

THE COMMENTATOR

NYC

25¢

No. 9

A Marxist Analysis of Issues and Events

Aug. - Sept.

OUT OF THE FRYING PAN, INTO THE FIRE

A POLITICAL ANALYSIS OF GEORGE WALLACE

The American political scene is in the midst of great upheaval and confusion. Many Americans have lost faith in the traditional two-party system. Some have given up on electoral politics altogether, but many of these dissatisfied citizens would support George Wallace as a third party presidential candidate.

In a three-way race for president, the Harris survey of May 12, 1975 gave 23% of the vote to a Reagan-Wallace ticket, against Ford-Rockefeller and Kennedy-Glenn tickets. In Harris' own words, "such a three-way race could reverse modern political trends and leave the political party system in a shaky position. The survey goes on to point out that a "Reagan-Wallace ticket draws as much from Senator Kennedy's potential votes as it does from those of President Ford."

George Wallace has been growing in the cracks of national electoral politics for more than a decade. He has already run in the Democratic presidential primary races of 1964, 1968 and 1972. In 1968 he ran for president as the American Independent Party candidate, getting nine million votes and winning five southern states. Had the '72 Wallace campaign not been cut short by an assassination attempt, it would probably have had even greater impact than the '68 campaign.

What is the basis for Wallace's growing popularity? What are his economic and political programs? How would they affect the country and the world? To answer these questions, we must first look at the general state of the nation.

The United States is in the beginning stages of an economic crisis which shows every

sign of getting worse. Rents and prices are still on the rise after skyrocketing for several years. In recent months, coupled with only a slowdown of inflation, has come skyrocketing unemployment, now over 9% nationally according to official figures (which exclude many who are jobless).

WALLACE'S POPULAR APPEAL

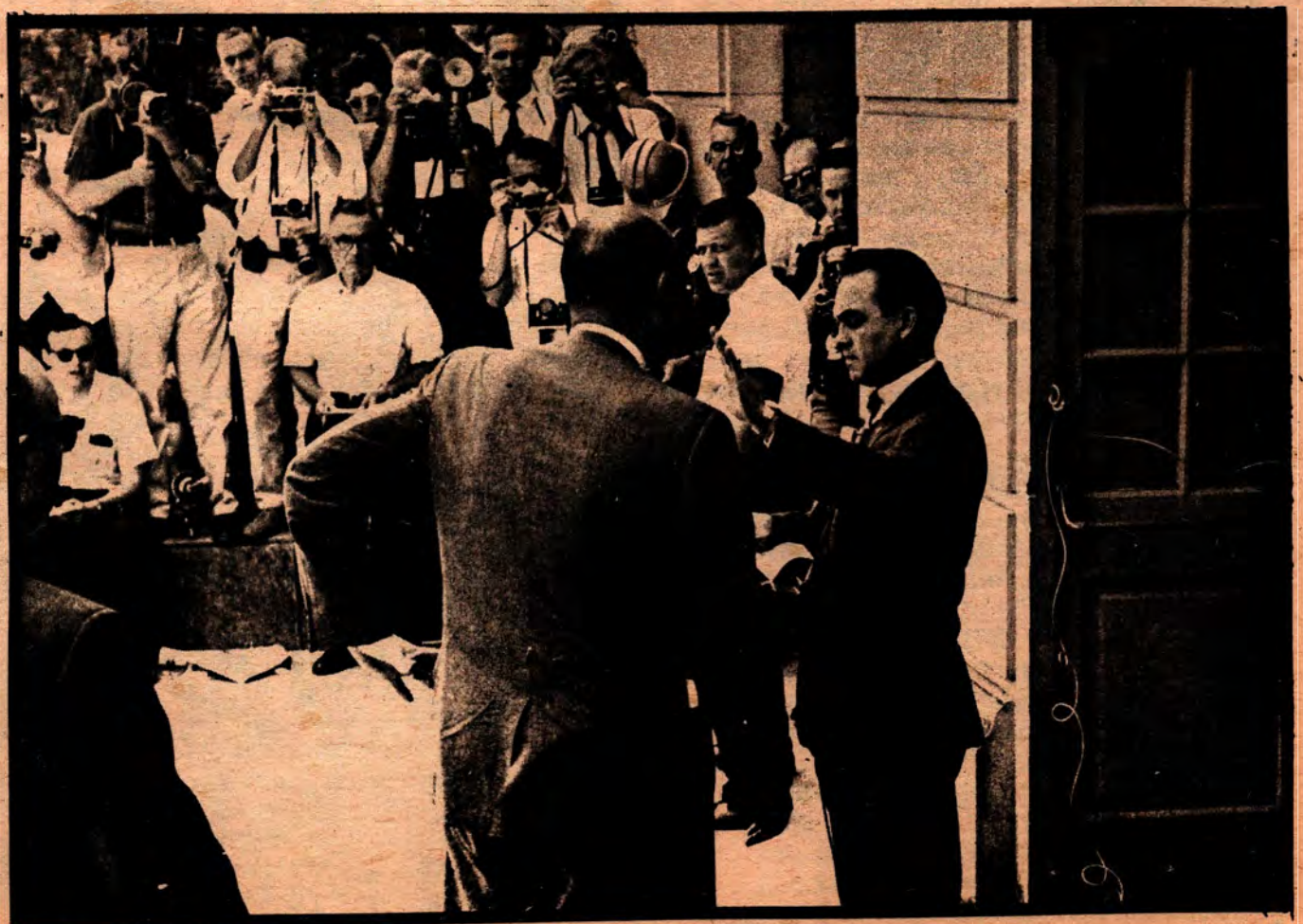
The American Dream of continually increasing prosperity is now failing to materialize for the small businessmen and the many white working people who believed in it. More and more, "just breaking even" becomes an impossible goal.

And with the declining economy has come a deterioration of public schools, declining public services and a growing crime rate (especially theft and theft-related crimes).

"We have worked hard all our lives," many people are saying, "but now we are losing everything we worked for. Why? Who is to blame?"

"People on one end are looked after and people on the other end are looked after, but those in the middle are looking after everybody," Wallace answers. He speaks of "the great mass of middle-class America" that is being robbed by the very poor and the very rich. And he por-

cont. p. 3



Schoolhouse door, 1963: His podium and microphone in place, Wallace confronts Deputy Attorney General Nicholas Katzenbach at entrance of the University of Alabama. Wallace's appearance of defiance was belied by quiet arrangements he made to back down.

GIVE US YOUR TIRED, YOUR POOR,...

Recently, President Ford and his cohorts appealed to the U.S. people to welcome the Vietnamese refugees, thereby continuing the time-honored tradition of welcoming the poor and oppressed of other lands. Rarely has so much hypocrisy been compressed into so few words.

...YOUR WEALTHY, YOUR FASCISTS

The Vietnamese and Cambodian refugees were, for the most part, not the poor and oppressed of their societies--but rather the rich, the oppressors and their hangers-on. The wealthiest of these refugees had shipped their gold out of the country ahead of them and stashed their private fortunes in Swiss banks. (This has been no great secret even to the papers here.) These fortunes represent money they stole from their own people or accepted as bribes from the U.S. government to betray their own countries. There are some among the refugees who might genuinely be classified as poor and oppressed. These were people driven from their own countries by the scare campaign the U.S. embassies mounted predicting mass executions after the communists took power. However, numerous sources, including the most reactionary, have since failed to detect any campaign of mass executions. A few of the top war criminals and some thieves have been shot, but nothing to even remotely compare with the Indonesian or the Chilean bloodbaths that Suharto and Pinochet engineered with the covert assistance of the U.S.

THE INVASION OF THE BODY SNATCHERS

It was the last, parting, "humanitarian" gesture of U.S. imperialism that was more hypocritical and disgusting than anything that went before it, as operation "kidnap" was put into effect. This same U.S. imperialism that had devoted almost two decades to the destruction of Vietnam, to the murder of parents and children alike, now swooped down to snatch away the children of Vietnam without any great concern as to whether the children still had parents--then to distribute them to well-to-do families like so many cupie dolls.

IN GOOD TIMES AND IN BAD

The current activities of the Immigration and Naturalization Service, with the cooperation of police agencies all over the country, stand in sharpest contrast to President Ford's appeal. With increasing viciousness, these agents have been conducting gestapo-like raids in many Third world communities around the country, harassing, rounding up and deporting Mexicans, Haitians, Dominicans, West Indians, Asians, Latin Americans and others.

In good times (before the economic situation here had become so severe) hundreds of thousands of immigrants came



from these countries--both legally and "illegally"--to get work. The capitalist class, far from stirring up public sentiment against these immigrants, welcomed them as an excellent source of cheap labor; cheap because wages are lower still in the countries they come from, cheap because their situation here is a desperate one (lacking the rights of citizens and, in the case of the "illegals", lacking any rights at all) and cheap because they are non-white and non-whites have it rough even if they are born here! But, now that capitalism is again in crisis and the capitalists find it necessary to restore profits through layoffs, now--after having sweated at the lowest possible wages to enrich these same capitalists--

now, these "honored guests" are to be unceremoniously kicked out. Not only are these laborers to be kicked out; they are pointed to as the cause of unemployment.

IMMIGRATION, EXTERMINATION, AND SUBJUGATION

These Third World immigrants are not the first to be kicked out of this country. Rather, the first immigrants founded this country by kicking off, exterminating and holing up in a few, miserable concentration camps the original inhabitants of the land--the American Indians.

It is quite true that many of the earliest immigrants were the poor and oppressed of England. However, some among those that came to escape religious persecution in England stayed to persecute the native "heathens" in the name of religion and more often still to a purpose higher than God--Profit! The riches to be had in the New Land lured the rich and many more poor came as bonded servants to these wealthy settlers. Still other "pioneers" came at the behest of English fur and other trading companies.

Not long after, another stream of immigrants came to our shores, against their will. The Africans were sold into slavery here in order to man the Southern plantations.

REMEMBER WHEN THE STREETS WERE PAVED WITH GOLD?

Immigration continued. But by around 1890 it began to change its source--it began shifting from Northern to Eastern and Southern Europe.

If the Northern European immigrant was eventually able to escape working for some capitalist by moving West and staking claim to farm or ranch land or moving up and becoming a capitalist himself, this was much less true of this new wave of immigrants. By the time they arrived, the Pacific had been reached and all claims staked. Rather, they came and sweated in factories and shops for long hours under horrible conditions. The more "native" North European workers were incited to look down on these newer immigrants and considered them a constant

trays himself as the representative of this middle class--the average citizen, the farmer, the working man, the little businessman--in its battle against Ivory Tower pointed heads, Federal bureaucrats, loafers and welfare cheats.

IS WALLACE AGAINST BIG BUSINESS?

The Republican party has, since the Great Depression been considered a pro big-business party. In recent years, the Democrats have shown themselves to be hardly better than the Republicans. A major part of Wallace's appeal is his anti big-business image. Is there any reason to believe that Wallace, whose campaign received \$250,000 from the late billionaire, H. L. Hunt, is really opposed to big business?

In fact, there is every reason to believe the opposite. In an April 29, 1972 interview with Business Week magazine, Wallace laid out his economic program in some detail.

Wallace says he is opposed to the growing Federal bureaucracy, yet he is opposed to any cuts in defense spending. The Department of Defense consumes over 60% of the Federal budget and is far and away the largest Federal bureau.

Wallace says he is for tax reform, yet he opposes a capital gains tax (a tax on profits).

Wallace says that perhaps the 23% oil depletion allowance should maybe be lowered a little, at a time when many politicians are calling for it to be abolished.

Wallace says he is against foreign aid, supposedly to keep money in the country. Yet he favors foreign investment. Only the tiniest part of money leaving the country is foreign aid. Mostly it is foreign investment and military spending.

Wallace says he supports Federal works programs to ease unemployment yet he is quick to stress that "the private sector can make better use of the money and create more jobs with it than the government can." In other words, it is better to subsidize big business than to create Federal job programs.

Wallace says he is opposed to special tax breaks for the rich, yet he wants to keep the tax-free exemption for state and municipal bonds. These bonds are issued in very large denominations, and are held mostly by large banks, brokerage houses, and wealthy private investors. Interest on and repayment of these bonds often comes off the top of tax revenues, making these bonds virtually

risk-free as well as tax free.

Further, Wallace says he is opposed to deficit spending, yet he supports the issuance of state and municipal bonds to raise public funds. But a bond is nothing but an I.O.U. from the government. Issuing bonds is precisely the way a government borrows money and goes into debt.

In short, Wallace says he is for the average citizen and against the "establishment", but his own positions show him to be just as pro big-business as Nixon, Ford, Humphrey or Jackson -- only a bigger liar.

What about the other side of Wallace's program--opposition to the welfare cheats and loafers. If Wallace lies about being against big business, he not only is telling the truth about his opposition to the poor, but understating his position.

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Nixon and Wallace: A Nixon-Wallace meeting in Alabama in May, 1971, prompted speculation that Nixon had dropped a federal tax investigation of George and Gerald Wallace in return for a promise by Wallace not to run in 1972 on a third-party ticket.

There is a set of ideas current among many white working and middle class people that, taken as a whole, blame black people for the current breakdown in American society. This trend of thought depicts black people as lazy and immoral, as people who would rather have a dozen kids and live off welfare than work for an honest living. It pictures blacks as the chief perpetrators of violent crime, the carriers of drug addiction and the main cause of decaying schools and neighborhoods.

George Wallace does not publicly espouse this set of ideas, though many of his supporters do. To be openly racist is not quite acceptable for a presidential hopeful...

yet. But consider the following exchange between N.Y. Times columnist James Reston and Wallace:

Let me ask you this. The President has said that we are going to have abnormal unemployment for at least three years in this country. Now, that carries us through the Bicentennial; it carries us through the election. At the same time, the Bureau of Labor Statistics put out the statistics that today 41.1 per cent of teen-age blacks in this country are out of work. Now, I don't know about you -- that's a scary statistic to me, and I guess my question is whether you think we can go through this period for three more years with this kind of unemployment without violence in the streets?

No, I don't think so, and I don't like to talk about it because I don't want to encourage it at all, but I think this country, the Government, will have to do something for the hard-core unemployed--maybe as employer of last resort. But this matter has to be handled in the sense that the hard-core people must have

some hope and some way of being employed if they will work. Now, to that person -- no matter what his background -- that doesn't want to work, then the country is going to have to be tough on him. If he has the availability of a job, whether he be white or black, and won't accept it, and then if he commits a crime, we ought to be able to handle him in the proper manner to get him off of society.

Wallace's answer assumes that many of these black youth do not want to work. While not so straight-forward it is clearly based on the view of society outlined above.

"So what is wrong with this outlook?" some may ask. "Who

Wallace--cont.

cares if it is racist? It's the truth."

In the first place this picture is false. Most people who believe these ideas are ignorant of the fact that, on a national level, seven out of ten welfare recipients are white. And current government figures show approximately 80% of black adults work for a living (even with today's generally high unemployment). Crime and other social problems that are ascribed to Blacks are actually more or less directly related to poverty (an economic condition that includes more and more whites every day).

This brings us to the second and more important reason to oppose these views -- the self-interest of working people as a whole.

Many Wallace supporters believe that cuts in welfare benefits and social services are aimed only or mainly at the Blacks. They believe in giving more leeway to the police to handle criminals who are mainly black.

As the economic crisis assumes larger proportions, large numbers of working people are going to be out of work for long periods and in need of welfare. Many more workers will be forced to strike against speed-up, unsafe working conditions, or for unionization. Inevitably the large majority of these workers will be white.

The Wallace supporter who votes today to cut welfare benefits, is voting to cut his own welfare benefits tomorrow. He votes today to let the police handle criminals "in the proper manner." Tomorrow the police will thank him as they break up his picket-line and his head, "in the proper manner." He votes for Wallace in order to help himself, but actually he is voting to help big-business.

There is another purpose of the big monopolists that is served here. Every bit of anger that white working and middle-class people direct against the Blacks is that much less anger directed against the monopolists, the real criminals behind the economic crisis. And the more that Blacks and Whites argue with each other, the better big business likes it. It is the old game of divide and rule, a game which Wallace has made a whole political career out of playing.

WALLACE'S RECORD IN ALABAMA

Let us note, in passing, the results of these divide and rule politics in Alabama, where Wallace (or his wife) has been governor for ten of the last twelve years.

Sales tax was only the beginning. Official racism (5 out of 1,556 gubernatorial

appointees have been black) has covered up many other anti popular measures. The sales tax hits working people the hardest. But property taxes, which hit the rich the hardest are extremely low in Alabama, and assessed property values for some big corporations are so low that a Federal court has ordered a sweeping review of assessments.

During Wallace's term of office the state debt has nearly doubled. At the same time there have been only slight increases in workmen's compensation and unemployment insurance payments. Alabama still has a right-to-work law -- which prohibits the union shop -- and it remains one of nine states with no minimum wage law of its own.

All of these measures have been to the detriment of the majority of the people of Alabama. When Governor Wallace took office in 1963, Alabama was 48th among the 50 states in per-pupil expenditures for public education, 47th in the percent of draftees passing the armed forces mental test, 45th in per-capita income, 47th in percent of residents living above the poverty line, 45th in infant survivability, and 48th in doctors per 100,000 people.

The latest statistics, for the early 1970's, show Alabama 50th in per-pupil expenditures, down two notches; 48th in percent passing the armed forces test, down a place; 49th in per-capita income, down four; 48th in degree of poverty, down one; 48th in infant survivability, down three places; and 48th in the number of doctors per 100,000, no change.

WHAT IS WALLACE LEADING UP TO?

George Wallace's accomplishments in Alabama serve only as an introduction to what we could expect from a Wallace presidency. Of course his policies would be pro big-business, anti working-class and extremely racist. But the United States under Wallace would not simply be a repetition of Alabama.

Many people see Wallace as a new kind of political figure, and are thus unsure of the kind of president he would make. But Wallace is far from an original.

In the not so distant past, a certain country had a minor-party candidate for national office. Like Wallace, this candidate's popularity grew as public disenchantment with the major political parties grew. Like Wallace, his popularity really flowered with the onset of an economic crisis. Like Wallace, this candidate posed as an anti-establishment candidate. Like Wallace, he claimed to represent the middle class against the monopolies and against the poor.

Also like Wallace, this candidate blamed his country's problems on a minority group that was supposedly robbing the country blind. And like Wallace, law and order and anti-communism were cornerstones of his program.

Wallace himself pretty much let the cat out of the bag when he declared that the United States fought on the wrong side in World War II. The country is Germany and the candidate was none other than Adolph Hitler.

There are differences, many people will say. Yes, there are, but let us examine them closely. Wallace blames Black people for the country's problems, Hitler used the Jewish people as scapegoats. The

Civil-rights movement is quite recent, so Wallace must keep his racism under the cloak of code words like 'welfare chisler' and 'crime'. Hitler was able to be openly anti-Semitic. The democratic traditions of the United States are of long standing, so Wallace must appear to be democratic, even as he would systematically destroy democracy. Germany had only a short experience with political democracy, thus Hitler easily dispensed with it. It is sufficient for Wallace to come off as anti-establishment; Germany had the second largest left-wing (other than Russia) in the world so Hitler had to call himself a Socialist.

The differences here are not fundamental, only tactical. They are no more than the reflection of the differences between Germany and the United States. Americans should remember that Germany was not the only country to become fascist. Italy, Japan, Finland, Hungary, Spain, part of France, Portugal, and today--the Phillipines, South Africa, Chile and the Soviet Union have all succumbed to fascist dictatorships. These countries are as different from one another as from the United States. There is nothing unique about the United States. It can happen here. □

Immigrants--cont.

menace to their jobs and livelihood. They were ostracized, discriminated against and even segregated into ghettos to a certain extent; teeming slums of the Lower East Side, Little Italy, Hell's Kitchen, etc.

The fact that many of these immigrants were able to improve their lot was chiefly due to two circumstances. The first was unionization and the struggles of labor. The second has to do with the fact that U.S. capital regained its footing through WWII and began to expand rapidly. This enabled, as always, a percentage of the newer wave of immigrants to move up and even out

Depression--cont.

all levels. In this crisis it is not just the capital of various big magnates which is at stake--but huge amounts of "public" capital is directly involved. Large numbers of wealthy bondholders (who hold this debt) are state monopoly capitalists. All levels of government are directly part of the "money making" machine. So the government is becoming directly involved in this crisis as in no previous capitalist crisis.

By all indications the crisis we are entering--far from being milder than the Great Depression--will be much more severe. We have already entered a stormy period--and what we have seen to date are but the first dark clouds.

CAPITALIST SOLUTIONS TO THE CRISIS

In an economic crisis, profits drop and bankruptcy threatens all the weaker capitalists. For the capitalists the chief thing is to restore profits. The principal way to do this is to cut costs. This means wages first of all, but also everything else. Not only are millions thrown out of work, but those that remain at work are forced to work even harder. Pressure increases for direct or indirect wage cuts--either accept a cutback or you are laid off. This school of thought, the Hoover school (Ford and Rockefeller are its latest exponents), has a fatal hitch. The attacks on the working class further shrink an already shrunken mass market and make profits yet harder to come by from the other end--the sales end.

There is another school which recognizes this problem of markets--and no doubt has its economic roots in those businesses that are closer to the problem of selling goods--the retail merchants. This school thinks the problem can be solved by increasing the spending power of the people, thereby increasing the mass market. But every capitalist knows the weakness of this school. It's quite all right for other capitalists to increase the wage they pay their employees..."but as for me--sorry, no, it would cut into profits--don't you see?" More wages mean less profit for the individual capitalist who pays them! Alas...

Still another school, connected to the above, is the school of thought that thinks one can get around all these difficulties by postponing them--by increasing governmental purchases and spending without a corresponding increase in taxes of course. This is called deficit spending, increasing the public

debt. In actual practice this is the school which has predominated ever since WWII and has brought us up to the present state--a state of massive governmental debt and an inflated currency. Governmental debt either converts itself into money or into bonds, or both. The result of one is inflation--depreciation of the currency, and the result of the other is an ever mounting pile of debt and interest payments along with skyrocketing interest rates. Both of these in turn ultimately conspire to further erode the mass consumer market--and voilà--we are back at our starting point.

Finally, there are even those who are beginning to speak of the necessity of introducing some kind of planning to overcome the admitted anarchy and glaring contradictions. But what kind of "planning"? Voluntary planning, planning which "advises" and "suggests" to the capitalists but which does not dictate and is unenforced. To go beyond that would mean to go against "free enterprise", to violate the freedom of the capitalist, something which bourgeois economists and the government are loathe to do--being in the pay and control of the big capitalists. When it comes down to a choice between abiding by a planner's suggestion or chasing after greater profits--well, it's easy to guess which will win out.

Not a single one of the government or bourgeois economists dare utter the simple obvious solution to the predicament.

THE MARXIST SOLUTION

All capitalist solutions fail, fall short of the mark, because they do not touch on the cause of economic crisis--namely, capitalism itself--private ownership of the means of production--production for profit, in conflict with the needs of society--and hence anarchy of production.

The solution is suggested by the very course of capitalist development itself--which concentrates capital, the control of the economy, into fewer and fewer hands--and has increasingly been merged with government itself. The greatest bulk of the small capitalists have long since been expropriated from any significant control of the economy. The pinnacles of the economy are ripe, far past ripe, for expropriation. It requires but one more small step--small in one sense--to centralize control of the means of production completely--remove its control and ownership from the insignificant minority who now control it for their own profit, convert it into public property and run the economy according to

plan, in accordance with the needs of the people.

This is no longer the fantasy of idle dreamers. This is perfectly practical and will work. It worked in the Soviet Union until the death of Stalin, it is working in China and other countries this very day, countries where economic crisis is now unknown.

But of course the present government will never undertake the simple, easy and obvious steps to end the crisis because this means ending capitalism, and this is a government of the capitalists--of the Rockefellers and DuPonts and Morgans and Pews. Nor will this government ever peacefully step aside to make way for the workers to take the helm and run the ship of state. Therefore the working people will be obliged to make a revolution--to do away with the present government and install their own with which to hold down the capitalists and carry out the economic transformation of society along socialist lines. The growing crisis will impel working people to begin organizing themselves to fight the effects of this crisis--against unemployment, for jobs created by government spending, for more adequate and complete unemployment benefits, against wage cuts, etc. At the same time, working people will have to begin thinking about the fight against the cause of the present crisis.

In sum, we are entering stormy times indeed, but times in which one can begin to hope and work for change--for socialism--for revolution. □

Indochina--cont.

ever, is a difficult task. The installation of puppet governments, subservient to the interests of the capitalists, is at best a stopgap measure. These governments have no base of popular support and must rely on force to stay in power. As the people begin to understand the nature of imperialist oppression, they begin to support the various national liberation forces. The contradictions between the national struggle for independence and imperialist policies begins to come into sharp focus. It is at this point that it becomes necessary for the imperialists to provide military assistance to the puppet governments. Military assistance is not sufficient and it becomes necessary, as we have seen repeatedly in the last 25 years, to send in troops. Direct military intervention becomes

cont. p. 9

DEPRESSION

There have been many "recessions" since WWII but this is the worst of them all. By all evidence, the U.S. and the West are heading into a depression--in fact it has already begun. Unemployment is already 9.2% nationally (by government figures), and practically everyone (including the government) now knows that these figures are fudged. The real rate must be well over 10%. The figure for Blacks and women is much higher and for Black teenagers is officially 42%--meaning well over 50% in reality. In addition, production dropped at the rate of 11% annually in the first quarter. Many banks and big corporations are teetering on the edge of bankruptcy and some have already gone over the edge.

This "downturn" differs from many of the other post-war recessions in that it is affecting all of the West European capitalist countries and Japan. There is also some evidence that the Soviet Union and the East European countries--except for Albania--are being affected too.

It was not so long ago that bourgeois economists spoke confidently of depression as being a thing of the past. Now they have all become prophets of gloom and despair. True, if any indicator turns upward--even momentarily--they rapidly revert to their old optimism, or rather a caricature of it, but not for long. The truth is, that aside from zigzags, everything points downward.

HISTORY OF CRISES

Economic crises are not a new thing under capitalism. The first crisis occurred in 1825, then 1836, 1847, 1857, 1873, 1900, 1907, 1921 and finally the Great Depression beginning in 1929. Things did not really improve until the beginning of WWII. After WWII there were a number of recessions, but none the equal of the 1929 depression.

From 1825 to 1900 the cycles occurred about every ten years. Beginning in 1900, when competitive capitalism gave way to monopoly capitalism, the cycles became much more irregular, and also more violent at their worst.

There were economic crisis even before 1825, but they were not caused by capitalism itself. Capitalism was still in its infancy and the forces of production did not develop with great speed. There were crises due to crop failure, market disruptions, wars, etc. However, they were not the

periodic, cyclical crises which characterize mature capitalism.

CAUSES OF CRISES

What then are the causes of economic crises under capitalism? Capitalism did not always exist. It developed out of feudalism--from small-scale commodity production in feudal society. A craftsman then owned his own tools (means of production), combined his own labor with his raw material to produce his product--say shoes. For the most



part he produced for a well-known market--other craftsmen in the town, some feudal lords or merchants. Moreover, his trade and customers were more or less hereditary and he would pass things on to his sons.

But capitalism begins to change all this. Production is no longer carried on by one or a few craftsmen in their own shop with their own tools. Rather, many workers are brought under one roof. They no longer are their own masters, do not own their tools or raw materials. They now work for a capitalist. The tools are no longer simple. There is machinery, division of labor and mass production. The capitalist pays his workers as little as he can--and pockets the rest. From that he reinvests as much as he can (if conditions are favorable) in order to grab a greater share of the market from his brother capitalists. Either this or perish. His market is no longer the well-known, local, unchanging market of the artisan.

The market is removed in distance and even in time from the capitalist.

In the days of the artisan and craftsmen, production was private and so was appropriation. The artisan produced more or less individually and the product of his labors was appropriated by himself alone and then exchanged for other commodities. As capitalism developed, production gradually became socialized. A shoe or a shirt was no longer the product of a single craftsman (with possibly a few apprentices), but rather the product of many workers under one roof, working together, for a single or collective capitalist, with divisions of labor and machines. In work--production becomes socialized. But appropriation remains private. The tools and the product remain the property of the capitalist--the owner. This contradiction is basic to capitalism. It manifests itself as the contradiction between the workers and the capitalists. It grows sharper and sharper with the development of capitalism.

With the development of technique and machinery, production takes place on an ever larger scale, with more and more workers under one roof or one management. Each factory or industrial empire grows. This means greater socialization of production, but--because of the private ownership and private appropriation--social production as a whole is ruled by anarchy. Each capitalist competes with each other. Each tries to expand his production without limit. Each tries to depress the wages of his own workers as much as possible while seeking an ever expanding market for his goods. This leads to tremendous imbalances among the various branches of capitalist production.

Furthermore each capitalist is driven to expand his production, to expand his factory,



... A SOLUTION?

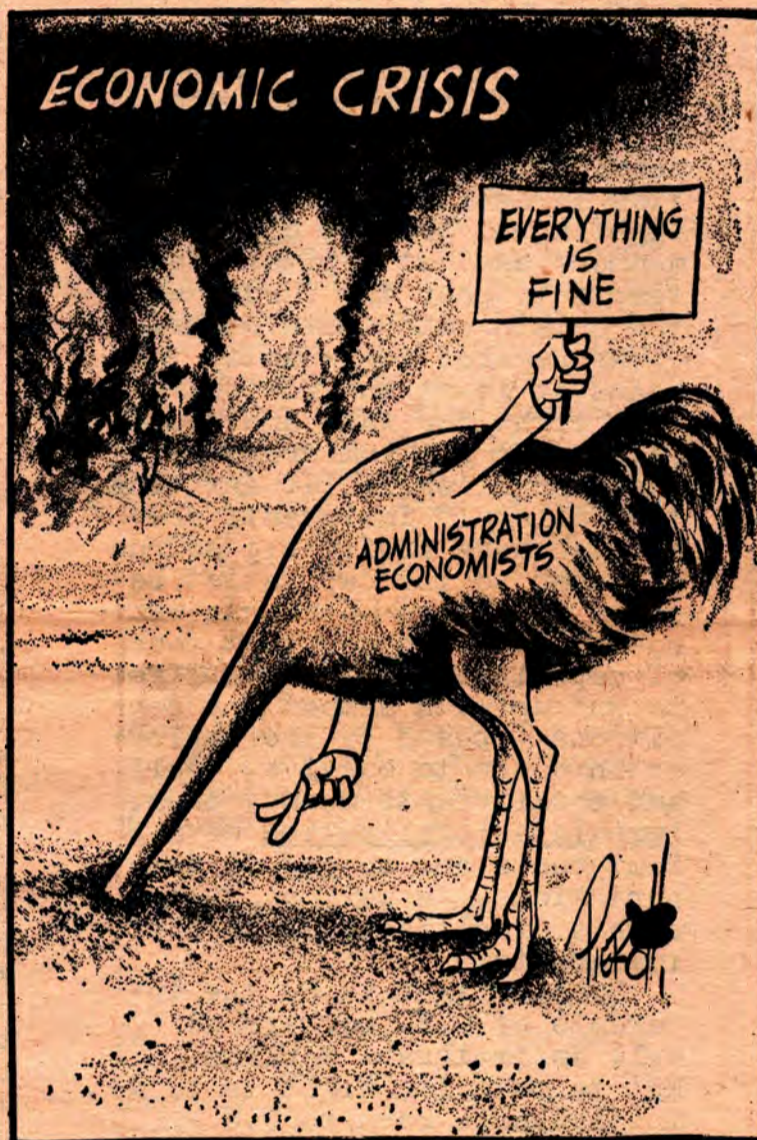
to spend more on new plant and machinery. It is either expand or succumb to competition. This expansion also takes place without plan--at least so far as the economy as a whole is concerned. Production grows, but the market for production does not keep pace. The most important market is the mass consumer market, but the capitalists try to keep down the wages of the working people who make up a large percentage of this market. The second large market is within industry itself--expenditure for new plant and machinery, maintenance of the old, and additional labor. This market is very important because in the short run it does help to bridge the gap between the limited purchasing power of the masses and the ever growing production and capacity of the factories. Industry itself is an enormous consumer of products (products used in the process of production itself). But, in the long run, this kind of expenditure only aggravates the problem--since it results in an even greater growth of production without a corresponding increase in the market. One may ask: Well, can't the capitalists take up the slack in the consumer market by their own expenditure? But, while capitalists do not stint on their own consumption (they live very well indeed), they do limit their expenditures on personal things. The reason is that the aim of capitalist wealth is a further increase in wealth (profit)--not personal consumption. Capital which is spent on personal consumption ceases being capital and is no longer able to "create" more profit.

And so a crisis of "overproduction" breaks out. This is the most important manifestation of the contradiction between the social character of production and the private character of appropriation--of anarchy of production. On the one hand too many goods are produced to be sold at a "decent" profit. On the other, working people are unable to buy the products they need, that they have produced. Nothing more glaringly shows the obsolescence of the capitalist system and the need to replace it!

Once the capitalists discover they have produced more than they can sell at a profit--that products are piling up in "inventory"--they begin to cut back on investment and spending. This in turn aggravates the problem still further. It is only after a cer-

tain point is reached, after the destruction and depreciation of existing stocks, the wholesale bankruptcies of many capitalists and the writing off of a huge volume of debt, that a low point is reached, profitability restored, and production resumes its upward march.

This, roughly, is the picture of a capitalist economic crisis, of all the real crises that have occurred since the first one in 1825. The picture becomes somewhat more complicated since 1900 due to several



factors: 1) The replacement of competition with monopoly. 2) The growing state interference in the life of the economy. In any case the basic contradictions become sharper and more acute with the development and growth of capitalism.

THIS CRISIS

What are the distinguishing features of the present crisis? This crisis is basically like all the previous ones--a crisis of over-production. The 60's witnessed a tremendous boom in capitalist expenditure for new factories and equipment. At the same time, the real growth of the buying power of the people slowed and finally stopped altogether.

For a long time a deep crisis was postponed by ever growing debt on the governmental and private level. As a result, federal, state and municipal debt has become astronomical as has corporate debt to the big banks and consumer debt to a host of agencies. Credit has postponed the day of reckoning but when it does come--it will be all the more catastrophic for that reason. It already can be seen how this debt is boomeranging in the case of many large cities--most typically New York City. The big banks are compelling N.Y.C. to drastically cut back on everything in order to guarantee the security of the city's interest payments to the big banks.

Another factor which has helped to postpone this crisis for so long is the U.S. exploitation of its post-WWII empire. In addition, these countries supplied the U.S. with additional markets for its surplus goods. Connected with governmental debt was massive governmental expenditures on military goods, on roads and the like. The unprecedented, monopolized character of the present economy also served to help postpone the present crisis. High monopoly profits of the many at the expense of the few kept the crisis from effecting the "big boys" for a long time--but now even the biggest are teetering on the ropes. Each and every one of these deterrents is losing force--and in fact is turning into its opposite, into factors which threaten to make the developing crisis more severe than ever.

Another factor aggravating the present crisis is the breakdown of the international monetary system. After WWII the U.S. dollar was forced on subjugated Europe as an international currency. But Europe gradually recovered, and as the dollar weakened they began to press for payment in gold. In 1971 the U.S., in effect, stopped the convertibility of the dollar into gold, throwing the international monetary system into a shambles. This has only encouraged the big banks to begin chasing fast profits in the turbulent international money markets--and was one of the factors helping to bring down Franklin National Bank.

Finally, our economy is no longer just a monopoly capitalist economy but a state monopoly capitalist economy. The big banks and corporations are heavily subsidized and intertwined with the government and state machine at

of the working class, leaving room at the bottom of society for yet another wave of immigrants from Latin America and other parts of the Third World, almost all of whom were non-white. These immigrants moved in to share that room with the American Blacks (who had always been kept there), as those from Eastern and Southern Europe moved up.

It can be seen then in what sense this country has a time-honored tradition of welcoming the poor and oppressed of other countries! They have been welcomed as so much cheap labor to man the plantations, the mines, the factories and sweat-shops that have made our rich the richest on earth.

ITALIANS, IRISH, AND JEWS UNITE! -- TO RID THE U.S. OF FOREIGNERS

The capitalist class has used each new wave of immigrants against the labor already here, either to openly break strikes or to raise the supply of labor--hence unemployment, thereby exerting a downward pressure on the wages of those still working. However, it is only with the active collaboration of union leaders and even rank-and-file acceptance of policies hostile to immigrants that the capitalists have been able to use the immigrants in this way.

The unions, rather than organizing and helping Third World immigrants in their fight for equal rights, their fight to come and to work as others have done before them, have instead been in the forefront of those blaming the foreign-born for unemployment. By chasing after sometimes real--but often illusory--temporary advantages for the "native" workers--by turning its back on the immigrant workers--the unions have helped to undermine the strength of the labor movement itself. Immigrants may appear to be the cause of unemployment but that is far from being the case.

Capitalism, in a period of crisis such as we are in now, needs high unemployment, precisely to break and put pressure on the labor movement (frighten labor and force it to accept all manner of cuts in its standard of living). If the capitalists were not able to increase unemployment by immigration, they would increase it by laying off more native workers to bring about the same result. Unemployment will exist under capitalism no matter what the size of the population (in periods of crisis, it mounts to mammoth proportions). In contrast, socialist Albania (with little over a million people) and socialist China (with 800 million people) have no unemployment at all.

It is useless for the working class to adapt its numbers to the requirements and dictates of capital. The only salvation for the working class lies in developing unity and fighting to protect all its members against capital's attempts to pass the burden of the crisis onto their backs.

As regards immigrants, this means at least the following: 1) A fight for full and equal rights for all immigrants--legal or illegal. If anything, the "illegal" immigrants are an even more profitable source of labor to the capitalist because they have no rights whatsoever, live in constant fear of deportation and are obliged to put up with almost any conditions imposed by the employer in order to survive. Full and equal rights means, then, immediate legalization of all immigrants and an end to deportations, as well as full rights of citizenship to all immigrants.

Such a fight is in the interests of U.S. workers as well as immigrant workers. Not to make the fight is to do incalculable harm to U.S. workers.

2) There is another aspect to the immigration issue. One

cannot leave out of account the factors which drive the immigrant to these shores--namely poverty and oppression in their own countries brought about by U.S. imperialism. U.S. imperialism has kept these countries backward, raw material producing areas, serving the interests of the big U.S. corporations. Industry is kept backward (and so provides little employment) because it might otherwise compete with U.S. industry. U.S. owned plantations such as United Fruit which serve the U.S. market have driven many people off the land and into the cities where they live in dire poverty. In some cases, Haiti and the Dominican Republic for example, the governments are police states controlled by the U.S. and their despotism is yet another factor driving people from their own shores. It therefore behooves U.S. workers--again, in their own interest--to support the efforts of these countries to free themselves from U.S. imperialism.

WELL, THE STREETS AREN'T PAVED WITH GOLD

If Ford wants the Vietnamese to be welcomed, it is in spite of the fact that they are Third World people: it is because they are anti-communist and add a contingent to the forces of political reaction in this country. The irony of Ford's appeal to welcome the Indo-chinese "refugees" is that it falls on many hostile ears precisely because of the reactionary, racist consciousness already cultivated among the people by the powers that be, including Ford himself. Ford's political motivation for welcoming these Indo-chinese, his hopes that they will prop his class up here as his class propped them up in Indochina, will ultimately backfire. The bulk of these refugees will drop from the rich or middle class into the working class. They will suffer in this country. This suffering and change of positions will begin to modify their consciousness. There are many cases of immigrants coming to this country as reactionaries only to have their eyes opened. So, even in the case of the reactionary political refugees, it is in the interests of the working class to extend a hand; to help the poorer among them to wake up, to show them in what way they are being used. As for the rich--they deserve the same fate as our "native" rich--defeat at the hands of the working class. □



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Indochina--cont.

necessary, for the liberation forces gain the popular support of the people and undermine the morale of the puppet armies. No army, unless made up of professional soldiers (mercenaries), fights for long without the popular support of its own people. It is at this point, as we saw in Vietnam and Cambodia, that the real beastly nature of imperialism is exposed. It was primarily this exposure that caused masses of people in the U.S. to oppose the war in Indochina and through mass action to aid in the defeat of the imperialists in Southeast Asia.

DANGER OF WAR GROWS

The mass actions carried on by millions of people in opposition to the war in Indochina were extremely important in influencing the shaping of U.S. foreign policy. It will be extremely difficult in the future, under the present form of government, for the U.S. imperialists to send troops to intervene in another country. Weeks before the fall of Cambodia, 78% of the American

is too great and given the present situation in the U.S. (with its democratic rights of protest, speech, press, organization and minimum wage) superprofits are difficult to gain. The capitalists are in a dilemma--they need an army to fight, they need to prevent people in the U.S. from opposing their exploitative policies and they need to gain more profits at home as they lose profits abroad.

The need for an army that is reliable is a major concern. They need this army to fight against the national liberation struggles as well as an army that can compete with the Soviet Union's attempt to dominate the third world in its own interest. The need for a reliable army composed of professional soldiers (mercenaries) became apparent during the war in Indochina. The draft was abolished, partly because of the protests, but mainly because it did not provide a trustworthy fighting force to maintain imperialism. A new problem arose, however, when the draft was abolished and recruitment to the "new army" began. Historically those who voluntarily join the army are at the lower levels

economic crisis of the last few years. More and more Whites are falling to the bottom of the economic ladder, and unable to find work, they are joining the army (besides increased profits, this is another benefit the ruling class derives from the increased economic strangulation of millions of people). As they try to make the army more reliable and more committed to military solutions, the danger of war increases tremendously.

THE OTHER SUPER POWER

At this point, it is important to note the role of the Soviet Union in the world today. In Cambodia, for example, they supported the puppet regime of Lon Nol until the victory of the people's movement was assured and then switched their position and gave mild and half-hearted support to the people of Cambodia. They did this because they fear the liberation struggles in the third world as much as the bloodsucking capitalists in the U.S. do. In Vietnam, the Soviet Union tried to prevent the total victory of the people by forcing them to negotiate with U.S. imperialism. The Soviet Union does this to manipulate the just struggles of people to their own advantage, many times at the expense of the masses struggling for liberation. They are in a position to do this because in their role as super-power they offer leverage against the U.S. They can veto measures that would bring nations closer to liberation or force them to accept policies that are in the interest of the Soviet ruling class but which may be against the interests of the masses struggling for freedom. The situation in the Arab countries is a prime example of this. The situation in the Middle East can explode anytime. Both super-powers are trying to control the area to obtain the biggest economic advantage. Whoever controls the Mid-east controls Western Europe and Japan since their oil comes from the Mid-east. But at the same time, both super-powers stand in the way of the peoples of the Mid-east to resolve their differences and be able to attain hegemony over their own futures. This situation of super-power hostility and cooperation can also be found in India (although the Soviet Union has the upper hand there now.).

HARD TO MAKE MONEY WHEN DEMOCRACY GETS IN THE WAY

Because U.S. imperialism has suffered setbacks around the world and has up to the present been unable to go to war to recoup some of its losses, it has become necessary to increase exploitation

Hisinhua News Agency



Cambodian liberation fighters are instructed in the use of a captured U.S. machine gun.

people were opposed to sending arms to help Lon Nol stay in power. In Vietnam, the big monopolists were chafing at the bit, thinking of every possible way to save Thieu and keep him in power. They would have loved to send in hundreds of thousands of troops and tons of armaments to preserve their control and demonstrate their might. But their ability to rouse the majority of Americans to further support their war effort had collapsed.

The liberation movements of the third world are going to continue and intensify, and it is going to be necessary for the financial giants to go to war to prevent the masses of people from gaining independence. Their need for profits

of the economic ladder, and at the time the draft was abolished more minority people were in this position than white people. The ranks of Blacks and other minorities increased tremendously at the beginning of the all volunteer army. This was a dangerous situation for the powers that be because one of the strategies which they employ inside the U.S. is to place the blame for all that is going wrong with the system on minority people. At the same time, they can't expect or trust minority peoples to go off and fight their wars--particularly against other third world peoples. This problem has been somewhat alleviated with the increased

Indochina--cont.

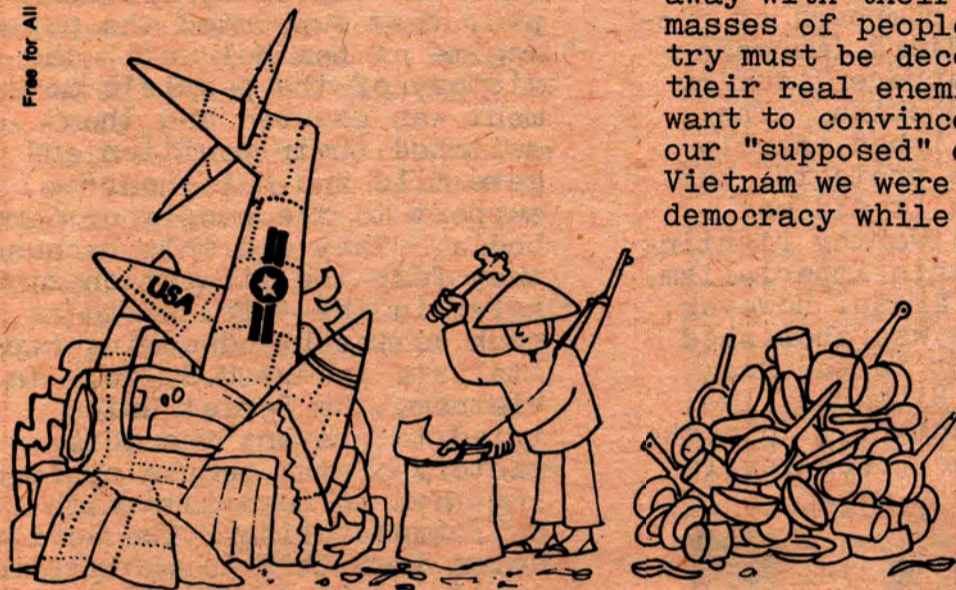
and profits inside the U.S. They have begun to tighten the screws on the working class here to make up for losses due to the national liberation struggles of third world people. While they maintained imperialistic control of much of the Third World they were able to buy off some of the higher level of workers at home. They tossed a few crumbs to some workers, placing this sector materially above the majority of workers and rendering them insensible to the interests of the rest of the U.S. working class. Some construction workers are

a relatively free press. Although the press does not do as much digging as they should or reveal all facts and in many cases present distorted views--even this--is intolerable to the big monopoly capitalists. The reports on the oppressive nature of and the state of corruption in Vietnam, the story of My Lai, the reports of extreme oppression faced by the black majorities in Zimbabwe and South Africa, the investigations of the CIA, the exposes of the rapacious economic conglomerates in oil and sugar are all intolerable. As long as these facts come out they serve to destroy myths that the capitalists want us to believe and make it more difficult for them to get away with their robbery. The masses of people in this country must be deceived about who their real enemies are. They want to convince us to fight our "supposed" enemies (in Vietnam we were to fight for democracy while here at home



the resources and depth to defeat imperialism. It is in our interest to support these struggles and to see the victory of the Indochinese people as our victory as well. The people of Indochina see that the workers in the U.S. are not their enemy and support any and all fights made against their oppressors. As the struggle in the Third World intensifies and spreads, the ruling elite in this country is going to have to step up its attacks against us. We are faced with a choice--to succumb to the oppression of the bloodsuckers leading in the path towards fascism or building a united front against them. Our success in this fight against fascism will rest on our ability to unite the many against the few to preserve our embattled democratic rights. The peoples of Indochina have shown us the way and for this we owe them an inestimable debt of gratitude. □

Free for All (LNS)



Vietnam rebuilds

a good example of this. During the anti-war demonstrations they played a very negative role and supported the capitalists against the liberation struggles. Today, the construction workers have one of the highest rates of unemployment of any sector of the working class. The lesson to be learned from this is that to place trust and give support to the capitalists is to cut our own throats. It is in the interests of all workers to support the movements against imperialism being waged in the Third World. One of the ways that the bosses use against us to keep us from demanding better wages and working conditions is the threat that they will move their factories overseas because the exploitation of third world countries is more profitable. It is in our interest to support the struggles of these countries in order to remove this threat.

To succeed in increasing corporate profits at home, and to be able to go to war abroad, the capitalists in the U.S. require a political system which will dispense with all pretense of democracy. It is necessary to deprive us in the U.S. of all means of fighting what the capitalists have in store for us. They cannot do this under the present form of political system. They cannot do this where there is

racial clashes were instigated, further dividing us one against the other and keeping the heat off the rich).

DEMOCRATIC RIGHTS - ENDANGERED SPECIES

The road is being prepared for a fascist takeover of the state. The big magnates are sowing the field for the not too distant future. They want to move fast before people find out what is happening and begin to organize against these moves. They have an advantage at this stage: they know where they are going. Their main opposition, at this point, is the liberals--precisely those who can be least counted upon to fight. The ruling class is going to have to take back all the rights that working people have won through the many battles fought in over a century. Trade unions, the right to strike, to assemble, to protest, to organize openly are all in danger.

INDOCHINA SHOWS THE WAY

The victory of the national liberation movements in the Third World is irreversible. There will be delays and setbacks and what is not won today will be won tomorrow but one thing is certain--the third world people have all

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North Vietnamese people's militia

WHO WE ARE

The Commentator is put out by a Marxist-Leninist collective in the New York area.

In the Commentator we try to analyze current events in the country and the world from a Marxist point of view. We attach especial importance to tackling political and social issues on people's minds, as well as economic issues.

In particular, we feel that under Nixon the danger of fascism became very real in this country. We also feel that the danger has not lessened. Fascism will not come to this country in the same form it did in Germany or Italy. It decks itself out in the red, white and blue, goes under the slogan of "law and order" and uses Black people as its chief scapegoat--not the Jews.

We attach especial importance to exposing and educating people to this danger, in order to help build a united struggle against it. However, we believe that of all the forces that can be united to oppose the fascist danger, it is the working class which must lead.

While we believe that the main struggle of the American people right now is against encroaching fascism, the fundamental problems of our society, such as inflation, unemployment, war, racism and poverty can only be solved by the establishment of a socialist government, one which gives the ownership and control of the means of production to the majority of the people, protecting their interests rather than those of a small group of exploiters.

To achieve the above goals, we believe the working class needs a genuine Communist party, based on Marxism-Leninism and the teachings of Mao tse-Tung.

We want to make contact with progressive minded people, working people especially (but not only), who find the ideas in our paper interesting and useful. Also we want to make contact with other revolutionary groups and individuals. We want to make the Commentator as useful and interesting as possible and would appreciate your criticisms and comments.

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The Southern Cross
 Art, Young

A POLEMIC WITH THE KKK

The N.Y. Times reports that the KKK has a little ditty which runs:

Black is beautiful
 Tan is grand
 But white is the color
 of the big boss man.

To which we reply:

O big boss man
 of chalkish hue
 here's a thought
 I cannot subdue

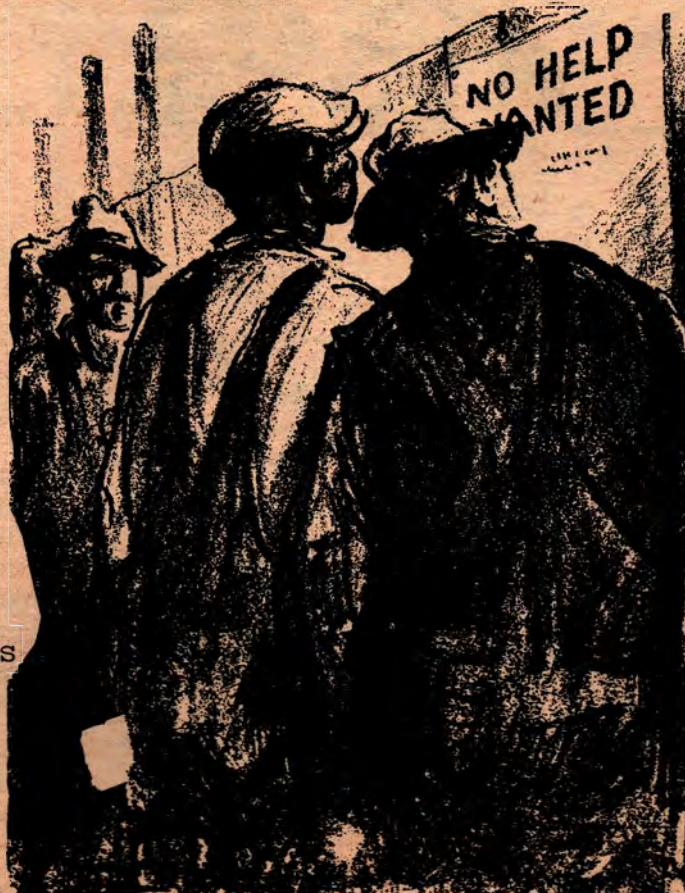
Suppose it were
 someday to occur
 White workers began
 themselves to bestir.

The big boss man
 white may be
 but in what way
 does that benefit me?

I work with Blacks
 and labor with Tans
 sometimes methinks
 we should all join hands

Then the big boss man
 no longer would be
 so quick and easy
 to lord it over me

For together we three
 Black, White and Tan
 could certainly handle
 the big boss man!



Race No Bar to Starvation

INDEPENDENCE IS WON IN INDOCHINA!

The wars in Vietnam and Cambodia are finally over and they ended the only way they could have--the will of the people of the two countries prevailed. The Marxist concept that the oppressed will defeat the oppressors was demonstrated. The struggle for independence and democracy in these two countries went on for many years against what seemed to be incredible odds. Victory was finally achieved by uniting the vast majority of the people of the two countries and by their willingness to take up arms to defend what is theirs. Unity was achieved by the national liberation movements of the countries correctly capturing in their programs the democratic aspirations of the masses of people of Vietnam and Cambodia. President Eisenhower testified to the popularity of the liberation forces in Vietnam early on when he stated in his memoir Mandate for Change: "I have never talked or corresponded with a person knowledgeable on affairs who did not agree that had elections been held at the time of the fighting, possibly 80% of the population would have voted for the communist Ho Chi Minh as their leader."

The U.S. war machine, controlled by the rich industrialists and bankers, fought tenaciously to maintain control of Vietnam and Cambodia. They did so because if these two countries with their high rate of illiteracy, with underdeveloped technology, with an arduous, daily struggle just to survive, could defeat imperialism, then any country could extricate themselves from the tentacles of imperialism. The defeat of the U.S. cuts into the core of the system that enriches the few at the expense of the many. In demonstrating the concept that it is historically inevitable that the oppressor will be defeated, the people of Southeast Asia gave the capitalists of the U.S. good reason to be afraid; afraid that the example of Vietnam and Cambodia would spread throughout the third world.

The necessity to maximize

profits is a law of capitalism. As a result of this, the big capitalists are forced to look for the cheapest way to make a profit. They have historically looked to other countries--poorer, undeveloped, backward countries to exploit. Countries rich in natural resources like Cambodia and



Vietnam are prime targets of imperialism. They provide a cheap way to obtain the resources necessary for production as well as providing a market for manufactured goods. They offer the potential for a very profitable investment. For a small outlay in manufacturing equipment, laborers can be put to work for wages that barely keep them alive. This is demonstrated by an article that appeared in the N.Y. Times on June 16, 1975 which stated that foreign owned textile plants in Thailand pay their employees 35¢ a day plus a bowl of rice. The workers put in a 14 hour day and work seven days a week. Since there are no labor unions safety regulations, fringe benefits or democratic rights whatsoever, the economic rewards for the rich are tremen-

dous.

EXPLOITATION CUTS BOTH WAYS

Imperialism is a two edged sword, however, for it awakens in the oppressed people a desire and a need to fight for independence. That is why the Chinese say that "nations want liberation." This is a correct description of the situation around the world today. Vietnam and Cambodia are but two examples; there are many more. In Angola, Zimbabwe (Rhodesia), South Africa, South Korea, etc., people are struggling for independence. Mozambique and Guinea Bissau have won theirs. Other third world countries, seeking to extricate themselves from U.S. economic domination are joining together to protect themselves against exploitation. The producers of oil, bauxite, copper, bananas, etc., are showing a united action against imperialism. The U.S. magnates are seriously concerned for they recognize that there is a direct relationship between the survival of their class--with its wealth and privileges--and the oppression of the masses of the people.

OFFENSIVE TO DEFENSIVE

The U.S. was the only capitalist country to emerge from World War II with its economy and army relatively unscathed. Since the other capitalist countries were devastated by the war, it fell to the U.S. capitalists to check the national liberation struggles that had risen in the third world. The U.S. assumed the role of "policeman of the world" in order to keep that part of the world that wasn't already socialist from heading in that direction. It fell to the fat cats in the U.S. to keep the soil fertile for the capitalist class around the world. They employ every conceivable method --CIA intervention and assassinations, bribery, coups, etc.--to maintain control and stem the tide of liberation. Maintaining control, how-