

A 'SOCIALIST' IN THE WHITE HOUSE?

The Election of Barack Obama

By Ken Boettcher

The election of Barack Obama as president has the lunatic right wringing its hands, buying up guns, and making outlandish claims about the "socialist" threat he supposedly represents.

When I received the following email from a relative concerned that the country was going "socialist," I had to respond.

The email wrote that "Norman Mattoon Thomas (November 20, 1884-December 19, 1968) was a leading American Socialist, pacifist, and six-time presidential candidate for the Socialist Party of America. The Socialist Party candidate for President of the United States, Norman Thomas, said this in a 1944 speech:

"The American people will never knowingly adopt socialism. But, under the name of 'liberalism,' they will adopt every fragment of the socialist program, until one day America will be a socialist nation, without knowing how it happened. He went on to say: 'I no longer need to run as a presidential candidate for the Socialist Party. The Democrat Party [sic] has adopted our platform.'"

My response to the email was as follows:

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Is the quote from Norman Thomas supposed to be scary? Why? Merely because he was supposedly a "Socialist"?

There was nothing scary about poor old Norman Thomas. What kinds of horrible, scary things did Thomas advocate? According to the Princeton Alumni Weekly [Thomas graduated from Princeton], "Thomas' 1932 platform — minimum-wage laws, low-cost housing for the poor, a five-day workweek, unemployment insurance, health insurance for the aged, civil rights for blacks, and old-age pensions—doesn't look so radical now." Thomas was also for such "radical" ideas as outlawing child labor.

The fact is that not only the Democrats but the Republicans as well have in virtually every election since the turn of the 20th century "stolen the thunder" of such milquetoast "defenders of the common man" as Norman Thomas and his misnamed Socialist Party.

Neither Thomas nor all the Democrats and Republicans who have appropriated the ideas of his "radical" Socialist Party in the intervening decades should be counted as Socialists.

Real Socialists disparage Thomas and his "Socialist" Party as defenders of capitalism, just as they disparage the Republican and Democratic parties.

Capitalism. Now THERE'S something to be afraid of. A system built on greed that puts control of the whole economy [life-and-death control over who eats and who does not] in the hands of a relatively tiny minority. In this country, that minority of the richest individuals owns and controls virtually all the opportunities for working people to survive. The lives of the overwhelming majority of the population that actually performs most of the useful work in society are completely dominated by the economic interests of this tiny capitalist minority. Working people have no democratic control over the economy at all, and must hit the unemployment lines and become destitute at the whim of the despotic class of capitalists who dictatorially control the economy.

In support of such a characterization of capitalism, witness the present economic crisis—which is already being spoken of as a crisis that could well become another Great Depression.

There are some plain, unavoidable facts that become apparent in comparing the state of the economy THIS year with that of LAST year. In most important respects, this year is NO different from last year. We still have human needs to fulfill. People still get hungry, need homes and education and health care and clothes, to name just a few of those

human needs. We still have all the natural and material resources required to fulfill those needs. We still have all the human labor power needed to operate the nation's industries and services.

So what's up? Why is the economy crumbling this year, with over 200,000 additional layoffs every month and a million and a half jobs lost over the last year? Why are there reports that another 5 to 7 million foreclosures may still be lurking out there? Why is the whole vaunted capitalist economy grinding to a halt? What IS the difference between this year and last year?

The news media make it seem that the reasons are very complicated. Credit swap defaults, fraudulent mortgage lending practices, high oil prices, "re-packaged" loans—my, oh my, it's all so very complicated. Or is it? It really all boils down to the fact that the capitalists—that tiny minority that expropriates the lion's share of the wealth that working people alone create—are this year completely unwilling to risk their capital, whereas last year they weren't so unwilling. Since their decisions are the only ones that count under capitalism, it is their power alone that controls the industries and services. All they have to do is turn the key in the lock and wait patiently on their mountains of wealth until opportunities for profitable use of their capital return. And they will eventually return—after the mountains of unsold goods that are piling up right now are eventually sold off, or destroyed in a war, or buried underground as so much surplus was after World War n. Then and only then will the millions of workers who lose their jobs in this depression be allowed to work again—if they are still ABLE to work after what is expected to be a very lengthy crisis.

But how many millions of lives will be destroyed in the interim? How many schools will be closed, how many needed health services will be denied? How many state and local governments will falter? How much will human society everywhere be disrupted and chaotically torn down? What will be the total human toll this time?

This is the reason behind the reforms of so-called Socialists like Norman Thomas, and those of the Republicans and Democrats who followed him. "Reform if you would preserve," said Roosevelt to the rightwing ideologues of his time. Capitalism has no option. Throw some crumbs off the king's table or face the possibility that the working-class majority will finally begin organizing to end the capitalist economic dictatorship that increasingly threatens human survival.

Real socialism does not argue for attempts to fix capitalism. Real Socialists do not want mere reforms when the whole economic dictatorship of capitalism must be abolished if we are ever to have real, meaningful democracy in the 21st century. Nor do Socialists want anything like what exists or existed in the Soviet Union, or China, or Cuba, or any other so-called socialist country.

The best description of what REAL Socialists want is written very clearly at http://www.slp.org/what_is.htm

If a REAL democracy under which the majority in society own and democratically administer the whole economy for the benefit of all sounds scary, well, that doesn't sound scary at all to me. Just think about it: a REAL democracy under which the majority in society own and democratically administer the whole economy for the benefit of all. If we can agree on a way to build that, is that idea really scary? Or is it really the only SANE choice we have?

And oh, by the way, REAL Socialists don't believe that Obama is about to usher in anything at all resembling socialism. He may try to brush a few more crumbs off the king's table, but that is entirely in keeping with all the Republicans and Democrats who preceded him.

It will, unfortunately, merely postpone the real task ahead for humanity: that of building a new kind of society that would put the vast wealth created by the great majority—working people—to work

serving human needs instead of the profit interests of a few. That is the ONLY kind of society, ruled from the bottom up by working people, that can possibly confront and overcome all the many crises that capitalism has either produced or greatly contributed to—unending economic chaos and insecurity for the many, environmental and ecological nightmares, plus growing poverty, racism, sexism and wars over depleted resources.

IT'S SO COMPLEX

(In Capitalist Society)

By James G. McHugh

Years, if not decades ago *The New York Times* had a sympathetic article concerning the plight of corporate executives, especially the "big boys at the top." It seemed that our modern times demanded that CEOs be responsive to the community at large in areas of race relations, employment, pollution, etc. and in fact, had so many collateral obligations that the contemporary CEO didn't have time to run his business. The article continued, exploring the various tactics the CEO could use to manage the situation.

Many years later, and with no recollection of the old article, I realized that many of the managerial personnel I knew in the company that employed us, seemed to be too busy to do their job. Whereas the article of years ago addressed the conflicts external to the corporation, the current situation addressed problems within and without the corporation that now affected not only the CEO, but also the managerial tiers well below him. Compounding the problem, some managers and directors, ever fearful of maintaining their favored positions, appoint incompetents in the supervisory ranks below them to avoid having anyone reporting to them being able to take their job. None of this bodes well for the effectiveness of capitalist management.

While on the job and listening to these CEOs, directors, and managers reminded me of something I read about the Catholic Church in a national news magazine many years ago. It seems that the contemporary church was being warned that their flock was in many cases much better educated than their shepherd. Indeed the flock seemed put off by the shepherd. The article seemed to tell the church if it wished to avoid having little more than third world appeal, it might consider modernizing its message. Today, the capitalist workplace might be experiencing a similar problem. The managers address the staff in a very naive way, as if they don't understand that the staff they've hired is as educated and informed as they are. Sometimes more so. While the managers might have relatively cloistered lives and little interest in anything beyond their jobs, the staff might easily live in a bigger world and be receptive to a broader range of ideas and experiences. In other words, it is easy for the staff to feel unimpressed with the management. This can be especially true when Human Resources personnel try to pass off corporate demagoguery as if it were mental health. More than this, the primary, if not exclusive, focus of a corporation and its management is its own survival in the capitalist marketplace. This always precludes it from appreciating the broader needs of society.

The current energy, global warming crises is a case in point. While the oil capitalists and the auto capitalists can only see their narrow self-interests in their own businesses, and are therefore insensitive to the broader interests of society, workers can see interrelated issues. Workers can see the possibilities of living in more compact communities, within walking distance or a short ride (using an efficient' clean mass transit system) to their more frequent destinations. They can also plan to build residences.

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THE CURRENT CRISIS OF CAPITALISM

September 27, 2008

Dear Comrades,

During our current hiatus and capitalism's current if not terminal crisis, and in anticipation of resuming *The People*, we are offered an opportunity to reflect and put our thoughts together with the idea of ultimately issuing a statement to the membership and hopefully the readership.

Of course I refer to the credit debacle now being played out on Wall Street and [at] Washington. Above the babble of capitalist economics and sundry soothing is Marx's summary observation that in the final analysis all real crises of capitalism result from the restricted purchasing power of the working class as opposed to capitalist industry operating as though only the absolute consuming ability of society were its limits. (I looked but cannot find the source of this statement so I paraphrased it and I believe it is accurate, please correct it if it is not.)

For many a decade, if not centuries past, extension of credit to both capitalist industry and to the working class has been a major prop of the system. An observation in *The Dallas Morning News* drives the point home noting: "Many economists agree that this is the worst financial crisis since the Great Depression. They also tend to agree that the U.S. economy is a great risk if the availability of credit isn't restored soon. The nation is dependent on credit from companies that use credit [to] make their payroll to credit cards used by consumers to buy gas." (Sept. 27) The current credit crisis is centered on collapse of the mortgage market within an industry that has represented one of the main sources of employment and manufacturing, housing. Industrial expansion within this industry has virtually come to a halt as millions of working class families have lost or are threatened with the loss of a basic ingredient of survival, shelter.

Marx elaborates on the credit crisis with uncanny perception as though he were witnessing the debacle now unfolding in *Wage-Labor and Capital* accordingly:

"Finally, in the same measure in which the capitalists are compelled...to exploit the already existing gigantic means of production on an ever-increasing scale, and for this purpose to set in motion all the mainsprings of credit, in the same measure do they increase the industrial earthquakes, in the midst of which the commercial world can preserve itself only by sacrificing a portion of its wealth, its products, and even its forces of production, to the gods of the lower world—in short, the crises increase. They become more frequent and more violent, if for no other reason, then for this alone, that in the same measure in which the mass of products grows, and therefore the needs for extensive markets, in the same measure does the world market shrink evermore, and ever fewer markets remain to be exploited, since every previous crisis has subjected to the commerce of the world a hitherto unconquered or but superficially exploited market. But capital not alone lives upon labor. Like a master, at once distinguished and barbarous, it drags with it into its grave the corpses of its slaves, whole hecatombs of workers, who perish in the crises. We thus see that if capital grows rapidly, competition among the workers grows with even greater rapidity, i.e., the means of employment and subsistence for the working class decrease in proportion even more rapidly; but this notwithstanding, the rapid growth of capital is the most favorable condition for wage-labor." (SLP edition)

As the credit debacle unfolds it should be more and more apparent to workers that they can no longer cling to notions of the viability of the system through the alchemy of reformist proposals, bail-

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FIAT MONEY

What Is Its Basis?

November 27, 2008

Dear Bob,

Some economists are fantasizing a turnaround by the end of the second quarter, 2009, but do you see any mechanisms in place to revive capitalism, with rising inventories and climbing unemployment, that quickly? Our government wants banks to lend (to poor risks) and consumers to consume (without jobs).

However, I am curious about the basis and formulation of our so-called "fiat money." Economists define the gold standard as a system that "pegs a specific amount of currency to a specific weight of gold", i.e. so many dollars/ounce. By this definition we are not on a "Gold Standard" but this does not mean that our money is not commodity-based i.e. gold. When the price of gold fluctuates according to supply and demand, its relative exchange value with other commodities will still obtain and the Central Bank can still create new money—and inflation.

Current fears center on "deflation coupled with recession." Deflation and inflation are vulgarly defined, as "a fall or rise in prices caused by supply and demand". Prices are now falling for lack of demand, but we know that changes in the money supply against the commodity, which money represents (usually gold), is the classic cause of inflation/deflation—and not market perturbations. This confusion of terms evidently serves a purpose since admitting the validity of the labor theory of value is a taboo "up with which, Capitalism will not put."

Economists define fiat money as "created money that is not pegged to a fixed, government decreed price of x dollars/ounce (of gold)." This definition does not exclude fiat money from having a mooring in the exchange value of commodities, i.e., fiat money can still be commodity-based. I do not see how faith-based money (which is how most economists, explain fiat money) can function as a medium of exchange, let alone inspire confidence and consensus in the suspicious, immoral world of high finance.

Fiat money becomes increasingly vague when the fundamental question is approached of what gives it exchange value. The ultimate explanation is: "Value is determined by what people are willing to pay," as though everything boils down to supply and demand. This answer evades the question of persisting

differences between exchange values when supply and demand are equal, while implying that human labor is irrelevant.

No articles I have read mention any historic decree abolishing the relationship of money to gold. Instead they document the abolition of the fixed value of the dollar to gold or the outlawing of domestic citizens (1933) and foreign governments (1971) from converting dollars into gold bullion, which incidentally depletes the gold reserve. Why should ideal "fiat money", based solely on confidence and consensus, be concerned about something as material and irrelevant as gold unless there is a real connection? It is interesting that national gold reserves, maintained by almost all governments, can also be "leased out". This suggests that currencies may be subjected to international credit manipulation.

According to Wikipedia, governments actually do guarantee their currency by maintaining a "store of value" (which includes gold). The explanation of money's relationship to this "store" is a little murky to me but seems to indicate that fiat money is, indeed, commodity-based, which would explain how massive inflation would result once these colossal bailouts trickle down to the global market place. Time will tell.

I look forward to your comments and those of interested readers.

I hope you are well, fully recovered and raring to go,

ABCAP

P.S. Most of my references for this letter come from Wikipedia, which I hope can be trusted.

... CAPITALISM

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outs, and pump-priming. The problem is systemic in that they, as the sole producers of real social values, real wealth, receive in wages but a fraction of the values that that wealth represents. The lion's share goes to the capitalists as profits. Therefore, when that wealth in its totality appears for purchase on the market they can buy back only a fraction of what they produce. Credit is one of capitalism's main crutches to insure that the system continues to function. Daily, it becomes more and more apparent that the anachronism of capitalism must be swept into history's garbage bin and the rational system of a Socialist Industrial Union government and socialist society must be established.

There is a good deal more to be said under other headings, for example financial or the medium of circulation and the prospect of that medium becoming worthless. After all, it is only based upon faith having no tangible value. Nixon having ended the supremacy of the dollar by ending exchange of dollars for gold there is no commodity that has taken gold's place that represents real value.

Fraternaly submitted,
B. BORTNICK
NEC Member

September 29, 2008

Dear Comrade Bortnick:

The Marx passage you refer to occurs in Capital III (page 568, Kerr edition).^{*} Marx, however, draws a different conclusion. Productive workers can never consume all that they produce. Accordingly, consumers for the surplus must be found elsewhere, i.e., from other elements of society, whom Marx identifies as the "masses."

Apart from the capitalists themselves, these additional consumers (the "masses") come from the nonproductive and unproductive branches of the working class who are not exploited and who derive their income from capitalist profit.^{**} (Read, e.g., what Marx says about the buyers, sellers, travelers and salesmen who receive "a portion of the profit." (Page 342)

As for money, credit and finance capital generally, Marx points out in his chapter on Financial Capital that the labor involved "belongs to the expenses of circulation, it does not create any values," although it involves "Large offices, many bookkeepers and cashiers." (Pages 373-374)

Incidentally, and apart from the impli-

cations of the current crisis, the decline of the productive and hence exploited branch of the working class, together with the growth of its nonproductive and unproductive branches, was and remains the source of my concern that the SIU program, while still correct in its essence, can only decline in its appeal as more and more of the working class derives its income from "a portion of the profit."

Fraternaly yours,
ROBERT BILLS
National Secretary

September 29, 2008

Dear Comrade Bills,

I'll study the references you dug out. However, the current financial crisis still seems to remain "the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way," etc. The credit system has cratered because the workers or masses, whoever, haven't the means to meet payments on home mortgages, cars, appliances, credit card debt etc., etc., no matter what their industrial status is, hence their "restricted consumption." Correct?

You now have renewed my interest in Volume III.

Fraternaly,
B. BORTNICK
NEC Member

* "The last cause of all real crises always remains the poverty and restricted consumption of the masses as compared to the tendency of capitalist production to develop the productive forces in such a way, that only the absolute power of consumption of the entire society would be their limit."

** See Daniel De Leon's Fifteen Questions About Socialism, "Question V," for definitions of productive, nonproductive, and unproductive labor.

... COMPLEX

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dential and other structures exploiting solar and geothermal sciences. Measures like these can reduce:

- the automobile population,
- commuting time,
- the labor and materials needed to achieve
- land use and infrastructure, necessary transportation as well as space heating and cooling,
- fossil fuel use (as well as biofuel substitutes),
- air pollution. (Burning less fossil fuel would result in lower production of CO₂, which creates a greenhouse effect in the atmosphere and gives rise to global warming and climate change.)

While workers can organize across industries to achieve these goals, try imagining capitalism doing this. It simply runs counter to their class interests and would never be done. Moreover, we now see that American capitalism is in enormous and violent conflicts for control of the remaining global store of fossil fuels, particularly, oil in the Mideast and Central Asia. These conflicts are expensive and risk bankrupting the U.S. economy.

It was Karl Marx who explained that it is the inner and outer conflicts of class-ruled societies that become their undoing. Despite this, many pundits and commentators have embraced descriptions of modern life as "complex." In so doing they attempt to defend an increasing unmanageable society by noting its multitude of irreconcilable conflicts.

Its up to Socialists to realize that capitalism's work-a-day conflicts are theirs, certainly not the working class's. Workers are organized on the job, albeit for capitalism's purposes, and it is workers who coordinate production every day, sometimes in spite of, sometimes in the absence of, capitalism's management.

It is up to Socialists to assure that workers understand that with the experience they've already gained, worker's have the potential to free themselves from the constraints of capitalism's control of the work place and reorganize production for their own purposes.

WHAT IS SOCIALISM?

SOCIALISM is the collective ownership by all the people of the factories, mills, mines, railroads, land and all other instruments of production. SOCIALISM means production to satisfy human needs, not as under capitalism, for sale and profit. SOCIALISM means direct control and management of the industries and social services by the workers through a democratic government based on their nationwide economic organization.

Under socialism, all authority will originate from the workers, integrally united in SOCIALIST INDUSTRIAL UNIONS. In each workplace, the rank-and-file will elect whatever committees or representatives are needed to facilitate production. Within each shop or office division of a plant, the rank-and-file will participate directly in formulating and implementing all plans necessary for efficient operations.

Besides electing all necessary shop officers, the workers will also elect representatives to a local and national council of their industry or service—and to a central congress representing all the industries and services. This ALL-INDUSTRIAL CONGRESS will plan and coordinate production in all areas of the economy. All persons elected to any post in the socialist government, from the lowest to the highest level, will be directly accountable to the rank-and-file. They will be subject to removal at any time that a majority of those who elected them decide it is necessary.

Such a system would make possible the fullest democracy and freedom. It would be a society based on the most primary freedom—ECONOMIC FREEDOM.

For individuals, socialism means an end to economic insecurity and exploitation. It means workers cease to be commodities bought and sold on the labor market, and forced to work as appendages to tools owned by someone else. It means a chance to develop all individual capacities and potentials within a free community of free individuals. It means a classless society that guarantees full democratic rights for all workers.

SOCIALISM does not mean government or state ownership. It does not mean a closed party-run system without democratic rights. Those things are the very opposite of SOCIALISM.

"SOCIALISM," as the American Socialist Daniel De Leon defined it, "is that social system under which the necessities of production are owned, controlled and administered by the people, for the people, and under which, accordingly, the cause of political and economic despotism having been abolished, class rule is at end. That is socialism, nothing short of that." And we might add, nothing more than that! Remember: If it does not fit this description, it is not socialism—no matter who says different. Those who claim that SOCIALISM existed and failed in places like Russia and China simply do not know the facts.

SOCIALISM will be a society in which the things we need to live, work and control our own lives—the industries, services and natural resources—are collectively owned by all the people, and in which the democratic organization of the people within the industries and services is the government. SOCIALISM means that government of the people, for the people and by the people will become a reality for the first time.

To win the struggle for socialist freedom requires enormous efforts of organizational and educational work. It requires building a political party of socialism to contest the power of the capitalist class on the political field and to educate the majority of workers about the need for socialism. It requires building SOCIALIST INDUSTRIAL UNION organizations to unite all workers in a classconscious industrial force and to prepare them to take, hold and operate the tools of production.

You are needed in the ranks of Socialists fighting for a better world, to end poverty, racism, sexism, environmental disaster and to avert the still potent threat of a catastrophic nuclear war. Find out more about the program and work of the Socialist Labor Party at www.slp.org and join us to help make the promise of socialism a reality.

IN MEMORIAM

John Motzer

October 15, 2008

Dear Comrade Bills,

It is with a heavy heart that I must convey to you the sad news that Comrade John Motzer had a massive heart attack and passed away Monday, Oct. 6, 2008. He was 75 years old.

John was born Jan. 1, 1933, in Hungary. As a young boy growing up in Hungary, in the period just prior to and also during World War Two, John experienced and witnessed the terrible human suffering and horrors that were inflicted upon the world around him.

I believe even as a young boy, John felt there had to be a better way. After the war he moved to Austria and served his apprenticeship in tool and die. Now a young man, John decided to emigrate to the United States. John was still searching for answers when he found the SLP and its program. From that day until his death, he never missed an opportunity to champion the Party and its program to everyone he met.

John went to work for General Motors and remained there for 35 years until his retirement. Anyone John worked with during those 35 years soon learned of the SLP and its program.

The Party has lost a very loyal and dedicated member. We have lost a comrade and a very dear friend. We will miss him very much.

John is survived by his devoted wife of 57 years, Susie, two sons Gerald and Craig, and his beloved granddaughter Olivia.

Also please find enclosed check no. 4010, in the amount of \$129.00. This is a contribution, in memory of John Motzer, from Warren and Nancy Carlen.

Fraternaly yours,
WARREN CARLEN
Section Wayne County

Explore @ www.slp.org
Marx, Engels, De Leon and more