

# **MIM THEORY**

## **Volume One: A WHITE PROLETARIAT?**

**Edited by:**

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Volume One:  
A White Proletariat?

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# Chapter 1

## Introduction

### 1.1 Republishing notes

Alyx Mayer and Felix Brown would like to express comradely thanks to the Maoist Internationalist Ministry of Prisons (**MIM Prisons**) for their scan of the original MIM Theory documents, and their work in continuing the spirit of MIM.

MIM were the first Maoist group in amerikkka to take a firm stand against heterosexism, and contributed hugely to Third Worldism, an “alter-globalisation” movement and discourse surrounding the destruction of the First World. The editors do not necessarily endorse everything contained within, but we do think that it provides a valuable point of debate and departure, and are republishing this document for its historical value.

Typographical and presentation modifications have been made in the interests of readability. All graphics have been replaced in kind. The text itself remains unmodified apart from an occasional, clearly marked, editor’s note.

If you notice any spelling or grammatical mistakes in this edition of MIM Theory, please notify us by email: **contact-(@)-alyx.io**; RE: “MIM Theory mistake”; include the issue and page number so we can make the necessary corrections to subsequent revisions.

Other issues of MIM Theory can be found at:

<http://alyx.io/mim-theory/>

### About MIM Prisons

MIM (Prisons) is a cell of revolutionaries serving the oppressed masses inside U\$. prisons. We uphold the revolutionary communist ideology of Marxism-Leninism-Maoism and work from the vantage point of the Third World proletariat. Our ideology is based in dialectical materialism, which means we work from objective reality to direct change rather than making decisions based on our subjective feelings about things. Defining our organization as a cell means that we are independent of other organizations, but see ourselves as part of a greater Maoist movement within the United States and globally.

Imperialism is the number one enemy of the majority of the world’s people; we cannot achieve our goal of ending all oppression without overthrowing imperialism. History has shown that the imperialists will wage war before they will allow an end to oppression. Revolution will become a reality within the United States as the military becomes overextended in the government’s attempts to maintain world hegemony.

Since we live within an imperialist country, there is no real proletariat—the class of economically exploited workers. Yet there is a significant class excluded from the economic relations of production under modern imperialism that we call the lumpen. Within the United States, a massive prison system has developed to manage large populations, primarily from oppressed nations and many of whom come from the lumpen class.

Within U.S. borders, the principal contradiction is between imperialism and the oppressed nations. Our enemies call us racists for pointing out that the white oppressor nation historically exploited and continues to oppress other nations within the United States. But race is a made-up idea to justify oppression through ideas of inferiority. Nation is a concept based in reality that is defined by a group's land, language, economy and culture. Individuals from oppressed nations taking up leadership roles within imperialist Amerika does not negate this analysis. The average conditions of the oppressed nations are still significantly different from the oppressor nation overall. As revolutionary internationalists, we support the self-determination of all nations and peoples. Today, the U.S. prison system is a major part of the imperialist state used to prevent the self-determination of oppressed nations.

It is for this reason that we see prisoners in this country as being at the forefront of any anti-imperialist and revolutionary movement.

<http://prisoncensorship.info>

## 1.2 Definitions

### **Bourgeoisie:**

"The class of the great capitalists who, in all developed countries, are now almost exclusively in possession of all the means of consumption, and of the raw materials and instruments necessary for their production."<sup>(1)</sup> "The class of modern capitalists, owners of the means of social production and employers of wage labor"<sup>(2)</sup>

### **Chauvinism:**

Selfish prejudice, narrow-mindedness or bias; for example, the First World-chauvinist belief that First World workers are better workers than Third World workers.

### **Dead labor:**

As the worker is working, the labor is called "live labor." Once the labor is done and embodied in cars, tools or whatever commodity the worker makes, the labor is called "dead labor." People exchange commodities with dead labor in them. That

is, they exchange some kinds of dead labor for other kinds of dead labor.

### **Exploitation:**

The appropriation of surplus labor from workers by capitalists. The most important forms of surplus labor are profits and waste.

The essays in this issue will demonstrate that white workers in the United States are not exploited because they produce no surplus labor and because they assist the capitalists in making and sharing the profits from the Third World workers, while often wasting the labor of the Third World on decadence or irrational economic planning.

The U.S. government's measure of corporate profits counts many things that Marx did not refer to in his definition of profits. The government counts the profits of ordinary people as well as those of bankers, real estate speculators, manufacturers, capitalist farmers and commercial enterprises. The profits of the various capitalists are all part of the exploitation Marx was talking about. Without these profits, not even the capitalists would want the capitalist system to continue. The capitalists know this and make their alliance with the while working class based on this knowledge. What the U.S. government does not help us measure as well is the overpayment to white workers taken from profits that came from exploiting the Third World.

### **Labor aristocracy:**

The labor aristocracy comprises the elite workers in the world who the capitalist class have bribed with profits obtained from other workers. Lenin said that imperialism gives the bourgeoisie enough superprofits to "devote a part (and not a small one at that!) to bribe their own workers, to create something like an alliance ... between the workers of a given nation and their capitalists..." "[T]here is the tendency of the bourgeois and the opportunists to convert a handful of very rich and privileged nations into 'eternal' parasites on the body of mankind, to rest on the laurels' of the exploitation of negroes, Indians, etc, keeping them in subjection with the aid of the excellent weapons of extermination provided by

modern militarism.” Lenin believed there was a growing labor aristocracy which owed its position to the workers exploited and super-exploited abroad.

### **Labor vs. Labor power:**

“The capitalist buys labor power in order to use it; and labor power in use is labor itself.”(3) Labor power is the ability to do labor. Labor power is what the workers sell to capitalists for a money wage. Labor is the actual work. “On the one hand all labor is, speaking physiologically, an expenditure of human labor power.”(4) The value of labor power is “... the cost of producing or reproducing the laborer him self...”(5)

Petty bourgeoisie: The petty bourgeoisie is that class that owns its own means of production and works for itself. The petty bourgeoisie is between the working class and the capitalist class. The petty bourgeoisie may exploit itself, but it cannot exploit other workers or if it does exploit other workers, it doesn’t exploit enough of them to be primarily exploiters. That position is reserved for the bourgeoisie.

### **Proletariat:**

The class of workers who are “free” to sell their labor power, and have no other means of subsistence other than the sale of that labor power. The proletariat is a class of workers which is exploited or super-exploited—which does not include the bribed workers of the labor aristocracy. Thus Lenin wrote that he was “obliged to distinguish between the ‘upper stratum’ of the workers and the ‘lower stratum of the proletariat proper.’”

### **Revisionism:**

The altering of fundamental principles of Marxism, such as the need for revolution and dictatorship of the proletariat and class struggle as the motor of history—all done in the name of Marxism. A doctrine that does not claim to be Marxist cannot be revisionist

Super-exploitation: A worker who receives wages less than the value of her/his labor power is superexploited. This means the worker is paid less than what is necessary for subsistence.

### **Superprofits:**

These are profits derived from workers paid less than what is necessary for their subsistence—workers that are super-exploited. Profits obtained “over and above the profits which capitalists squeeze out of their ‘own’ country.”(6)

### **Notes:**

1. F. Engels, *Principles of Communism*.
2. F. Engels, “Note to the 1888 English edition of the Communist Manifesto”.
3. Karl Marx, *Capital*, Vol. 1, New York: International Publishers, 1967, p 177.
4. *Ibid.*, p. 46.
5. *Ibid.*, p. 538
6. I.V. Lenin, *Selected Works*, New York: International Publishers, 197, p 175.

## **1.3 What is MIM?**

The Maoist Internationalist Movement is a revolutionary communist party that upholds Marxism-Leninism-Mao Zedong thought. MIM is an internationalist organization that works from the vantage point of the Third World proletariat; thus, its members are not Americans, but world citizens.

MIM struggles to end the oppression of all groups over groups: classes, genders, nations. MIM knows this is only possible by building public opinion to seize power through armed struggle.

Revolution is a reality for the United States as the military becomes over extended in the government’s attempts to maintain world hegemony.

MIM differs from other communist parties on three main questions:

1. MIM holds that after the proletariat seizes power in socialist revolution, the potential exists for capitalist restoration under the leadership of a new bourgeoisie within the communist party itself. In the, case of the

USSR, the bourgeoisie seized power after the death of Stalin in 1953; in China, it was after Mao's death and the overthrow of the Gang of Four in 1976.

2. MIM upholds the Chinese Cultural Revolution as the farthest advance of communism in human history.
3. MIM believes the North Amerikan white-working class is primarily a non-revolutionary worker-elite at this time; thus, it is not the principal vehicle to advance Maoism in this country.

MIM accepts people as members who agree on these basic principles and accept democratic centralism, the system of majority rule, on other questions of party line.

The theory of Marx, Engels, Lenin and Stalin is universally applicable. We should regard it not as a dogma, but as a guide to action. Studying it is not merely a matter of learning terms and phrases but of learning Marxism-Leninism as the science of revolution.

— Mao Zedong, Selected Works, Vol. II, p. 208.

## Chapter 2

# Articles

### 2.1 The White Working Class: Why Should We Care?

The Communists are distinguished from the other working-class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality. 2. In the various stages of development that the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.

— Karl Marx, “Communist Manifesto”(1)

Living in the belly of U.S. imperialism, it is easy to forget why the question of the exploitation of white workers is so important. As people analyze the situation they may lose sight of why MIM does such realistic and scientific analysis.

MIM believes that without scientific analysis, it is easy to fall prey to First World chauvinism—the ideology of the white nations justifying the oppression of the Third World nations. Even oppressed peoples may buy into the logic of the oppressor if they are not careful. To be emotionally on the side of the international proletariat is not enough. This issue of MIM Theory is dedicated to putting the white working class in perspective for those stricken with political diseases found predominantly in the First World.

MIM’s guiding vision includes internationalism and anti-militarism. This means a world of many different peoples without violent conflict.

Those who are not so analytically inclined can consider the following question if nothing else in this whole journal: When the revolutionary proletariat comes to power, will the new regime owe anything in particular to the white working class or will the white working class owe something to the rest of the world?

MIM believes that the imperialists and the white working class owe a tremendous debt to Third World peoples—a debt that MIM intends to see paid back, as a necessary step toward communism.

This is not to say the white workers and imperialists won’t see some benefits in revolution. The anarchy of capitalist production will be replaced by planned production. In the long run, this will make possible the direct application of rational thinking toward improving the environment, an end to the competition that leads to world wars and an unleashing of the creativity of billions of people.

The very consideration of what debt First World workers owe is possible only to someone considering revolution. On this score, MIM is the main revolutionary organization in the United States taking the position that the white working class is not exploited. It is also the implicit position of some revolutionary nationalist groups and some scattered descendants of the Weather Underground.



In contrast, 90% of the groups calling themselves “revolutionary” or “socialist” support the view that the white working class is exploited. Both the Trotskyist Spartacist League and crypto-Trotskyist Progressive Labor Party support the slogan, “30 for 40!” By this slogan they mean 30 hours work for 40 hours pay for all workers in the United States.

If either of these two groups came to power in the United States and implemented this slogan, it would have the effect of benefiting white workers once again.

In contrast, “30 for 40!” is not on the top of the MIM agenda. When it comes to reallocating economic surplus, paying off the debt to the Third World is MIM’s first priority. MIM’s slogan—if it had one—would be for Third World workers, “30 for 300!”

The Revolutionary Communist Party (**RCP**) is another example of how the question of the white proletariat affects a party’s analysis. On a good day, an RCP comrade may say the white working class is not an issue separating the RCP and MIM. But the RCP has avoided the issue through various contradictory formulations, some of which are getting better with regard to national oppression.

In any case, and regardless of what some comrades in the RCP might think, the RCP program says that a majority of white workers are objectively revolutionary. By this the RCP means that white workers are exploited.(2)

### **Who will make the revolution?**

Some people think revolution is a game of uniting numbers, that it is necessary to unite the white working class in order to have a revolution. In the United States, this is assuredly not so. We cannot unite a majority of U.S. residents without regard to their class position. To do so is to help the reformists and First World chauvinists, deliberately or not.

At times, talking to individual revolutionaries, one might get the impression that one was talking to the Rainbow Coalition or the Democratic Socialists of America about the need for uniting a majority of U.S. residents.

“How can you make a revolution without the majority’s support?” say the opportunists, who ignore the fact that the Third World will move forward and destroy U.S. imperialism whether white workers like it or not. Often times, these people will say, “Maybe MIM is right about the exploitation of the white working class, but who is in a position to make the revolution?”

MIM does not tailor its principles to please anyone except the truly oppressed. Of course, MIM may arrange temporary alliances with various groups, but it will never confuse itself or the proletariat with talk about white working class exploitation, unless the conditions of the white workers change drastically. If that means MIM cannot organize a majority or even 30% of the U.S. population, MIM does not care.

The Third World is 80% of the world’s population. These workers and peasants will make their weight felt in history. MIM is confident they will thoroughly destroy U.S. imperialism, even if most U.S. residents never get around to helping.

This is what MIM means when it says it is fearlessly materialist. It’s also why MIM does not bother making any compromises with the imperialists or their lackeys on matters of principle. MIM does not want to delay the day imperialism dies. MIM will never assist in creating new forms of apartheid cloaked in the leftist rhetoric of organizing white workers.

In contrast, people who believe white workers are exploited will become frustrated with workers’ political backwardness. To “wake up” the white workers, they will perform all kinds of stunts that only discredit the cause of genuine revolution for the international proletariat. Indeed, it’s no accident that the Ku Klux Klan also uses the slogan “America awake!” In contrast, MIM is able to formulate the correct strategy and tactics only because of its scientific analysis of the white working class.

Trotskyists and other First World chauvinists cloaking themselves in Marxist rhetoric always ignore the decisive historical role of Third World workers and peasants. For example, a recent and typical polemic against MIM says, “You are for-

getting one socialist revolution in which Trotsky played a leading role (second only to Lenin): The Russian Revolution!”

This is as if to say that the work of one man in a period of a few years in one country justifies the failure of the Trotskyists to overthrow capitalism or colonialism anywhere in this century. Trotskyism is just another variant of bourgeois status quo ideology based on the contributions of one man in one country. To have their cake and eat it too, the Trotskyists then criticize the revolutionaries of different shades as “Stalinists” for advancing revolution in one country at a time! Well, the real rewriting of history is the Trotskyist amnesia concerning the Third World revolutions in this century. The Trotskyists attract people who would be Marxists but who do not realize that Stalinists and Maoists, not adherents of Trotsky, led revolutions in Albania, North Korea, Vietnam, China, Kampuchea and Eritrea/Ethiopia.

The white labor cheerleaders have no sense of what goes on in the world apart from white labor. Hence, the Trotskyists and other white-nation chauvinists lack strategic confidence in the international proletariat and pin all their hopes on the bought-off white workers. You can point to as many progressive revolutions as you want, and the Trotskyists just criticize them from the sidelines.

In practice, it is Trotskyism that has contributed to revolution in only one country. Even that contribution of Trotsky while he was still following Lenin was later negated by Trotsky’s betrayal and splitting of the Bolshevik Party while the Russian Revolution was still but a child. It is Stalinist and Maoist practices that have brought revolution in many countries.

As you read this, Stalinist- and Maoist-influenced revolutionaries already have base areas established in the Philippines and Peru. In southern Korea, MIM has found that the leading revolutionaries read Mao and they argue about Deng Xiaoping, but they have no use for Trotsky. Revolutionaries with Maoist origins also recently came to power in Eritrea despite decades of U.S. imperialist and Soviet social-imperialist attempts to put them down. But the Trotskyists can only criticize revolutions they have no part in making. They don’t understand that the only meaningful criticism of a revolu-

tionary practice is from within that practice. Mao had his criticisms of Stalin, who Mao said was 70% correct, but he did not make the Trotskyist idealist mistake of throwing the baby out with the bath water. Being a real revolutionary, Mao knew the difference between revolution and pretty words.

For the record, the above quote criticizing MIM was a response to a MIM poster that mentioned Trotsky’s role in The Russian Revolution. The point here is that The Russian Revolution has become a kind of secret rallying point of First World chauvinists dressed as Marxists of various stripes.

“After all, at least Russians are white people of advanced civilization,” reason these white-nation chauvinists, who like some extreme Christians believe that the entire Third World is incapable of seeing the word of god (substitute Marx) and hence are going to hell (substitute Stalinism). Listening to them, one would have thought 80% of the world’s people lived in Russia.

It doesn’t matter what you say about The Russian Revolution. It doesn’t matter if you even give Trotsky credit for going part-way with The Russian Revolution before giving up party discipline. It doesn’t matter what you say to these First World chauvinists, because all they know is that The Russian Revolution was the only one that counted. Those Third World revolutions against colonialism and capitalism—in which Trotskyists did nothing—don’t matter to the First World chauvinists except as subjects of poetry and armchair criticism of the Stalinist and Maoist actions. And since the Stalinists and Maoists have played a leading role in revolutions throughout the world, there is a lot to criticize with militant words. Once the Trotskyists and other anti-communists are done criticizing every movement that actually brought progress in the world, it is little wonder that they fawn on the bought-off working classes in the countries least inclined to revolution. Trotskyists must clutch at the hope of white working-class revolution in Trotsky’s name.

In 1925, this was still an interesting debate. In 1992, the facts are in: revolution has occurred mostly in the Third World. Trotskyism “has never been tried” in the Third World in the sense of leading a revolution, because it is an ideology of the

oppressor, not an ideology of the oppressed. Saying Stalin or Mao did this or that bad thing fails to recognize that every opportunity Stalin and Mao had to do something progressive or revolutionary, so did the Trotskyists. For every mistake Stalin and Mao have made, Trotskyists had to make many more to end up on the side of the oppressor, in practice if not in words.

MIM doubts that the kind of people who know the difference between action and words—who think “practice is principal” as Mao said—want anything to do with Trotskyism or white-nation chauvinists. The world’s oppressed have already spoken by choosing Marxism-Leninism in the traditions of Stalin and Mao.

For this critique of the white working class, MIM not only faces attacks from the state, but also all types of illogical and psychological attacks from revisionists and white-nation chauvinists in the United States. Recently the Spartacist League “refuted” MIM’s position by saying MIM was unable to organize workers, thus its stance on white workers as not exploited.(3) This is like saying MIM is composed of child abusers, so MIM can’t see why two plus two equals five. Whether or not the white working class is exploited is a truth independent of the abilities of any organizer or group of organizers.

Irrational “leftists” have done severe damage to the cause of the international proletariat in the United States. They forget that the system that raised them also taught them when to laugh and cry. Communists in the United States must learn anew when to become angry, lest their militance be a tool of the imperialists. After the questions of the Cultural Revolution and the Soviet Union, the white working class is the most important issue facing communists in the First World.

## Notes:

1. Karl Marx, *Communist Manifesto*, New York: Washington Square Press, 1964, p. 80.
2. See MIM’s *Polemic with the RCP*—a pamphlet containing a critique of the RCP program, a polemic by the

Organization for Revolutionary Unity, reviews of the *Revolutionary Worker* and articles from *MIM Notes*.

3. *MIM Notes* 60.

## 2.2 The “Left” Tells MIM Off

*[MIM received the following letter in response to an offer to exchange publications and revolutionary ideas.]*

by Doug Henwood  
Editor of *The Left Business Observer*  
November 22, 1991

Thanks for sending along your remarkably juvenile newspaper. I haven’t had such a good laugh in ages.

Using numbers instead of bylines is nice—are pseudonyms too bourgeois? Do you really think the cops give a shit about a bunch of wankers like you?

I appreciate your refreshing honesty in saying that “the North Amerikan white working class is primarily a non-revolutionary worker-elite at this time; thus it is not the principal vehicle to advance Maoism in this country.” Maoism is a vehicle with four flat tires guys; wake up. This sort of poisonous nonsense—a point of view many other leftists probably share, but have too much self-control to ventilate in public—is precisely the reason Duke got over half the white vote in Louisiana [*Ed. note: Grand Wizard of the KKK in a 1991 campaign for governor*]. The white working class has a real grievance or two, chuckleheads, and if “leftists” can’t address this, then fascists will.

What planet are you on when you say that \$10.41/hr is a “whopping” wage, and that “Amerika’s white workers are as a group paid more than the value of their labor”? (I love the spelling of Amerika with a “k”; it makes me feel nostalgic for the 1960s. Germans spell funny, and they’re all Nazis anyway, except maybe that Marx fellow.) Looking at this hourly wage, and the weekly wage of \$357.06, in isolation is foolish and un-Marxist. As Karl Marx himself pointed out, the wages are determined by the costs of reproducing labor

power. In the U.S., where people may spend \$500 a month on housing, another \$500 on food, \$200 on medical care, several hundred more on clothes and transportation, \$357 a week barely reproduces labor power. Real wages have been falling for almost 20 years, while average work weeks have been rising. How is this overpayment?

And \$10.41/hr has to be compared to what these workers produce, too. According to the fascist pigs at the U.S. Department of Commerce, U.S. wage and salary workers have been toiling around 200.5 billion hours at an average annual rate so far in 1991. Since GNP is \$5,585 billion, that means the average hourly product of the average U.S. worker is \$27.85. Pay of \$10.41 an hour works out to 37.4% of total value produced—and this is before taxes. According to the OECD, take-home pay for the average U.S. production worker (married, two kids) is 80.8% of gross, which means that final disposable income is around 30.2% of GNP produced per hour.(2)

Furthermore, the World Bank offers the following figures for manufacturing earnings as a percentage of value added in 1970 and 1988 (except China, 1986):(3)

	1970	1988	change
U.S.	47%	36%	-11%
Germany	46%	42%	-04%
Japan	32%	34%	+02%
China	-	15%	-

Dump the slogans, folks. Wake up—the labor aristocracy died about the same time Mao did. Do some research. Think. Or come 1997, President Duke is going to throw your ass in jail.

### Notes:

1. U.S. Department of Commerce, Survey of Current Business, Sept. 1991, p. 3 (GNP) and p. S-11 (hours).
2. Organization of Economic Cooperation and Development, OECD in Figures: 1991 Edition, Supplement to the OECD Observer, June/July 1991, p. 45.

3. World Bank, World Development Report 1991, appendix table 7, p. 217.

## 2.3 MIM Trashes the Myth of White Exploitation

Unlike people who take stands working for reforms for the labor aristocracy of Amerika, for MIM the issue of cops (not to mention various ultra-rightists trailing MIM) is not an academic question. Doug Henwood, the editor of the Left Business Observer, is the typical Amerikan “leftist,” who actually believes the garbage that this is a “free” country, so we can’t expect him to understand reality for the oppressed, no matter how many times he hears it or reads it. People other than Henwood can read the prisons page of MIM Notes and understand the most serious repression against our comrades in prison.

As for MIM Notes being “juvenile,” we will take that as a compliment, because Henwood represents the dying system that visits environmental disaster, AIDS and world war on the young. More than other Amerikans, the young have an interest in throwing aside the system Henwood wants to patch up.

### Hourly manufacturing wages for production workers (1977):

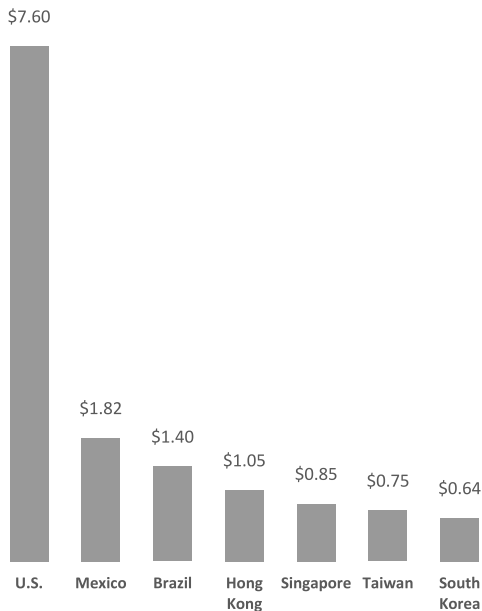


Figure 2.1: Seymour Melman, *Profits Without Production*, Philadelphia: U. of Penn. Press, 1987, p. 38.

One last comment before we treat the semi-serious political economic analysis in Henwood's letter. As most leftists share the Left Business Observer's point of view, and certainly many are state legislators like Duke is, we ask why don't leftists like yourself have more success with the white workers? Why does a punk state legislator get instant name recognition that surpassed on a national level that of every Democratic candidate for president, not to mention all the social-democratic legislators out there? Why does he get millions in small donations from white workers across the country? Could it be that Duke actually addresses a material reality for white workers?

Don't take it personally. We doubt you voted for Duke. MIM did not say every German or every Euro-American is a Nazi, only that white labor as a class has an interest in its alliance with imperialism. Do you have a problem with class analysis or would you prefer we psychoanalyze every American individual for you?

To understand the position of the white working class, the labor aristocracy, it is necessary to make international comparisons. Because of the issue of super-exploitation and the overarching role of imperialism, it is necessary to accept an international standard. Today's world market includes, as a rule, military dictatorships designed to keep the international proletariat down. The labor aristocracy is not only not in line with the Third World proletariat, but also it is also not in line with the Third World petty bourgeoisie.

Before bringing out other data, we have to define what we are talking about theoretically.<sup>(1)</sup> Once we do that, MIM believes most people will find that they have always had more than enough information at hand to make a decision about this theoretical conflict concerning the labor aristocracy. **The analysis is key because if the labor aristocracy is exploited, then organizing it will be a progressive thing. If the labor aristocracy is not exploited, then organizing it will only result in white chauvinism and greater strength for imperialism, whatever the intentions of the organizer.**

### Amerikan leftist political economy vs. Maoist political economy

When Marx first wrote about the market for labor power, there was not the kind of super-exploitation we have today. It was just starting compared with the level it has now reached. Yet even in the 1800s, Marx warned that slavery and colonialism were corrupting influences on European working classes.

Marx said that wages were the culturally and historically determined product of a market for labor power. In other words, the wage was what that society deemed necessary to reproduce its workers. In this regard, Henwood is correct.

In Marx's day, the capitalists appropriated surplus labor from the white workers despite paying wages, so the workers were exploited. In the 1800s, it was possible to look at the dead labor that went into reproducing British labor power and say it was basically British. A loom or a hoe used in production by British laborers pretty much came from the dead labor of British laborers.

Since the time of Marx, imperialism has grown many fold. Having expanded after World War I, imperialism continued to expand after World War II. One small indication is U.S. direct investment abroad. In 1950 it was \$11.8 billion, but by 1980 it was \$200 billion. Moreover, a list of the top 76 manufacturing firms shows that 37% of their assets are abroad (which includes Europe, not just the Third World).(2)

The advent of supertankers, airplanes and faster transportation and communication of all kinds made the plunder of the Third World a much more central fact of economic life. But today, thanks to dead Third World labor, the labor that goes into “reproducing” the white working class is greater than the labor done by the white working class.

### **Closed borders: separate markets for labor power**

Amerikan society and its “leftists” would have us believe that an average of \$10 an hour and a \$44,000 house for whites is *necessary* for the reproduction of the white working class as workers. That is strictly ideological obfuscation. Why?

If the U.S. imperialists paid \$2 an hour and threw open the borders, they would have no problem reproducing the working class. Indeed, the population would grow enormously both from immigration and natural growth. The only reason that does not happen is that the imperialists agreed with the labor aristocracy (and not just its labor bureaucrat lieutenants, judging from the popularity of anti-immigrant laws) to close the borders and establish a minimum wage. The agreement is very similar to the basic agreement in South Africa, but the blatant Jim Crow laws and super-exploitation are not as prevalent in Amerika. Whites are a majority here, but not in South Africa.

Henwood pretends that U.S. labor would not reproduce itself if it were not for the Amerikan alliance with the imperialists that generates a \$10-an-hour wage. By this he means U.S. labor would die and then the system would also, as Marx said about the British workers and their system of the 1800s.

This is a false assumption. MIM has looked around enough to know that proletarians can reproduce and keep the capitalist system going for a lot less than \$10 an hour. And we

didn’t even have to go to another planet. Real exploitation exists right on this one. There is no need to fantasize about the oppression of First World people, except as required for imperialist nation unity.

The Amerikan leftists want us to accept the standards of the white working class as necessary for its reproduction, so they can go on saying that the labor aristocracy is exploited and go on begging for the cross-class white unity which benefits imperialism.

In contrast, MIM looks at things from the perspective of the Third World proletariat. MIM uses a rough international standard wage necessary for reproduction of workers under late imperialism, MIM could economically struggle for \$1.50 an hour and that would still double what the Pico Products workers made in south Korea in the late 1980s, and south Korean labor is more organized than most and living in closer-to-imperialist conditions than just about any Third World country.

In the “Communist Manifesto,” Marx said communists differ from other labor organizers in that communists look at everything from the perspective of the international proletariat, not just any one of its sections. The only reason Euro-Amerikan workers make \$10 something an hour is that the borders are closed by force. That is the most significant factor in the market for labor power and it must never be forgotten.

The wage for Amerikan workers should be put on par with an international standard for the proletariat. MIM believes that the white working class’ wages are not determined merely by market conditions for labor power; hence, its wages go beyond what is necessary for reproduction of the white working class in the capacity of workers (not the reproduction of the white working class in their role as parasites).

### **The search for labor power**

Another definitive answer to the question is from the point of view of the capitalists. Where surplus labor is not appropriated, there are no profits. Of course, without profits, capitalists go out of business. Without profits, even capitalists wouldn’t want the capitalist system to exist. Henwood’s

writings lead one to think that the capitalists have it made, thanks to how little the Amerikan workers make. The reality of profit rates is a little different though.

Even the social democrats who wrote the book *Global Reach* recognized that multinational corporations rely on the Third World for their profits. This is the same reason all the banks are scared of Third World default on loans and asking for the government to bail them out if the time comes. First World banks are in trouble. From 1983 to 1990, First World banks received \$325 billion more than they put into Third World countries in terms of loans and loan repayments.<sup>(3)</sup> That's just one avenue of exploitation that the banks count on in terms of the Third World. What would happen to the First World banks without the Third World?<sup>(7)</sup>

Without the Third World, U.S. capital would die, because it pays white labor too much to make a profit from those workers alone. Put a British naval embargo around French international commerce in the 1800s and the French capitalists would still expand and survive in that progressive phase of capitalism. Put a Maoist blockade on the commerce of U.S. imperialism in 1992, and the ball game is over. Anyone who doubts this should look at First World profit margins and where they come from. Imperialists do not appropriate surplus labor from white workers right now and could not survive without their source of profits: the Third World. To make profits without the Third World, the First World capitalists would have to cut First World workers' wages drastically.

Henwood's answer shows both ignorance and Amerika-first chauvinism. Taking GNP and dividing by the number of hours worked in the United States, Doug comes up with a figure of \$27.85 per worker per hour.

This calculation shows that Henwood did not understand MIM's argument regarding super-exploitation of the Third World. The GNP is the monetary value of all the goods and services sold in the United States for a year. The GNP includes the value of the unremunerated dead labor of the Third World. That dead labor is paid for by the time it reaches the sales stage, the point at which the GNP is calculated. However,

the people who get paid for that dead labor are not the Third World laborers, but the imperialist exploiters and the labor aristocracy. The income the GNP counts is from the exploiters and the labor aristocracy and the Third World within the borders of the United States. The GNP figures do not say *where* that income largely comes from—the dead labor of the Third World.

Another problem with comparing wages with GNP figures is that GNP figures include items that go to the labor aristocracy beyond wages such as public service. The only part of the GNP that does not go to salaries or wages (and other incomes) is profits.

### Where do the profits go?

The other calculation that Henwood trots out is the added value from manufacturing workers. To the extent that he implies that capitalists take the bulk of added value from manufacturing workers (64% in 1988) and simply keep it as profit, MIM does not agree. To the extent that Henwood points to a relationship between manufacturing workers and other sectors of the labor aristocracy, there is a point. The 64% does not go to the capitalists as profit, but to other labor aristocracy people—clerical and sales people—again mostly white-collar white workers.

A capitalist class raking in trillions in profits every year is convenient for the fantasy of white working-class exploitation. Unfortunately, most Amerikan leftists have a naive view like this. They imagine their critique of capitalism depends on the amazing consumption of the capitalists and the tremendous inequality within the Amerikan nation. But they grossly exaggerate that inequality. The problem is not that capitalists make trillions in profits, but that production is organized in a capitalist fashion—thus creating the wrong goods, overproduction, environmental degradation and world war.

Instead, the bulk of the 64% fluff Henwood refers to is attributable to the fact that over half of Amerikan workers are white-collar, according to the 1980 census. Part of that fluff is collected in the form of taxes, which does not go directly into capitalist pockets. But most of the 64% goes into the

labor aristocracy's pockets, especially retirement pensions and workers in the military—with a percentage of profits leftover for the corporations supplying the government.

MIM should thank Henwood for replying and simplifying the chore of proving that the Amerikan left has no sense of proportion. Perhaps in future articles Henwood or someone from MIM could treat the wealth of the capitalist class. Listening to Henwood, one would have thought that the United States created thousands of billionaires every year.

Instead, if people look at the new wealth of the capitalist class created every year, they will find that it is much smaller than the super-profits sucked in from the Third World each year. The reason is that the labor aristocracy produces no surplus labor for the capitalists and instead gets a share of the Third World super-profits. The capitalist class accumulates wealth fast, but not fast enough to suck in both super-profits from the Third World and profits from the labor aristocracy.

The implication of both Henwood's GNP and value-added figures—that the capitalists suck in trillions in profits every year—is just a calculation error of the overly excited Amerikan left. Profits have never exceeded even half a trillion-dollars a year. In 1990, they were \$293.3 billion, or 6.6% of the \$4.4 trillion GNP, and that was a good year for profits.(4)

After-tax profits in 1989 (the most recent figures available) amounted to \$172.6 billion. Out of that the capitalists admit to obtaining \$50.9 billion from abroad, which still does not count super-exploited labor done in the Third World.(5)

Even in these profits, the labor aristocracy takes a large part in dividends—both in privately owned and pension-owned stocks—and in shareholding in banks, especially credit unions. The capitalist class is not raking in \$173 billion in new wealth every year. Only a vulgar Marxist view fantasizing about the consumption of the capitalists could imagine anything close to what Henwood is talking about.

Overall, those \$173 billion in profits are puny indeed. Any comrade who thinks about what it means that only 3.9% of GNP is profits will realize that it is simply not possible the

white working class is exploited. In fact, those profits are so small because of overpayment in dead labor to the labor aristocracy.

Within those puny profits, the capitalist class owns a large share. The top 1% of families owns 51% of the market value of the stocks owned by families (as of figures collected for 1960 and 1971 which are the most recent available). That means that 49% of those stocks privately held are held by people outside the top 1%! That's not to mention the stocks held by institutions, the profits of which go to benefit the labor aristocracy—colleges, pension funds, etc.

The assets of the top 1% are always in the 50% to 60% range. One could dispute the number of capitalists in the United States and say this 1% figure is too low. But if we look at the top 2%, 5% or 20% of the population and call them capitalist, we are talking about a lot of people who are not millionaires. In 1958, it only took \$60,000 in assets to make it into the top 1.5%.(6) As of 1970, there were still fewer than 1 million millionaires. That was only about 1% of the population if we assume a household size of 2.5. In fact, according to J. Sakai, citing the top 1% of the population as capitalists overestimates the size of the capitalist class. In 1970, the average wealth of that group was \$1.32 million, which means a large portion of that group owns less than \$1.32 million since we must account for the billionaires and multi-millionaires. According to Sakai, that 1% is partially petty bourgeoisie.(7)

Considering the distribution of assets and hence profits, it seems possible that only a half or two-thirds of each year's \$173 billion in profits actually ends up in the hands of capitalists—people who can live off of owning the means of production. (MIM uses this definition so that people who own merely 1 share of stock or even 100 shares of stock are not counted as capitalists.) And that other large share of profits goes to the labor aristocracy, even after the labor aristocracy receives inflated, non-exploitative wages.

Puny profits that actually end up in capitalist hands each year—under \$150 billion or 3% of the GNP—are easily explained by the exploitation of national minority workers within U.S. borders. These workers get about 70% of what



white workers get, and that's only if they're documented. Let's be generous to the labor aristocracy and assume that the imperialists pay all the documented and undocumented minority workers an average of 70% of what white workers get (a very liberal estimate). Now look at the portion of GNP accounted for by national minority workers within U.S. borders—20%. Giving 70% of that amount to minority workers leaves 6% of GNP as the difference in pay between white and national minority workers generated by discrimination alone. Six percent of GNP is nearly all the profits before taxes! That leaves the labor aristocracy to get paid for all its dead labor while receiving *all* the super-profits from the Third World *outside* U.S. borders. (See the appendices for more on these calculations.)

There is no way that the white working class is exploited. The \$173 billion does go almost entirely to the top half of Amerika, according to Domhoff. But we've already shown that the profits are just too small not to be accounted for solely by exploitation of the national minorities within U.S. borders.

In Marx's day, the value of the British GNP was pretty much the result of the labor of British workers, especially compared with today's GNP. In 1991, Henwood makes the mistake of keeping Marx's assumptions as they apply to individual First World markets. Henwood makes no effort to account for the exploitation and super-exploitation of Third World workers that go into making the U.S. GNP. The reason Henwood does not count the unrenumerated Third World labor and simply assumes that all GNP is the product of U.S. workers is simple—Amerika first chauvinism.

MIM does not attempt to organize the white working class as a group because it is not exploited and does not have a material interest in revolution. Working to organize the white working class would make the party a pro-imperialist, reformist party—the history of the Amerikan working class makes this clear.

The mass base for revolution will come from the exploited and super-exploited—mostly in the Third World—and MIM seeks to organize all who work in the interests of the oppressed.

## Notes:

1. Seymour Melman, *Profits Without Production*, Philadelphia: University of Pennsylvania Press, 1987, p. 38.
2. Melman, op. cit., 34.
3. Revolutionary Communist League, *Class Struggle*, vol. 15, no. 6-7, p. 11.
4. *Pulse of Capitalism*, Issue No. 91-3, p. 4.
5. Statistical Abstract of the United States 1991, p. 548.
6. William Domhoff, *Who Rules America Now? A View for the '80s*, New York: Simon & Schuster, 1983.
7. MIM Theory 9, 10.
8. For a review of the avenues of exploitation of the Third World, read Alain de Janvry, *The Agrarian Question and Reformism in Latin America*, especially pp. 50-60. Chapter 1 provides a state-of-the-art and more thorough answer to the questions raised here.

## 2.4 Banking on the Backs of the Oppressed

On Dec. 20, 1991, the U.S. government started loaning money to banks at a rate of 3.5% interest. This interest rate is called the discount rate and is available only to banks, not the ordinary borrower.

In January 1992, the inflation rate was reported for the previous month as 3.6% calculated annually. (If the inflation rate stays the same as it was in December for the whole year, the annual inflation rate will be 3.6%.) In November, it was 4.8%. In other words, the inflation rate exceeds the interest rate available to banks.<sup>(1)</sup>

If inflation stays higher than 3.5% or if the discount rate goes down further, banks will receive what amounts to a subsidy from U.S. taxpayers, who are themselves heavily subsidized by the Third World. The banks will be paying the government back in money worth less than the money they originally borrowed.

Bankers themselves never let that happen. They never loan money for less than the rate of inflation because they don't

want to go out of business. The owners of banks don't want to see their assets shrinking from inflation. If inflation is 4%, the banks loan out money at 11%, 13% or even 20%.

The government, on the other hand, would happily subsidize the biggest "welfare cheats" out there—white-collar workers and the capitalist class. The government is desperately looking for a way out of the current mess U.S. banks are in. When the government has to take over failing banks it looks bad. People might get ideas about socialism and the failure of capitalism.

### **Banks profit from Third World loans**

U.S. government is giving money away to bankers—in the form of bailouts and now in the form of subsidized loans, even better and much bigger than student loans.

The U.S. bankers, in turn, are giving away money to white-collar people in the form of loans that oppressed people are never able to obtain. The banks really are giving it away when it's all added up, because the banks are taking losses on these loans to white-collar parasites. The banks' biggest source of trouble is in real estate speculation that goes sour. Citicorp lost about \$600 million that way in 1990. That is why the banks are failing.

Some banks made some loans to the Third World that were not repaid. But it is a white lie to say that Third World loans are the main problem, as implied in all the major newspapers: "He [Citicorp's chairperson] pushed Citicorp into some highly profitable consumer businesses before they were fashionable, but left a legacy of loans to less developed countries that caused heavy losses."<sup>(1)</sup> Actually, on the whole, First World banks made \$325 billion more from Third World countries in the 1980s than they put in.<sup>(2)</sup>

Even Citicorp itself is only close to solvent because of huge Third World profits. Brazil alone earns Citicorp \$50 million out of its \$300 million overseas profits a year. India brings in another \$25 million in profits annually for Citicorp.<sup>(1)</sup>

Developing countries paid out \$50 billion more to service loans than they received in new credits in 1988. In 1984,

the gap was \$10.2 billion. The total for 1985-1988 is nearly \$120 billion. Two-thirds of these payments are from Latin America.<sup>(3)</sup>

The banks exploit the Third World and give the money away to First World people, who in turn pay some of the taxes that subsidize the banks.

### **Notes:**

1. New York Times 1/20/92, p. C3.
2. Revolutionary Communist League, *Class Struggle*, vol. 15, no. 6-7, p. 11.
3. New York Times 9/18/89, p. 23.

## **2.5 Who is Really Exploited? First World vs. Third World Labor**

The following chart sets the wages of U.S. workers as the standard to find out how the production workers of other countries stack up. For example, if the U.S. average production worker wage was \$5 in 1975 and the Peruvian wages was \$1, the percentage would be 20%.

**Production workers in manufacturing, percent of U.S. wages:**

Country	% of wage in 1975	% of wage in 1989
Europe	82	100
Japan	48	88
Brazil	14	12
Mexico	31	16
South Korea	06	25
Taiwan	06	25
Hong Kong	12	19
Singapore	13	22
Sri Lanka*	04	02
Portugal	25	19
Greece	27	38
Spain	41	64
U.K.	52	73

Table 2.1: Statistical Abstract of the United States 1991, p. 851.

\*Sri Lanka has the percentage of the U.S. wage in 1987.

Europe and Japan closed the gap with the United States between 1975 and 1989. Europe's average manufacturing production worker wage is equal to that of the United States in 1989.

Countries like South Korea may eventually join the ranks of the imperialists, but notice that in the sweep-stakes of international capitalism Portugal has fallen from the role of major colonialist to Third World status, at least in this regard. Not surprisingly, most of the countries listed in the U.S. government publication were imperialist countries or small but well-off capitalist countries; it is not possible to gauge the world as a whole from these figures.

Mexico and Brazil—the Third World countries with the largest populations on the list—actually saw a decrease in their wages relative to the United States.

From this limited table we must conclude that the Third World fell further behind U.S. manufacturing wages between 1975 and 1989.

Remember, these percentage gaps may decrease while total wealth/income differences still increase. Also, manufacturing wages may catch up with the West while overall income may decrease.

**Per capita income figures**

Another interesting set of figures is the per capita income in the different countries. The usefulness of these figures are questionable because we do not know the income distribution in the countries and because it is always difficult to compare income figures concocted by paper-shuffling bureaucrats in different countries.

Between 1980 and 1988, per capita income in the United States increased from \$16,970 to \$19,840, accounting for inflation by using 1988 constant dollars.<sup>(1)</sup>

	1988 per capita income
USA	\$19,840
Greece	\$5,225
South Korea	\$3,950
Portugal	\$3,906
Venezuela	\$3,198
Argentina	\$3,087
Yugoslavia	\$2,596

Table 2.2: Statistical Abstract of the United States 1991, p. 841.

The above set of countries is especially interesting because of what it says about Portugal and Greece, countries ordinarily thought of as First World. There seems to be a good case for saying the Portuguese workers are exploited. We might be able to learn something from Greece and Portugal as First World countries. There is also a good case for saying U.S. wages might sink quite a bit and still be better than England's or France's.

	1988 per capita income
Canada	\$18,090
France	\$16,490
England	\$14,080
U.S. Blacks	\$12,346*
Spain	\$8,418
Greece	\$5,225

Table 2.3: Statistical Abstract of the United States 1991, p. 841.

*\*Based on taking 62.2% of the \$19,840 figure above. 62.2% comes from the ratio of per capita income (calculated differently), table, p. 460.*

Neither France nor England is exactly the model of a revolutionary future. The comparison with U.S. Blacks is intended to raise the question of the Black nation. GNP figures are hard to compare from year to year because they tend to change based on different methods of calculation and data collection. Comparing income between countries is even worse. However, if you have to compare income figures, comparing the United States, Canada and England makes the most sense.

If Spanish, Portuguese and Greek workers as a groups are not exploited, then it would be hard to argue that exploited workers are the majority of U.S. Black workers. However, that is to say nothing of the historical basis of national consciousness among U.S. Blacks. Whatever the income situation now, the debts of the white nation to the Black nation are calculated in the trillions of dollars. Annual income is one thing. Wealth built over centuries is another. In any case, this raises the messy issue of where to draw the line between exploited and non-exploited on an international scale.

This per capita income table also shows that some countries are actually going backwards in this decadent imperialist era, despite all the “triumph of capitalism” bullshit. In the years 1980 to 1988, several countries saw a decline in per capita income—mostly Third World countries that could little afford it. The countries actually getting poorer and not just falling behind were Afghanistan, Algeria, Argentina, Brazil, Chile, Ethiopia, Iran, Iraq, Kenya, Madagascar, Mexico, Mozambique, Nigeria, North Korea, Pakistan, Peru, Philippines, Poland, South Africa, Sudan, Syria, Tanzania, Uganda,

Yugoslavia and Zaire. Not a single Western European country saw decline, including Portugal and Greece.<sup>(1)</sup>

Luckily for the bulk of the world’s population, China, India, Indonesia and Bangladesh all saw tiny improvements in per capita income between 1980 and 1988, though in some cases they also had widening income gaps. Despite these improvements, these countries were still falling behind the super-exploiter countries, which got richer even faster.

All materialists should bear in mind that in all these surveys there are different ways of counting things, so we should not haggle too much over the numbers. Take into account a margin for error, but stay on top of the really large inequalities.

Drawing the lines between super-exploitation, exploitation and non-exploitation will always be a messy and crude affair. One option is to use Taiwan and south Korea as countries just emerging from super-exploitation and Portugal as a country with its manufacturing workers falling into super-exploitation. This means using the following type of breakdown:

For example, Greek workers may be workers in an imperialist country who are exploited, because they get 38% of what U.S. manufacturing workers get. They are not super-exploited, most likely because Greece does not really have an imperialist-backed government using force on its workers to prevent their choice of exploiters. In fact, Greece is a bourgeois democracy. Taiwan and South Korea are on the boundary, trying to emerge as bourgeois democracies.

This also means that Amerikan workers could be paid one-half what manufacturing workers receive now and they would still create no surplus value. In other words, they could receive \$4.15 an hour and still not be exploited.

In conclusion, capitalism on a world scale exploits most working classes while it enriches the minority of imperialist country working classes. Many countries are getting poorer, while the rich are getting richer. MIM seeks to break this system, not organize white workers to gorge themselves on the bounty of the Third World.

**Notes:**

1. Statistical Abstract of the United States 1991, p. 841.

## 2.6 The Petty-bourgeoisie: International Comparisons

If we look at things internationally, we should compare the petty bourgeoisie of the Third World with the labor aristocracy of the First World. Then we will find that the labor aristocracy does better than the petty bourgeoisie, and is up to bourgeois standards in some countries, such as Eastern Europe or China.

There is no comparison between the accountants, lawyers, judges, doctors and professors of China with the labor aristocracy in the United States. The labor aristocracy here could go to China and hire those petty bourgeoisie on their credit cards. The reason is that the absolute gap between rich countries and poor countries has steadily expanded to its present state. This enables the labor aristocracy to appropriate some labor from the Third World.

In China today, most professors make around \$50 a month. Most doctors make less. “Rich” peasants, who own their own property and house, make the equivalent of \$3,000 a year, while the vast majority still make under \$1,000 a year. China has imported the term “millionaire.” It refers to people making \$25,000 a year. These peasants making \$25,000 are exploiting sharecroppers (hired hands) and deserve the term “millionaire” in the Chinese context. Those are the facts (available in Beijing Review) on one-quarter of the world’s population.

## 2.7 “Leftist” Myths on Amerikan Labor Refuted

The Willie Horton-“Black rapist” ads of 1988 won George Bush the presidency. This and flag-waving ACLU-baiting were the ultimate in grossness, but they worked on the Amerikan working class. They tapped into the national chauvinism of the white working class based on the material

reality of its super-profit soaked existence, living off the labor of Third World peoples.

In elections everything is concentrated symbolism. The winner is the one that does the best advertisements succinctly summing up how it’s going to be if the white working class picks the winner’s bourgeois faction to rule.

The bourgeoisie has an agreement—whichever bourgeois faction cons and bribes the white workers best deserves to rule. On the Democratic side, the cheap tricks are the ones stoking up white working-class fears of economic degradation. Liberal newspapers such as the New York Times try to manipulate these fears so that the liberal bourgeoisie can rule, so Americans buy Amerikan, so foreign “aid” is not so emphasized and so white people find another reason to tighten the screws on the Third World—not so capitalism will be overthrown.

Both the Democrats and Republicans are racists, because they are parties of imperialism. The only difference is that the Democrats and “left” alternative parties coax the white workers by falsely emphasizing how oppressed they are. The white workers know this is not Guatemala, but they take the Democratic rhetoric as an offer for a better imperialist deal for the white working class.

The 1992 elections are coming up and the Democrats are searching for the right 30-second ad to win over the white working class. It does not matter what the facts are: the image of Joe Steelworker working at McDonald’s is a potent symbolism. Here MIM tries to take the claims seriously and refute them factually.

Capitalism is always subject to major crises and financial bubbles. The current recession may prove to change things very quickly, but MIM always bases its strategy on the facts at hand, not wishful speculations on conditions in the future. In any case, if there is an economic catastrophe, the actions of the white working class will be determined in large part by its past. To understand the consciousness of Amerikan workers, we must understand their conditions over the past 10, 20 and 30 years. This is a review of the most up-to-date data

available—the data in the Statistical Abstract of the United States 1991, which includes the 1990 U.S. Census data.

Myth vs. Fact

**Myth: The majority of salaried people are in manufacturing**

**Fact: In 1988, only 16-18% of U.S. workers worked in manufacturing.**

In 1988, 19.1 million people were working in manufacturing, maybe 21.3 million, depending on how it was counted. There were a total of 116.7 million employed workers. That means only 16-18% of workers are in manufacturing.

In the United States, more people worked in managerial or professional occupations alone—30.4 million in 1989.(1) The old Progressive Labor Party reductionist point of view focuses on these manufacturing workers. Hopefully, that view does not hold, as Marx did, that they would become the majority.

**Myth: The labor aristocracy is dying. The proof is the decline in manufacturing jobs.**

**Fact: Both the wages and size of the manufacturing worker group have stayed the same since the 1960s.**

millions of manufacturing workers	
1963	17.0
1967	19.3
1972	19.0
1977	19.6
1982	19.1
1985	18.8
1988	19.1

In 1982 constant dollars, manufacturing workers made an average of \$8.33 an hour in 1970 and \$8.29 in 1989.(2) Despite 20 years of social-democratic yammering to the contrary, both the wages and size of the manufacturing worker group stayed the same. The rest of the economy grew—especially white

collar occupations—and made the Euro-American workers as a group even more pro-imperialist.

**Myth: Even white workers cannot get good jobs anymore.**

**Fact: White employment in professional and managerial jobs continues to grow.**

Between 1983 and 1989, the ranks of professional and managerial employees increased 6.8 million. While Blacks and “Hispanics” make up 17.5% of all employees, they make up 9.8% of these jobs, which are the best ones counted in the U.S. Census.

To understand the scale of this shift of income to a sector of white workers, let’s compare it to much ballyhooed layoffs. General Motors recently announced 70,000 layoffs. If 97 companies did the same thing as GM, that would make up for the gain of 6.8 million jobs. However, since those 6.8 million new professional and managerial jobs are still better-paid than the ones eliminated, while workers as a group would still be better off in 1992 than they were in 1982.

How do we know that the new jobs in professions and management are good jobs? First, the average wages for all white workers don’t change much. Second, the median weekly earnings of this category are higher than for any other group of workers—\$583 a week in 1989.

Managerial and professional specialty	\$583
Technical sales, and admin support	\$359
Service occupations	\$253
Precision, production, craft and repair	\$454
Operators, fabricators, and laborers	\$323
Farming, forestry and fishing	\$246

Table 2.4: **Median weekly earnings by sector.** Figures for 1989 and in dollars. Statistical Abstract of the United States 1991, p. 425.

Broken down this way, there are 8.84 million service workers and 1.38 million farming, forestry and fishing workers. The

other 74.4 million workers in 1989 were in the higher paying sectors.

The government has two main ways of classifying job categories. Economists and sociologists have several more. It is important not to mix them together.

Note that the above method of counting service workers focuses on the poorest service workers. Other classifications count people paid increasingly higher wages as service workers. Hence, it is very important not to combine two ways of classifying workers, using the low pay figures of one group of service workers which is small to represent the pay of another classification of service workers which is large.

For example, using a third but rarely used means of classifying jobs, the government says all jobs that are not mining, construction or manufacturing are considered service jobs. By this standard that classifies most workers as service workers, the average hourly wage of service workers is \$10.34 as of 1990. It's \$12.14 for the workers in mining, construction and manufacturing. Then when you add in paid leave, supplemental pay, insurance, pensions, unemployment and workers compensation, the wage is \$13.97 an hour in services and \$17.55 in non-services.(3)

**Myth: The fall of the labor aristocracy is evident in the decline of hourly wages in constant dollars.**

**Fact: This myth is half true, but omits the trend toward paying more for benefits like health-care plans.**

In 1970, workers (excluding agriculture and government) averaged \$8.03 an hour in 1982 dollars. By 1989, it was \$7.64 an hour in 1982 dollars.(4) When private benefit plans and social insurance costs are added in, however, we find that workers have enjoyed a steady growth in hourly compensation since 1960. To parallel the fact above, this index of compensation adjusted for inflation rose from 91.9 in 1970 to 103.5 in 1989.(5) In 1960, this index stood at 69.2.

Even if there had been a decline in hourly wages, it offset by housewives' entering the work force for the first time.

In 1970, 49% of women worked, but by 1989, the figure was 68.3%.(6)

The relative lack of experience of new workers is one reason for the decline of hourly wages, in addition to gender discrimination. All things considered the relative steadiness of the hourly wage and growth of family income and per capita income is an amazing feat of the Amerikan nation's decadence at the expense of the rest of the world.

**Myth: Joe Steelworker lost his job and went to work at McDonald's.**

**Fact: There are very few isolated cases of former labor-aristocracy workers turned to McDonald's workers.**

Of workers receiving minimum wage, 58.7% are under age 24.(7) In Amerika, the McDonald's jobs grow fast, but they are filled by young people who stay a year or two and then move on. This is why the per capita income has increased so fast instead of declining with the growth of the low-pay job sectors.

	Median length	Median age
Food counter & related jobs	1.5	18.8
Waiters' assistants	1.7	20.3
Stock handlers/baggers	1.9	21.1
Kitchen workers/food prep	2.1	27.2
Messengers	2.3	30.3
Vehicle/equipment washers	2.3	26.7
News vendors	2.3	26.4
Mail clerks, except postal	2.3	29.8
Cashiers	2.4	24.4
File clerks	2.5	28.5
Short-order cooks	2.5	20.9
Garage/service station	2.6	23.8
Sales workers, shoes	2.6	22.3
Hotel clerks	2.7	27.7
Child care, except private	2.7	34.2

Table 2.5: **Median length (years) in which workers stay in their occupation.**

In fact, of all the hundreds of individual occupations classified by the U.S. government, the McDonald's-type job is the one with the lowest median stay in employment (as well as one of the highest levels of national minority employment).

Only 5.1% of all workers receive minimum wage or less.<sup>(7)</sup>  
Of course, that does not count undocumented workers.

### Notes:

1. Statistical Abstract of the United States 1991, p. 395.
2. Ibid., p. 413.
3. Ibid., p. 419.
4. Ibid., p. 413.
5. Ibid., p. 412.
6. Ibid., p. 385.
7. Ibid., p. 418.

## 2.8 Spartacist League Chases MIM

### Notes 60

The Spartacist League printed an article in the Workers Vanguard criticizing revolutionary groups that do not print their papers at union printing presses. They specifically discussed MIM, among other groups. MIM responded to this criticism on the letters page of MIM Notes 60.

The Spartacist League said: "MIM is willfully blind to the fact that blacks and Hispanics are represented in disproportionately high numbers in unions in this country; in fact they are the backbone of countless unions and strike struggles—precisely because they're under the heaviest attack by the racist bosses."<sup>(1)</sup> The Spartacist League used this argument to back up the idea that MIM should print MIM Notes at a union shop and support union organizing and the white working class in the United States generally.

MIM will first point out that by the Spartacist League's reasoning, one could argue that women should boycott union labels because women are disproportionately unrepresented in unions. For that matter so should people of Latino background. In the United States, women and Latinos would do

better to boycott union-label products. For its part, MIM does not care to engage in hairsplitting, since the vast majority of unionized workers are white and not exploited.

### Percentage of men and women workers in unions (1989):

Men	19.7%
Women	12.6%
Average	16.4%

Table 2.6: Wage- and salary-earners 16 and older. Statistical Abstract of the United States 1991, p. 424.

A greater percentage of Black workers are unionized than white workers, but a smaller percentage of "Hispanic" workers are unionized than whites. The table below is the source of Spartacist confusion and opportunism. Blacks are disproportionately unionized, not because union organizers are so progressive, but because the sectors of the economy with unions in them have more Blacks, both union and non-union than other sectors of the economy.

### Percentage unionized 1989:

White	19.7
Black	25.4
"Hispanic"	16.8
Average	18.6

Table 2.7: Statistical Abstract of the United States 1991, p. 425.

Since these figures are collected by the government, remember that undocumented immigrants are not counted because they are not considered employees. In fact, the number of unionized waged agricultural workers is not counted at all, because the government sees fewer than 50,000 total. Those agricultural workers not unionized got median wages of \$246 a week in 1989. That is one of the lowest paid sectors, and this does not count undocumented labor.



### Some sectors of the economy have more unions than others:

	% unionized 1989
Government	43.6
Transport & public utilities	31.1
Manufacturing	23.1
Construction	22.6
Mining	19.7
Average	18.6

Table 2.8: All other sectors of the economy have less than average unionization. That means unionization below 18.6%. Statistical Abstract of the United States 1991, p. 425.

Surprise: Better-paid technical and management jobs are less unionized. However, we have already seen that these technical and management jobs are disproportionately occupied by whites. (See previous sections.) Workers unionized in these sectors actually make less than their non-unionized counterparts. The same is true of wholesale and retail trade. The really good jobs require no unionization.

White-collar jobs in general are disproportionately occupied by whites and blue-collar jobs are disproportionately occupied by oppressed nationalities.

### Buy from a union shop?

Contrary to the Spartacist League's wishful thinking, buying from union shops does not help minorities. It's just that there are more "minorities" in sectors that happen to be unionized. In other words, both the unionized and non-unionized workers in these sectors are disproportionately oppressed nationalities. Supporting the unions in these sectors does not help oppressed nationalities any more than supporting the non-union workers does. In fact, it appears there are more oppressed nationalities in non-unionized jobs in the low paying sectors.

By one method of classification, the government sector is the most unionized sector of the economy. In 1989, 14.8% of the workers in that sector were Black when only 10.2% of workers generally were Black. "Hispanics" are underrepresented in

the government sector, with 5.1% of government employees but 7.3% of total workers.(2)

The second most unionized sector is transport, communication and public utilities. This sector was 14.1% Black as of 1989 and only 6.4% "Hispanic." This data again supports MIM's view, not the Spart view.

The sector with the highest representation of "Hispanics"—farming, forestry and fishing—is 13.9% "Hispanic" as of 1989 (undercounted, of course).(3) Surprise, surprise: This sector of the economy is the least unionized sector, with only 4.6% of people in unions.(4)

As for discrimination, some sectors of the economy are better than others for Blacks, who face the most pay discrimination in white-collar jobs. However, unionized Black workers still face discrimination. The median weekly earnings of unionized Blacks were only 84% that of unionized whites in 1989.(4)

Keep a global perspective on the issue of unionization. The Spartacist League is right that unions generally succeed in getting workers higher wages, but in Amerika, that is not a goal of MIM's, because Amerikan workers already get paid too much more than workers from other countries. This causes white people generally to be an enemy of the world's oppressed, allied with the imperialist class.

Buying from union shops supports the highest paid of Amerikan workers. Unionized workers' median weekly earnings in 1989 were \$494. Non-unionized earnings were \$372. Neither figure represents the pay of exploited workers. The Sparts just want MIM to give money to richer non-exploited workers instead of poorer non-exploited workers. \$494 a week is the annual income of many people in Third World countries held back and super-exploited by imperialism.

### Notes:

1. Workers Vanguard 11/22/91.
2. Statistical Abstract of the United States 1991, p. 400.
3. Ibid., p. 397.

4. Ibid., p. 425.

## 2.9 Marx's Capital: What is Exploitation?

*The rate of surplus value is therefore an exact expression for the degree of exploitation of labor power by capital, or of the laborer of the capitalist.*

Marx notes this on page 209 of *Capital* (International Progress Publishers edition 1979) and makes it clear, in a footnote, that this degree of exploitation does not measure the absolute amount of exploitation. This will become important when we consider the variance in actual weekly hours worked by the labor aristocracy as compared to the hours worked by, say, Mattel doll-maker production workers in Malaysia. (Yes, they make Barbie there!)

The simple formula for determining the rate of surplus value (exploitation) is to divide the known amount of surplus value (surplus labor, i.e. profit) by the known amount of wages advanced (variable capital). In Marx's day, and in parts of today's world, the wages paid to the worker covered the bare cost of subsistence, that is, the basic cost of reproducing another generation of workers. That does not mean that wages cannot be more than the cost of subsistence if the supply of labor is low and the demand high, etc. The wage itself, its price, its real value as the equivalent payment for the use of the commodity labor power, is subject to the market and is partially regulated (not determined) by motions of supply and demand.

The worker labors for a certain amount of labor time to meet the cost of her/his reproduction. The secret of capitalism is that what appears as an equivalent payment, i.e. wage for work performed, is in reality a shortfall. The amount of time a worker performs contains the labor time socially necessary to meet the cost of subsistence plus (and this is a condition of the hiring itself) the amount of labor time socially necessary to create a product that expresses an ultimate value composed of the value of the materials of which it is made (constant

capital), the value of the wages paid for its creation (variable capital) and the "profit," a capital which is the excess of the amount of necessary labor time subtracted from the total labor time worked.

This surplus labor time is hidden from view because the exploited worker does not receive as payment an amount of labor embodied in commodities equivalent to the amount of labor time she or he expended necessary to imbue the commodity she or he produced with its socially-determined value.

In other words, the commodity would not be made at all if a mechanism did not exist to express its value as a price in the market—a price which already contains its total value, a price which, on the surface is composed of materials plus wages plus a socially-determined average "added" profit for the owner-capitalist.

In reality, the worker is the sole creator of the "profit" (surplus labor) despite the fact that the worker is paid the accurately valued price for his/her labor power. The unpaid labor is surplus labor and it is expressed as surplus value upon the sale of the commodity. The rate of surplus value (exploitation) is surplus labor divided by necessary labor, or surplus value divided by variable capital, or profit divided by wages:  $s/v$ . We are not concerned here with the rate of profit which is another, related, story.

### A Maytag dishwasher

A given commodity, say a Maytag dishwasher, has a price of \$500 and, for argument's sake, contains a profit for the seller of 20%, or \$100. Also contained within this final price is the multinational corporation's total advance of capital in the production process expressed as constant capital and variable capital, i.e., materials and wages. Let's say that for each dishwasher \$100 in wages were advanced and materials cost \$300. So the capitalist spent \$400 and made a profit of \$100.

The surplus labor, therefore, equals \$100. The wages are \$100. The surplus labor divided by the necessary labor ( $s/v$ )

is expressed as \$100 divided by \$100. From the vantage point of the capitalist, the rate of surplus value is therefore 100%.

Now let us consider a situation where the surplus labor is valued at \$90 and the necessary labor at \$10. this gives us \$90/\$10—rate of surplus value—900%.

Next we consider a situation where the surplus labor is \$10 and the necessary labor is \$90. This gives us \$10/\$90—rate of surplus value—11%.

Under imperialism, the raw materials comprising the matter of the dishwasher were most likely extracted from the Third World. We shall ignore that for the moment, while recognizing that the parts (agitator, lid, dials, etc.) were very likely made in Thailand. Let us assume that the parts were shipped to the United States, assembled in an Amerikan plant, packaged, transported again, and sold at Sears for \$500.

In our model we are going to assume that the Thai workers were paid at or below subsistence for their locale and that the Amerikan workers were paid at or above subsistence for their locale. The figures we are using are perhaps exaggerations to demonstrate the point. Look at MC5's [*Ed. note: MC5 is the pseudonym of one of the comrades of MIM*] statistics for production workers in 1977: United States, \$7.60; South Korea, \$0.64. The Amerikan workers are paid more than 10 times the hourly wage of the South Koreans and 50 times the Sri Lankans'. In the model we are making, the Amerikans are paid nine times the amount of the Thais (\$90/\$10) (for the same time period of work).

In the imperialist division of labor necessary for the production of the dishwasher two simple facts stare us in the face: Thai workers were paid \$10 for creating a surplus of \$90; Amerikan workers were paid \$90 for creating a surplus of \$10. Thus, the rate of exploitation is 900% for the Third World workers and a mere 11% for the Amerikans. "Unfair," says the Trot, "but the Amerikan is still exploited."

Now put that into context. Factory workers in Southeast Asia work 60-80 hour weeks. Amerikan workers do 35-40 hours a week. Even though the rate of exploitation is *only* 900%,

the Thais are working longer hours, creating more material contribution to the product (in an equivalent time period) than the Amerikans; consequently, the absolute amount of exploitation *begins* at a degree of 900% and spirals up from there into pure misery and overwork, to say the least.

Giving our critics the benefit of the doubt, we shall deal only with the simple equal composition of the labor time embodied in the dishwasher. But even here, because the Thai workers are paid less (than the Amerikans) for their contribution of labor time, the value they impart to the first, second, (third, or fourth, whatever) stage commodities/products in the process of becoming the final stage commodity-dishwasher—where all the value is realized at once by the sale of the dishwasher is more than that imparted by the Amerikan assemblers. We can simplify this to say that each group works ten hours. The Thais are paid \$1 an hour. The Amerikans are paid \$9 an hour.

Together they receive wages, based on the same period of work-time, that create \$100 of profit and are paid by \$100 in wages. Only, the relation between these two groups of workers is extremely unequal. Given the pay differential, there is no other way to compute this basic inequality. The recipient of the lesser creates the greater surplus value and the recipient of the greater wage creates the less surplus value (if any).

Because of the real existence of the rate of surplus value (exploitation), the Thai workers have contributed a surplus value of \$90 in the same time that the Amerikans have contributed a surplus value of \$10. And for this unequal contribution of productivity, the Amerikans have received nine times the wage of the Thais.

But, they are still exploited you say! They are exploited at a rate of 11%! They are creating 11% in surplus value over the wage they receive!

Consider this. Amerikan employers are mandated by law to contribute 7.5% of the worker's wage to Social Security: a material cash benefit which eventually accrues to the worker. FICA deductions are a form of worker savings.

That leaves a rate of exploitation of 3.5% per wage. A union worker in Amerika then receives a pension, welfare, vacation package of roughly 20% added onto the weekly wage by the employer as a “cost of doing business.” Non-union employees may not get this benefit, but here are only some of the benefits most employees get, in one form or another: insurance, health-care (inadequate as it may be), imperialist-subsidized agricultural commodities, energy-commodities, roads, military/police protection, etc. They get an imperialist lifestyle/standard of living. We shall calculate this incredibly conservatively at 25% over the wage paid. This leaves an annual subsidy for the average non-union Amerikan worker of 14%.

“But they pay taxes!” the Trot feebly gasps while clutching at the Bill of Rights. Say they pay 10% in taxes. Balance: 4% benefits over the inflated wage. Where did the 4% come from? Did you guess? Hint: it’s not from the capitalist.

Now let’s put this into even more specific terms. Take the average Amerikan production/transportation/white-collar/blue-collar/service worker (for the purpose of this essay we shall consider service workers as links in the productive circuit who help to realize the sale and receive a wage even while adding no surplus value to the particular commodity—another form of subsidy).

The average Amerikan makes, say, \$20,000 a year. According to our conservative calculations in this model you add on 4% (\$800). At the very, very least, average Amerikan is being subsidized by Thai worker to the tune of \$800 a year. At the figure of \$0.64 an hour, the Thai comrade works 1,250 hours to create this subsidy. At 60 hours a week it comes to 20.83 weeks a year of hard labor time.

With the extra money over and above the inflated, as we have seen, wage itself, the Average Amerikan buys dishwashers.

Chapter XI of *Capital* notes:

The variable capital of a capitalist is the expression in money of the total value of all the labor powers that he employs simultaneously. Its value is,

therefore, equal to the average value of one labor power, multiplied by the number of labor powers employed... The mass of the surplus value produced is therefore equal to the surplus value which the working day of one laborer supplies multiplied by the number of laborers employed.

— p. 287; An equation follows.

What this shows is that the actual subsidy of the average Amerikan “worker” is more than the little 4% at which we just arrived. In all likelihood, given the whole world as a relation of imperialism to oppressed nations, it is more like the neighborhood of 1,000%. The good news is that it may be possible to establish a world-market price of labor, even though the worker does not choose the capitalist in the super-exploited countries: the capitalists do choose their workers. As the international proletariat and the oppressed masses seize power around the world, we will have to undertake the task of setting right the world distribution of property based on some estimate of these conditions that we already see right now.

### Which leader would you choose?

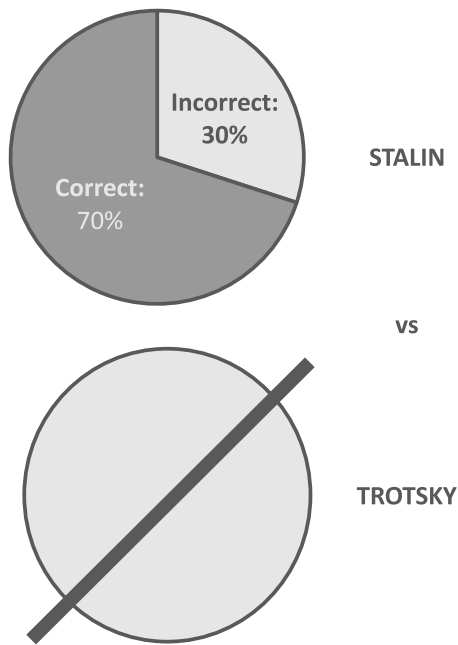


Figure 2.2: Chart illustrates materialist analysis of the relative contributions of Stalin and Trotskyism to the international proletariat’s quest for communism.

## 2.10 Combating Common Wishful Thinking on the White Working Class

It is tempting to look for the slightest tinge of proletarian class interest among that section of the Amerikan nation (the white working class) that participates in production and in the circulation of commodities, as well as in the realization of the social surplus value through the purchasing of commodities for their own consumption.

It is tempting to look for the possibilities of an irreversible, precipitous decline in the economic status of certain strata in the vast Amerikan settler formation. The beleaguered, exploited proletariat residing in the internal colonies of Amerika could benefit from a little help, or at least neutrality, from the middle classes—the petty bourgeoisie and the labor aristocracy—during the insurrection/civil war and the preparatory years.

Settler radicals (meaning radicals descended from Europeans settling North Amerika)—from the Trots to some Maoists—have long refused to face the fact that the labor aristocracy is not only not a neutral force, but, if class interests rest on economic interests, not even mildly exploited. To paraphrase Lenin: the petty-bourgeois revolutionaries take the conditions for their own liberation to be the universal demands of mankind.

In terms of party-building this kind of thinking sometimes boils down to promoting left-economist notions of immediate gratification, such as, “Nuke war tomorrow? Oh shit, where do I sign up?” Such an understanding avoids the international class analysis necessary to best promote revolution.

To truly take the stand of the international proletariat means to put our analysis in the spot where the oppressed exist: with no choices available but further oppression—or rebellion. We can strive to do this even during the periods when the masses actually standing in that spot have not yet realized their strength. For a revolutionary hanging by his/her thumbs in a cold Peruvian prison waiting for the flames to hit, Amerika must look like one huge, undifferentiated mass of class enemies.

That’s from the outside of this toilet. Inside it, we must make the differentiation and coldly separate friend from foe. The friends will throw themselves into the flames to annihilate the flame-throwers. The foes will stand a little distance apart at the last moment. As groups, this will be decided, in the final analysis, by the historical group interest.

In the beginning, we decide what groups are worth our efforts building for those decisive moments. If there is even a faint hope that the Amerikan “working class” is waiting in the wings for revolution, then it would make sense to organize for the demands of this group. (MIM seeks to organize amongst all groups at all times, but it only organizes for the demands of the oppressed, not the oppressors.)

MIM holds that, at the present, the majority of white workers in this country—skilled workers, trade unionists, paper-pushers, etc.—do not rep-

resent a revolutionary class. They do not create surplus value as much as reappropriation the surplus which results from superexploitation of the Third World and oppressed internal nations. They are not prepared to abandon bourgeois aspirations and mainly high-paying jobs to drop everything for the good of the international proletariat.(1)

“Ah ha!” exclaims the desperately vacillating nature of the petty-bourgeois revolutionary. “Just wait until they lose those high-paying jobs and become prepared to abandon their bourgeois aspirations! Then they shall be friends!”

The cold-hearted Maoist replies, “Dream on, by that point what’s left of them shall still be white-collar fascists defending a starving fortress Amerika and firing bullets at Third World Maoist armies, while eating old Spam and lining up to perish for the ‘right’ of their toxic-mutated children to ‘live free or die!’”

These settlers are perfectly willing to fight and die for the continued ability of their group to experience the taste of that rich and famous, completely corrupted, seemingly immortal lifestyle.

An article by Lenin, who died before neocolonialism really pumped up the imperialist alliances of the labor aristocracy and expanded the “shift in class relations,” still says it well:

The greater part of Western Europe might then assume the appearance and character already exhibited by tracts of country in the South of England, in the Riviera, and in the tourist-ridden or residential parts of Italy and Switzerland, little clusters of wealthy aristocrats drawing dividends and pensions from the Far East, with a somewhat larger group of professional retainers and tradesmen and a larger body of personal servants and workers in the transport trade and in the final stages of production of the more perishable goods: all the main arterial industries would have disappeared, the staple foods and semi-manufactures flowing

in as tribute from Asia and Africa... We have foreshadowed the possibility of even a larger alliance of Western states, a European federation of Great Powers which, so far from forwarding the cause of world civilization, might introduce the gigantic peril of a Western parasitism, a group of advanced industrial nations, whose upper classes drew vast tribute from Asia and Africa, with which they supported great tame masses of retainers, no longer engaged in the staple industries of agriculture and manufacture but kept in the performance of personal or minor industrial services under the control of a new financial aristocracy.(2)

The above quote was from Hobson, a “social-liberal” whom Lenin found useful to quote, lest he be disbelieved. To would-be communist organizers of the labor aristocracy, Lenin exclaimed: “At the present time, you are fawning on the opportunists, who are alien to the proletariat as a class, who are the servants, the agents of the bourgeoisie and the vehicles of its influence, and unless the labor movement rids itself of them, it will remain a bourgeois labor movement.”(3)

**Most white workers in this country are not prepared to ditch bourgeois aspirations and high-paying jobs to drop everything for the good of the international proletariat.**

#### Notes:

1. What is MIM pamphlet p. 8.
2. I.V. Lenin, *Imperialism and the Split in Socialism*, Moscow Progress Publishers, 1979, p. 9.
3. *Ibid*, p. 11.

## Chapter 3

# Appendices

### 3.1 Accounting for Profits from Individual Business

In 1987, corporations made \$328.2 billion in profits. Individually owned non-farm businesses made another \$105.5 billion in profits. Partnerships took a \$5.4 billion loss in 1987.<sup>(1)</sup>

People doing studies tend to focus on corporate profits. The individually owned businesses making \$105.5 billion in profits is a little murky because the government assigns zero salary to these business owners and calls everything that they make a profit. This kind of operation will include some situations where one person exploits many workers, but it will also include situations in which one person works alone. So, if you own a grocery store, the government says you are entitled to no salary, just profits. For Marxist theory concerning surplus value, this is not satisfactory.

In any case, this argument about the non-exploitation of the labor aristocracy does not hinge on one little fact. Even if it were all really profits and not salaries, \$105 billion is too small to make a difference to the overall argument.

#### Notes:

1. Statistical Abstract of the United States 1991, p. 525.

### 3.2 Under-reported Imperialist Investments

“Direct investment” counts only business assets owned abroad. It does not count loans. It is also relatively easy for U.S. individuals to keep hidden their ownership of various stocks in foreign companies abroad.

Direct U.S. investment in 1989 was \$90.6 billion in the developing countries. Another \$714 million was in South Africa.<sup>(1)</sup>

As an example, these figures do not give a very clear picture because the overall investment figure for South Africa alone was \$14 billion, depending on what was counted, according to an old Jack Anderson column circulated by MIM.

Both for tax and political reasons, the imperialists have an interest in underreporting or creative accounting when it comes to investment abroad. They pretend they have less wealth than they do and they report lower profits than they receive: Who is going to check on them or know? And the local government may be quite happy to turn a blind eye to the company’s tax evasion in the United States: Why should a Third World comprador elite alienate its multinational corporate friends by reporting them to the IRS? Why not just keep taking the bribes and keep quiet?

Another way U.S. assets abroad are undercounted is that, creative accounting and international tax evasion aside, the imperialists pay dirt cheap wages for the assets they construct in the Third World. A mine, factory, tool or office building

that the imperialists build in the Third World is done for maybe one-tenth the price it is done in the United States, so as far as Marxists are concerned, the report of imperialist assets in the Third World could be completely honest by imperialist standards and still not reflect the realities of where the dead labor is.

### Notes:

1. Statistical Abstract of the United States 1991, p. 797.

## 3.3 MIM's Jargon is the Terminology of the Oppressed Nations

The leader of the Russian revolution, V.I. Lenin, used the terms "Russian chauvinism," "great nation chauvinism," "imperialist economist chauvinism," etc., to refer to various one-sided, biased, provincial and prejudiced thinking not in line with internationalism. Lenin did not make much use of the word "racism." MIM does not use the word "racism" much either, although racism exists. Instead, MIM observes scientifically that race does not exist and that what really happens in the United States is national oppression, not racial oppression. "Racism" does exist as an element of the superstructure of society, which is to say the ideas and culture, but "racism" is a product of national oppression, including the exploitation and enslavement of various nations by others. Racism can only be disguised, never eliminated by propagating politically correct attitudes, because racism is just a justification for exploitation and enslavement. To rid the world of this exploitation and enslavement requires armed struggle against the imperialists.

Within the Soviet Union, Russia was only one nation. Lenin was always worried that his Russian and Russian-influenced comrades would put down various nations within the Soviet Union. "Russian chauvinism" was a term referring to the bias of the dominant nation within the Soviet Union.

The term "great nation chauvinism" referred to the bias of powerful countries against small countries. It could not be wished away, because imperialism has to be destroyed and

the economic relations among the nations revolutionized before such attitudes can be changed systematically.

"Imperialist economism" referred to various kinds of counter-revolutionary chauvinism in the First World. MIM believes that most "leftist" groups in the United States have the most severe case of imperialist economist chauvinism recorded in history, because they are always fighting for reforms in the conditions of the workers in the imperialist countries, instead of taking the view of the oppressed people. The U.S. empire exploits more workers than any other empire in history, but still the settler-"leftists" want U.S. workers to improve their living conditions at the expense of Third World workers even more.

"White supremacy" and "white nation chauvinism" refer to biases and discrimination caused by the underlying economic relationship between nations. We just take out the word "Russian" and put in "white," and then we locate the cause of the problem in the same kinds of things about which Lenin was talking. So "white nation chauvinist" is the most strongly Leninist phrase we can use. We would use exclusively "Amerikan-chauvinist," but we think that would confuse some readers, because they don't realize that "Amerikan" means white nation; it's not used that much.

On top of all that, we've heard indigenous and Latino people criticize the use of the word "American." Indigenous people say they are the Americans. So used by itself without reference to whites, "Amerikan" could be construed as mocking or ignoring the oppression of indigenous peoples. In addition, Latino people say "America" is not just the United States. "Settler" is somewhat better for these critics, as is "white."

Then if you read the Ku Klux Klan slogans you realize that they see whites as a nation, and if you think about it, it is true. Sometimes MIM says "Euro-Amerikan chauvinism," but even that term has a little problem too. The problem is mostly in the hyphen, because then people say there are "Afro-Amerikans," etc. MIM says it is useless to talk about "Irish-Americans," "Italian-Americans," "Korean-Americans" in this context. The benefit of the term "white chauvinism" is that it doesn't have that hyphen and therefore avoids any



implication that the white groups are not fully integrated (like Cuomo [*Ed. note: New York Governor Mario Cuomo*] would have us believe) or that there are fully incorporated minorities in the United States. Some white groups occasionally organize politically as if they were not part of the superexploitation of the Third World, in order to fool oppressed peoples into uniting with them for their white nation goals.

The whole discourse of “Greek-American,” “Italian-American,” etc., only raises ethnicity to show how differences exist and should be treated for the better unity of “America.” Since Greek-Americans benefit from the oppression implemented by U.S. imperialism, no one ever gets up and calls on “Greek-Americans” to destroy Amerika, so MIM doesn’t care about that kind of ethnicity.

MIM is saying that the European ethnicities did integrate into something we can call Amerika. MIM knows it’s nonsense to talk about “Afro-Americans,” etc., because, as Malcolm X said, the oppressed nationalities are treated as second- or third-class, not real Americans. They are separate nations in objective and subjective reality.

The term “settler” is not inherently correct either because it has no inherent ethnic or national meaning. While the word is not exactly “discovered” technically, the indigenous peoples “settled” North Amerika, probably by coming from Asia through what is now Alaska. “Settler” says nothing about the relations of domination either. “Colonist” is a better term in some contexts.

MIM tends to use “settler,” “Euro-American” and “white” interchangeably, being careful not to use “white” in the wrong context. All the terms have their problems. “Euro-American” has the advantage of evoking a history, but the disadvantage of all the hyphen reasoning. “Settler” is vague and “white” plays into the “anti-racist” way of looking at the world.

Most of the “anti-racist” people think if we could change attitudes and individual behaviors—especially by having everyone attend the proper finishing schools (called colleges) with the proper politically-correct codes—we could solve the

problem, whereas MIM says that stuff gets used to focus the disempowered on window dressing so they will avoid the power issue.

### 3.4 Calculations for the Refutation of the Left Business Observer

In this section we explain in detail something which is intuitive for anyone with a basic knowledge of reality. We start with Amerikan “leftist” assumptions and show that they have no possibility of fitting the facts.

The Amerikan chauvinist “leftist” talks as if there was no surplus collected from the Third World by U.S. imperialism. They go on and on about conditions in the United States being so oppressive and they never talk about the superprofits from the Third World. So here we will assume that no surplus comes from the Third World.

Next we will deal with the alleged exploitation of workers residing in the United States, starting with oppressed national minorities, which most “leftists” admit face discrimination.

To do this we consider Gross National Product (GNP). The GNP is all the goods and services produced in a year. That’s how to count GNP by looking at production. Another way to count up the GNP is to break it up into the various sectors of consumption—private consumption, government consumption and consumption for investment purposes. Yet another way to look at the same thing is to look at the incomes that everyone collected that year to spend. (If someone does not spend his/her money and saves it, the bank invests it, so it’s still part of GNP.) All parts of the GNP can be considered an income; although that may seem strange, it’s a good way to count everything up.

As Marxists who accept the labor theory of value we know that all of the GNP comes from labor. The GNP is just a numerical expression of value, which is labor. In the United States, the government counts as U.S. GNP everything regardless of the nationality of the people who produced it.

How much labor was done by oppressed minorities? Not counting people of Asian descent, indigenous people or undocumented immigrants, and just counting Blacks and “Hispanics,” the government says minorities accounted for 17.5% of employed workers as of 1989.<sup>(1)</sup> Let’s round off to count some of the other minorities and say conservatively that the minorities account for 20%. So minorities do 20% of the labor and account for 20% of the GNP, because we started with the Amerikan leftist assumption that the Third World does not pay a hidden subsidy to the U.S. GNP.

Well, so how shall we account for the profits that the capitalists made from these workers? How exploited are these workers? How much of the \$293.3 billion in profits come just from the oppressed minorities?

According to the government, Black income is about 62% of white income. Of course, the government doesn’t even count how little undocumented immigrants are paid, because it doesn’t count them. These people make \$1-2 an hour; thus they bring down the average quite a bit for oppressed minorities. Another factor that brings down minority income is the debt never paid to them for a history of slavery and genocide that has left them without the assets that generate work-free income. White people tend to own real estate and houses from which they get profits, while minorities have no such assets. But let’s be generous to the ignorant white chauvinists and say that the capitalists actually pay minorities 70% of the income they pay whites for their labor. If they paid minorities the same amount as whites, the capitalists would only get 20% of their profits from oppressed minorities in this model, assuming the Third World accounts for nothing. However, because of discrimination, the oppressed minorities account for higher percentage of profits than 20%.

How much of the profits do oppressed minorities account for? Well, if the capitalists make a profit off of white workers, they make an even bigger profit off the minority workers, so if we calculate wrong, we would estimate that the capitalists get more profits than they do. If we say that the rate of exploitation is 100% for white workers, then that will add up to a lot of profits. If we say 50%, that will add up to half as many profits. It’s still a lot of profits though.

From looking at the figures, MIM knows that it is not possible that white workers are exploited. The reason is that, in this hypothetical model, minority workers alone account for \$293.3 billion in profits. Here’s how:

Let’s assume the exploitation rate of white workers is 0%—relatively good conditions. That means they produce no surplus for the capitalists. Zero percent exploitation rate is good for minority workers, too, because that means they get 70% of a non-exploited wage. In contrast, getting 70% of an income representing exploitation is no good for minorities and represents even more profits for the capitalists.

So if oppressed minorities get 70% of what white workers get and white workers have a 0% exploitation rate, how much profit does that mean for the capitalists?

Well, the capitalist says:

Shoot, I think I better buy off the white workers, so I can have peace and expand abroad really fast. How much profit can I get just by paying minority workers 70% of what white workers get?

The capitalist who has studied Marx whips out his calculator.

So, minorities do 20% of the labor, eh? OK, OK, well if I don’t exploit the white workers and I pay the minorities 70%...

That means they get:

$$70\% \text{ of } 20\% = 14\% \text{ of the GNP}$$

And the capitalist says: “That leaves me 6% of the GNP, just for discriminating against the minorities. Let’s see, GNP was \$4.4 trillion:

$$6\% \text{ of } \$4.4 \text{ trillion} = (.06)(\$4.4 \text{ trillion}) = \$264 \text{ billion}$$

“Excellent!” In reality, before-tax profits were \$293.3 billion, not much more than the \$264 billion in profits that came solely from oppressed minorities. Now if we assume that capitalists really only pay minorities 65% of what they pay whites, then the profits are:

$$(1 - .65)(20\%)(\$4.4 \text{ trillion}) = \$308 \text{ billion}$$

Since profits were really only \$293 billion, that is not possible unless we recalculate with the assumption that white workers actually get a share of the profits and that the exploitation rate for white workers is negative. None of that is to mention that after-tax profits were only \$173 billion in 1989.

Hence we find the following assumptions cannot coexist:

1. The Third World does not make a hidden subsidy to the U.S. GNP, because it is not even exploited by the United States capitalists.
2. Minorities do 20% of the labor.
3. The capitalists pay minorities 65% or less of the wages white workers get.
4. The white workers are exploited.

The fourth assumption must be dropped, and in reality so must the first. If any profits come from the Third World, there is that much less profit that could be coming from white workers. Indeed, that surplus from the Third World can go to white workers while the capitalist lives off the minorities within the United States.

### Notes:

1. Statistical Abstract of the United States 1991, pp. 395, 548.

# Chapter 4

## MIM Notes Reprints

### 4.1 “The rich get richer and the poor get...”

— Reprinted from MIM Notes 37, April 8, 1989 —

Before the national elections in 1992, many misleading figures about the middle class are being tossed about as a part of campaigning. This article from 1989 still sounds very fresh. It shows that 80% of U.S. residents improved their economic position between 1979 and 1987 or stayed the same. Only the bottom fifth became poorer. The reason the United States is able to improve the position of its middle classes year after year is U.S. imperialism’s exploitation of the Third World.

Taking inflation into account, the average family income of the poorest fifth of the population declined by 6.1 percent from 1979 to 1987, while the highest-paid American saw family income rise 11.1 percent.(1)

The widening rich-poor gap continues to indict the possibility of the Amerikan dream.

Even a U.S. Representative on the House Ways and Means Committee, which issued the March report on incomes, admitted that this was due to the “invisible hand of the market.” This is what Adam Smith had in mind.

In an attempt to deny the government’s complicity in the success of capitalism, the head economist of the Ways and Means Committee said, “There are a lot of forces at work out there.”(2)

On the surface, the rising gap between rich and poor lends some credibility to the arguments of MIM’s “leftist” critics. With growing class polarization, the labor aristocracy in the United States should be in decline and the basis for revolution or social-democratic reform should be increasing.

Still, MIM has always maintained that it is mobilizing in the interests of the bottom fifth of Amerikan society. The other four-fifths of society held their own or saw their income increase.(3) Hence, the thesis that the majority of Amerikan workers are benefiting from U.S. imperialism is still supported by the study. The bottom fifth are not the same thing as the working class in society. It is only a section of the Amerikan working class.

Average family income in Amerika was \$29,487 in 1987. The income of the bottom fifth averaged \$5,107 that same year.

#### Change in family income 1979-87:

Bottom fifth	-9.8%
Next poorest	-0.5%
Middle	5.2%
Next to wealthiest	9.3%
Wealthiest	15.6%

Table 4.1: 1987 constant dollars

Hence despite all the social-democratic ruckus about the Reagan years, what the Congressional investigation shows is that there has been no economic basis to mobilize a majority of Americans for socialism. At the same time, the Black proletariat and other proletarians in the bottom fifth continue to face conditions conducive to revolution.

Those so-called socialists who attempt to preach a political line that sounds pleasing to the middle classes will end up corrupting their line and supporting the status quo in subtle and not-so-subtle ways.

### Notes:

1. New York Times 3/23/89, p. 1. The Times repeated this story on 3/5/92, p. A1 to show that the income of the top fifth of families increased 29% from 1977-1989, while the income of the bottom fifth of families decreased by 9%, all adjusted for inflation. In fact, some economists argue this scale undercounts the gains of the middle class because it doesn't count non-taxable capital gains, especially gains from home-selling and pensions. Wall Street Journal 3/12/92, p. 10.
2. Ibid., p. 12.
3. In the updated story, the Times reported that income for the fourth fifth dropped by 1% from 1977-1989. Median family income rose 4%.

## 4.2 Eastern Strike—A Lesson in Monopoly Capital

— Reprinted from MIM Notes 37, April 8, 1989 —

On March 4, 1989, Eastern Airlines machinists joined by pilots, flight attendants and baggage handlers, began their strike for wage and benefit demands and the security of their jobs, which are being undermined by Eastern owner Frank Lorenzo. Lorenzo, who also owns Texas Air, Continental, System One Reservation System, and an air industry holding company called Jet Capital Corporation, is attempting to

break the union and bankrupt Eastern for the profit of his other companies. And he may succeed.

Lorenzo is demanding \$150 million in cuts in workers' wages. The union believes that Eastern is solvent and could increase workers' wages \$50 million and still operate successfully.

Pilots, mechanics and ramp workers are generally part of the labor aristocracy in the United States—a class that is not revolutionary because of the benefits it receives from the system. Pilots make very high salaries; however, Eastern now reports having 100 applications for relatively inexperienced pilots willing to start at \$18,000 a year.<sup>(1)</sup> The top hourly wages in airline jobs give some indication of this:

### Airline industry hourly wages:

	Mechanics	Ramp Workers
Eastern	18.83	15.60
American	18.78	15.51
Continental	16.00	-
Delta	20.10	17.47
Northwest	20.05	16.53
United	20.05	16.57
USAir	20.10	15.93

Table 4.2: AP in New York Times 3/7/89, p. 10.

Reservation workers receive \$270 for four days work. Ticket-counter workers receive \$280 for four days and middle-level management receives up to \$640. These kinds of workers were laid off by Eastern Airlines because of the strike by the machinists who make approximately twice as much money. (One also suspects that more women work in the lower-paying jobs and more men in the machinists' jobs.)<sup>(2)</sup>

The Eastern strike has prompted an analysis of unions in the United States. 1988 saw the lowest number of strikes in the United States in 40 years. The percentage of workers in unions has declined from 35% in the 1950s to 17.8% in 1989. "A majority of union members are white males under 45 years of age, similar to the pilots and the machinists on strike against Eastern."<sup>(3)</sup>

‘This looks to many women and minorities like a battle involving white male machinists and pilots against white male management in which their interests aren’t at stake,’ said D. Quinn Mills, a labor specialist at Harvard University.(3)

Admittedly, the analysis of the Eastern strikers presented here is inadequate. The reader should want to know what the average income of the strikers is, and the union’s racial and gender composition by occupation. Then there is the question of what will happen to these workers if some or all are eventually replaced.

Still other “leftist” publications, such as *In These Times*, *Workers’ World* and *The Guardian*, merely engaged in cheerleading for the Eastern strikers. The thought of a big powerful union fighting it out gets a lot of “leftists” going.

Jesse Jackson promised to join the picket lines if necessary and if the courts allowed support from other unions.

New York Governor Mario Cuomo said the Eastern strikers’ cause was a “fair” one, one that was “within the law.”(4)

As usual, the Trotskyist *Workers Vanguard* was the cheerleader that made sure to jump the highest. *Workers Vanguard* called on workers to shut down the airports and engage in civil disobedience to defy court injunctions. Then *Workers Vanguard* criticized union leaders for making “impotent appeals.”(4)

Eastern’s unions are content to wait for the court to rule in their favor and are willing to negotiate with a court-appointed examiner in spite of the evidence on which to indict Lorenzo. This is the security imperialism provides to the unions and their workers. The surplus extracted from the periphery (Third World) makes it so the majority of Amerika can fly and the majority of “poor” Amerikan jobs pay more than poverty wages.

The powerful union at Eastern is capable of drawing attention the way the air-traffic controllers union PATCO strikers did years ago. That is not to say that Eastern strikers will

be a model of economic or political militance: they receive material benefits which make them aspire to the Amerikan dream and side with imperialism and the status quo.

#### Notes:

1. New York Times 3/20/89, p. 13.
2. NYT 3/7/89, p. 10.
3. NYT 3/9/89, p. 11.
4. Workers Vanguard 3/31/89, p. 8.

### 4.3 Pittston Strike Shows Depth of White Working Class Alliance

— Reprinted from MIM Notes 38, Nov. 9, 1989 —

*In this article, MIM shows that even those few white workers who do face harsh working conditions do not see themselves as belonging to an exploited class. Rather, they see the better material reality of most white people in this country and seek to join that reality instead of organizing as a class for revolution.*

*These white workers are correct about their position, mainly because they are too few and scattered to form a cohesive class. If a large fraction of Euro-Amerikans lived in conditions like the coal miners’, it might be a different story. But as it is, mine workers know from experience that most people from the white nation succeed in exercising their options to get out of the harsh conditions—options besides revolution.*

*As white chauvinists, lacking confidence in the growing strength of the Third World working classes to destroy U.S. imperialism and capitalism everywhere, the “left” has spent decades desperately cheerleading for movement after movement with no potential for revolutionary consciousness. Until it comes to grips with the reality of superprofits and national oppression, the “left” will never understand why it is so ineffective.*

In what is considered a revival of the Amerikan labor movement by working class activists, the United Mine Workers of America (UMWA) went on strike against Pittston Coal

Company in January 1989. Here the corporate and left media diverged. The mainstream basically ignored the strike while the Trotskyist and cheerleading “progressive” movements screamed class war and held out for the first national strike in U.S. history.

Mining is one of the hardest jobs and poses great risks to health. And there is no doubt that companies such as Pittston rip-off the miners and underdevelop their communities as they make huge profits.

Labor periodicals and speakers go to great lengths to note the history of this rip-off. In 1972, a Pittston coal waste dam broke and killed 125 people.<sup>(1)</sup> The history of black lung and lung cancer and the dependency on the mining income which can disappear without notice in a layoff—these are the daily realities of the Appalachian coal communities.

With their unique culture and obvious exploitation, it is reasonable to ask if miners in the Amerikan South constitute a force for revolutionary change. In the last 65 years of organizing the answer is a resounding **NO**.

First, viewing the nation as a whole, the miners constitute only a small fraction of the working population; they are an insufficient base for revolutionary change. None of the popular left magazines (*Zeta* and *The Guardian*, for example) bother to cite the actual number of workers on strike. Nor do they go to any lengths to show the rejection of the miners’ demands by the rest of the working class. No matter how many sympathetic national leaders there may be in the miners’ headquarters—Camp Solidarity—there are no sympathy strikes in U.S. labor.

As J. Sakai points out, approximately 10% of the Euro-American population is living in poverty, but they are scattered and socially diffuse, and their demands do not carry through organized labor as a whole.

Second, in spite of the lower standard of living (an exception to the general rule for the white population) the relationship between these communities and the assets of imperialism

remains. Sakai details the history of radical organizing which has taken place in Appalachia:

Precisely because of this stark, deeply ingrained tradition the Appalachian mining communities have been special targets of radical organizing efforts. The Communist Party USA has had organizers in the mountains for some 60 years. It was there during the 1920s that the most famous of the CPUSA’s ‘Red Unions’—the National Miners Union—led the coal miners into the bitter, violent Harlan County Strike...

Despite the 60 years of repeated radical organizing drives there has been, in fact, zero revolutionary progress among the mining communities. Despite the history of bloody union battles, class consciousness has never moved beyond an embryonic form, at best. There is no indigenous revolutionary activity—none—or traditions. Loyalty to U.S. imperialism and hatred of the colonial peoples is very intense. We can see a derailment of the connection between simple exploitation and class consciousness.<sup>(2)</sup>

*Zeta* repeatedly attempts to bill the international character of the union by citing telegrams of solidarity from South Africa, England and Australia and demonstrating “broad” domestic support: the city of Boston, church leaders, and other unions. However, when one spokesperson for the UMWA was asked what involvement the miners had with struggles in the Third World, he replied “basically none.” The miners and the Trotskyist left frequently make comparisons (there are even posters) between themselves and South Africa or Poland, but the miners take no stand against the imperialism of the mother country. A recent opinion study found that members of Amerikkkan unions are in the group most likely to hate Mexicans.<sup>(3)</sup>

The miners, rather than looking to revolution and alliance with the Third World to beat the oppressor, seek to re-cement their bond with imperialism in the form of the company. They are not on strike to nationalize the mine, provide national

health care, or condemn rent as theft. Instead, they want their company benefits back and their wages increased to provide the living standard of the rest of Amerika.

In an attempt to show the changing labor alliances, Zeta presented a miner saying, “I never had a problem with State police, I always supported them—when they struck for higher wages.” Likewise, Lane Kirkland, president of the AFL-CIO, considers a check for \$50,000 from the United Steelworkers to the UMWA an act of labor solidarity which “promises a brighter future for the American labor movement.” And this while wrapping himself in an Amerikan flag.

In August 1989, UMWA Vice President Cecil Roberts declared, “This is class war. The working class versus the corporate rich and their allies in the state and federal government.”(4) But the class character of people in the mining industry contradicts this distinction. First, the miners support the extensive strip mining and environmentally damaging corporations in the interest of having jobs. Second, U.S. mine labor recognizes that it has a good deal in terms of wages, benefits and access to the cheap commodities available on favorable terms everywhere in the USA.

Sakai extrapolates with the case of Martin County, Kentucky:

This has long been one of the poorest counties in the U.S. There are no highways, no sewage system, no garbage collection, no hospitals or even movie theaters, and one radio station and one fast-food franchise restaurant for its 14,000 citizens. The community is ripped off, exploited to an extreme degree...

One corporation dominates the economy. In fact, it owns it... Over the fifty year life of the coal field, Norfolk & Western Railroad’s [the mining company] total return will be something like \$1.5 billion—or 6,000% on their investment.(5)

But even in an area this poor, with rampant environmental destruction and much of the population living below poverty, there was no rebellion. The simple fact is that the money

for those working the mines was good. The average miner’s wage was around \$30,000 while the poverty line was under \$8,000. It is a class of workers who would rather align with the managers, corporations, and government to ensure their benefits than break the state.

It is a worthy goal of the Pittston strike to demand the support of the retired, disabled and dependent people, but this does not excuse the parasitism of white settler culture—a culture which is willing to destroy the environment and uphold the foundations of capitalism so that a few can get rich.

This is not surprising if we remember that John Mitchell, one of the founders of the UMWA, cooperated with the National Civic Federation program to head off radicalism in labor by forming a “responsible” group of leaders who could formulate compromises with industry. **A Euro-Amerikan nativist might argue that the radicals attempting to organize the UMWA or mine workers in general shared too little in common with the miner to be accepted and trusted. However, there is no indigenous movement for radical social change and the settlers in these areas willingly collaborate with the state and industry to form their alliance.** In short, the working class in the UMWA is no more radical than that Boeing or Eastern, and none of these movements have the interest of Third World people in stopping the imperialism of white Amerika.

#### Notes:

1. Zeta 10/89, p. 14.
2. J. Sakai, *Settlers: The Mythology of the White Proletariat*, 1983, p. 153.
3. W. Cornelius, “America in the Era of Limits: Migrants, Nativists and the Future of U.S.-Mexican Relations,” 1982.
4. Zeta, op. cit., p. 24.
5. Sakai, op. cit., p. 153.

## 4.4 GM Closes Shop in Amerika

— Reprinted from MIM Notes 61, Feb. 1992 —



General Motors Corp., the world's largest automaker and symbol of American capitalism and industrial strength, sent ripples of fear through America with its recent announcement of plans for massive layoffs and U.S. plant closings.

But GM's decision to reduce its production capacity in the United States is not the immediate threat to the white working class standard of living that it has been made out to be. In fact, the move reflects the auto giant's attempt to maintain the affluent American lifestyle by doing what every good imperialist enterprise looks to do in this bloody, final stage of capitalist development—find ways to extract more profit from oppressed nations.

As GM loses U.S. market share to rival imperialist Japanese automakers and seeks to dodge some of the high labor costs of its home market, the company—ranked No. 1 in Fortune magazine's list of the world's biggest corporations—is expanding its production in markets where the labor is cheaper and the profits higher.

The specter of well-paying American jobs forever lost is illusory, however, because it is in GM's interest to continue its long tradition of grossly overpaying American workers so they can buy more cars and be willing accomplices to pilaging the Third World. The company's production facilities may be moving overseas, but its padded management positions remain largely in the United States, ready to be filled by "skilled" white paper-shufflers. The profits extracted from production abroad will mostly be sent home to continue to buy the allegiance of America's white working class. It is members of America's oppressed colonies within the labor aristocracy that will likely feel the pinch at home.

For the oppressed people of the world, GM's announcement means that the king of bloodsucking multinationals may be coming soon to a sweatshop near you, as it pours more resources into expansion abroad. It also means, ultimately, that the oppressed nations will gain increasing control over GM's ability to produce. And the more companies like GM depend on cheap Third World labor, the easier it becomes for the oppressed to pull the rug out from under them and deal capitalism a death-blow.

GM's cutbacks in North America include laying off 74,000 workers and closing 21 of its 125 assembly and parts plants. This is the third major reduction in its domestic market that GM has made in the past six years. In 1986 GM closed 11 plants, and in October 1990 eight more plants were shuttered. Both the salaried work force and the hourly work force will be reduced to half the 1985 size.<sup>(1)</sup> Executive positions at GM are not being cut or restructured.

As part of its strategy to maximize profit GM pitted two plants against each other with the realistic hope of getting labor concessions. GM announced on Dec. 18, 1991 that it would close either its car assembly plant in Arlington, Tex., or Willow Run in Ypsilanti, Mich. The threat of job loss led the respective local unions to give carte blanche to their leaders to negotiate with GM.<sup>(2)</sup> MIM sees these tactics as characteristic of the labor aristocracy, which knows when it is time to kiss ass.

In addition to eliminating high paying production jobs GM wants to add a third shift—moving toward non-stop production.<sup>(2)</sup> This is typically a way for a capitalist to get more surplus labor in a shorter period of time—which translates into increased profit. But in America, where white workers as a group are actually paid *more* than the value of their labor power, it functions as a way to funnel more money toward GM's union, the United Auto Workers, rather than spending it on keeping extra plants open.

Even the 70,000 UAW workers to be laid off in the coming round of cutbacks don't have much to worry about, however—their cushy contract provides for them to be paid at 90% of their base salary for at least 36 weeks, after which they must be rehired or paid their full salary to either do nothing or work in a community-jobs type program.<sup>(3)</sup> When the current contract expires in September 1993, the same benefits will likely be extended for a longer period. Others will retire early and live off the more than \$1,500-a-month plus health care benefits that GM pays those retiring before age 62.<sup>(4)</sup>

Ford Motor Co. and Chrysler Corp., the two other members of the U.S. auto oligopoly, give their workers essentially the same deal. In the U.S., wages and benefits top \$21 an hour

for the 800,000 people employed in building autos and auto parts.(5)

Compare that with the \$1.55-\$5.50 an hour that U.S. automakers pay workers in Mexico, where they are rapidly expanding their production capacity.(6) The manufacturing real wage in Mexico fluctuates around \$4 per day.(7) Or take Taiwan, where GM recently announced a joint venture to produce cars with a Taiwanese company: the average wage for autoworkers there is \$4.92, about 23% of a U.S. autoworker's earnings.(5) GM also has assembly operations in Indonesia, Brazil, South Korea and Egypt, to name a few, and last month announced a new truck-making venture in China.(8)

Only 12% of GM's 761,000 hourly and salaried employees are in countries other than the United States, Canada and Europe. But the smallness of the percentage just indicates the hugeness of the exploitation. GM does not break down in its Annual Report how much it pays its hourly workers overseas. But the company clearly isn't making a profit off its \$13.20-an-hour U.S. workers, so we know it's bleeding that 12% for all it can take.(10)

U.S. parasites benefit in another way from multinationals like GM transferring production to the Third World: of the nearly 1 million vehicles currently being built in Mexico, close to 400,000 are for export, mainly to the U.S. and Canada.(6) This means Americans get a huge discount on the price of their cars because they are built so cheaply by massively exploited Mexican labor. With 37 plants across the border—the largest of which employs 42,000 workers—GM is one of the top three private sector corporations exporting from Mexico to the U.S.(9)

GM is one of many American corporations laying off workers. The squeeze appears to be on, but will the labor aristocracy really lose its privilege and slide over to the revolutionary class? No. The U.S. labor aristocracy may be experiencing a pruning; but it knows that the ruling class will continue to share with them a portion of the fruit extracted from oppressed nations in exchange for acting as a social and political prop for imperialism.

As imperialist multinational corporations like GM intensify the existing contradiction between oppressed nations and imperialist Amerika, the conflict between rival imperialist powers is escalating as well. President George "you make me puke" Bush's trip to Japan with the three top U.S. auto executives in tow and the bristly response they received from their Japanese counterparts was the scene of just one battle in the trade war heating up between the two imperialist states.

As capitalism advances, the imperialists will try harder and harder to destroy each other in order to survive, at the same time as they become more dependent on Third World labor for their profits. For the world's oppressed building cars for white Americans to drive, this means revolution is increasingly within their grasp.

#### Notes:

1. New York Times 12/19/91 p. A1.
2. New York Times 12/19/91 p. C1.
3. AP in Los Angeles Times, 4/16/91.
4. UAW-GM Report, 10/87.
5. U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, published in MVMA Motor Vehicle Facts & Figures '91, p. 71.
6. Forbes, 9/2/91.
7. Dollars and Sense, 6/91.
8. New York Times, 1/15/92, p. C2.
9. Weekly News Update on Nicaragua and the Americas #99, 12/22/91.
10. GM Annual Report 1990, p. 45.

## Chapter 5

# Reviews

### 5.1 Blood in the Face

*Blood in the Face* is a book and movie combo about white supremacy, under the direction of James Ridgeway, who writes for the *Village Voice* in New York City.

The book covers general trends in white supremacy over the last century, while the movie documents a single white supremacist conference held in rural Michigan in 1990. Between the two, the creators paint a sketchy picture of these movements which offers a lot of good information but not much understanding of the roots of racism, national oppression and the material basis for fascism in Amerika.

Taking something of a zoo-goer's approach, these efforts tend to look at the masses of white supremacists as alienated deviants, manipulated and duped by greater powers. According to this romantic (and common) view, working class whites don't benefit from white supremacy, but are themselves victims of it.

For example, the book emphasizes the leadership of powerful monopolists such as Henry Ford, who was the "main publicist" of Jewish conspiracy theories in the 1920s. Ridgeway quotes Adolf Hitler as saying, "I wish I could send some of my shock troops to Chicago and other big American cities to help in the elections... We look to Heinrich Ford as the leader of the growing fascist movement in America..."(p. 43)

Although Ridgeway & Co. place too much emphasis on the demagogic leaders of white supremacist movements, they

correctly warn of the increasing tendency toward openly fascist organization among white workers, most of them originally "normal" people, not freaks.

One Nazi tool-and-die worker from a Michigan auto plant tells the film makers: "We're just common people, working class people, everyday all-American people... and we've realized that the only thing we've got to thank for the position we're in is our white culture, and we're not going to let it be destroyed by any sub-human trash."

Theoretician Bob Miles—a former Republican party leader, insurance executive, and official in the George Wallace presidential campaign in 1968(p. 22)—explains in the film that white supremacist converts "will come from the working class, and that's where our strength is even today. When we had 2,000 members of the Klan in Michigan back in 1970, the bulk of our people came out of the auto factories... that's not the upper class, that's the working class."

The book includes a fairly complete genealogy of supremacist groups going back to the original KKK, which, although useful, serves to create an artificially sharp distinction between the open white supremacists and the mainstream of American politics.

George Wallace was "pro-labor" for white people, and the Southern white working class supported him almost entirely. He won 77% of all working class votes in Birmingham, Alabama in the 1968 election. (That support was echoed by David Duke followers in last year's governor's race in

Louisiana.) The failure of white industrial unions in the South is in fact largely due to the national leadership's shift toward integrationism during the Civil Rights Movements.<sup>(1)</sup>

When the Montgomery carpenters' union in 1956 erected a gallows in the city's downtown, and hung the NAACP in effigy, the structure bore the sign, "Built by Organized Labor."<sup>(2)</sup>

The effects of openly white supremacist movements on the political mainstream are important, and for that reason it's not useless to document the groups and leaders Ridgeway & Co. focus on. Counting 3,000 violent racist incidents between 1980 and 1986—including 138 attempted or successful bombings(p. 24)—is worthwhile, even the producers and writers of *Blood in the Face* arbitrarily leave out countless acts of police brutality and common exploitation.

Ridgeway does deal with supremacist splits, especially over the issue of "going mainstream" as practiced by Duke. Some supremacists see Duke as a hopeless liberal sell-out, while others see his incursion into electoral politics as good strategy.

The relationship between openly fascist groups and mainstream politics is usually ignored. In the mid-1920s there were 3-4 million Klan members.(p.34) Now there are less. But is white supremacy any weaker? Ask Rodney King. That's the link missing here.

### Notes:

1. Robert J. Norrell, "Labor Trouble: George Wallace and Union Politics in Alabama"; in Robert H. Zieger, ed., *Organized Labor in the Twentieth Century South*. The University of Tennessee Press: Knoxville, 1991. pp. 266-67.
2. Ibid., p. 254.

## 5.2 Wages of Whiteness

Historian David Roediger has contributed to the trend in academia to identify the creation of racism as two-fold, with

the white working class helping the bourgeoisie to make it happen. For Amerikan academics, this is a pretty big leap, which leads them to give themselves labels such as "post-marxist," based on their false interpretations of Marxism as static and reductionist.

The step is important to escape the mis-notion that "bad" ideas adopted by relatively subordinate groups are the product of simple domination by the ruling classes. It begins to get beyond the "false-consciousness" interpretation of history. The book goes along with recent work to emphasize the active movement of oppressed groups in creating their own ideologies and forms of resistance—to see culture and ideology as the dialectical creations born out of class struggle, not just imposed by rulers.

But Roediger keeps the "false consciousness" myth alive. He assumes, but can't prove, that white workers in the nineteenth century were hurt by racism. To Roediger, the highest price paid by the white working class for racism was "the wedding of labor to a debased republicanism." He describes the tendency of "the payoffs of whiteness ... to prove spurious," because racism supposedly undermined white working class efforts to eliminate wage labor altogether.(p. 55)

He can't accept that white workers in Amerika simply got paid enough to come around to see that capitalism wasn't so bad (for them) after all. When they stopped the attack on wage labor itself, they fell in step with budding imperialism and started fighting for a piece of the pie. Ignoring this reality, *The Wages of Whiteness* is typical settler-leftist day-tripping, and not based in fact.

Roediger and his academic cohorts are stuck in what is really a reductionist theory based on false Marxism. Under imperialism, there is not just one working class, "falsely" divided by race. Instead working classes are by necessity allied with their nations—the international proletariat has split from the First World scabs who make up the labor aristocracy in oppressor nations like the USA.

There is nothing false about it. The white working class went where the money was, tying themselves to imperialism in the

process: to imperialist profits, and ultimately imperialism's collapse.

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The previous reviews were originally published in MIM Theory #1 as "Reviews: White supremacy in the Amerikan mainstream."

The books reviewed are:

1. *Blood in the Face: The Ku Klux Klan, Aryan Nations, Nazi Skinheads, and the Rise of the New White Culture* by James Ridgeway (New York: Thunder's Mouth Press, 1990)
2. *The Wages of Whiteness: Race and the Making of the American Working Class* by David R. Roediger (London: Verso, 1991)