

RED FLAG

NEWSPAPER OF THE INTERNATIONAL COMMUNIST WORKERS' PARTY * ICWPREDFLAG.ORG



World Cup Shines Spotlight on Inequality in Post-Apartheid South Africa

WORKERS OF THE WORLD UNITE! SMASH RACISM WITH COMMUNIST REVOLUTION



Soweto, South Africa, 1976



The ironic contradictions are so striking that the bosses' press corps can't deny them. While the 2010 South Africa World Cup is supposed to be celebrating the success of post-apartheid South Africa, the conditions of working people are stark. Shantytowns sit in the shadows of spectacular stadiums. Tourists en route to the matches pass barefoot youngsters kicking tattered soccer balls around in the dust.

The equivalent of \$5 billion in tax money that could have been spent on sustainable housing, nutrition, health care and education has been spent on building five world-class stadiums and renovating five others. While the South African government has privatized water utilities, and millions have no access to safe drinking water, the grass on the soccer fields is lush bright green.

In fact, sixteen years after the first post-apartheid election, working people in South Africa are poorer than ever.

Under apartheid, South Africa had the world's highest Gini coefficient number, a statistical measure of the economic disparity between rich and poor. Sixteen years later, the gap between rich and poor has widened for the country as a whole, as well as for each racial group.

Under apartheid, rigid laws governed education, jobs, and where you could live according to your "race." With the end of apartheid, a few members of each "racial" group have made it big, but the poor are even poorer.

The working class is still divided by racism, with the exploitation of black workers dragging down the living standards of all workers. Unemployment in South Africa is close to 40%

See SOUTH AFRICA, page 14

CHINESE, US INDUSTRIAL WORKERS NEED REVOLUTION, NOT REFORM

Young Chinese Honda workers recently led a series of wildcat strikes at Japanese-owned factories in China, winning wage increases of 24 to 34%. The sharpening contradictions between workers and bosses in China were also revealed in mass protests at the huge Taiwanese-owned Foxconn factory where ten workers were driven to suicide in a year.

To understand the significance of these struggles, we need to look at the bigger picture: US and Chinese imperialism preparing for world war. (See Turkey, p. 2 and Sudan, p. 14)

Chinese bosses responded to the strikes by granting small reforms as part of a "New Deal" to build patriotism and reformism among Chinese workers. As a rising imperialist power, China has that flexibility. Some strike leaders fell into that nationalist trap, saying that "Chinese workers shouldn't be exploited by a Japanese company."

US imperialists have praised the strikes through their mouthpiece the *New York Times* ("A Labor Movement Stirs in China", 6/10). They cheered "political demands" to build "democracy" and "democratic unions" independent of the Chinese government.

The US rulers aim to build a pro-US movement in China against the Chinese bosses, as they built Solidarity in Poland. For example, they use

NGOs to push a Uighur nationalist movement against the Chinese government in Xingiang province, where energy pipelines flow into China.

But the US rulers mainly intend their "pro-democracy" propaganda for domestic consumption. They are trying to win US workers to blame China for vanishing jobs and lower wages. They need to win US workers and soldiers to fight to defend US imperialism against China in war.

Democracy is an illusion. Its trappings (like voting) mask the fact that capitalism is the dictatorship of the bosses. It guarantees the capitalists' ability to exploit workers for profit. The only alternative is communism, the dictatorship of the working class, which will eliminate all bosses and exploitation. Masses of workers will collectively exercise this dictatorship through our International Communist Workers Party.

Unions can't resolve the contradiction between the bosses and the workers inherent in the capitalist profit system. Workers from China to the US need political strikes, not for democracy and unions, but to build a movement to eliminate capitalist exploitation with communist revolution.

Unlike the Chinese imperialists, the US imperialists are in decline. They are not granting wage or benefit increases. They are demanding cuts

See CHINA, page 2

OBAMA LIES— US IMPERIALISM OIL ADDICTION LEADING TO WAR

Tuesday, June 15—Obama made a highly publicized speech from the Oval Office declaring war on the oil spill in the Gulf of Mexico. He also pledged to "end oil addiction" and called for a new

"comprehensive energy bill that will promote alternatives to fossil fuels." He called for many energy alternatives, but oil is the lifeblood of the world imperialists' industries and military machines. For the foreseeable future, whoever controls the cheapest, most abundant sources of oil controls the world. The US' dominant imperialist status since 1945 has been based on its control of the world's major sources of crude. Having lost

much of this control, it is now a declining power. Obama fails to mention that as a declining power, being challenged by Russia and China, instead of weaning itself from oil, US imperialism is getting ready for World War III to try to recapture the control it once had. For this it will need much more oil to fuel its war industries and the enormous military machine it will need to fight the wider wars leading to world war. *See BP, page 13*

Inter-imperialist Rivalry Sharpens:

RUSSIA CONSOLIDATES ITS INFLUENCE IN TURKEY

As US imperialism stumbles from fiasco to fiasco in the Middle East, it is becoming more and more isolated. This situation was worsened by the Obama administration's lukewarm criticism of Israel's blockade of Gaza and its deadly raid on the Turkey-backed humanitarian flotilla.

US rivals are quickly moving in to take advantage of the situation. At the beginning of May, Russian President Medvedev visited both Syria and Turkey to cement their budding economic, military and political ties. It shows Russia's determination to add Syria and Turkey to the US bosses' much feared rising axis of China-Russia-Iran.

With regard to Turkey this would be a major shift in the world's tectonic geopolitical plates. Like the calm before the storm, shifting geopolitical alliances, especially in a period of a deepening worldwide capitalist economic crisis, are the prelude to raging storms of wider imperialist wars and eventually World War III.

“the days when Turkey was a ‘junior partner’ of the United States are over”

In an interview on the Council on Foreign Relations website, June 3, 2010, F. Stephen Larrabee, an expert on Turkey at the RAND Corporation, said, “Turkey's recent diplomatic differences with the United States and its sharpened deterioration of relations with Israel come from Turkey's desire to reestablish its role as a major influence in the Middle East and Central Asia...the days when Turkey was a ‘junior partner’ of the United States are over.”

This is a change of historic proportions. Turkey has been a staunch ally of the US since the Truman Doctrine of 1947 that enunciated US intentions to

guarantee Turkey's safety against the Soviet Union. Turkey participated with the US in the Korean War and became a NATO member in 1952. Ever since then it's been a bulwark defending US bosses' interest in the oil-rich Middle East – the cornerstone of US imperialism's position as the world's dominant imperialist power.

Turkey's ruling class, however, is nostalgic about its Ottoman Empire, which ruled much of South-eastern Europe, Western Asia and North Africa for six hundred years (1299 -1922). It included Iraq, Kuwait and natural gas giant Qatar. As a rising regional power, Turkey's bosses aspire to regain their centuries-old influence over the region and are shifting alliances to achieve that goal.

Turkey's Bosses Hitch Their Wagon To Rising Russian Star

The US rulers' rapidly declining star can't deliver this to the Turkish bosses. The Russian imperialists have a lot more to offer. They provide 70% of Turkey's energy, with the rest being provided by Iran, Russia's close ally. Moscow will now build and own four nuclear reactors in Turkey's southern Mediterranean coast, and possibly build a facility for making nuclear fuel.

Turkey's Prime Minister Erdogan and Medvedev signed agreements to build pipelines to transport Russian and Central Asian energy through Turkey to Europe. This will turn Turkey into the lucrative and influential global energy hub it aspires to be. It will also tighten Russia's chokehold on the European energy market, while forcing Europe to consider Turkish interests more respectfully. In return, Moscow expects Turkey not to promote pipeline projects, especially the US-sponsored NABUCCO, that rival Russia's.

The Russia-Turkey relationship has been based on economic interests; Russia is Turkey's second trad-

ing partner at \$40 billion a year, which Medvedev promised to increase to \$100 billion in the next five years. But this relationship is rapidly becoming geopolitical. This has required establishing a high-level cooperation council co-chaired by Medvedev and Turkish Prime Minister Erdogan. "Our cooperation has grown to such an extent that it became a necessity for political leaders to oversee them," to quote Medvedev.

Consolidation of China-Russian-Iran-Turkey Axis Threatens US Imperialism

Russia and Turkey's embrace will impact tremendously the geopolitics of the Black Sea, the Caucasus, and the Middle East, including the situation around Iran and the Israel-Palestine issue. Underlining this point, Medvedev said, "Russia and Turkey are working together to maintain global and regional stability. Sitting in the president's office just now we spoke about the fact that the Black Sea countries themselves, and above all the region's two biggest countries, Russia and Turkey, bear direct responsibility for the situation in the region."

Rising Russian and Chinese imperialists are challenging US influence worldwide, especially in the Middle East. Turkey's shift will undoubtedly intensify this rivalry and accelerate the pace towards wider wars and global war.

Our duty as communists is to warn the working class of the impending dangers and of the opportunities they provide to successfully organize a communist revolution. However, only a working class imbued with the most advanced communist ideas will be up to this task. We, therefore, urge all readers of *Red Flag* to help us double the distribution of our paper in the next six months, to organize readers-action groups with their friends and co-workers, and to seriously think about joining ICWP and recruiting others.

If you like to read *Red Flag*....

START A READERS' GROUP

Get a few friends together once every two weeks or so to read and discuss the new issue of *Red Flag*. We'll suggest a few discussion questions, or you can come up with your own. You can write back with your group's ideas and questions. The article "Put Capitalism in Their Crosshairs" (p. 3) calls for a "campaign to build for a political strike" when the Seattle-area Boeing contracts expire in 2012. How is a political strike similar to, and different from, an economic strike? The China article (p. 1) talks about strikes for "democracy." How is a communist political strike different from a democratic political strike? Do you think that political strikes are an important tactic for building the communist movement? Can strikes be revolutionary? What's the relation between communist political strikes and revolution?

CHINA, from page 1

and givebacks. As imperialist strategist Peter Peterson said, "It's weapons or walkers." Union leaders, always committed to contain workers' struggles within the system, now must wave the flag trying to get workers to accept less. The recent Boeing strike, and upcoming contract fights, show this clearly.

The decline of US imperialism and the rise of Chinese imperialism are not separate developments. They are linked in a bitter and deadly struggle for control of the world's markets, resources, and

cheap labor to exploit. This sharpening inter-imperialist rivalry leads inevitably to World War III.

To prepare for this war, the US and Chinese ruling classes both must wage war against the working class. Workers in the US and China are part of one international working class, together with workers in Europe, Latin America, Africa and elsewhere. Our common interest is to smash capitalism with communist revolution.

The biggest lie pushed by union leaders worldwide is that communist revolution is impossible. Whether they organize around offensive reform demands (higher wages) or defensive ones (stopping pension cuts) they build illusions in capitalist democracy that condemn workers to wage slavery and the devastation of imperialist war. Instead we need to struggle now to motivate workers with communist politics and the goal of a communist world.



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From China to Los Angeles: Bosses' Factories Produce Stress, Exploitation and Premature Death

Let's Use our Powerful Hands to Build a World of Communist Equality

Los Angeles, CA--"You decide your salary, you decide how much you will earn," say the bosses of American Apparel (AA), a garment factory with thousands of workers in Southern California. But this is a dirty lie. Their "module" method, copied from the Japanese bosses, creates self-speed-up and divisions between the faster and slower workers, often related to age and manual dexterity.

The workers themselves are pressured to kick slow workers out of their module and send them to a worse one, or to get them fired. To stay in the group, some workers don't even get up to go to the bathroom. In these cases the boss doesn't need the whip of the supervisor, but uses the capitalist ideology that exploitation is normal. In addition, the ones who set the prices on each piece, or, finally the wages, is the boss—not the workers.

The enormous super-millionaire profits produced by this group of workers feeds a group of parasites (bosses, bankers, and millionaire investors). In the different modules (groups of approximately twelve, of which there are about one hundred modules in the LA factory) there are some people who each earn an average of \$80, \$100 or \$130 a day, according to the number of pieces they produce in "their module." On the average, each module produces more than 2,000 pieces a day. But in each case, the piece (a T-shirt) costs the boss fifty cents to produce, and sells in the store for more than \$50.

The Magic of Work Produces Surplus Value

Neither the cloth, the machine nor the design produces surplus value or profit. The bosses can put \$200 a day on top of a machine and a pile of cloth, but nothing will get produced. He can come back the next day and everything will be the same. He'll find his \$200 and the cloth still there. But when workers with their hands make a shirt, this adds value to the material. From this added value, in this case \$50 per piece, the boss pays the worker fifty

cents and keeps \$49.50 per piece. This is called surplus value.

Part of the surplus value is divided up between other bosses or banks, the electricity, the machines, the building, stores, etc. and what is left is the net profit. In other words, the workers maintain the boss of American Apparel and many other bosses. In essence, instead of them paying us, we maintain them.

That's how capitalism works; that's exploitation, that's the big robbery of capitalism.

American Apparel and its Misleading Appearance of Being Pro-Worker

This factory was founded years ago with the slogan of "no sweatshop wages" and "Legalize LA," getting a lot of publicity from community organizations, the mayor, unions and the bosses' press. But we can see that when it comes to wages, they are the cause of speedup, stress, exploitation and premature death.

Recently AA, with crocodile tears, fired more than 1,500 workers because they didn't have "legal documents," supposedly because of the pressure from the hated MIGRA. But the truth is that the factory moves within the boundaries of racist capitalism.

In a recent meeting, the boss said that we are going to "Compete with China!" In reality, American Apparel is already competing with China.

The stress, pressure and speed-up are the basis of many diseases and deaths, today and tomorrow. In the Foxconn factory in China, with 300,000 workers who produce for iPhone, Dell and HP computers, ten workers committed suicide in the last year, and others tried, due to speed-up and exploitation.

American Apparel Workers Welcome *Red Flag*

More than 400 *Red Flag* newspapers and 800 leaflets were warmly received by the workers of American Apparel. Inside the factory, many workers shared and discussed them. The literature denounced exploitation and gave an analysis similar to that in this article. Under a communist system, we won't use modules, or have competition, or produce for profit, but to meet the needs of the international working class.

We the workers have a huge potential to change the direction of our lives. We must unite in study/action groups, read *Red Flag* and fight against and expose the abuse of the workers in this factory or any other. We must unite with workers in other industries, students and soldiers, to fight to build a new world, a communist world, where there is no exploitation, no bosses, nor borders.



Chinese Workers on Strike Against Honda

From St. Louis to Long Beach to Seattle:

These Times Demand that Strikers Put Capitalism In Their Crosshairs

St. Louis, MO —Union machinists at Boeing's military plants in the St. Louis area voted nearly 4 to 1 to reject the company contract and to strike just as the company's Air Force C-17 workers ended their walkout in Long Beach, California. These rolling strikes will probably reach their climax with the biggest contract of all, the 2012 Seattle area battle. This is new; it cries out for political strikes that clearly put the capitalist system in its crosshairs.

International Association of Machinist (IAM) Local 837 misleaders aren't even handing in the 7-day contractual notice to strike until Wednesday meaning these workers can't hit the bricks until June 23rd at the earliest.

Seattle area hacks tried a similar stalling tactic just before the 2008 strike in the Puget Sound. Workers responded to that sellout with a hail of water bottles and chicken bones, driving the District and International leaders off the stage. They were left cowering in a locked backroom office.

The Long Beach strike and the possible St. Louis strike are the first since Boeing took over these

plants from McDonnell-Douglas in the 1990s. Before, these factories would automatically get a similar contract to that hammered out (often with a strike) in the bigger Seattle area.

Those times are gone. Every unit must now strike. "They [the bosses] are probing for weakness," said one shop steward at our last IAM Seattle union meeting. First, they tried to cut the pensions of workers nearing retirement in Long Beach, now they've targeted new hires in St. Louis.

These preliminary battles are clearly aimed at the 2012 contract of 25,000 Seattle area workers. The district leadership has responded with a laughable complaint to the NLRB that the company is unfairly intimidating IAM members about their right to strike. Even worse, the District President's assistant spent a good deal of his time at the last meeting putting down the UAW Long Beach strike because these workers belonged to a different union.

In these times of deepening capitalist crisis and sharpening inter-imperialist rivalry, the imperialists are upping the ante, attacking workers and using their union leaders to try to win workers to confine

our battles to reform and defend capitalism. Instead of this hopeless reliance on the bosses' law and trade unionism, we need to build real working class solidarity and up-the-ante with a campaign to build for a political strike in 2012. The Summer Projects from this year until 2012 will be dedicated to build this campaign for a political strike against a racist, murderous system that pits workers against each other for the bosses' profits.

In this period, we can't have illusions that reform demands will solve our problems. Demonstrations, letters and all other kinds of support must begin to mobilize our forces against a system that resolves the capitalist economic crisis by plunging us into war—paid for with our pensions, medical benefits, and our blood. In this fight to the death, our job is to put the communist alternative as the only solution to this murderous system on the agenda of the international working class.

That's why we make it clear to the workers that even the best strikes don't end the bosses' rule. That's why the main victory in any struggle is to build the ICWP, which is committed to fight to smash the bosses and their state apparatus with

For the Emancipation of Wage Labor, For Communist Social Equality

Mexico—In this period of addiction and escape from reality through virtual media like MySpace, Facebook, and video games, some people pay astrologers, Tarot card readers, or fortune tellers to learn what the future holds or to get relief from the misery caused by capitalism.

Other people worry about making good grades in the university even though they know that the future is uncertain because thousands of students who have finished their courses of study cannot find work in their fields. Furthermore, even if students finally manage eventually to find work, private companies consider those over 40 too old to hire. Furthermore, slogans like “Work hard to get ahead” or “Do your best!” do not address the feelings of alienation all workers have from selling their labor for wages.

The underlying lesson is that capitalism will not meet the needs of the working class; therefore, it must not

continue to exist under any circumstances. We need to take life into our own hands, organize ourselves as a class, that is, into a communist political party, as the *Communist Manifesto* proclaimed in 1848. This demands the overthrow of bourgeois power and control in order to achieve working class power. Only a fundamental change through communist revolution will completely stop the exploitation of the capitalist wage system.

The tragedy of capitalism is much greater than the current global recession. Even though the capitalists are getting out of their financial crisis on the backs of the workers through wage cuts, sometime by government decree, in countries like Ireland, Greece, Spain, Mexico, and the USA, their crisis will nevertheless deepen. Many people will be unemployed for life, and they will be victims of a second tragedy, the weak response that we're giving to the growing wealth of the super wealthy, like Italy's Berlusconi and Mexico's Carlos Slim, as well as

to the daily exploitation and poverty caused by capitalism.

The necessities of life that determine the value of labor power (i.e., food, clothing, heating, housing, and relaxation) depend on local conditions in every country, which have shaped what is essential to life. For example, what is known as the “Western” or specifically the “American way of life” is not an objective standard, but a relatively arbitrary one in which commodities that were once luxuries, like cars and televisions, have become necessities.

This means that the suffering and the worries of the working class are not the same as those experienced by worker in the capitalist crisis of 1929, but they have a basic similarity. Their suffering is caused by capitalist social relations and the reduction of living standards as defined by wages and employment, housing, and leisure. This not only applies to workers in New York, but to the entire working class of the world, regardless of wage

levels.

More than half of the world's workers survive on less than two dollars a day. In Mexico, for example, many workers have acquired apartments through government supported mortgages or land in marginal urban zones. This property ownership has shaped their self-consciousness, and many of them now view themselves as small landowners since they get some additional income by renting out their government apartments. So even though they are unemployed, they do not consider themselves to be poor. They think their needs are more or less satisfied and that people who complain about living conditions “aren't really trying.” Nevertheless, there is a wave of defaults on rent payments, and mortgage holders are demanding that their government take measures to prevent bankruptcy and rescue homeless workers.

These developments are one more example of the anarchy of capitalist production.

FROM EL SALVADOR TO LOS ANGELES TO ASIA:

ORGANIZE MAQUILA WORKERS TO BUILD AN INTERNATIONAL COMMUNIST MOVEMENT

El Salvador—The proposal of the Association of the Textile Industry and Dress Makers of El Salvador (CAMTEX) to raise the work day to 12 hours without overtime pay is one more attack on the entire working class. This proposal is being supported by organizations like the National Association of Private Companies (ANEP) and the Salvadoran Board of Trade and Association of Industries (ASI).

“If with 12 hours I get up at 4 AM and return to the house at 7 PM, when will I have a family life?” commented an industrial worker. This is the desperate situation for thousands of workers in the garment industry in the maquilas, many of whom are single mothers or have to travel long distances to get to their factories.

The bosses are in talks with the sellout leaders of El Salvador's Union of Workers, Tailors, Garment, and Related Workers (SITRASYCOSI), with the goal of manipulating and pacifying the angry workers. We already know beforehand that the negotiations with the bosses mean more wage slavery. These reforms come and go in the framework of capitalist exploitation, but will never result in the

liberation of the working class.

In the past, thousands of workers who tried to organize revolutionary communist movements were kicked out of the country, “disappeared,” jailed, or killed. We communists must unite with our class brothers and sisters, to raise the political level of the struggle so that the campaign against the 12 hour work day does not become one more reform struggle.

El Salvador is living through a key historical moment that gives many people illusions because the FMLN participates in the country's government. Many people hoped for a change which will simply not occur. The government of the “left” is, in reality, one more instrument of the oligarchs of this country and outside imperialists. They both count on the approval of the “moderate left of the FMLN” which, in its speeches, opposes some groups of capitalists, but which never opposes the capitalist system.

This is the reality of the working class in both El Salvador and the entire world. They must live and

work under the domination of capitalists who use cosmetic changes to increase their profits while deepening inequality. That is why it is urgent to build and organize the working class with the goal of promoting its political and ideological development, indispensable for understanding the nature of capitalism. What we need is the communist perspective of the International Communist Workers Party (ICWP), which allows us to identify the enemies of the working class and implement strategies of struggle to achieve the destruction of capitalism.

These bosses' thirst for profits in unquenchable, whether they are US, Chinese, or Japanese imperialists or local bosses. Their competition is stoking inter-imperialist rivalries in every part of the world, a process which is leading to the Third World War. The communists organized in ICWP must understand the eventuality of war to advance the fight for communist revolution. This reality means that we must treat the ICWP's communist ideas like a seed which we take to the factories to grow the ideals of liberation through our paper *Red Flag*.

PENSION BATTLES SHOW CRUELTY OF CAPITALISM

The other day my wife and I went to the city labor hall for a forum on pensions for union members and other workers. There were presentations about the current system in our country, given by a local union-friendly professor and by an economist working for our equivalent of the AFL CIO.

The presentations were very good. With statistics and visual aids they made it clear that those workers with a company plan (about a fourth of all workers) are not going to retire in comfort. And the other three quarters, unless they've saved a lot, will spend their senior years in poverty. The economist presented the national labor council's plan to double the government pension, and explained how this

would require only a modest increase in contributions.

This could save millions of retired workers from destitution. I felt like saying something, but what? It felt wrong to criticize their plan as inadequate, because in fact it was practical and would make a difference. It wasn't till the meeting ended that I realized I'd made a big mistake. I, like everybody there, had (almost unconsciously) accepted a basic assumption of capitalism.

That assumption is that, of course, when you get older you have stop working, and that once you stop working you can't expect much in the way of quality of life. What a sick idea! People work all their lives making the goods and performing the services we all need. Then, their reward is to do without. We should all be very angry with this situation. In the early days of revolutionary China, when they had some elements of communism, there

was a tradition that you stopped hard physical work at 55. However, you then had other duties. Older people on the whole have a lot of experience and maturity and can act as teachers and mentors to their younger comrades (in much the same way that Native communities value their “elders”). And if you received “according to your need” before this ‘retirement’, you continued in the same way after.

These days ICWP members are and should fight in a lot of pension battles. Communists must be careful not to spend most of our effort criticizing/improving efforts to patch up the capitalism. That is not our priority. Our priority instead is to remind our fellow workers just how cruel capitalism is, even in the best of times, and how communism will be a billion times better than even the best thought-out reforms.

Canadian Comrade

Inter-Imperialist Rivalry Drove BP Oil Disaster

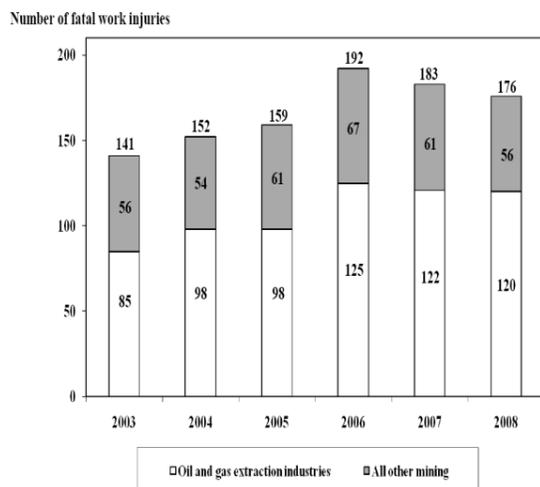
We couldn't make this up:

The U.S. government says it won't drop an atom bomb into the Gulf of Mexico to try to seal the out-of-control BP oil well, according to the *New York Times* (6/2/10). But the same article quotes a Texas engineer: "Seafloor nuclear detonation ... is starting to sound surprisingly feasible and appropriate."

Why would a leading imperialist mouthpiece print this story? Perhaps to get us used to the idea of using nuclear weapons to secure control over oil.

If the US rulers might bomb the Gulf of Mexico to control oil, why wouldn't they bomb Iran, at some point, for the same purpose?

Fatal occupational injuries in the private mining industry, 2003–2008



Capitalism Gambles Workers' Lives to Maximize Profits

Red Flag said (6/2/10) that the combination of short-term profits and long-term inter-imperialist rivalry caused the BP disaster. Since then, more information has surfaced about how BP cut corners to maximize profits. Cheap cement, cheap casing, only one seal, seawater instead of drilling fluid, delayed preventive maintenance, job cuts and speedup....

"They gambled with our lives," a worker said.

The BP disaster was "set in motion years ago by these companies needlessly rushing to make money faster, while cutting corners to save money." (*Manufacturing.Net*, 5/28/10)

But this is "business as usual" under capitalism.

The US government reports over 5000 fatal work injuries annually: about 100 workers murdered per

week (see bar graph). Under communism, bosses and their profits will be a thing of the past. Workers will decide how to maximize safety.

Oil Crunch: Not Just "Business as Usual"

But the main force propelling the BP disaster is inter-imperialist rivalry for control of world energy resources. This isn't just about oil company profits. The imperialist war machines mainly run on oil, and increasingly they have to fight over it.

U.S. imperialism imports almost three-fifths of its oil. US proved crude oil reserves have decreased steadily since about 1970.

US net petroleum imports nearly doubled from 6 million bbl/day in 1973 to almost 11 million bbl/day in 2009. The largest sources are Canada, Mexico, Saudi Arabia, Venezuela, and Nigeria (see pie chart). Many of these sources are points of growing conflict between the US bosses and their rivals.

Nine percent of US oil production is offshore. Mexico's reserves are also shrinking, and future production will also depend on deep-sea drilling. "Oil production in the Gulf of Mexico has become a much more significant part of meeting the world's energy needs," according to business analyst Stephen Foley, "raising the stakes for decisions on the future of deep-water drilling."

Raising the Stakes: Bigger Oil Wars Loom

British executive Will Whitehorn, head of the private-sector UK Peak Oil Task Force, said, "Even with the incentives of the market, we are headed for an oil crunch. This is not just about geology, but about politics ... the industry is operating at the limits of the technology now – and beyond them."

Canada's huge petroleum reserves are mainly in tar sands, which are harder and more expensive to tap. "The quality of those reserves differs substantially from the Saudi reserves in terms of cost and ability to bring...the productive capacity on in a meaningful way," said Guy Caruso, an administrator for the US Energy Information Agency. "There is a difference in the absolute amount versus the ability to turn that into productive capacity."

Mideast oil – mainly in Iran and Saudi Arabia – is still a prize that US imperialism must fight for. It would be a mistake to think of US policy in the Mideast as an offensive strategy to expand its control in a unipolar world. The US rulers are on the

defensive and fighting for their survival as a global superpower.

Prepare to Turn Imperialist War into Communist Revolution

That means war. Take very seriously articles like the one by Michael Wines (*New York Times*, 6/8/10) suggesting that the rulers of both the US and China are moving from policies of guarded trade partners to outright hostility. Consider that the US government is moving to increase military recruitment – and pave the way for a draft – through the US DREAM Act and repeal of "don't ask, don't tell."

And with the US rulers increasingly isolated (see article on Turkey, p. 2) the danger increases that they will resort eventually to their main advantage: nuclear weapons.

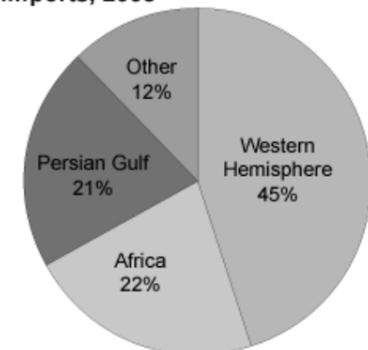
We can't afford to laugh at the idea of dropping a bomb into the Gulf of Mexico. The US rulers have dropped the only nuclear weapons ever used in warfare. They could do it again—especially against Arab or Persian workers they've worked hard to demonize.

We too must prepare for war – by expanding the readership of *Red Flag* and the membership of the International Communist Workers Party. Especially we must take advantage of every opportunity to build a base inside the bosses' armed forces and the factories. We ask every member and reader to make this task their own.

War – conventional or nuclear – opens the door for communist revolution.

Source: <http://stats.bls.gov/iif/oshwc/cfoi/cfch0007.pdf>

Sources of U.S. Net Petroleum Imports, 2008



Source: U.S. Energy Information Administration.

Construction Worker Murdered by San Diego Border Patrol

Anastasio Hernandez Rojas, who lived and worked construction in San Diego for 27 years, was murdered by border patrol agents after being caught crossing the border, heading home to his family after being deported. Rojas had been recently deported to Mexico after being pulled over for a traffic violation. Seeking to return home to his wife and five American-born children, he crossed the border back into the US. The San Diego County Coroners office ruled Rojas' death a homicide, five days after the US border patrol shot him in the back with a stun gun.

Only in the capitalist system do we find hard working construction workers torn away from their lives and loved ones because they are in the wrong country. The US has no issue with exploiting the lot of undocumented workers in California that do most of the hard agricultural labor, and then deporting these workers, displacing them from their established lives, whenever the bosses please. Rojas decided to come back to his family, and there happened to be a border in the way. The agents who secure the bosses' border murdered Rojas. National borders are not meant to protect any workers; they

only prove to keep us divided and even to murder workers if necessary, as they did with Rojas. All workers should stand together against borders and fight for a communist world where borders are only found in history books.

H.S. Student Responds to *Red Flag* article on BP Oil Spill

Dear *Red Flag*,

In the June 2nd edition, there was an article based on the oil disasters occurring currently. I thought it was outrageous to jump to the conclusion that drug use of the workers would cause an oil rig explosion! Instead of testing their employees they should have inspected the equipment. Eleven workers died and for what? Oil could be replaced by a newer, healthier efficient energy source. Oil is becoming more of a problem each and every day. For example, two days after the oil rig explosion, oil spilled into the Gulf of Mexico. Thousands and thousands of oil barrels went into the water and no one would dispose of the cursed oil seeping into the Gulf. There's no burn-

ing, capturing, or containing this problem. Once the oil reaches certain parts of the ocean, then it would mean the end of certain habitats and the destruction of the environment. And I know for sure that the government doesn't care and is not going to bother to do anything about it unless it benefits them, money wise. Therefore we have to do something about it quick, before it's too late. It is said that these oil companies are advancing so what happened? Who made this mistake leading to such a horrible outcome? In this article I love the way you ask the reader questions to make us go beyond the paper, all the "if's?" and the "how comes?" Thanks to these questions we are able to learn more about this capitalist world's corruption, whether its involving oil or racism. *Red Flag* really makes a difference, believe it or not.

Red H.S. Student

Read, Write and Distribute Red Flag

U.S.-China Rivalry for Oil and World Domination Behind Civil War in Sudan

Most people, when they hear about Sudan, think of the genocide in Darfur (in Western Sudan) and are willing to believe that the U.S. is involved in Sudan for humanitarian reasons. Very few people have heard of the 21-year civil war between the north and south of Sudan. So they might believe former U.S. Director of National Intelligence Dennis Blair when he says that southern Sudan is the place where “a new mass killing or genocide is most likely to occur,” and think that the U.S. is pushing for a referendum in January, 2011 to divide Sudan into two countries to prevent more bloodshed.

But the truth is, it's all about oil. The Geneva based Small Arms Survey let the cat out of the bag last month, saying, “The entire border area [between the north and south of Sudan] has become heavily militarized and unstable, as both sides compete for strategic resources. Oil is the most significant of these border resources and the stakes are extremely high.” (*Bloomberg Businessweek* 4/16/10)

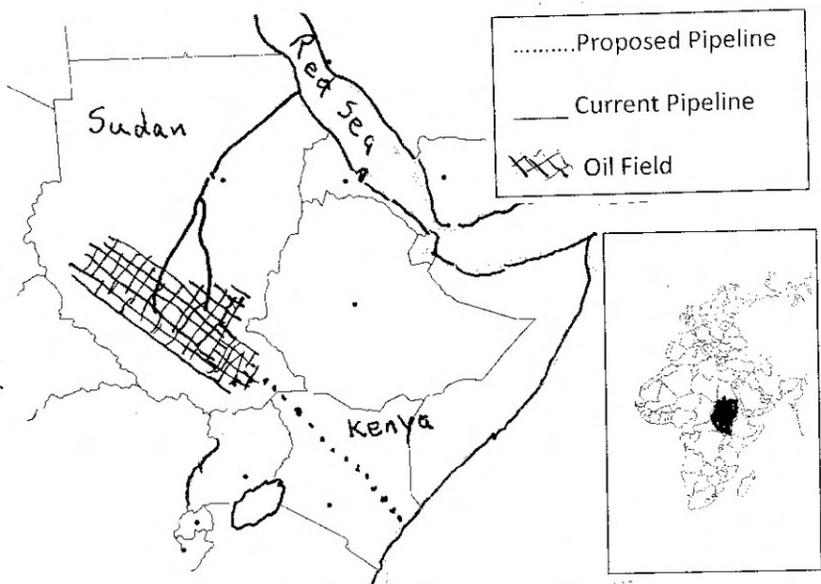
Like the current energy wars in Iraq and Afghanistan, inter-imperialist competition over oil is at the heart of the dispute in Sudan, which is sub-Saharan Africa's third-largest producer of crude oil. 82% of the oil comes from the South, with another 13% coming from disputed regions along the North/South border. Currently all that oil goes through a pipeline to the northern port city of Port Sudan on the Red Sea, and 65 to 80% of it goes to China.

The U.S. has secretly helped to finance the separatist movement in the South to counter the Chinese by opening its own oil concessions there. In a May, 2010 policy briefing, the U.S. ruling class think tank Council on Foreign Relations, said that “[t] here is no scenario in which the south remains peacefully united with the north beyond 2011.” In other words, the U.S. bosses will get what they want—the secession of South Sudan as a puppet

state that they can manipulate for its oil—or they will continue funding the civil war. In anticipation of this development, the interim government of South Sudan is negotiating with Toyota to build a pipeline from the oil fields through Kenya to a Kenyan port on the Indian Ocean that Qatar is building.

China's growing economy requires massive amounts of energy, making it the second-largest consumer of oil in the world behind the U.S. The extent of China's energy demand has pushed China into Africa, where she now gets 30% of her oil, from Angola, Equatorial Guinea, Nigeria, the Republic of Congo, and Sudan. About a third of all the oil pumped by China's oil companies abroad comes from Sudan. China is now Sudan's largest foreign investor, mostly in oil, but also in building the infrastructure necessary for their profits, including roads, railways, dams, bridges and housing. China is also probably the largest supplier of arms to the Sudanese government.

The US bosses want that oil and have shown in Iraq and Afghanistan that they are willing to shed workers' lives to get it. The U.S. empire, decaying, but armed to the teeth, is losing ground world-wide to the emerging Chinese empire in trade, military, political and financial arenas all over the world. The civil war in Sudan is only one example of the sharpening conflict between the U.S. and China



which will, sooner rather than later, lead to a Third World War.

Sudan has a rich history of communist organizing among workers, especially railroad workers and workers on the cotton plantations. The workers in the oil refineries and those building the infrastructure, armed with communist ideas, have the potential to build a new communist movement in Sudan, to fight for workers' power. Sudanese workers have nothing to gain in fighting for the U.S. puppets in the north or the Chinese puppets in the south; their only future, like the future of workers all over the world, is to turn the bosses imperialist wars into a revolutionary war for communism. Then we can build a world where the natural resources and the fruits of our labor are shared among the working class of the whole world, rather than being a source of profit and conflict for the capitalists.

Boeing Strikers Fight UAW Misleaders

“Some people say that we should accept givebacks because other workers had to settle for less,” said a Boeing striker on the Long Beach picket line, “but I think we should try to lead in fighting for something better.”

This worker was one of about 200 who had just attended a meeting where the UAW international rep and most of the local leadership recommended a “yes” vote on a new contract proposal. He and his buddy were planning to vote “no,” and he said that most of those at the meeting felt the same way.

“The [union] president got his medication paid for,” he said with some disgust. He saw the offer as divisive because it offered a few more dollars per month for retirees, while setting back workers who had “only” 20-25 years at Boeing with larger out-of-pocket medical expenses. He thought that over the course of the proposed five-year contract, workers at other Boeing plants would continue to get increases in retirement pay while Long Beach would again lag behind.

And he noted that Boeing was only offering contracts that would expire a few months before workers were due to receive their annual vacation pay checks. “This time, we have our vacation checks to carry us through the strike,” he said. “The company doesn't want that to happen again.”

The guys I spoke with were very angry with the UAW leadership. They spoke of trying to decertify

the UAW and of “starting a mutiny.” I talked about how none of the unions could lead workers to respond effectively to the crisis of capitalism because all of them are committed to working within the capitalist system. They listened but didn't agree. “Big money runs everything,” one said, but he thought there should be a way to “take back democracy.” He wasn't really interested in revolution. But he took a copy of *Red Flag*, said he'd read it, and reached into his pocket for a donation.

Whatever the result of the contract vote – and whether or not the ballot box is stuffed – there will be hundreds of angry Boeing workers in Long Beach. We need to continue to get *Red Flag* out at that plant as well as in Seattle. Join the ICWP Summer Project and help get red ideas out to the working class!

L.A. Comrade

SOUTH AFRICA, from page 1

and half of South Africans live on less than \$2 per day.

How did the mass struggle of workers and students in South Africa against apartheid lead to this? In 1976, the Soweto student uprising gave birth to a mass, militant movement. The struggle was led by the African National Congress (ANC), a nationalist organization, headed by Nelson Mandela and including the Communist Party, which had become revisionist.

The students, whose motto was “Liberation before education,” inspired students around the world, but they failed to take on the capitalist system which needs racism to survive. So, when the South African government and its US big business backers

finally decided that apartheid was isolating South Africa and cutting into profits, they let Mandela out of prison and arranged for elections.

By 1993, Mandela was speaking at the UN, pleading for foreign investment and guaranteeing that the new government would respect the right of multi-national corporations to make profits and the right of white landowners to keep their huge estates. The Clinton Administration was asking Congress to promote US investment in South Africa.

When Mandela was elected President in 1994, the wealth of the country was retained by the capitalist elite. Only the faces at the top changed, while the essence of the system remained. South Africa went from being internationally isolated to becoming a key player in the world economy, courted today by

both US and Chinese investors as Africa becomes a battleground for inter-imperialist rivalry.

If the movement in South Africa had been led by real communists, it would have fought to seize power by the workers and build communism. Revisionists say that the movement against apartheid was “co-opted by black rulers,” rather than acknowledging that the movement was weak internally, fighting to put an end to apartheid without attacking the fundamental cause of racism, the capitalist system. Bourgeois ideas led the ANC to do what nationalist movements did in El Salvador, Nicaragua and Vietnam, betray the working class.

It is the responsibility of communists in the ICWP to learn the political lessons of this failure, and build a communist movement that puts an end to capitalism, once and for all.

RACIST BORDER PATROL KILLS A YOUTH IN CIUDAD JUAREZ

Monday, June 7, Ciudad Juarez, Mexico—14 year old Sergio Adrian Hernandez Huereka was shot and killed by the US border patrol when he and some friends were playing near the border between El Paso and Ciudad Juarez. The border patrol claimed that the youth threw rocks at them, surrounding one agent who fired and killed Hernandez Huereka to defend himself. But eyewitnesses on both sides of the border say this is a lie. One witness took a video with his cell phone. It shows the agent drawing his gun as soon as he jumped off his bicycle. He then dragged one teen to his knees, took a second into custody and then took aim and fired at two others who had already fled, crossing to the Mexican side of the border. Witnesses saw the fascist immigration cop fire across the border, killing Sergio. This is the second murder by the border Patrol at the US Mexican border in two weeks.

Sergio's family and friends along with anti-racist activists have protested the killing. "He was killed at point blank range by a border patrol agent," said activist Mikey Velarde. He compared the El Paso-Juarez border area to occupied Palestine. (consortiumnews.com).

Racist capitalism rules through enforcing racist terror against immigrant workers and black workers to attack and exploit all workers. The murder of a 14 youth playing with friends along the bosses' created border, and the increasing militarization of the border and of Mexico, are more reasons to fight to get rid of capitalist exploitation and the bosses' borders that are used to divide, terrorize, and kill workers. Communist revolution is the only way to destroy the bosses' borders and build a world in which all workers will be welcome everywhere.

Comrades, Future Comrades Prepare for Summer Project

The other day I spent the entire day at the beach with a group of comrades and friends. Comrades brought drinks and chips and one comrade even brought a grill so that we could cook meat. The reason for the get together was simply to bond and to get to know other comrades. As well as to introduce our friends who are pending communists to other comrades and pending communists. Discussion was also on the agenda, which did occur.

The main topic of discussion though was the Summer Project. Everyone was really excited about it and couldn't wait to get started. The question on everyone's mind was "Are you going to Seattle?" The majority of the comrades at the bonfire said that "yes" they were planning on going, which was a really good thing to hear.

So much talk about the Summer Project even got our friends asking about it. My friend who is a pending communist pulled me aside and asked me what the Summer Project was. After explaining to him that it's a month long project in which we do a lot of activities such as going to factories and military bases and sparking conversation with the people who work at those places about communist ideas while also distributing our paper, he insisted that he wanted to be a part of it. Other comrades had similar discussions with their friends from what I noticed.

Everyone got along great and had a really good time. I am very glad that I attended the bonfire and got my friend to attend too. Now it's on to the Summer Project!

Red Student

I am not a fascist, I'm a boss.

In a factory which bottles soda, panting and completely showered in sweat, a worker was taking a quick breather in the middle of a long and arduous

work day (stacking cases of soda). Suddenly the manager of the factory appears and asks the supervisor of production: "Listen, why is that guy not doing anything?" The lackey directs his vision towards the panting worker and immediately calls his attention and puts him back in motion.

After this incident the manager of production talked with the workers and said "You guys are no longer children, you have to act responsibly at work. The owner says he is not a fascist, but he cannot be paying you for wasting time".

Capitalism rises by stealing and killing, and in order to maintain itself it must continue doing the same. As workers we have no other option than to organize and carry out a revolution with communist principles. We must exterminate all parasites and their host, the capitalist system. Production should be based on meeting the needs of workers and not for sale. We can then produce truly nutritious drinks using technological advances, without having to work excessively. We will satisfy our needs by working without inequality and we will share the fruits of our labor according to the needs of each.

This incident has been discussed by co-workers as an example of how inhumane the capitalist system is with its goal of obtaining maximum profits. Some workers here are reading Red Flag and have participated in activities with ICWP, showing their openness to communist ideas, which will smash fascist bosses and lackey supervisors.

Comrade from Los Angeles

Answering the letter about 'Socialism reverting to Capitalism'

In the May 19th edition of RED FLAG, volume 1 #7, there's a letter that says that after the revolutions in Russia and China there was state capitalism. Therefore socialism didn't revert back to capitalism, but it was always capitalism administered by the working class through its Communist Party.

Well, I think that in fact, socialism turned the communist revolution toward capitalism. Communism has existed in various forms in human history; it only became a science 160 years ago with the Communist Manifesto of 1848.

Science is not static. It's constantly developing; new theories and practices substitute for or refine the previous ones. Lenin in Russia developed the theory of the Party (that we don't find even in Marx) and was correct in showing that the workers' parties in the Second International had fallen prey to reformism and nationalism, breaking with them. Leading the Party, the Bolsheviks took advantage of the revolutionary opportunities derived from WWI and overthrew the bourgeoisie.

Similarly the Chinese communists took advantage of the defeat of imperialist Japan in World War II to overthrow capitalism with a Communist revolution.

The theory elaborated by Marx and approved by Lenin, Stalin, Mao and the other revolutionaries maintained that the first phase or stage of communism would only initially seize political power from the bourgeoisie, as well as their property (the major injustice). However other injustices persisted (wages, and wage differences; this is the "bourgeois right" of pay according to work—like there is in capitalism).

In this way, the Dictatorship of the Proletariat (political power of the working class) had to build up (and built up) production and distribution to satisfy the needs of the population with much similarity to capitalism. In fact, the government became the owner of the factories and the lands expropriated from the capitalists, and was the payer of wages.

It was said that this was a temporary situation and that the day would come when production was based on meeting the workers' needs and that each would contribute "according to his capacity". However,

soon the State passed from representing "the workers" in the social property of the factories and lands to a real owner (although not formalized). That is, the functionaries didn't have titles to property, however they had the benefits of all the production. This is what we call state capitalism.

Mao considered that the victory in 1945 did not mean proletarian power but the dictatorship of various revolutionary classes (the period of "new democracy"); however only the Communist Party of China had the capacity to move the masses. So this was the "first phase of communism."

We can't say like Enver Hoxa in his "Reflections on China" that there was not proletarian power, or like the anarchists, who maintained and still maintain that in Russia since the victory of the Bolsheviks they had State capitalism.

The Russian and Chinese revolutions are our great teachers. If we know something about communism, it is due to them; in the case of Russia, it was under the leadership of Stalin, since Lenin died quickly. We don't have to be ashamed of what our forefathers thought; let us be proud of our current understanding, spreading it to the working class in order to build a new communist movement that definitely destroys capitalism.

Mexican comrade

Red Flag.

A Communist International Newspaper

"Are you from El Salvador?" I asked the young woman. "Yes I'm from there", she answered with an inquisitive smile. "Look, take this newspaper to your mom", I said to her as I opened the paper. "Here are two articles from El Salvador. Ask your mom to read them and see what she thinks of them." The next day the young woman energetically and enthusiastically stated "she loved the newspaper, especially the articles from El Salvador." I continued sending the newspaper with the daughter, and sometime later I had the opportunity of meeting with the mother. We had a chance to talk for a long time. The family had traveled to El Salvador. In a proud tone the mother said "my father, the grandfather of my daughter, has been with the red flag all the way, he has been a fighter most of his life." We continued our conversation. Now the father is receiving, via mail, the newspaper *Red Flag*. I hope that soon this father and grandfather would write a letter. This represents a way in which we can help spread the International Communist Workers' Party (ICWP). We all have to think about how to help in doing this very important work.

High School Student Remembers May Day 2010

When I took a step out of the bus and into the streets, I knew what I was fighting for. I was fighting for a system that grants a guarantee to the road of true liberty for the workers of the world, a system that eliminates discrimination, racism, and fascism from all directions. A system that would not bury lies deeper into the grounds which the workers labored upon as time progressed. I wore the ICWP t-shirt of my belief; I carried the communist banner of our future. My feet grew tired, but my soul only became stronger. The chants and screams became the source of energy for me to keep on marching. I fought for the sacrifices that my parents have gone through. Marching for that future made me feel as if I was returning the favor. When the blood of the working class drowns all of the capitalist executives, we shall rise and rule all the lands as one. But until then, we shall keep our spirits up and keep on fighting. Long live Communism! Long live the Working Class.

Revolutionary Dialectics: The 1960s Struggle in China

As we saw in earlier columns, a dialectical contradiction is a combination of opposite tendencies, processes or forces. Dialectical contradictions are important because they cause change, like the contradictions between the US and other imperialists that are leading to wider wars.

The biggest issue in the philosophy of dialectics is how contradictions get *resolved*, that is, stop being contradictions. Marx said that resolution happens when the two sides “fight to a decision,” and one defeats the other, like the working class overthrowing the capitalists. Revisionists have a different line on resolution. They say that contradictions can be resolved by merging the two contradictory sides or even that the two sides can peacefully exist indefinitely without resolution.

Part of the struggle against revisionism in China in the 1960s was a big debate about this issue that involved many thousands of people. Mao Zedong, then the leader of the Communist Party of China (CPC), proposed the slogan “one divides into two” to express the idea that contradictions are everywhere and what appears unified has opposite aspects.

Yang Xianzhen, head of the CPC’s philosophy school, defended the slogan “two combine into one.” This meant that the two sides of a contradiction don’t have to fight until one wins, but could merge into a so-called “synthesis.” Many US union leaders have this approach. They claim that workers can have a kind of synthesis with the bosses “for the common good.”

Yang described Chinese society as having a “synthesized economic base,” which combined capitalist and communist social relations. He said

the capitalist side didn’t need to be smashed, but would disappear gradually and peacefully. The actual result, however, was that capitalism won in China.

Yang’s defenders claimed that “two combine into one” was a law of dialectics. To support this idea, they gave various examples of things that actually do combine, such as atoms that combine into molecules. They left out the fact that many atoms cannot combine and others do so only after a complex struggle.

In August, 1964, Mao got into the debate. Instead of rejecting synthesis outright, he said that what synthesis really means is the stronger side “eating up” the weaker one. When the Chinese revolution overthrew the capitalists, he said,

“The synthesis took place like this: their armies came, and we devoured them, we ate them bite by bite. It was not a case of two combining into one as expounded by Yang Xianzhen, it was not the synthesis of two peacefully coexisting opposites. They didn’t want to coexist peacefully, they wanted to devour you.” [1]

Here are a few of the other important points made in the debate:

I. *Opposite sides of things or processes are usually formed by dividing up, and not by combining two already existing things.* Capitalism, for example, did not come about by sticking workers and capitalists together. Instead, the class differences between workers and bosses emerged and became more sharply defined, a process driven by the internal contradictions of capitalism.

II. *When opposites do combine, their conflict continues and can intensify.* European capitalists have fought a long struggle to create the EU but big cracks are now showing in it, with big financial crises in Greece, Spain, Ireland and Hungary.

III. *When you create unity, you must actually resolve the contradictions that stand in the way.* Unity of the international working class can’t be achieved by ignoring differences or making unprincipled compromises. Instead the Party must lead a massive ideological struggle for unity around the most advanced line that can be figured out.

In contemporary China, the philosophical gains of the 1960s have been reversed. Philosophy textbooks now claim that the sides of a contradiction can merge together, or that they can co-exist without destroying each other. One text predicts that “although there is significant competition among the economies of different countries, the present economic process of globalization should jointly develop on the basis of equality, in a mutually beneficial way.”[2] In other words, China can create an empire without challenging other empires--a myth that serves the interests of China’s new bosses.

Rejecting this nonsense, our communist movement can learn from and spread widely the true dialectics that China’s past revolutionaries helped develop and fought for.

[1] S. Schram, *Mao Tse-Tung Unrehearsed*, London, 1974, pp. 224.

[2] *Marxist Philosophy*, edited by Zhu Guoding,

An Age of Rage ... or of Communist Revolution?

“One false move in Europe,” the May 24th *Washington Post* wrote, “could set off a global chain reaction.” They were talking about the economic crisis as it now surfaces in Europe. “If the Euro fails,” warned German Chancellor Angela Merkel, “then Europe fails.”

The ruling classes on both sides of the Atlantic are nervous. The economic crisis that started in the US as a sub-prime crisis has developed to a new level as the sovereign debt crises in Europe. Now nations are threatening to go broke.

However, the most significant aspect is the emergence of the working class as an active player in the crisis. Ultimately the major contradiction in capitalism lies in the struggle that develops because workers make everything but the bosses take everything (except wages or salaries).

WORKERS AS CONSUMERS

This struggle is present in all conflicts although the way it shapes the outcome differs. Two years ago, when the crisis broke out in the US, racism and the impoverishment of the working class were the dominant features.

Over three decades of stagnant wage levels, the forced removal of 2 million mainly young black men from the workforce with record levels of incarceration, Clinton’s dismantling of the welfare safety-net with workfare and the explosion of casual labor (especially the use of immigrant labor) meant that the working class as a whole was broke. So broke, in fact, that collectively we had accumulated an astronomical \$12 trillion in household debt. Like a bag of cement around the neck of a corpse, that debt meant millions could not stay afloat and pay their sub-prime mortgages. It triggered the crisis that broke even flagship banks, like Citibank.

Like it or not, the working class collectively played a central role – but it was as consumers. We were central but passive - too divided by racism to be anything except victims.

WORKERS AS PRODUCERS

Then, as the crisis passed into its sovereign debt phase, the working class burst onto the scene in Greece with 24 hour general strikes and mass demonstrations (at one point 3 million demonstrated out of a population of 11 million). It prompted an article in the May 22 *Financial Times* to reflect: “The world teeters on the brink of a new age of rage: we face a tinderbox moment.”

In times of crisis, class attitudes sharpen. Although workers make everything, only a fraction of what we make ends up with us – as wages or salaries – while the bulk of it goes to the capitalists. Some goes to the industrialist or factory owner as profits, some to the real estate developers as rent but most ends up with bankers or bondholders as interest or dividends.

When a state or nation nearly goes broke (ie develops a sovereign debt crisis) it owes money to these

bankers and bondholders. If it can’t pay, it has to borrow. But if it has to borrow, it is deemed a high risk. And here’s Catch-22 – if it is high risk the bankers charge more for their loan and insist (as a condition of the loan) that the State cut other expenses (healthcare, pensions, government jobs) so that it can prioritize its payments to the bankers.

WORKERS AS REVOLUTIONARIES

This is how democracy works. Ultimately power rests with the bankers and other capitalists. In everything important, they dictate the politics of the State. Marx called it the ‘dictatorship of capital’ and argued that only revolution, not elections, can remove dictatorships. The *Financial Times* is already planning how to derail the “Age of Rage” (more next issue) but the *Red Flag* is already winning readers and distributors to turn the age of rage into an age of revolution. This year’s summer projects in Seattle and Los Angeles will play a key role in that long march. We want a communist revolution where the working class overthrows this dictatorship of capital and all the debt crises it produces.

