans,” Maria Eugenia Tomás, webmaster for Radio Miami, told Calero at the gathering point for the caravan. “Obama is the same. We need change—a profound change from the base, a social change.”

“There *is* important resistance taking place today that is reflected in the protests against deportations and for legalization of undocumented immigrants and other actions,” Calero said in the exchange.

At a campaign rally a day later, Calero demanded that the U.S. government lift the embargo against Cuba and normalize all relations.

In Orlando, Calero celebrated with campaign supporters the victory in getting on the ballot in Florida and discussed opportunities for them to get out and campaign among working people and youth for the next five weeks.

At a campaign rally in Miami September 21, Calero was joined by Omari Musa, SWP candidate for Congress in District 21, and Margaret Trowe, SWP

candidate for Congress in District 17.

Trowe called for dropping the charges against the Liberty City Seven, a group of men framed up on terrorism charges, six of whom are still facing charges and one who was acquitted, but faces deportation. She also demanded that the U.S. government cease its attacks on Sami al-Arian, a supporter of Palestinian rights, who recently won freedom from prison but remains under house arrest and is facing another trial.

“Among those standing up to U.S.-government attacks are five Cuban revolutionaries who have been held in U.S. prisons against their will and ours by Washington for 10 years for defending Cuba’s socialist revolution. Their fight is part of broader struggles of workers in the United States,” Calero said. “By learning about their case, we can learn about the weight and place of the Cuban Revolution in the world, and the necessity of making a socialist revolution in the United States also.”

Emily Paul contributed to this article.

SWP presidential campaign tour schedule



Presidential candidate Róger Calero (foreground) at rally outside Georgia State capitol September 11 demanding freedom for Troy Davis, who faces death sentence.



Vice presidential candidate Alyson Kennedy (right) at May Day demonstration May 1 in Chicago demanding legalization for undocumented immigrants.

Presidential candidate Róger Calero

Oct. 6–7 Montreal
Oct. 9–11 San Francisco
Oct. 13 Houston; Edinburg, TX
Oct. 17–18 Seattle

Oct. 21–22 Boston
Oct. 23–24 Philadelphia
Oct. 25, 27–28 New York
Oct. 26, 29–30 Newark, NJ

Vice presidential candidate Alyson Kennedy

Oct. 5 Wisconsin
Oct. 6–7 Chicago
Oct. 10–14 Atlanta

Oct. 15–18 Miami
Oct. 20–24 Washington, D.C.
Oct. 25–30 San Francisco

MILITANT LABOR FORUMS

FLORIDA

Miami

SWP Party-building Fund Meeting: Marking 80 Years of Building a Communist Party. Speakers: Emily Paul, Margaret Trowe. Sun., Oct. 12. Reception, 2 p.m.; program, 3 p.m. 6777 NW 7th Ave. Tel.: (305) 757-8869.

NEW ZEALAND

Auckland

Capitalist Political Instability in Thailand. Speaker: Ruth Gray, Communist League. Fri., Oct. 10. 7 p.m. Requested donation: \$3. Suite 3, 7 Mason Ave., Otahuhu. Upstairs above Laundromat. Tel.: (09) 276-8885.

Free the Cuban Five! Ten years on Actions in the United Kingdom



From left to right: Ramón Labañino, Fernando González, Antonio Guerrero, Gerardo Hernández, and René González

Speakers include wives of Cuban Five Olga Salanueva and Adriana Pérez

LONDON

Protest vigil at U.S. embassy
Tues., Oct. 7, 6 p.m.
Grosvenor Square



EDINBURGH

Picket at the U.S. consulate
Thurs., Oct. 9, 4–6 p.m.
Regent Terrace

London protest vigil organized by Cuba Solidarity Campaign
Telephone: 0-2088000155
Edinburgh picket organized by Scottish Cuba Solidarity Campaign

Fight continues to stop execution of Troy Davis

BY CLAY DENNISON

ATLANTA, September 30—The U.S. Supreme Court is expected to announce by October 6 whether to hear the case of Troy Davis, a 39-year-old Black man facing execution. A death warrant was issued September 3, but a stay of execution was granted by the high court September 23—two hours before he was scheduled to be killed.

Even if the court decides not to hear the case, the death warrant will have expired and the prosecutors would have to seek a new one. “That means that there will be a 10-day waiting period, which will give us time for organizing, for people to come together,” James Clark, a student at Emory University, told the *Militant*.

Protests and public vigils demanding the execution be halted have been taking place in Atlanta and in the Savannah, Georgia, area. One meeting was held here September 28 at the Iconium Baptist Church, and another on the steps of the Georgia State Capitol the following evening. Both were organized as prayer vigils with speaking time allotted for anyone who wanted to discuss the case. Each event was attended by

about 40 supporters.

Davis was sentenced to death in 1991 for the killing of an off-duty policeman in Savannah. There was no physical evidence linking Davis to the killing, and he was convicted on the word of nine eyewitnesses. Since then, seven of the witnesses have recanted their testimony or contradicted their story. Because of limitations on death row appeals enacted in the Antiterrorism and Effective Death Penalty Act of 1996, Davis has been unable to bring his case to the U.S. Supreme Court until now. Davis’s lawyers are arguing that the U.S. Constitution’s ban on cruel and unusual punishment bars the execution of innocent people and requires at least a court hearing to look at the witness recantations.



Militant/Bill Arth

Demonstrators at Georgia State Capitol September 11 demanding halt to execution of Troy Davis. The U.S. Supreme Court granted a temporary stay of execution September 23.

UK actions to demand freedom for Cuban 5

Continued from front page

the wives of René González and Gerardo Hernández respectively, will participate in the London and Edinburgh actions. The protests will demand that the U.S. government grant visas to Pérez and Salanueva, who have not been allowed to visit their

husbands.

Pérez and Salanueva addressed hundreds of people at a September 21 meeting during the Labour Party’s national conference. The meeting heard messages of support from British trade union and Labour Party leaders and from Leo Gerard, president of the United Steelworkers union, which organizes workers in the United States and Canada. Shane Enright of Amnesty International pledged his organization’s support for the campaign for visitation rights.

Among the many here who have added their names to an appeal demanding justice for the five are union leaders, including Tony Woodley and Derek Simpson of Unite and Brendan Barber of the Trades Union Congress (TUC) along with writers Iain Banks and Harold Pinter, and actors Julie Christie and Susannah York.

At its congress in September the TUC condemned the continued imprisonment of the five and adopted a call for “a prompt retrial of the Five

in any venue other than Miami” and “full visiting rights for all of the families.” Cuban trade union leaders Reynaldo Valdés Grillo, deputy general secretary of the Central Organization of Cuban Workers (CTC) and Manuel Montero, European officer of the CTC, addressed a session of the congress alongside prominent officials of British unions.

A July 2007 BBC radio broadcast of an interview with Gerardo Hernández from his maximum security prison in Victorville, California, was a significant crack here in what has been an almost total media blackout on the case. The BBC correspondent in Havana, Michael Voss, subsequently interviewed Adriana Pérez for BBC TV.

The October 7 protest is from 6:00 p.m. to 7:30 p.m. at the U.S. embassy in Grosvenor Square, London. The October 9 Edinburgh action is from 4:00 p.m. to 6:00 p.m. outside the U.S. consulate at 3 Regent Terrace (see ad on page 3).

‘Militant’ sub campaign

Continued from front page

theory, which is available for only \$10 with any subscription.

The magazine features the article “The Clintons’ Antilabor Legacy: Roots of the 2008 World Financial Crisis.” It explains that “the Clinton

administration was responsible for decisive steps enabling the U.S. rulers to erect the enormous edifice of household, corporate, and government debt, and its accompanying array of derivatives, that are at the foundation of the current world financial crisis.” The article “Revolution, Internationalism, and Socialism: The Last Year of Malcolm X” traces Malcolm’s final year and how he worked increasingly closer with communists from Algeria, to Cuba, to the United States.

Socialist campaigners in Newark, New Jersey, sold 15 subscriptions and two copies of *New International* no. 14 in the first weekend of the drive.

At an Essex County College meeting on “Bridging the Gap: Building Ties Among People of African Descent,” attended by 80 people, four bought subscriptions and a dozen more purchased books by Pathfinder Press. Nancy Rosenstock reports, “Participants were particularly interested in the *Militant*’s series on Equatorial Guinea and the role of Cuban health-care workers in that country.”

The next day, 10 subscriptions were sold going door-to-door in the Newark area while introducing the Socialist Workers Party campaign, which offers working-class explanations and answers to the financial crisis and a program to defend working people.

This week we are reporting the initial goals taken by supporters of the paper (see chart on this page). Next week’s issue will begin recording sales results. In order to be included in the weekly chart, send in reports each week by Monday evening.

We welcome reports and photographs on teams and experiences during the subscription drive. If you would like to join the effort, please contact a distributor on page 8 or the *Militant*.

‘Militant’ Subscription Drive Fall 2008	
Country	Quota
UNITED STATES	
Atlanta	300
Boston	60
Chicago	100
Des Moines, IA	125
Houston	90
Los Angeles	100
Miami	160
New York	315
Newark, NJ	125
Philadelphia	90
San Francisco	140
Seattle	80
Twin Cities	110
Washington, D.C.	95
U.S. Total	1,890
UNITED KINGDOM	
London	80
Edinburgh	40
UK Total	120
CANADA	105
NEW ZEALAND	70
AUSTRALIA	55
SWEDEN	30
Int’l Totals	2,270
Goals/Should be	2,400

‘Militant’ names new editor

BY SETH GALINSKY

Sam Manuel is the new editor of the *Militant*. He has been the paper’s Washington, D.C., correspondent since March 2003.

A veteran militant in the labor and Black rights movements, Manuel, 58, has also helped organize activities in defense of the Cuban Revolution. He has written extensively for the *Militant* on the imperialist wars in Iraq and Afghanistan and the deepening U.S. military intervention in the region.

Manuel reported from New Orleans in September 2005 immediately following Hurricane Katrina, getting out the truth about the social disaster and the solidarity that unfolded among working people there.

He has been active in the communist movement since 1970. In 2002 he was the Socialist Workers Party candidate for mayor of Washington.

Martin Koppel, 51, is now the managing editor of the *Militant*. He has been a staff writer for the *Militant* since 1991 and was editor from May



Militant/Ben Joyce

New *Militant* editor Sam Manuel, right, with new managing editor Martin Koppel.

2000 to January 2002 and from September 2002 to March 2003. He is an editor of *El Militante*, the Spanish section of the paper.

Koppel recently spent two weeks in Equatorial Guinea and co-authored a three part series on the changing economic and social relations in that Central African country.

Cindy Jaquith, who has been the editor of the paper, will continue as a staff volunteer.

ON THE PICKET LINE

Farmland Foods workers approve contract in Iowa

Members of United Food and Commercial Workers Local 440 in Denison, Iowa, voted September 25 to approve a new contract proposal from Farmland Foods. Just a few days before they had overwhelmingly voted to reject a contract offer and to authorize a strike.

For many of the meat-packing workers the main issue in the first proposal was an increase of more than 20 percent in their contribution to health insurance.

Union member Milagro Perez said, "If we accepted it, it would have meant we were going to help the company pay for our own insurance. We would have paid for our own in-

surance and were not going to see any money."

Almost 1,000 union members voted September 21 to reject the company's original offer.

Leo Kanne, secretary-treasurer of the union, told the daily *Bulletin Review* that the company's offer included five wage increases over nearly five years amounting to a total of \$1.50 per hour.

But Kanne pointed out that in the first year of the contract the increase in health-care contributions would have taken 13 cents an hour out of the workers' paychecks.

"That doesn't take into account the higher deductible and the out-of-pocket maximum," Kanne said.

The new four-year contract pro-



Militant/Willie Cotton

Home care workers, organized by 1199 SEIU, march in Manhattan September 16 to demand higher wages, health care, and vacations.

posal increased health insurance costs by \$6 per week immediately, but then froze the costs for the next four years. It also includes five paid

sick days per year.

The new contract proposal passed 842 to 98.

—Sam Manuel

Communist League candidates in Canada present working-class alternative in elections

BY BEVERLY BERNARDO

MONTREAL—Michel Dugré and Joseph Young, the Communist League candidates in the October 14 federal elections, opened their campaigns by bringing their support to more than 550 striking hotel workers at the Queen Elizabeth Hotel here. The strikers, members of the Confederation of National Trade Unions, have been on the picket line since August 28.

The Communist League candidates are presenting the working-class alternative to the capitalist class in these elections. Dugré, a garment worker and member of UNITE HERE is running in Rosemont/La Petite Patrie. Young, a meat packer and a member of the United Food and Commercial Workers union, is running in St. Léonard/St. Michel.

The deepening world economic crisis and its impact in Canada have increasingly become the issues at the center of the federal elections called by Prime Minister Steven Harper for October 14. The Conservative party leader had passed a law scheduling the elections for October 2009, but under the impact of a worsening economy decided to call them earlier.

The Conservatives formed a minority government after the elections in January 2006. Heading into this election, the Conservatives hold 127 seats, while the

Liberals have 95. The Bloc Québécois, a party that supports sovereignty for Quebec—an oppressed nation in Canada—holds 48 seats. The New Democratic Party, a social-democratic labor party with a capitalist program, has 30 seats, and the Green Party has one.

Harper has accused other party leaders of "scare mongering" about the threat of a recession in Canada. However, Canada's gross domestic product has declined since the beginning of the year and some 40,000 jobs were cut over the summer.

To combat mounting prices and joblessness, the Communist League candidates call for regular cost-of-living increases in wages and benefits, as well as federal legislation to shorten the workweek, with no reduction in pay, to spread available work to all. The campaign demands an increase in the minimum wage across Canada, and that Ottawa put hundreds of thousands to work at union-scale wages through a massive public works program to build homes, schools, hospitals, roads, bridges, and public transportation.

After initially putting the environment at the center of his campaign, opposition Liberal leader Stéphane Dion

made a sharp shift this week in response to the U.S. bank crisis that sent shock waves through the world financial system. Dion is now pointing with pride to the record of the Liberal governments under Jean Chrétien and Paul Martin from 1993 to 2006 as governments that show they can manage the economy. These Liberal regimes eliminated the federal deficits in large part by slashing spending on social programs needed by working people.

New Democratic Party (NDP) leader Jack Layton campaigns for stopping "the export of Canadian jobs overseas through new, manufacturing-friendly trade policies while adopting a Made-in-Canada procurement policy for the federal government and its agencies." The NDP's Canadian nationalist framework pits workers in Canada against workers in other countries.

Bloc Québécois leader Gilles Ducesse is posing a vote for the Bloc as the only way to stop the Conservatives from forming a majority government in Ottawa. The Bloc lost three seats to the Conservatives in 2006 and is fighting to hold onto its seats in rural Quebec. The Bloc's main slogan in the elections is "Present for Quebec."

N.Y. health-care workers win first union contract

Workers at Prestige Care won their first contract September 22. For months, home health aids held rallies in front of the company's offices in Manhattan and the owner's home in Hicksville, Long Island. The contract expires Dec. 31, 2009.

The health-care workers union 1199 SEIU had been trying to win contracts at Prestige Care and other home health-care agencies.

"What do we want? Union power!" chanted thousands of health-care workers September 16 as they marched through downtown Manhattan. The union was targeting Prestige and two other home care agencies Bestcare and People Care. Union officials had said a strike was possible starting September 24 if the companies continued to refuse contract negotiations with the union.

Carol Ettinne, a home health aide with Premier Home Health Care Services who joined the march, said, "I hope that I get a better salary and better health care."

This struggle is part of a broader union campaign to win higher wages, health care, and vacations for more than 30,000 home health aides in New York City. Many of these workers earn minimum wage without health-care benefits or vacation.

—Willie Cotton

25, 50, AND 75 YEARS AGO



October 14, 1983

Pilots and flight attendants struck Continental Airlines October 1, one week after Continental's president and chairman, Frank Lorenzo, filed to void union contracts under Chapter 11 of the bankruptcy code.

The fight between Lorenzo and the unionized employees is shaping up to be the biggest test of strength between employers and labor in the airlines industry since the strike by the Professional Air Traffic Controllers Organization (PATCO) was broken by the government in 1981.

The pilots' and attendants' unions are also considering a nationwide flight stoppage on all unionized carriers to show solidarity with the Continental strike in the face of threats by other carriers, particularly Eastern, to repeat Continental's bankruptcy play.



October 13, 1958

China was originally opened to trade with the West by violence. Wars of the Western powers battered down the walls of Chinese cities and wrested concessions, territories and economic privileges at gun point.

Because it was the latest predatory power on the scene and the richest, the United States was able to pursue its economic objectives in China while appearing to oppose the more crass imperialist tactics of the European countries and of Japan.

In the Opium Wars the U.S. piously condemned the drug business, since this was a minor part of American merchants' trade with China. But this highly moral stand did not prevent American envoys from joining Great Britain in signing treaties with China legalizing opium imports.



October 14, 1933

The recent flare-up of the army rank and file against the officers barricaded in the National Hotel in Havana weakened the government and strengthened the soldiers.

The sniping from roof tops and windows and the innumerable miniature street battles which followed the battle of the National Hotel sharply emphasized the fact that large numbers of the population are armed.

The sending of armed detachments against the workers and the forcible suppression of the Communist Party in Havana and other cities marks the end of the Martin government's development to the left on the basis of the struggle against imperialism, and its evolution to the right out of fear of the workers and the pressure of the Cuban bourgeoisie and the American imperialists.

For Further Reading

Trade Unions in the Epoch of Imperialist Decay

by Leon Trotsky

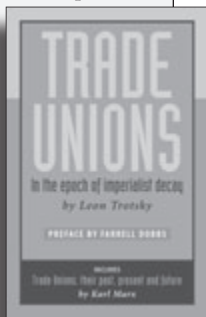
Food for thought—and action—from leaders of three generations of the modern revolutionary workers movement.

Preface by Farrell Dobbs

Also Includes:

"Trade Unions: Their Past, Present, and Future" by Karl Marx. \$15.00

WWW.PATHFINDERPRESS.COM



Atlanta library hosts panel on ‘Our History Is Still Being Written’

BY RACHELE FRUIT

ATLANTA—“When I first saw the book, I thought it was interesting, but I underestimated its power and how engaging the lives of these three men are. Whatever you think you know about Cuba and the revolution, you learn another dimension by reading this book,” said Eleanor Hunter, a librarian at the Auburn Avenue Research Library on African American Culture and History here.

Hunter chaired an Authors’ Discussion and Book Signing at the library September 25 attended by nearly 100 people. The meeting featured Pathfinder’s title *Our History Is Still Being Written: The Story of Three Chinese-Cuban Generals in the Cuban Revolution*.

The library is a division of the Atlanta-Fulton Public Library System.

Other sponsors of the meeting were the Program in World History and Cultures of the Department of History at Georgia State University, the GSU Asian Studies Center, Friends of the Auburn Avenue Research Library, Students for Socialist Endeavors at GSU, and Pathfinder Books.

Akilah Nosakhere, manager of the library’s Reference and Research Division, welcomed the audience and introduced several distinguished participants in the meeting. They included professors Douglas Reynolds, director of the Asian Studies Center at GSU; John Garver, from the Department of International Relations at Georgia Institute of Technology; and Jung Ha Kim, from the Department of Sociology at GSU.

Hunter began her remarks speaking in Spanish to welcome several Spanish-speaking workers and a four-person team of volunteers who translated the entire meeting into Spanish.

The broad panel of speakers was: Professor Michelle Reid, from Emory University and an assistant professor of History at GSU; Xavier Kim, a student from the University of Georgia in Athens; Sobukwe Shakura, cochair of the National Network on Cuba and a member of the All African Peoples Revolutionary Party; Jianli Zhao, author of *Strangers in the City*, a study of Chinese immigration to the southern United States and to Atlanta in particular; and Mary-Alice Waters, editor of *Our History Is Still Being Written: The Story of Three Chinese-Cuban Generals in the Cuban Revolution*.

Our History Is Still Being Written

THE STORY OF THREE CHINESE-CUBAN GENERALS IN THE CUBAN REVOLUTION

Armando Choy, Gustavo Chui, and Moisés Sío Wong—three young rebels of Chinese-Cuban ancestry—threw themselves into the great proletarian battle that defined their generation, brought down a U.S.-backed dictatorship, and opened the door to the socialist revolution in the Americas. —\$20.

www.pathfinderpress.com
or from distributors listed on page 8

als in the Cuban Revolution and president of Pathfinder Press.

A blowup of the cover of the new Chinese-language edition of *Our History Is Still Being Written* was among the attractive displays that lined the meeting room. Waters showed the crowd the first copy of the book, just received from China, and pointed to the important new opportunities it offered for reaching out to the growing numbers of Chinese immigrant workers and students in the United States.

Michelle Reid focused on the major waves of Chinese immigration to Cuba from the mid-1800 to the 1930s.

Kim, a graduate student in agricultural science, spoke about the development of urban agriculture in Cuba to meet the food crisis following the collapse of the Soviet Union in the early 1990s. He pointed to the role of Moisés Sío Wong, one of the generals interviewed in the book, in helping to develop and lead this transformation.

Shakura explained that he was first drawn to the Cuban Revolution through his study of Africa as he learned about aid Cuba’s internationalist volunteers gave to liberation struggles from the Congo to Guinea Bissau to Mozambique to Angola and other countries throughout Africa.

Shakura also paid tribute to the consistent work of the Socialist Workers Party and the books published by Pathfinder Press in making the truth about the Cuban Revolution known.

He noted that *Our History Is Still Being Written* helps people to understand the class differentiations among Chinese in capitalist society and to “see beyond the myth that all Chinese are shopkeepers.”

Shakura concluded his remarks with an appeal for support to free Gerardo Hernández, Ramón Labañino, Antonio Guerrero, Fernando González, and René González, five Cuban revolutionaries who have been unjustly held in U.S. prisons for 10 years. The Cuban Five, as they are known, were arrested in 1998 and framed-up on charges ranging from “conspiracy to commit espionage” to, in one case, “conspiracy to



Militant/Dave Wulp

Meeting September 25 in Atlanta at Auburn Avenue Research Library on African American Culture and History. From left: librarian Eleanor Hunter; Michelle Reid, assistant professor of history at Georgia State University; Xavier Kim, student at University of Georgia; Sobukwe Shakura, cochair National Network on Cuba; Professor Jianli Zhao, staff member at Emory University Medical School; Mary-Alice Waters, editor of *Our History Is Still Being Written*.

commit murder.” An international campaign to win their freedom has gained broad recognition.

“I am very glad to see this book that tells the story of people whose story would otherwise never be known,” said Jianli Zhao. “I did not know anything about Chinese people in Cuba until two days ago. And the Chinese edition of this book now makes it possible for Chinese in China to know about Chinese in Cuba.”

Zhao noted that the Chinese in the United States were less integrated in social and political life than in Cuba.

“According to the generals, the difference is the social system,” she commented. “I think that’s open for discussion. The availability of *Our History Is Still Being Written* makes discussion of such questions possible.”

Pulling together the multiple themes of the book that had been touched on by others on the panel, Mary-Alice Waters noted that women and men like the three generals Armando Choy, Gustavo Chui, and Moisés Sío Wong, didn’t set out to make a socialist revolution when they took up arms against the U.S.-backed military dictatorship of Fulgencio Batista in the 1950s. “They fought for a world with a greater degree of social justice.” As the workers and farmers carried out a land reform, a literacy drive, and banned discrimination in hiring and other such measures, they ran into opposition from wealthy Cuban and U.S. property owners, backed by the U.S. government. They refused to capitulate. “To this day that remains the reason for the U.S. rulers hostility toward the Cuban Revolution. It is the

reason the Cuban Five are held hostage here,” Waters said. “The policy of the U.S. government is to make the Cuban people pay for the audacity of making a socialist revolution on the doorstep of the United States.”

The broad response to *Our History Is Still Being Written* taps into enormous struggles and changes in the United States today. Historic new waves of immigrants are coming from Latin America. But the second largest numbers are from China. They are strengthening and transforming the working class and finding ways to resist the deteriorating working and living conditions imposed by the bosses’ drive for profits and to fight for the legalization of all immigrant workers, Waters emphasized.

“As these struggles deepen, working people and students who are fighting to defend themselves are hungry to learn from their own history,” Waters said. “Through the stories of the three Cuban generals you can learn what a socialist revolution means and why it is necessary.”

A lively discussion period followed the presentations with questions and comments on topics ranging from the current election campaign to the impact of the Sino-Soviet dispute on Cuban-Chinese relations.

At the conclusion of the meeting, Jacob Perasso, on behalf of Pathfinder books in Atlanta, presented the library with a donation of several Pathfinder titles for its permanent collection.

Informal discussion continued for another 45 minutes over a delicious spread of snacks.

Classes at Spelman College discuss Cuba

BY ELLIE GARCÍA
AND LORETTA VAN PELT

ATLANTA—Pathfinder Press president Mary-Alice Waters spoke to some 100 students in three classes at Spelman College as part of a three-day tour here.

The tour included a half-hour radio program on WGRB and a panel discussion at the Auburn Avenue Research Library on the book *Our History Is Still Being Written: The Story of Three Chinese-Cuban Generals in the Cuban Revolution*. Waters is the editor of the book. (See accompanying article.)

Spelman College is one of five historically Black schools that are part of the Atlanta University Center (AUC), which today has some 10,000 students. AUC’s history dates to the end of the Civil War and the period of Radical Reconstruc-

tion.

Waters was invited by Professor Bahati Kuumba to speak about women and the Cuban Revolution at her introduction to women’s studies class; by Professor Fatemah Shafiei to speak about U.S. policy toward Cuba to her class on U.S. foreign policy; and by Professor Kathleen Phillips-Lewis to talk about Cuba’s health-care system in her Caribbean studies course.

In the U.S. foreign policy class Waters responded to questions about changes taking place in Cuba today and whether President Raúl Castro is moving in a “capitalist” direction.

“Most things written here about changes in Cuba are not accurate,” Waters said. She pointed to the way the U.S. press has written about the fact that

cell phones and cell phone service can now be purchased by Cubans. “This is not a policy change initiated by Raúl to reverse a repressive ‘communist’ policy implemented by Fidel, as it has been portrayed in the U.S. press,” she noted. “This change was being prepared for a long time.”

Cell phone use in Cuba was limited because the cell phone infrastructure was just being rolled out and couldn’t support a larger number of users, she said. The entire phone system is being rebuilt and converted to digital service for the first time ever through a joint venture with an Italian company. Cell phone use in Cuba isn’t a matter of “rights,” but of economic conditions.

In the Caribbean studies class Waters

Continued on page 9

Founding the Communist League of America

The fight to maintain genuine Marxist leadership in the United States

The Socialist Workers Party is celebrating 80 years of building a communist party in the United States, from 1928 to today. Marking this milestone, it has launched an eight-week \$90,000 Party Building Fund (see accompanying progress chart on the fund campaign). To promote this effort, we are running a series of articles, beginning with the one below, that will highlight key chapters in the history of this fight to forge a revolutionary working-class leadership.

BY BEN JOYCE

On Oct. 25, 1917, workers and farmers in Russia took power out of the hands of the ruling capitalists and landlords and opened the road to the first socialist revolution in history. They were led by the Bolshevik party under the leadership of V.I. Lenin.

The October Revolution was an inspiration to the workers movement internationally, including in the United States. “Like a brilliant sunrise,” wrote Farrell Dobbs, longtime leader of the communist movement in the United States, “inspiring political light came from the East.”

A left wing had previously emerged in the U.S. Socialist Party, formed largely around opposition to that party leadership’s support for Washington’s entry into the first imperialist world war. The leaderships of most Socialist Parties around the world lined up behind their own bourgeoisies in the war, striking the death knell of the Socialist International as a revolutionary organization.

A large section of the SP left wing rallied around the Bolshevik-led victory in Russia and the revival of genuine Marxist leadership. They broke with the SP right wing in 1919 and founded the Communist Party.

These pioneer communists—including James P. Cannon, later the first national secretary of the Socialist Workers Party—set out to build the kind of party they knew was necessary to lead the coming U.S. socialist revolution. They instilled disciplined functioning



“In the darkest hour of the Opposition, they learned that fresh reinforcements had taken the field across the ocean in the United States,” said James P. Cannon in his *History of American Trotskyism*. Above: a demonstration of the Left Opposition in Russia, probably 1928, at a detention camp in Siberia. Right: issue 1, volume 1 of the *Militant* dated Nov. 15, 1928.

among its cadres, ridding themselves of the dabblers and dilettantes that plagued the SP. They established political homogeneity in their program and took party democracy seriously. They organized serious study of programmatic documents by Bolshevik leaders. They threw themselves into trade union battles. They established the International Labor Defense to defend working-class militants under attack from the capitalist rulers.

Stalinist degeneration

From 1918 to 1921 the young Soviet government mobilized working people in face of civil war and intervention by a dozen imperialist powers aimed at overthrowing workers power and restoring bourgeois property relations. Meanwhile, the defeat of revolutionary upsurges in several European countries, including in Germany in 1923, left the Russian workers state isolated. Famine persisted in much of the countryside.

These material pressures, combined with Lenin’s death in 1924, fostered the emergence of a conservative, petty-bourgeois caste within the Soviet state apparatus, whose main spokesman was Joseph Stalin. The Stalin faction took over the party apparatus and, while claiming to act in the name of Bolshevism, carried out a bloody political counterrevolution.

The rationalization of this counterrevolutionary course was Stalin’s so-called theory of “socialism in one country.” To serve the narrow national interests of the ruling layer, the Stalinized Communist International (Comintern) called on its member parties around the world to subordinate working-class struggles to support for the bureaucratic regime’s diplomatic maneuvers.

Leon Trotsky, a principal leader of the Russian Revolution, organized the Left Opposition in the party in 1923 to lead vanguard workers in Russia to oppose the Stalin-led course. In 1927 Trotsky was exiled to what is now Kazakhstan, and then to Turkey. Supporters of the Left Opposition were persecuted, jailed, and murdered.

Despite its brutal methods, the Stalin misleadership could not silence the communist opposition. Trotsky organized from exile an international movement aimed at restoring Lenin’s proletarian internationalist program in the Com-

munist International. He analyzed the disastrous course carried out by Stalin in the Soviet Union and internationally, and put forth a course of action to advance the world socialist revolution.

A fortunate slip up

The Sixth World Congress of the Communist International was organized in Moscow in 1928 to adopt a draft program bearing Stalin’s political authorship. James P. Cannon was among the delegation from the Communist Party of America and was put on the program commission. He happened to be given a copy of a document submitted by Trotsky that had made its way to the translation room at the congress. During the rest of the congress, Cannon studied the document and shared it with Maurice Spector of the Canadian CP. This slip-up in the bureaucratic machine led to a momentous opportunity for the communist movement.

The document, entitled “The Draft Program of the Communist International: A Criticism of Fundamentals,” was a powerful Marxist contribution. It took

apart Stalin’s argument for “socialism in one country,” counterposing to it the internationalist perspective advocated by Lenin of building a world revolutionary movement.

The document answered the class-collaborationist policies of the Stalin misleadership, arguing for an internationalist course of championing socialist revolution worldwide as the only way to strengthen the workers state in the USSR.

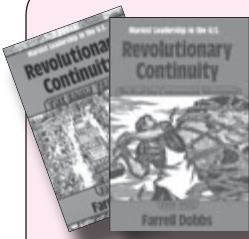
Left Opposition in the United States

Cannon was quickly won to Trotsky’s fight to maintain a Marxist leadership. He and Spector smuggled copies of the document back home and immediately began organizing for the Left Opposition. This task proved difficult, however, given the grip the Stalinized Comintern had over the party, so the opposition could not develop an open faction fight initially. Max Shachtman, Martin Abern, and Rose Karsner were some of the party leaders and cadres first won to the opposition.

After waging an uphill battle within the party for several months, the opposition was subjected to a rigged trial for “Trotskyism,” in which the dominant leadership relied on slander and suppression of facts. Unfazed, the opposition read its statement in support of Trotsky and a communist course and was then expelled. In a matter of days the fight was opened up publicly when issue number one of the *Militant*, dated Nov. 15, 1928, rolled off the presses.

Nearly a year after Cannon and Spector’s return from Moscow, the founding convention of the Communist League of America was held. It constituted a national organization, aiming to reconquer a Leninist course for the international communist movement and to build a party along those lines, capable of leading the socialist revolution in the United States.

80 years of communist continuity

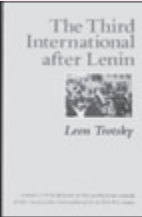


Revolutionary Continuity: Marxist Leadership in the United States by Farrell Dobbs

How successive generations of fighters took part in the U.S. class struggle and developed indigenous Marxist leadership in this country. Vol. 1—\$20, Vol. 2—\$19

The First Ten Years of American Communism by James P. Cannon

The story of the early years of the effort in the United States to build a proletarian party modeled on the leadership of the Russian Revolution. —\$22



The Third International after Lenin by Leon Trotsky

A defense of the Marxist course that had guided the Communist International in its early years. —\$25

The History of American Trotskyism by James P. Cannon

The story—told by a leading participant—of the formative years of the communist movement in the United States and the fight to maintain a Marxist leadership. —\$22



\$90,000 SWP Party-building Fund	
Fall 2008 ♦ Week 1	
CITY	GOAL
Atlanta	\$9,000
Boston*	
Chicago	\$8,000
Des Moines, IA	\$1,750
Houston	\$2,500
Los Angeles	\$8,500
Miami	\$3,200
New York	\$15,500
Newark, NJ	\$3,500
Philadelphia	\$3,500
San Francisco	\$13,000
Seattle	\$6,500
Twin Cities	\$4,000
Washington, D.C.	\$4,300
Goal/Should be	\$90,000
Total	\$83,250
* no goal yet reported	

How capitalists created today's crisis on Wall Street

Below is an excerpt from the article "Capitalism's Long Hot Winter Has Begun," by Jack Barnes, national secretary of the Socialist Workers Party. It is based on a report and summary discussed and adopted by delegates to the 41st convention of the SWP in 2002. The article appears in issue number 12 of New International, a magazine of Marxist politics and theory. Copyright © 2005 by New International. Reprinted by permission.

BY JACK BARNES

Driven inexorably by the necessity to compete or die, capitalists, without exception, act pragmatically—on the basis that what has been happening *will continue* to happen. They seek to maximize profits by moving in directions that currently bring the highest returns. The more they inflate credit to shorten the turnaround time of capital in order to reap massive gains, the more successful any individual capitalist seems to be—the more they guarantee disaster when the inverted pyramid becomes shakier and shakier and the trends begin to play themselves out, and then to reverse. That's when all the talk about "new economies," the "end of cycles," even "the end of history" turns to ashes in their mouths. It's always "different this time." Indeed. And always the same.

Today the propertied families of finance capital, and their hired circles of managers, politicians, technicians, academics, and professionals—the "cognitive elite"—are incapable of believing what's happening to the mountains of paper values they've piled up over the past two decades. What worked so wonderfully well over those years for the well-heeled, what seemed like free money, has today inflated bubbles of debt that—as they overlap and reinforce one another, and before the contraction in stock prices has come anywhere close to running its long, full course—will bring down major banks, brokerage firms, insurance companies, pension and health trusts, and industrial and commercial corporations.

For the first time since the opening of the depression-ridden, war-ridden 1930s, all the evidence in the advanced capitalist countries points to the onset of something more than a deep, international recession such as those in 1974–75, 1980–81, or 1990–91. We're seeing the symptoms of a debt-deflation deadness that only sluggishly responds to the monetary or fiscal prodding that accelerates an upturn in a normal trade cycle. In short, we're in the opening stages of what will come to be recognized as a world depression.

Whenever overall profit rates are under pressure in these ways, each capitalist intensifies competition to corner the greatest possible share of the wealth, the surplus value, produced by the labor of workers and farmers. And it's the big-



Wall Street financial district, New York. The more the capitalists "inflate credit to shorten the turnaround time of capital in order to reap massive gains. . . the more they guarantee disaster when the inverted pyramid becomes shakier and shakier and the trends begin to play themselves out, and then to reverse," Barnes says.

gest banks—Citibank, J.P. Morgan Chase, Bank of America, and a few others—that make the biggest loans. On bank ledgers these giant loans are listed as assets, since they guarantee a steady stream of interest payments, *so long as the debtors are able to pay*. But when bankruptcies and loan defaults begin piling up, then it's also the biggest banks, insurance companies, and brokerages that will take the biggest hit. And when these institutions begin to crack—the ones rated by Wall Street agencies as the most "solid" and "reliable"—that's when a financial catastrophe starts looming.

Let's say, for example, that you or some other worker were allowed by a big company to lease a car for less than 1 percent interest. Not only that, the company also let you sell the car and use the money—so long as you agreed to return a car of comparable value when the lender calls in the loan. What's more, if the price of cars started going up—and the lender became worried you couldn't afford to buy one back to return—the leasing outfit would actually step in behind the scenes to hold down car prices on the market! So you could buy a car back for less than you sold a comparable one, return it to the leasing

company, and walk off with a handsome profit. And the leasing company would get their car back, undriven, plus the 1 percent interest.

Quite a deal, isn't it? But workers don't have that option, of course. We're members of the wrong class.

Giant banks do have such an option, however. And that's how it has worked over the past decade, until it started *not* working so well a year or so ago. How is it done?

Central banks, which hold large quantities of gold, lend it to a handful of the largest commercial and investment banks and insurance companies for a nominal interest rate—usually around 1 percent. These financial institutions then turn around and either sell that gold and invest the cash in bonds, or lend it to someone else for a small fee. The world's biggest banks then create a market in what are called gold derivatives—a highfalutin term for bets on the future direction of gold prices (their bet always is that prices will stagnate at worst)—and manipulate that market to help keep the price down. So, when it comes time to give back the gold to the lender, the borrowing institution buys it back at a lower price, pockets the difference, and returns the gold.

That's wonderful for the "bullion bankers," as they are called—so long as capitalism is in an upswing, stock prices are soaring, real interest rates are relatively high, and not too many well-endowed institutions or wealthy individuals around the world are interested in buying gold. But when all that begins to go into reverse, the demand for gold starts increasing and its price begins edging up. All those outstanding bets on a declining future price of gold—amounting to tens of billions of dollars—don't look so good anymore. The derivatives become time bombs. The banks face a tightening squeeze. And they will fight to avoid the destabilizing consequences of violent swings *not only in gold prices but also in all major commodities and the prices of major currencies in the imperialist world*.

What's more, those wagers on the price of gold are themselves only a small fraction of the overall outstanding bets—on the direction of interest rates, of the value of the dollar and other currencies, of the prices of stocks and commodities, and of many others. Worldwide, the nominal value of those bets—those derivatives—more than doubled between 1995 and 2001, to a total of about \$120 *trillion*. And in the United States, 60 percent of derivatives are held by only five financial institutions, with J.P. Morgan Chase holding the largest share—some \$25 trillion—followed by Bank of America and Citigroup.¹ So, as the direction of interest rates, the dollar, stocks, gold, and other commodities began rapidly shifting over the past two years, those long-term bets started getting shaky. It's a bit as if the undisputed favorite had broken his leg halfway through the Kentucky Derby, when the bets are already down. So much for another "sure thing."

1. By the end of 2003 the nominal value of derivatives worldwide had reached nearly \$200 trillion, with more than a third held by U.S. banks. By the end of the first quarter of 2004, the top five holders among U.S. banks accounted for 94 percent of all U.S. derivatives, with J.P. Morgan Chase alone holding just over 50 percent (almost \$40 trillion).

IF YOU LIKE THIS PAPER, LOOK US UP

Where to find distributors of the *Militant*, *New International*, and a full display of Pathfinder books.

UNITED STATES

CALIFORNIA: Los Angeles: 2826 S. Vermont Ave. #9 Zip: 90007. Tel: (323) 737-2191. E-mail: laswp@sbcglobal.net **San Francisco:** 5482 Mission St. Zip: 94112-1015. Tel: (415) 584-2135. E-mail: swpsf@sbcglobal.net

FLORIDA: Miami: 6777 NW 7th Ave., Suite 5. Zip: 33150. Mailing address: P.O. Box 381395. Zip: 33238. Tel: (305) 757-8869. E-mail: swpmiami@att.net

GEORGIA: Atlanta: 2840 NE Expressway, Suite 102. Zip: 30345. Tel: (404) 471-1165. E-mail: swpatlanta@bellsouth.net

ILLINOIS: Chicago: 3557 S. Archer Ave. Zip: 60609. Tel: (773) 890-1190. E-mail: Chicagoswp@sbcglobal.net

IOWA: Des Moines: 3707 Douglas Ave. Zip: 50310. Tel: (515) 255-1707. E-mail: swpdesmoines@qwest.net

MASSACHUSETTS: Boston: 13 Bennington St., 2nd Floor, East Boston. Zip: 02128. Tel: (617) 569-9169. E-mail: swpboston@verizon.net

MINNESOTA: Minneapolis: 1311 1/2

E. Lake St. Zip: 55407. Tel: (612) 729-1205. E-mail: tcswp@qwest.net

NEW JERSEY: Newark: 168 Bloomfield Ave., 2nd Floor. Zip: 07104. Tel: (973) 481-0077. E-mail: swpn Newark@optonline.net

NEW YORK: Manhattan: 306 W. 37th St., 10th Floor. Zip: 10018. Tel: (212) 629-6649. E-mail: newyorkswp@mac.com

PENNSYLVANIA: Philadelphia: 188 W. Wyoming Ave. Zip: 19140. Tel: (215) 455-2682. E-mail: philaswp@verizon.net

TEXAS: Houston: 4800 W. 34th St., Suite C-51A. Zip: 77092. Tel: (713) 688-4919. E-mail: swp.houston1@sbcglobal.net

WASHINGTON, D.C.: 3717 B Georgia Ave. NW, Ground Floor. Zip: 20010. Tel: (202) 536-5080. E-mail: swp.washingtondc@verizon.net

WASHINGTON: Seattle: 5418 Rainier Ave. South. Zip: 98118-2439. Tel: (206) 323-1755. E-mail: seattleswp@speakeasy.net

AUSTRALIA

Sydney: 1st Flr, 3/281-287 Beamish St., Campsie, NSW 2194. Mailing address: P.O. Box 164, Campsie, NSW 2194. Tel: (02) 9718 9698. E-mail: cl_australia@optusnet.com.au

CANADA

QUEBEC: Montreal: 7105 St. Hubert, Suite 106F, H2S 2N1. Tel: (514) 272-5840. E-mail: clc_can@bellnet.ca

FRANCE

Paris: P.O. 175, 23 rue Lecourbe. Postal code: 75015. Tel: (01) 40-10-28-37. E-mail: milpath.paris@laposte.net

NEW ZEALAND

Auckland: Suite 3, 7 Mason Ave., Otahuhu. Postal address: P.O. Box 3025. Tel: (9) 276-8885. E-mail: clauack@xtra.co.nz

SWEDEN

Stockholm: Bildhuggarvägen 17, 12144 Johanneshov. Tel: (08) 31 69 33. E-mail: kfstockholm@tele2.se

UNITED KINGDOM

ENGLAND: London: First Floor, 120 Bethnal Green (Entrance in Brick Lane). Postal code: E2 6DG. Tel: 020-7613-2466. E-mail: clondon@onetel.com

SCOTLAND: Edinburgh: Second Floor, 105 Hanover St. Postal code: EH2 1DJ. Tel: 0131-226-2756. E-mail: cledinburgh@talktalk.net

NEW INTERNATIONAL NO.12

IN THIS ISSUE:

Capitalism's Long Hot Winter Has Begun
by Jack Barnes

Their Transformation and Ours: SWP Draft Resolution

\$16

WWW.PATHFINDERPRESS.COM



Workers need to take power

Continued from front page

workers and farmers government.

Washington’s “bailout”—in all the forms and alternatives being debated by the Democrats and Republicans—is a scam from start to finish. It is a massive giveaway to a handful of wealthy bankers and business owners.

Meanwhile, working people—the vast majority—face rising unemployment, speedup and increasing deaths and injuries on the job, declining real wages, farm and home foreclosures, spreading imperialist wars, and tightening restrictions on our rights to organize and act. The assaults fall most heavily on workers who are Black, Latino, or members of other oppressed nationalities, those who are female, and those who are immigrants.

For working people, the “bailout” is a diversion from recognizing the true source of the crisis—capitalism—and what *we* must do to defend workers and the oppressed. This disaster does not stem from a lack of regulation by Washington or “bad oversight.” It is the product of the workings of the capitalist system. No matter what “bailout” package or financial “rescue deal” the capitalist politicians ultimately adopt, no matter whether Democrat Barack Obama or Republican John McCain is elected in November, the devastating consequences of this crisis for working people are already beginning to mount.

The government’s own jobless figures are already the highest in five years, and many more will be thrown out of work in the months and years ahead. Living and job conditions are worsening. With more and more toilers in Africa, Asia, and Latin America being drawn into wage labor and market farming, the crisis today strikes with special vengeance against widening layers of the population in those regions.

Ever since the late 1960s the capitalists worldwide have seen a fall in their profit rates, which had climbed to new heights in the wake of the imperialist slaughter and destruction of World War II. The employers face stiffening competition, shrinking outlets to boost profits by expanding productive capacity and putting more workers to work, and repeated banking and financial crises.

In face of these pressures, they are driving down workers’ wages, increasing hours, speeding up production, cutting government social programs, and going after our unions. They have inflated credit to never-before-seen levels, creating giant debt balloons that are now bursting one after another. And we are only at the beginning of the nightmare.

As my running mate Alyson Kennedy and I have stepped up our campaigning at factory gates, campuses, and in working-class communities across the country, we have received a more and more receptive hearing to what the Socialist Workers campaign has to say. We explain that until the working class and our organizations take *political power*, the crisis is going to get much worse, and it will only be “resolved” over

time on the bruised and bloodied backs of working people the world over.

Workers are already engaged in struggles against the employers’ attacks—in resistance to immigration raids and demonstrations for legalization, in battles by meat packers to slow down line speed, in fights for unionization, and in protests against police brutality and the racist and antiwoman discrimination endemic to the capitalist system.

The bosses are increasing their efforts to sap our strength and divide us by pitting U.S.-born against immigrant, white against Black, male against female. They are driving harder against unions. The government will crack down with greater ferocity against workers and farmers who stand up for their rights. Assaults by ultraright groups, such as those against undocumented workers, will increase.

The working-class fighters emerging from these initial skirmishes with the bosses and their cops will take the lead in building the kind of revolutionary movement of tens of millions we need to get rid of the capitalist system.

To combat unemployment and inflation, such a movement will mobilize to demand shortening the workweek with no cut in take-home pay and a massive public works program to put millions to work at union-scale wages, building housing, schools, hospitals, and repairing infrastructure. It will fight for cost-of-living adjustments in wages, pensions, and all benefits. It will demand a halt to farm and home foreclosures.

When bosses squeal with claims they “can’t afford” adequate pay and decent working conditions, we say, nationalize them and run them under workers’ control. The energy industry should be nationalized right away. Open the books of the oil and gas monopolies, so working people can see their real costs and the enormous profits they are raking in. Operate coal mines, power plants, and refineries under workers’ control to guarantee job safety and eliminate pollution. This is essential practice for workers in taking power and organizing society in the interests of the great majority.

To unify the toilers, we must demand legalization of all the undocumented. Enforce affirmative action in hiring, education, and housing. Withdraw all U.S. troops from Iraq, Afghanistan, and every other country. Cancel the debt of semicolonial countries and lift all U.S. tariffs and protectionist agreements paraded as “free trade,” which are in reality directed at maintaining the superexploitation of these countries.

The only class that can lead this kind of movement is the working class, in alliance with the working farmer. To workers taking part in today’s class battles, and to young people attracted to these fights, we say, let’s work together to build a revolutionary movement that can sweep the capitalist system off the face of the earth and replace it with a socialist world based on human solidarity.

Join us in campaigning for this perspective. Vote Socialist Workers on November 4!

Classes at Spelman discuss Cuba

Continued from page 6

explained that in Cuba health care is not a commodity. It isn’t bought and sold. It is a basic human right, free to all, as is education up to and through university and post-graduate studies. She also talked about Cuba’s role in helping to train medical personnel and build a public health system in Equatorial Guinea, which Waters had just visited.

In response to a student from South Florida who challenged the facts she had presented about Cuba and objected that there is no democracy or freedom

Correction

The articles “Young Guinean doctors are key to building public health system in Equatorial Guinea” and “Cuban medical cooperation with Equatorial Guinea: the internationalist example of a socialist revolution,” in the September 22 and 29 issues, respectively, stated incorrectly that Cuban medical personnel are working in 18 of the country’s 21 districts. Equatorial Guinea has 18 districts, and the Cuban medical volunteers are working in all of them.

in communist Cuba and China, Waters said, “Let’s talk about Cuba, not Cuba and China. They are not the same. In fact, the two are polar opposites. In Cuba health care and education are rights, in China they are not. In China, if your family can’t pay you get neither health care nor education.”

“There are housing problems in Cuba,” she noted, “big housing problems. They will now be even more acute given the devastation of hurricanes Gustav and Ike, which damaged or totally destroyed more than 400,000 homes. But Cuba is not New Orleans after Katrina. No one is homeless there.”

It is simply false that there is no freedom of religion, she said. For a time Communist Party membership was not open to religious believers, but even that changed almost 20 years ago.

“The U.S. government says there are no elections in Cuba because they don’t like the results,” she added. Washington wants to restore capitalism in Cuba, with a government that defends that system. But in Cuba, working people decide their government and its policies, not Wall Street, and not Washington, she said.

Bank bailout

Continued from front page

everyone from Norwegian pensioners to investors in the Reserve Primary Fund, a U.S. money-market mutual fund that was supposed to be as safe as cash.”

“As fear spread,” wrote Robert Samuelson in a *Washington Post* column, “financial institutions grew wary of dealing with each other because no one knew who was solvent and who wasn’t.”

The U.S. rulers hope that handing massive amounts of money to the banks will unclog the credit freeze gripping U.S. banks and the world financial system.

Not a mistaken policy

However, the financial crisis is not the result of a mistaken policy, poor regulation, or a temporary loss of confidence, but of the capitalists pouring money into all kinds of financial paper in the hopes of making huge profits, which they cannot get from investing in production and new factories. They blew up giant debt balloons that are rapidly deflating. The best they can do is temporarily stave off their immediate problems. As the crisis deepens it will eventually lead to massive layoffs that will impact millions of working people.

The \$700 billion bailout bill would have authorized the treasury secretary to purchase any assets from any bank at a price set by the Treasury. The Treasury would receive nonvoting shares of stock in financial institutions receiving bailout funds.

The bill said that if the government does not regain all of its money after five years, the president would be required to submit a plan for recovering the money “from entities benefiting from the program.” The government also promised to approve “reasonable” adjustments on mortgages it took over.

Republican and Democratic Party presidential candidates John McCain and Barack Obama respectively announced September 28 that they supported the plan. Some 40 percent of Democratic Party legislators and two-thirds of Republicans voted against the plan, hoping this would aid their reelection prospects in November. Several of them cited the bailout’s unpopularity among working people.

Even \$700 billion may not be enough. “A broad range of borrowers, not just mortgage holders, are now starting to default on their debt,” noted an article in *Australian Business*. “About 2.4 percent of payments on credit cards are more than 90 days overdue, according to the Federal Deposit Insurance Corporation, the highest level since 1991.”

Banks have reported about \$400 billion in bad credit, but this could exceed \$1.5 trillion as banks write off bad loans not only from mortgage-related securities but consumer loans, credit cards, and student loans, economist Nouriel Roubini at the Stern School of Business at New York University told the *New York Times*.

Over the last few days in September six governments in Europe committed about \$160 billion to bail out large financial institutions. These included Bradford & Bingley in the United Kingdom, Fortis in Belgium, Hypo Real Estate Group in Germany, Dexia Bank in France and Belgium, and Glitnir Bank in Iceland.

Largest bank failure in U.S. history

The collapse of Washington Mutual is the largest bank failure in U.S. history. It occurred after bank customers withdrew \$16.7 billion in deposits in 10 days, 9 percent of the \$188 billion total bank deposits.

After Washington Mutual’s stock fell to 45 cents in after-hours trading September 25, the Federal Deposit Insurance Corp. (FDIC) seized control of the bank and then immediately sold it to J.P. Morgan Chase for \$1.9 billion. J.P. Morgan Chase plans to write down \$31 billion in “toxic assets” it acquired while taking control of Washington Mutual’s \$307 billion in assets, reports the *Journal*.

The FDIC, which insures deposits of up to \$100,000, could have had its funds virtually wiped out if it had to cover insured deposits at Washington Mutual and Wachovia. The Senate is proposing to raise the insurance limit to \$250,000 through 2009.

“Emergency federal funding of the FDIC could swell the cost of government rescues of failed financial institutions to more than \$400 billion—not including the \$700 billion general Wall Street bailout now under discussion in Congress,” said Bloomberg news.

Of the total \$7 trillion held in U.S. branches of all FDIC member banks, 37 percent is not insured.