

CHALLENGE



THE REVOLUTIONARY COMMUNIST NEWSPAPER OF PROGRESSIVE LABOR PARTY

volume 42 no. 16

august 4, 2010

suggested donation \$.50

As Obama Expands Anti-Immigrant Onslaught: Racist Arizona Law Attacks ALL Workers



On July 29, people across the country were scheduled to travel to Arizona to protest that state's racist anti-immigrant law (SBI070) which would require local cops to stop individuals they "suspect" of being undocumented immigrants and turn them over to immigration authorities.

Recently, the U.S. Justice Department filed a lawsuit to stop the law from taking effect. The Obama Administration's stance against this law, and promotion of Comprehensive Immigration Reform (CIR), appears to oppose anti-immigrant racism. However, virtually simultaneously Obama also asked Congress for \$500 million to add 1,000 agents to the Border Patrol and 160 to Immigration Customs Enforcement (ICE). Additionally, two more aerial drones would be deployed to continue the militarization of the U.S./Mexico border. This expansion adds to the 1,200 National Guard troops Obama already plans to send to the border.

The Obama Administration has adopted this seemingly contradictory position because it is concerned with winning workers, especially Latino workers, to buy into U.S. patriotism and support U.S. imperialist wars in Iraq and Afghanistan. But, at the same time, U.S. capitalism needs to control and exploit these very same workers. That's why Obama supports the DREAM Act — which essentially promises U.S. citizenship in exchange for military service. Yet, since the beginning of his presidency, deportation rates have climbed above those reached under the Bush Administration.

According to internal memos obtained by the Center for Investigative Reporting, ICE officials set deportation quotas and spelled out how agents could meet them. Thus, Arizona's racist law hardly approaches the level of anti-immigrant racism the Obama administration already is enforcing.

Don't Just 'Boycott Arizona' — Smash Capitalism!

Since the early 19th century, U.S. imperialism's legacy in Latin America has been one of destroying workers' lives on both sides of the border. Imperialist economic policy has pushed Latino workers around like pawns on a chessboard, exploiting their labor when needed and then unceremoniously deporting them. The last major deportations were in the late 1940s and '50s. The

U.S. has had a militarized border program since the 1980s, serving not to keep immigrants out but to keep them unable to fight low wages and abuse. This resurgence of deportations under Obama is partially aimed at using immigrants as scapegoats for capitalist-created unemployment, but most importantly it's another racist measure aimed at further terrorizing those immigrant workers who remain.

It is capitalism that generates such apparent racist contradictions, resulting in attacks on workers, whether they're on the streets, in Arizona's ICE detention camps or on the battlefields in Iraq and Afghanistan. Governor Jan Brewer is certainly a vile racist, but she is only one cog in a machine that is rotten to its core. Democrat or Republican, conservative or liberal, these politicians serve the interests of the capitalist class and U.S. imperialism.

The international working class must unite, not only in such protests but also for the long haul, to wipe out the capitalist system that makes Arizona's SBI070, CIR and the DREAM Act possible and build a communist society that meets all workers' needs and ends racism for good.

PLP's Summer Project was joining this July 29 protest, not to beg Obama for mercy but to expose him as part of the growing racism and terror workers face, linking that to the need to destroy the capitalist system that perpetuates this violence. (Full story next issue) ☪

EDITORIAL>>

U.S. Capitalists' Dogfight: Small Fry Use Racist Tea Party to Snarl Big Bosses' War Aims

page 2

TRANSIT>>

Angry Drivers Put Brakes on Hacks' Loyalty to Bosses' Laws

page 3

UNEMPLOYMENT>>

'Jobs, Not Jails!' Jobless Youth Confront State Power

page 3

EDUCATION>>

PL'ers Help Lead Fight vs. Union Machine's Stomping on Students

page 4

EUROPE>>

E.U. Rulers' Austerity Plan for Workers: Slash and Burn

page 5

ASIA>>

Japan: Still Another PM Dumped; Exposes Rulers' Bankruptcy

page 8

China Currency Debate: An Inter-Imperialist Fight

page 8

U.S. Capitalists' Dogfight: Small Fry Use Racist Tea Party to Snarl Big Bosses' War Aims

A widening split within the U.S. ruling class is intensifying between two groups of capitalists. The dominant wing is led by the Rockefeller interests — which includes such giant corporations as Exxon-Mobil and JP Morgan Chase — and which champions the long-range interests of U.S. capitalism. They promote imperialist wars internationally, attempting to maintain U.S. top-dog status in their drive to control the world's resources (especially oil and gas), markets and the ability to exploit impoverished workers. They must, sooner or later, mobilize the nation to confront rivals Iran, China and Russia which are bent on expanding their own access to these resources. China has now become the world's number one energy user.

To accomplish this they must impose war-

time discipline on a challenging anti-Rockefeller faction, basically capitalists more focused on immediate, short-range profits — the quarterly bottom line — than on the long-term needs of U.S. imperialism. It is these domestically-oriented bosses who have been bankrolling and organizing a mass, anti-tax, predominantly Republican faction known as the Tea Party ("Taxed Enough Already").

This fight between these two capitalist wings is nothing new. As PLP has been exposing for decades, the Rockefeller group, long identified as "old money" — centered in the East and in the big Wall Street banks and investment houses — has dominated U.S. capitalism for much of the last century. The domestically-oriented group, identified as "new money," emerged in the post-Kennedy era, backing Nixon, and has been centered in the South and West.

The destruction of the Nixon presidency in the early 1970s marked the victory of "old money" over "new money." But the fight continues.

Now along comes Charles Kupchan and Peter Trubowitz, writing in "International Security" (Summer, 2010) to confirm what PLP has been saying: "[P]olitical polarization has been shaking the domestic foundations of U.S. grand strategy, sorely testing bipartisan support for liberal internationalism — the grand strategy that guided the United States from World War II through the end of the Cold War...." There, in a nutshell, lies one of the gravest challenges facing Obama and the U.S. imperialists he serves.

Kupchan-Trubowitz "define the liberal internationalist compact as the combination of heavy investment in military force with a commitment to international institutions." Kupchan and Trubowitz's remarks appeared in a Harvard publication. The Rockefeller-led Council on Foreign Relations (CFR) circulated them. Harvard and the CFR are top policy factories for the Rockefeller wing.

Big Bosses Need Ever Wider Wars

The only road for the biggest U.S. capitalists to maintain their international domination is through ever wider wars. But imposing wartime discipline on the entire U.S. capitalist class, a necessity for its Rockefeller imperialist faction, is proving difficult for Obama amid an economic crisis. Wars require taxes, while a bitter fight seethes over ending or extending massive Bush, Jr.-era tax cuts, set to expire on January 1. November's Congressional elections revolve largely around this question. And this is the reason that anti-Rockefeller capitalists have been organizing and financing the mass, anti-tax Tea Party.

Its chief intellectual and organizational assistance comes from Americans for Prosperity, funded by Koch Industries and FreedomWorks, headed by Koch-protégé Dick Arme. Koch Industries is a huge, family-held, domestically-oriented energy and timber company. The Kochs have long railed against money-burning U.S. overseas wars that gain them nothing. Recent articles on the Koch-funded Cato Institute website include: "Time to Leave Iraq," "The Case for Withdrawal from Afghanistan"; and "U.S. Out of South Korea."

Arme — after retiring from Congress, where he antagonized the Clinton regime — joined the

Koch's anti-tax Citizens for a Sound Economy as co-chairman. He then toiled for the Washington lobbying firm DLA Piper, seeking to neutralize Iran "on the cheap," without the costly U.S.-led attack/embargo/invasion the imperialist wing foresees. From 2005 to 2009 at DLA Piper, Arme promoted the People's Mojahedin Organization of Iran, a group (labeled terrorist by the State Department) that was supposed to overthrow the anti-U.S. ayatollahs in Teheran.

Tea Partyism makes U.S. imperialists very afraid. Kupchan and Trubowitz fear that "the partisan gap that widened during George W. Bush's administration has continued during the presidency of Barack Obama, confirming that a structural change has taken place in the domestic bases of U.S. foreign policy." From the imperialists' viewpoint, that gap has spelled frustration and disaster: half-baked invasions of Iraq and Afghanistan followed by undermanned occupations that can't get oil pumped or pipelines built.

Troops, Public Don't Back Liberals' War Plans

Leslie Gelb, ex-CFR chairman, noted a more ominous partisan gap among the troops U.S. rulers must rely on. He boiled General McChrystal's attack on the Obama gang to a plain, simple fact: "The U.S. military, officers and enlisted ranks don't like and don't trust Democrats and liberals. The bad feelings are mainly about values, style and constancy more than policy." ("Daily Beast," 6/22) Gelb feared an ensuing "firestorm of criticism [within the armed forces] about the White House, perhaps reaching Tea Party proportions."

In addition to questionable loyalty to the liberal war agenda amid the military, there is the general population's waning support for armed intervention. A December 2009 Pew poll revealed that 49% of the public believed that the United States "should mind its own business" — the highest response to that question ever recorded, far surpassing the 32% in 1972, at the height of opposition to the U.S. imperialist invasion of Vietnam.

Tea Partiers Open Racists; Liberal Imperialists Genocidal and Racist Butchers

So, to steer opinion their way, liberals, such as the NAACP, attack Tea Partiers (TP) as racist for their overwhelmingly-white composition and anti-immigrant stance. The TP movement is indeed racist. But its liberal imperialist opponents stand guilty of racist genocide.

For over two decades they have slaughtered over a million Iraqis for oil and regularly kill Afghan civilians over a gas pipeline. Over decades of war after war — Korea, Vietnam, Cambodia, Guatemala, Chile, Grenada, Panama, Nicaragua, not to mention the CIA-trained death squads in Latin America and the deaths due to U.S. corporate exploitation of the world's oil and minerals — U.S. "liberal internationalists" have murdered more workers than Hitler's sadists could ever have dreamed of. Atrocities like the quarter-million slaughtered by atom-bombed Hiroshima and Nagasaki, as well as the tortures and killings at My Lai, and Abu Ghraib, punctuate their unceasing deadly search for profits through military conquest.

The Tea Party and its capitalist backers deserve the wrath of the working class. We must continue to attack both the racist Tea Party and the far more murderous liberal killers that Obama represents. They remain our class's greatest enemy because they have the ability to deceive many by posing as a lesser evil.

It is the task of a mass, working-class party to organize in every area of the world in which our Party fights — in every factory, union, barracks, school, church, community and mass organization — to turn all working-class struggles into "schools for communism," and build the only force that can destroy the capitalist beasts. Such is the goal of the revolutionary communist PLP. Join us! ☺

OUR FIGHT

★ **Progressive Labor Party (PLP) fights to destroy capitalism and the dictatorship of the capitalist class. We organize workers, soldiers and youth into a revolutionary movement for communism.**

★ **Only the dictatorship of the working class — communism — can provide a lasting solution to the disaster that is today's world for billions of people. This cannot be done through electoral politics, but requires a revolutionary movement and a mass Red Army led by PLP.**

★ **Worldwide capitalism, in its relentless drive for profit, inevitably leads to war, fascism, poverty, disease, starvation and environmental destruction. The capitalist class, through its state power — governments, armies, police, schools and culture — maintains a dictatorship over the world's workers. The capitalist dictatorship supports, and is supported by, the anti-working-class ideologies of racism, sexism, nationalism, individualism and religion.**

★ **While the bosses and their mouthpieces claim "communism is dead," capitalism is the real failure for billions worldwide. Capitalism returned to Russia and China because socialism retained many aspects of the profit system, like wages and privileges. Russia and China did not establish communism.**

★ **Communism means working collectively to build a worker-run society. We will abolish work for wages, money and profits. Everyone will share in society's benefits and burdens.**

★ **Communism means abolishing racism and the concept of "race." Capitalism uses racism to super-exploit black, Latino, Asian and indigenous workers, and to divide the entire working class.**

★ **Communism means abolishing the special oppression of women — sexism — and divisive gender roles created by the class society.**

★ **Communism means abolishing nations and nationalism. One international working class, one world, one Party.**

★ **Communism means that the minds of millions of workers must become free from religion's false promises, unscientific thinking and poisonous ideology. Communism will triumph when the masses of workers can use the science of dialectical materialism to understand, analyze and change the world to meet their needs and aspirations.**

★ **Communism means the Party leads every aspect of society. For this to work, millions of workers — eventually everyone — must become communist organizers. Join Us!**

PROGRESSIVE LABOR PARTY

P.O. Box 808 Brooklyn NY 11202

• www.plp.org

• email: desafio.challenge@gmail.com

• blog: challengenewspaper.wordpress.com

• 718-630-9440

CHALLENGE/DESAFIO (ISSN 0009-1049) published bi-weekly by Challenge Periodicals. 1 issue \$.50. One Year: \$15. Six months: \$10. Send address changes to CHALLENGE Periodicals, GPO Box 808 Brooklyn, NY 11202, August 4 2010, Volume 42, No. 16

Why Articles Are Not Signed

The fact that CHALLENGE/PLP articles are not signed grows from PLP's criticism of the cult of the individual in the former socialist Soviet Union and China. We do not want to encourage the possibility of building up a "following" around any particular individual. While an article may be written by one person, the final version is based on collective discussion and criticism. Many times this collective discussion even precedes an individual's writing of an article.

Angry Drivers Put Brakes on Hacks' Loyalty to Bosses' Laws

OAKLAND, CA, JULY 18 — Hundreds of East Bay Area transit workers streamed into the union hall yesterday for a special meeting amid a buzz of righteous anger over an unprecedented company attack: imposing a new contract and work schedules. Many arrived seeking a plan of action, but the Amalgamated Transit Union (ATU) leadership offered nothing. One driver declared, "Man, we walked in here mad...strong like some dark coffee, but they just kept watering it down until it was like some weak herbal tea...and they got us drinking it!"

Union Pushes for Arbitration; Sign-up Boycott Successful

AC Transit carries about 230,000 people daily in the East Bay. Our contract expired June 30. Though for months the union president mouthed the possibility of a strike and members took a unanimous strike vote, nothing was organized. Then, a newspaper told us our union was asking for binding arbitration, ignoring a strike. Our international dispatched a representative to convince us this was the right course, promising that during arbitration, we'd continue under our old contract.

Meanwhile, the company threatened to impose their contract on July 18, demanding we "sign up" (choose our work assignments) on runs that completely violate our contract. The union asked drivers to boycott the sign-up. In a great show of solidarity, everyone boycotted. We all believed there was no way we would work these runs.

But on July 16, when the union asked the court for arbitration, they "forgot" to ask to remain under the old contract. The judge used this technicality to order the new contract be in force until a

Tuesday, July 20 hearing.

Union Bets on Court System, Not Drivers' Action

As yesterday's meeting began, drivers expected an action plan. As one young driver texted: "I think we should strike.... By doing this [signing up] they mess up a lot of people.... Hey, I think we should do like New York transit did — strike even if the court still said no!...." Another said: "People ain't gonna work these runs.... My wife works here too and we always work different schedules so we can pick up the kids. We can't let them do this to us. I'm staying off work until Tuesday."

One dispatcher and several drivers suggested we all show up to work Sunday but demand to work on the runs WE had chosen, not those the company chose for us. The union president and her "smart" lawyers said no. We now see that the union is relying on courts, lawyers and arbitrators, not on the kind of workers' solidarity we saw on the day of the sign-up. The International wants to put out fires, not start them!

Another young driver declared, "When the verdict was announced for the cop that killed Oscar Grant [see letter, page 6], his uncle said the family felt they'd been slapped in the face by the system. Well, right now, we're getting slapped in the face, and our union seems to be telling us to turn the other cheek. As long as we rely on their court system, this will keep happening. We're being disrespected, spit on, stepped on. There's no way we should work these runs!"

President Talks 'Faith' to Avoid Talking Business

Then the union president said, "I'm a believer in the Lord Jesus Christ and the bible does say you must obey the law of the land....These laws were originally established by God, but man messed them up."

But not everyone agrees with her use of "faith." As one driver said later, "She's using that 'faith' stuff as a smokescreen, to get people on her side. If you want to testify, go to church. We come here to deal with our business.... I remember what you said last time, this is like a war, and we're the front-line soldiers. We're supposed to have a battle plan."

The union's real "faith" is faith in the capitalist legal system. We communists point out that the legal system is stacked for the rich capitalists. As one driver put it, "They [the courts] always tend to side with the big corporation." Instead of relying on the bosses' legal system, communists try to build workers' power through education, solidarity, action, building PLP and eventually revolution.

As things got watered down, some drivers were drinking the "weak herbal tea," but others were ready for action. So many drivers didn't show up for work that 25 runs were cancelled at one division and 10-15 at another.

In the Class War, Communists Fight To Win

Nationwide, transit workers are under attack. This is war. While the International keeps playing softball, communists believe we need hardball. Through this struggle, we want to win more workers to consider fighting this war to the finish: a revolution to destroy capitalism. ☸

'Jobs, Not Jails!' — Jobless Youth Confront State Power

BALTIMORE, July 8 — Today, young people learned an important lesson about state power during an angry and well-organized rally against massive cuts in summer jobs. Last Monday, about 9,000 students, who had registered months earlier with YouthWorks, were supposed to start working at their sites. However, at the last minute, approximately 3,000 of these students were informed that they had no job at all!

That Tuesday one of the youth organizations led a militant sit-in at YouthWorks headquarters, blocking the front doors for about two hours as supporters rallied and chanted. The head of YouthWorks, all of whose offices were essentially shut down for most of the morning, invited a couple of protest leaders to come upstairs to meet with her. Protesters refused, insisting that she come down and talk with the whole group.

Nervous and defensive, she finally did come down, claiming to have the students' interests at heart, and said there's no more money for any more jobs. She did agree to a small "concession," that she would reconsider applications of students in the protesting group, and place some of them on a waiting list. They will then get jobs, she promised, if some students at other sites decide not to work for YouthWorks.

At today's City Hall rally, students held their ground as they faced off with cops barring the doorway. For nearly two hours, student leaders maintained rock-solid courage, arguing face-to-face with the cops that they have no right to keep us out, and demanding to see Mayor Rawlings-Blake. At the same time, a larger group of students in the rally chanted "Are you angry! Yes!" and "We don't want your pity! We want money for our city!" Another powerful chant was "Jobs yes! Jails no!" Maryland is spending \$104 million to build a new youth jail in Baltimore City, but won't spend just \$3.6 million to employ the 3,000 youth who were denied summer jobs. The organization leading today's protest has been fighting this school-to-

prison pipeline all spring, and continued that struggle today.

Mayor Rawlings-Blake never came out, but City Council President Young did. He asked for two student leaders to come inside, go with him to his office, and represent the group. The students again refused, demanding that he stay outside and talk with everyone! He responded that it was too hot outside. What arrogance, after we'd already been in the 90-degree heat for two hours!

Finally, recognizing our unwillingness to be divided, he stayed outside and talked for a few minutes before walking off hurriedly to his limousine. He claimed to be on our side, to be working hard to fund youth jobs, and that he opposes the new juvenile jail. When asked what he's doing right now to get jobs for the 3,000 young people who've been left out on the street, he angrily said it's an unfair question; that he doesn't have the power to make it happen.

One strong bit of truth emerged. Young said he had been trying, virtually begging, to get Johns Hopkins — Baltimore's largest private employer — along with major businesses, to provide more summer jobs for youth. As a PL'er pointed out, speaking to the rally a few minutes later, there's a profound lesson in Young's remarks. It became clear that Baltimore's big businesses are more powerful than the city government, because — even if just pretending to care about youth jobs — government officials have to go begging to big business. The capitalists are the top dogs who really hold power. The government is simply a tool of the bosses.

We also saw that the cops blocking the doors to City Hall, and all the other cops on the sidewalk who were ready to lock us up, are serving the needs of the bosses. Threatening to use the jails and the courts — if they had arrested us — would keep many of us jobless, but under control. This is



called state power.

A PL'er at the rally pointed out that in school they teach us it's a democracy, but that in reality, it's a dictatorship of the capitalist class. They use their state power — the government, the cops, the jails, and the courts — to oppress our class, the working class. The PL'er also put forward that only a revolution for communism can create a world that is run by the working class and truly serves our needs, with jobs for all. Just about everybody gladly took copies of CHALLENGE, and some donated money. The vigorous fight for jobs will continue, and so will PLP's fight for a world free of wage slavery! ☸

Teachers' Convention:

PLers Help Lead Fight vs. Union Machine's Stomping on Students

SEATTLE, July 11 — Progressive Labor Party members played important roles in the biannual convention of the American Federation of Teachers (AFT) ending here today. We helped lead a rally exposing the Obama Administration's Secretary of Education Arne Duncan and a walkout and rally against billionaire Bill Gates. We helped organize and spoke at three forums held by the AFT Peace and Justice Caucus, distributed 600 CHALLENGES, 300 Juneteenth Anti-Racism Supplements and 4,000 leaflets to delegates.

We helped the Peace and Justice Caucus recruit for forums on Haiti, on the fight-back against the racist, anti-working class Race to the Top competition and on Afghanistan and Gaza. They were attended by many rank-and-file delegates. The discussions there raised interesting questions about fights against the ruling class and built ties between delegates. (See box page 7)

The militant walkout against Gates was caused by Party members having political conversations with their friends and others in general meetings about why we should oppose his presence at a union convention. Gates is spending lots of money through his foundation to make changes in education. While he first used his money to help build small schools, now he's focusing on "teacher quality." The AFT leadership invited him because he's already given millions to four school districts for pilot projects.

Gates uses his foundation's money to influence policies that attack teachers and students. Smaller schools often exclude students with the greatest needs — special education students, English-language learners and many students whose neighborhood schools have closed. Through actions like "school turnaround," as we've seen in Chicago, the Board of Education fires the school's staff. Then lower-paid, inexperienced teachers are hired in their places — in urban areas the firings are racist because a disproportionate number of black teachers lose their jobs in the process.

At the same time, students are hurt, now having younger, inexperienced teachers, rather than teachers with skills in managing a classroom and teaching their subjects. The reorganization of the

schools also resegregates the schools. The AFT has conceded this battle everywhere — only the organization of angry workers in NY, Chicago, Rhode Island, and Washington, D.C. has led to any defeat of the ruling-class's attacks.

Due to the dysfunction of so many schools in many cities, parents are choosing charter schools and the smaller schools. Studies show that these new schools aren't doing any better than the original schools. However, parents are desperate to find what they hope are better schools for their children. The major weakness in these education struggles is the lack of a teacher-parent-student alliance.

The AFT is tightly controlled by the leadership of its NYC local (UFT), and struggle against the pro-ruling-class line of the AFT is difficult. The AFT refuses to criticize U.S. foreign policy. Their Afghanistan resolution was filled with outright lies — such as the U.S. being "drawn into" supporting the government of Hamid Karzai.

Delegates, friends and members of PL and others, fought hard to brand the war in Afghanistan a war for resources, especially oil and gas, rather than a war against terrorism. Other AFT resolutions build plans for further collaboration between the union, politicians and the ruling class. For the union, these conventions are important tools to help win members to the ruling-class's political agenda — for war and fascism, building patriotism to convince working-class students to fight and die for oil.

Party members on the convention floor and in committee meetings analyzed the situation in Chicago Public Schools, where a rank-and-file caucus has won the leadership of the 35,000-member local and tied poor school conditions to the failure of international capitalism. Some of our ideas took the form of resolutions for debate, which provided talking points for political discussions with teachers and allows us to sharpen our struggles with people we know well.

We held a PLP picnic, bringing friends of the



Party to a Seattle park to learn more about our Party and our organizing against the ruling-class attacks. We must build close ties with other workers. PL members spent time with teachers having discussions over lunch and breakfast about the Party and the need to bring revolutionary ideas to our parent, teacher and student relationships.

From the classroom, to the caucus meetings, to the convention floor, to parent conferences, communist teachers must continue to seize opportunities to build the Party. Our Party was essential to the organization of the rank-and-file opposition forces at the convention, providing tactical and political leadership.

Our literature provided ideas and analysis about issues specific to education and also tied those issues to the broader world situations of increasing war and fascism. Our leaflet about the BP oil spill explained how we can't rely on the ruling-class's government to solve our problems — either in the Gulf or in the schools. Our comrades led struggle, made new political friends and built stronger ties with old friends.

Overall, the convention was a success for the Party. The recent developments in the Chicago Teachers Union have created opportunities

continued on p. 7

Successful Camping Trip Sets Stage for New PL Youth Club

CALIFORNIA, July 2 — Progressive Labor Party (PLP) members and friends from all around the state met up for three days of activities and study during a camping trip in central California last weekend. Six students from the high school where a comrade teaches came on the trip. We started out at seven in the morning and drove six hours to get to the campgrounds.

During our quick stops for meals on the road, we met to discuss how to organize a study group around the current anti-immigrant racism in Arizona. The high school students took the lead and created questions to help keep the discussion moving. A few drew on their prior experience leading a discussion on a similar topic at a forum in Los Angeles.

At the campgrounds, after a refreshing dip in the river, we prepared dinner collectively before the study group, which went really well.

After the study group, we made s'mores and told ghost stories. Everyone got along really well. People partnered up to make the s'mores, since it turned out to be a two-person job. The high school and middle school students told stories to the younger children. The next day, we made breakfast together and continued our study group from

the night before. This time, we also talked about communism: what is it and how do we achieve it? Once again the high school students impressed us all by helping to lead the discussion and asking questions. They also learned a lot. They said:

"At the camping trip we had a very good discussion about communism and what everyone thought it was. We also talked about what Barack Obama was doing and what he was supposed to be doing. Communism to me means making the world a better, more diverse place to live without all the differences."

"The camping trip was really fun and a good experience for me, since I've never been camping before. It was good hanging out with other 'races' and hearing their opinions."

Many of the teacher comrades who came were inspired by the work at this high school and felt encouraged to go back to their schools and bring up our ideas more openly with their students. The success at this high school was in part the result of a year-long curriculum that incorporated discussions on racism, sexism, working-class consciousness and the need for black students (like the ones who came on this trip) to unite with others and take the lead in the fight to change society for the better.

There has also been some limited work with the parents at this school. The grandmother of one of the students disagreed with us on the question of immigration. She believed that immigrants who come to the U.S. without documentation are criminals and should be punished, and that Latino immigrants were taking jobs away from black workers. The student was unclear on the issue and had a lot of questions about it. After a discussion with the comrade teacher, the grandmother agreed to let the student go camping, and the student has since spoken up in favor of helping all people, no matter what color. Another grandmother also reads the paper and agrees that her granddaughter should learn to fight the system.

This is only the beginning. The work with these students, and others, will continue throughout the summer and on into the next school year. Hopefully, this will result in these students taking part in the actions around the racist Arizona law (as well as other struggles) this summer. We have also asked them to join PLP. We discussed creating a PLP club at the high school next year that will take the lead in fighting the budget cuts and attacks from administration. The students are all open to participating in and leading these fights. We will update CHALLENGE as things progress. ☼

E.U. Rulers' Austerity Plan for Workers: Slash and Burn

PARIS, July 13 — Europe's bosses are driving to slash government budgets, shifting cash from the working class into their own pockets. How deep? A lecturer at Warszawski University in Warsaw recommended on state radio that, "Another way [to cut the budget] is to limit the amount of people who are getting compensation as a result of health problems or having been categorized as terminally ill or incapable to work. This is one area where a lot of government funds disappear." Learning from the Nazis....

Karl Marx wrote in "Capital" about labor being the source of all value, that under capitalism, the value produced by living labor is divided into two parts: "an equivalent of the value of labor power" (which goes to the worker), and "surplus value" (which goes to the capitalist). The capitalist's goal is to reap as much surplus value as possible, and "the rate of surplus-value is therefore [determined by]...the degree of exploitation of labor-power by capital, or of the laborer by the capitalist." Europe's bosses are out to squeeze as much of that surplus value as possible out of sweat of the continent's working class.

The Bank Bailout

European governments went deep into debt when they spent \$5.3 trillion bailing out the banks during the credit crunch, reported a European Union (EU) Economic and Financial Committee document (5/26). To pay off that debt, EU governments are now slashing social security programs and pensions and raising the retirement age. Thus, they're transferring vast amounts of money from the working class to the finance capitalists and therefore, as Marx said, are increasing "the degree of exploitation of labor-power."

Imperialist Rivalry

Consequently, European capitalists are increasing their profitability. "Unfair competition" squealed their U.S. rivals at the June 25-26 G8 summit in Toronto. "Nobel prize-winning economist and arch-liberal Paul Krugman said that the situation was getting out of hand and the U.S. government needed to take action. He said: '[German Chancellor Angela] Merkel says that budget cuts will make Germany more competitive but competitive against whom, exactly? You know the answer, don't you?'" (The Guardian, 6/11)

Workers in the U.S. and worldwide can expect copy-cat budget-slashing from "their" capitalists, as the bosses in each country ratchet down their government budgets in a race to the bottom.

European Bosses' Budget-Cut Assault

On June 17, the European Council — including the heads of government or state of 27 EU countries — mapped a coordinated attack to slash budgets affecting the working class, in its "Europe 2020" strategy. Among Germany, the UK, France, Greece, Spain, Italy, Ireland, Latvia, and Portugal, between now and 2015, current and planned budget cuts will total \$409.4 BILLION, as the vaunted European "social welfare" state gets slashed to ribbons.

This is resulting in two- and three-year government-worker wage freezes; frozen pension and welfare payments; pension cuts and two- to five-year increases in retirement ages; huge privatization programs across many government-run services; elimination of checks for child births and child benefits; cuts in government reimbursement for medicines and in unemployment benefits; closing of hospitals and schools (900 in Portugal alone!); and layoffs of teachers, nurses and other government workers into the hundreds of thousands, if not millions.

"These cuts will result in significant harm to people's health," said David Stuckler, Oxford University Sociology Department. "It's not just about doctors and medicines to care for the sick — social care and support are vital to prevent people from becoming ill."

Racist Cuts

As a result of institutional racism, cuts in social security programs and pensions and higher retirement ages will hit black people and immigrants

harder than native-born whites. In the UK, among youth between 16 and 24, the jobless rate for blacks is 50%, for whites it's 20%. (Institute for Public Policy Research, January 2010) Proportionally, they will be hit harder by cuts in unemployment benefits, schools, and health care.

In Sweden, on June 9-10 two days of rioting erupted in the Rinkeby neighborhood of western Stockholm when immigrant youth were denied entrance to a local school dance. Mariam Osman Sherifay, chair of the Center Against Racism, said racism against Somalian and Turkish immigrants in Rinkeby is worse than ever. But the Swedish government — presumably "for budget reasons" — provides no funds to help them integrate into Swedish society.

In a number of European countries, "cost-cutting" is specifically linked to these attacks:

- Italy has made "irregular migration" a crime. Schoolteachers and local government workers are legally required to report "illegal" immigrants to the police. This prevents immigrants from gaining education and medical care. Local governments are allowed to create unarmed posses to patrol towns. This "may result in discrimination and vigilantism" against Roma families, according to Amnesty International's 2010 report.

- In Germany, "illegal" immigrants and their children have limited access to health care, education and the courts in cases of labor rights violations.

- * In 2008, Ireland cut funding 43% for its Equality Authority. The Equality and Rights Alliance says Ireland no longer has an effective body to oversee anti-discrimination policy. In 2009, non-Irish nationals were three times more likely than native-born to experience discrimination while job-seeking; black people were seven times more likely. (Economic and Social Research Group)

- Eight Roma women have filed a complaint with the European Court of Human Rights for having been sterilized after giving birth in a hospital in eastern Slovakia. The racist sterilizations were presumably intended to reduce the Roma population and its potential use of government services, thus "cutting costs."

Sexism

Institutional sexism means that women will suffer disproportionately from cuts in government services, lower pensions and higher retirement ages. In the UK, women are trapped in low-paid, part-time work. Two-thirds of low-paid workers are women. Average pay for full-time working women is 17% less than for men. Nearly a million more women than men live in poverty in the UK. Every year, 30,000 women lose their jobs in the UK simply for being pregnant. (All statistics for 2007, before the world economic crisis!)

In France, 50% of women don't qualify for full retirement pensions, partly because they're forced to quit work due to a lack of childcare, and partly because they're forced — more so than men — to work part-time and temporary jobs. Of four million part-time workers, 82% are women. And now their small retirement checks will be cut even further.

Union Hacks Defend Capitalism

Union "leaders" have barely reacted to this massive attack on the working class. In Ireland, when the government decided on its austerity measures, "The Irish unions say outright that they deliberately shied away from widespread strikes for fear of sparking a bond market meltdown." (Reuters, 7/7)

In the UK on May 24, Brendan Barber, general secretary of the Trades



Nice, France, March 31

Union Congress, fretted: "Taking any money out of the economy at the moment is dangerous, as there is a real risk of a double-dip recession."

Bernard Thibault, head of France's 711,000-member CGT union, worried that, "Austerity ... can be suicide for economic productivity."

In Germany, Michael Sommer, chairman of the German Trade Union Federation, was tormented by the idea that, "The so-called savings concept of the federal government is a document [absent] of prospects and social imbalance. In view of the continuing crisis and demographic developments, it threatens the core of Germany's sustainability."

"Double-dip recession," "productivity," "sustainability" — these labor fakers are more concerned with saving capitalism than with protecting the working class!

The European Trade Union Confederation (ETUC) is planning protests and "possible" (!) work stoppages across the EU on Sept. 29 when EU finance ministers will meet. But on June 4, ETUC head John Monks still didn't know how many unions or workers would join the protest. On June 9, Monks wrote to the EU heads of state and government begging them "to spread the reduction of national deficits over a longer and more realistic period." He has no problem with stealing from the working class, as long as it's done more slowly!

Communist Revolution

Clearly the working class cannot depend on these union hacks to defend it. The hacks' very existence depends on the survival of capitalism. If you're afraid of "hurting" the capitalist system, you cannot wage a meaningful fight against cutbacks. But as long as the bosses hold state power and control society, even gains against this assault will eventually be reversed. That's why communist leadership is needed to turn this fight to roll back the cutbacks into schools for communism, to overthrow the whole capitalist system.

We make the whole cake. Why content ourselves with crumbs? Through communist revolution, we can create a society in which all the wealth created by our labor is shared by the whole working class. ☺



"And I will help you... to tighten your belts!"
The speaker is French President Nicolas Sarkozy

LETTERS



Oscar Grant: A Brother to Us All

I sometimes wonder if the conversations I have with people at work in transit; the sale of CHALLENGE and discussion of articles; the arguments with hacks at my union meetings; really have any effect on my fellow workers.

I was deeply moved when, a few days after the trial of the cop who murdered Oscar Grant, I received a poem as a text message from a young transit worker in L.A. I think it puts the murder of the 22-year-old black worker in a context we can all understand. And proves to me that workers are listening, are interested in our ideas, are angry at what they witness.

Here is an excerpt:

100 and One

"You have 100 and One

ways to kill my brother;

With your rabid-dog police force and

your endless wars for capitalist gains.

You have 100 and One

ways to erase him from my sight.

Your son, my brother, Oscar."

Oscar Grant was murdered New Year's day 2009, by the BART Transit Police, shot in the back while he lay face down on an Oakland train platform. City officials and the attorneys moved the cop's trial to Los Angeles because they feared public outrage in the Bay Area.

But there is really no place to hide. Here in Los Angeles, there were demonstrations outside the courthouse and people were not at all surprised when the cop who killed him was convicted only of involuntary manslaughter, a slap on the wrist.

After all, who was Oscar Grant? A young black man who worked in the butcher's dept. of a market in Oakland; father to a young daughter; a much beloved son.

LA Transit Worker

Arizona to Metro Airport: Same Enemy, Same Fight

For the past month a few airport workers have been involved in an antiracist campaign against the fascist Arizona anti-immigrant law due to go into effect shortly. We have written letters to fascist Arizona Governor Brewer's office condemning this move toward Apartheid-like conditions which is an anti-working-class racist attack on all workers. We have also written to Obama condemning this law and demanding that there be humane, comprehensive immigration reform which is not linked to getting more military recruits to defend U.S. oil interests.

This campaign is reformist, but one of its purposes is to show airport workers that any kind of mass anti-racist reform struggle can be turned around and taken back by U.S. bosses because they have state power and we don't. In the face of Arizona's fascism and many other states wanting copycat racist anti-Latino measures, it's important

now more than ever that we intensify the entire multiracial international working-class fight for a communist revolution to liberate workers globally from capitalism and its evil helpers, imperialism, racism, and sexism.

Our efforts at the airport have involved immigrants and citizens, with Ethiopian and African-American workers helping to distribute copies of the letters to our fellow airport workers. This is extremely important because there have been a few backlash incidences of racist anti-Latino verbal harassment by airport supervisors. In the metro area racist cops target Latino-looking motorists. Recently the Metro Transit Police carried out a police operation at a train stop in a predominately Latino neighborhood.

This train station serves mostly Latino, African immigrant, and black workers. This is the second busiest train station in the city. There were 16 transit cops harassing mostly Latino workers, asking to see their paid train tickets before they could board trains, making some miss trains and be late to work. The transit cops called this Apartheid-style harassment "saturation," a military term used as if they are looking for an "enemy," in this case Latino workers! This is nothing but Apartheid-like racism and all workers must fight this fascism with multiracial unity and a communist revolution against our fascist, racist oppressors from Arizona to Kyrgyzstan to France!

Airport Red

U.S. Social Forum — PL'ers' Roadmap to 'Another World': Destroy Profit System

DETROIT, June 22 — The U.S. Social Forum (USSF) attracted about 15,000 activists of all backgrounds to Detroit, a city where the capitalist economic crisis has left the majority black population devastated by racist unemployment, lack of health care and poverty. The Forum's theme, "Another world is possible, another U.S. is necessary" expressed the hopes, dreams and passions of the thousands that attended. However, after all the rhetoric of revolution, U.S. imperialism, and capitalism, the Forum failed to offer the only real solution of how to achieve this other world, by organizing for communist revolution to abolish the profit system.

There was no real struggle over ideas. Electoral politics, passing legislation, and developing "progressive" caucuses in the unions was still the order of the day. In a workshop on the rebuilding of Haiti, the panel proposed that the fight all progressive groups should support is the return of Aristede back into power. There was also a contingent of students from Puerto Rico who led a workshop on their successful worker-student alliance to stop tuition hikes at the State Colleges. Their solution is to annex Puerto Rico from the colonial claws of the United States and institute self-rule, to have Puerto Rican bosses rather than U.S. bosses.

Capitalism's world economic crisis has fueled the anger and the urgency that many expressed in the youth, education and healthcare workshops. Progressive Labor Party comrades and friends focused on these workshops, bringing up the devastation racist unemployment has on our class. Our intention was to get the USSF to propose a march in Washington, D.C. against racist unemployment in October. Limited by our size and our involvement in the mass organization, we were not able to do that.

However, when we were able to participate in workshops where we knew

people involved in areas where we were from, we succeeded in making new contacts, deepened ties with people that we knew, and got our literature into the hands of thousands who had never before read "Road to Revolution IV" and CHALLENGE.

Our participation in mass organizations is, and has been, the key to how we should be organizing workers, students and soldiers to the movement for communist revolution and against the racist system we live in. Building an egalitarian society based on from each according to commitment, to each according to need is powerful.

We are united as a CLASS, not as nations, countries, "races," or ethnicities. We can build a better world where money and profit will not exist. A communist world is possible and it is still the only solution to imperialist war, fascism and inequality. Join PLP and build the fight for communist equality! ☺



China Currency Debate: An Inter- Imperialist Fight

continued from p. 8

workers for a potential future war with China. China has responded by shifting its export markets from the U.S. to the European Union and Russia.⁷ China has also repeatedly expressed its interest in selling off U.S. treasury bonds.⁸

The current tension between U.S. and Chinese capitalists will not ease until one imperialist is able to fully impose its will over the other. As Lenin noted in "Imperialism, The Highest Stage of Capitalism," this is the pre-condition for major inter-imperialist war in the modern era. ☺

Sources:

1. *The Communist*, "China Bashing Simply a Smokescreen for U.S. Bosses Weakness," Summer 2008; Andrew Fischer, *UNRISD Paper*, "The Perils of Paradigm Maintenance," 11/26/09, p 7-13.
2. *The Communist*, p 7.
3. Andrew Fischer, *Monthly Review*, "The Great China Currency Debate: For Workers or Speculators?" 6/25/10.
4. *US Commission on National Security/21st Century*, "Phase I: Report on the Emerging Global Security Environment for the First Quarter of the 21st Century," 9/15/1999, p 70, 138.
5. *Monthly Review*.
6. *Monthly Review*.
7. *The Communist*, p 8.
8. *NYT*, "China Losing Taste for Debt From the US," 1/7/09; *NYT*, "China Grows More Picky About Debt," 5/20/09.

AFT Convention: PL'ers Help Lead Fight

continued from p. 4

for Party members to focus our work in the AFT while broadening our base among large numbers of workers who are students, parents and fellow teachers. Concentrating on the goal of building the Party and communist relationships while working in the bosses' organizations challenges us all. Our collective strength and our confidence in the workers will guide us on the road to revolution. ☸

Haiti: NGOs Live High Off the Hog While Troops Abuse Workers

The AFT Peace and Justice Caucus sponsored a forum on the after-effects of the earthquake in Haiti. There was much debate after two teachers from Haiti spoke about the efforts of rank-and-file workers to improve conditions in Haiti.

The forum revealed that many workers have illusions, fostered by the media and the U.S. government, that the UN "peacekeeping" forces and the non-governmental organizations (NGOs), like the Red Cross, are the good guys.

At the forum educators from Haiti stated that these NGO workers in Haiti live off the NGO's U.S. dollars, drive around in large dark SUVs with tinted windows, and live in big houses. The desperation for U.S. dollars has led to an increase in prostitution paid for by this NGO money. Friends from Haiti warned that if workers want to send money to Haiti we should

find workers to send it to, and not send money to the NGOs to steal. And while we've all been told that the UN forces are the saviors of the working class in Haiti, we heard reports of the UN troops abusing and terrorizing young men there.

A PLP member from the Dominican Republic called for the unity of the working class to overthrow the yoke of U.S. Imperialism in Haiti and around the world.

At the forum about fighting back against the Race to the Top (RTTT) competition, the panelists described their fights against attacks on educators and students. Unfortunately, too many of the panelists described their struggles merely to get more tax money to pay for schools during this period of capitalist crisis. However, that just means taxing the working class, not the bosses, and it does not suspend payments to the banks. No matter how the budgets are cut everywhere, the debt service (money to banks to pay back debts) is never cut. Another serious weakness in the RTTT forum was the lack of discussion of the affects of RTTT and budget cuts on students, and the lack of any clear call for unity between parents, students and educators.

We should continue these kinds of discussions, continuing to bring our line to honest educators, parents, and students, to build our movement.



RED EYE ON THE NEWS

Below are excerpts from mainstream newspapers that may be of use for our readers. Abbreviations: NYT=New York Times, GW=Guardian Weekly, LAT=Los Angeles Times

Economy picks up — for Wall Street

NYT, 7/13 — The hustlers and high rollers at Wall Street's gaming tables are starting to feel lucky again.

Hiring is beginning to pick up in the very sector that led the country to the edge of a depression....

The hustlers and high rollers are always there to skim the cream, no matter what's happening in the real world of ordinary Americans....

There can be no real national recovery with so many millions of people in such deep economic distress.... But in a society of, by and for the rich... help will be a long time coming.

War's worst stories aren't told

otherwords.org, 6/26 — Controlling the media...tamps down war complaints....

You may have noticed, for example, that we haven't seen or heard much about drones lately. Not long ago they were all the rage. They demonstrated that good old American know-how allowed us to kill the bad guys without getting our hands dirty. Then, worse luck, malcontent citizens in Pakistan and Afghanistan commenced whining that our armchair pilots back home in Nevada were bumping off too many of their wedding parties and eight-year-old insurgents. Suddenly drones disappeared from the headlines.

We don't hear that much about the suffering of [U.S. soldiers]...either. Never did. But the Army Times reports that 18 vets a day commit suicide. Every day! And those are just the ones being treated by the VA health system. Worse, these only constitute seven percent of those who try. In addition, 11 percent of those who attempted suicide give it another shot within nine months. Suicide rates for active-duty troops are also high, but closely held. They're generally called "accidents."

Secret also are the numbers of vets and troops being treated for mental illness. Stuff happens



when you send...youth to the heroin capital of the world to perform heinous acts of violence. Some are driven to substance abuse, others to a secret torture chamber in their own heads. Still others to seek escape into the next world. No wonder the military keeps things quiet.

Would US lie about Afghan war?

The North Vietnamese were said to have attacked American destroyers on Aug. 4, 1964, two days after an earlier clash.

President Lyndon B. Johnson cited the attacks to persuade Congress to authorize broad military action in Vietnam, but historians in recent years have concluded that the Aug. 4 attack never happened....

In the end, however, the senators did not pursue their doubts....If the committee came up with proof that an attack never occurred, "We have a case that will discredit the military in the United States, and discredit and quite possibly destroy the president...."

President Johnson...apparently had his own doubts. Historians note that a few days after the supposed attack he told George W. Ball, "Hell, those...sailors were just shooting at flying fish!"

Regulations can't purify capitalism

NYT, 6/29 — No one should be surprised, Mr. Damon insists, that booms go bust. That's the way markets work. Most Americans probably find that answer unsatisfying, to put it politely. After all, millions have lost their homes, their jobs, their savings.

But now here comes the Dodd-Frank Act, which is supposed to ensure that we never repeat that 2008 finale of Wall Street Gone Wild. The bill... might help us avoid another sorry episode like that. But one thing it won't do is prevent another crisis — if only because the next one probably won't be like the last one.

Belgium and US ruined Congo

GW, 7/9 — "Fabulous minerals. Magnificent music. Great cuisine. A landscape that stretches from lush rainforest to Swiss-looking mountains. And a people still mired in violence and misery a half-century after independence from Belgium."

This was the take of the Associated Press on the 50th anniversary celebration in the Democratic Republic of Congo last week....

The rape and plunder of Congo under...Leopold II remains one of history's greatest crimes....

When independence came in 1960, the country entered a new nightmare. Belgium continued to meddle and was blamed, along with the CIA, for the 1961 assassination of Patrice Lumumba, Congo's first democratically elected prime minister. Belgium and the US then supported the 32-year dictatorship of Mobutu Sese Seko, a pro-western leader seen as a bulwark against communism. He robbed his people of an estimated \$50bn and made corruption a political way of life.

Mobutu was overthrown in 1997, but then came a war that sucked in six neighboring countries and left at least 4 million dead, mainly from hunger and disease.

MORE ITEMS AVAILABLE AT WWW.PLP.ORG

Japan: Still Another PM Dumped; Exposes Rulers' Bankruptcy

July 14 — It's hard to keep track of how many prime ministers (PM) Japan has had over the past five years. One after another has been dumped or given up because, like their U.S. counterparts, the country's politicians have no solution to economic stagnation, poverty and underemployment. Voters handed Naoto Kan, the latest PM, a serious blow last Sunday as his Democratic Party of Japan (DPJ) lost control of the upper house of parliament in national elections.

Much like the U.S. voters who placed blind faith in Obama's promises of real change — national health care, bringing troops home, etc. — Japanese voters wanted to believe in the promises made by the DPJ to end corruption, unemployment, and obsequious adherence to U.S. diplomatic policies. On the surface this seems like yet another blow to the international working class. But with a communist analysis the "failure" of the DPJ can provide an opportunity to expose the bosses' electoral shell game for the sham that it is and organize workers for communist revolution, the only real alternative to the horrors of capitalism.

Last September they voted the old ruling party, the Liberal Democratic Party (LDP), out of power, and for the first time since the end of World War II they voted in a new ruling party, the DPJ, whose leader Yukio Hatoyama, became the new prime minister. To stimulate the economy, Hatoyama had promised an end to exorbitant highway tolls and to provide cash subsidies to families with children. The DPJ had also promised to renegotiate a 2006 agreement with the Pentagon to transfer the

Futenma Marine Corps Air Station (with 4,000 marines) near Naha to the Henoko district of Nago city, a more remote spot on the island of Okinawa. The agreement was worked out as a "response" to mass demonstrations against the Marine Corps after a brutal kidnap and rape of a twelve-year-old girl by three marines in 1995. Like Obama, Hatoyama has backtracked on all of these campaign promises.

In the fall 2009 election that brought Hatoyama to power, his party's candidates on Okinawa won seats in parliament by promising to fight to get the base entirely removed from Okinawa. There was even talk of moving all the marines to Guam, where the Pentagon is planning a major expansion of facilities with the enthusiastic support of liberal U.S. Democrats like Hawaii's Neil Abercrombie. On April 25, more than 90,000 people demonstrated in Okinawa against all the bases there. (More than half of the 47,000 U.S. troops in Japan are based in Okinawa.)

Ignoring popular demand and the plight of a fellow "liberal party," the Obama cabinet adopted hardball tactics, attacking individual Japanese leaders and using the "North Korean threat" to publicly justify the military build-up in Northeast Asia to counter the Chinese build-up. Hatoyama caved in to the U.S. political assault and reneged on his promises regarding Okinawa. These failures caused a split in his own party, and he was forced to resign as prime minister in June, to be replaced by a middle-of-the-road party hack, Naoto Kan.

There are many complex issues involved in

these developments. We see the bankruptcy of bourgeois electoral politics and the collusion of the far right (open fascists, the LDP) and the liberal upstarts.

We see the arrogance of the U.S. imperialists and the priority they place on maintaining an arc of bases facing their Chinese rivals. It is an open secret that U.S.-South Korean military exercises, including a U.S. Navy nuclear sub, threatening North Korea, were the real cause of the recent sinking of a South Korean destroyer. North Korea seems to be on the verge of collapse and, pushed by the Chinese imperialists, the country has fully moved to a market economy.

We also see blatant racism against Okinawans and other super-exploited Asian workers, including utter disregard for the needs of the people of Guam and North Korea by the imperialist powers.

As earlier CHALLENGE articles have pointed out, neither electoral politics nor the weak-kneed revisionist parties like the Japanese "Communist" Party (JCP) or the Social Democratic Party (SDP) have any answer for the economic and social crisis in Japan, much less the threat of imperialist war.

The Japanese workers and youth need a clear revolutionary communist line like that of PLP. They have to rid themselves of confused ideas about nationalism and patriotism and the illusion that small reforms — moving a base instead of getting rid of all U.S. and native imperialists — can lead to positive and lasting changes. ☸

China Currency Debate: An Inter-Imperialist Fight

After China embarked on a modest plan to re-valuate its currency upward before the June G-20 meeting in Toronto, the Western press continued to attack it for "intentionally" devaluing the renminbi (alternatively known as the "yuan"). The NY Times' Paul Krugman (6/24) has led the charge, calling the revaluation an act of "bad faith" and "an attempt to exploit U.S. restraint," even advocating trade sanctions on China. But further investigation reveals these attacks are based not on fact but on the inter-imperialist rivalry heating up between U.S. and Chinese rulers.

Dating back to 2005, the U.S. has claimed China has unfairly undervalued its currency, giving an advantage to Chinese producers and exacerbating the U.S.-China trade deficit. Many in the media and in Congress have even blamed China's currency valuation for the current economic crisis in the U.S. that was actually set off by the latter's own weakness.¹

In reality, currency valuation has become a highly speculative business ever since the dissolution of the 1971 Bretton-Woods Agreement and the dropping of the gold-standard. Analyzing all the various models for valuating currency, in 2007 the International Monetary Fund (IMF) reported that the renminbi could be undervalued by as much as 50% or as little as 0%, depending on which model was used. That same year Morgan Stanley used four separate models to value the renminbi and found it was, at most, 1% undervalued.² The IMF continues to assert that the undervaluing of the renminbi is either minor or non-existent.³

So why the continued attacks on China? They represent the increasing inter-imperialist

rivalry between U.S. and Chinese bosses. China has become an increasingly attractive bogeyman for the collapsing U.S. economy (for more on these myths see "China Bashing" in "The Communist," Summer 2008). Attacks on Chinese "job-stealing" and currency "manipulation" are used as a smokescreen for the internal weaknesses of U.S. capitalism.

Anti-China rhetoric also serves as a basis for increasing U.S. attacks on growing Chinese imperialism. As stated clearly in the 1999 Hart-Rudman Report, U.S. bosses see their future as resting on their ability to contain Chinese economic growth.⁴ Efforts to force China to artificially inflate the value of its currency are aimed at decreasing Chinese exports and making China's domestic market more amenable to foreign imports.

This revaluation would severely punish China's workers and stifle China's economic growth, all while rewarding Western speculators.⁵ Not surprisingly, Chinese capitalists have not been eager to play the U.S. bosses' game.

The hollowness of Western attacks on China was revealed last April. On the eve of a Congressional report detailing Chinese economic villainy, the Obama Administration chose instead to back off its anti-China rhetoric after China agreed to relax its laws against foreign capital inflows into the Chinese domestic market.⁶

U.S. capitalists are using these attacks to try to pry their way into growing Chinese markets while simultaneously mentally conditioning U.S.

continued on p. 6

SUBSCRIBE or RENEW!

All the communist politics, news, and struggle from around the world!

•••\$15 individual 1 year

•••\$35 for institution 1 year

Name _____

Address _____

City _____ State _____ Zip _____

Make check or money order to: Challenge Periodicals, PO Box 808, Brooklyn, NY 11202

