

The Struggle for Nationalization: A Key Battlefield

Soaring food prices create mass starvation, while agribusiness gets billions in subsidies. Homes have no running water, while giant corporations privatize the world's water. People die from a lack of health care, while the profits of the pharmaceutical companies skyrocket. Today, every social problem people face poses the question: how will society be organized? Will it be organized around the power of the corporations over society — or around the power of society over the corporations?

The answer depends on what people think and do. For this reason, revolutionaries focus their attention on how to help change people's thinking.

As in any war, the first step is clarity about what and whom we are fighting and what we are fighting for. This is achieved in the process of fighting for the next inevitable step in the revolutionary process. For example, during the 1930s, the political development of the working class depended on its social unity. Therefore, the fight for African American equality was the inevitable next step in the struggle. Various sections of society were thrown into that struggle. For the revolutionaries, this was the battlefield and the place where they built and stabilized their organizations.

Today, the question facing revolutionaries is: what is the inevitable next battle of this stage of the revolution? It is to prevent the corporations from taking over society. Control of the government is their key weapon. The first fight, then, is to break the grip of corporate power. This battle is already shaping up with the federal government bailing out troubled corporations, while disregarding the deteriorating conditions of the people.

ROLE OF REVOLUTIONARIES

Revolutionary politics is the art of relying on the spontaneous movement to accomplish political goals. Revolutionaries assess the

inevitable next step in order to position themselves for their role as leaders and teachers before the battle begins.

This article will discuss why the struggle for nationalization is a key battlefield where the fight to take over the corporations can move the struggle along toward communism. It is a classroom where revolutionaries teach class-consciousness. We have to prepare for it now. Nationalization places the corporations under the control or ownership of the government. Then the fight is: in whose interest will nationalization proceed?

Nationalization is not someone's good idea. It flows from history. It is forced on society by objective conditions. It is the summation of what both the rulers and the workers are objectively fighting for today.

REVOLUTIONARY TACTICS

The rapidly expanding economic crisis is creating awareness that the hardship workers face is more than an individual failure. For example, the 70,000 Detroit families who face foreclosure and homelessness know they are not alone. Last fall, the UAW negotiated a contract that for the first time allowed new hires to work for less than half of the prevailing wages and benefits. Which way will they turn? Without consciousness, people can easily be pulled into support of war and fascism, which is on the horizon. The new situation opens up opportunities for revolutionaries to draw class lines and to develop people politically. It's time to develop tactics.

Tactics are a plan for turning the spontaneous movement for the basic necessities of life — for food, housing, health care, education and energy — against the enemy and in the direction of a strategic goal. This is true for the communists and for the fascists.

Revolutionary tactics direct this social motion toward the strategic goal of social ownership of the socially necessary means of production. Therefore our tactics draw the masses into political activity, opening up opportunities for revolutionaries to educate a large section of workers to be anti-capitalist and pro-communist.

Tactics must be tailored to the cur-

rent level of consciousness of the workers and the stage of development of the revolutionary movement. Putting nationalization forward as a tactic sets the conditions to develop consciousness and moves people into a struggle not only against the government, but also into a battle to force the government to act as their government.

THE DEMAND FOR NATIONALIZATION

Nationalization is nothing new. Every revolution has dealt with it. After the Revolutionary War for independence, this country needed an army. The army was nationalized. A national currency was needed, so the currency was nationalized. Then the postal system was nationalized. During the Eisenhower years, the freeways were nationalized. In the days ahead, and as the economy deteriorates, there will be more calls for nationalization. Although the bourgeoisie utilizes nationalization when nationalization serves its interests and discards it when it doesn't, revolutionaries dare not leave this battlefield to the enemy.

This battleground is opening up today because the economy is compelling both the masses and the rulers to nationalize key industries, although for differ-

ent reasons. On the one hand, some industries are simply unable to manage their own economic affairs and the capitalists must therefore work to stabilize private property relations through nationalization. This is seen today in the bank crisis and in the effort to nationalize a chunk of the insurance industry that covers major storm damage claims. On the other hand, the masses demand government assistance (and, eventually, nationalization) in order to secure their basic necessities.

The fight for the conversion of some corporations to governmental control is a bridge, an intermediate step between what people understand and are beginning to fight for today, and the larger understanding that the struggle to build a communal economy is the ultimate solution.

The struggle for nationalization allows the people to ask why the government has no qualms about maintaining the well being of the corporate giants, but refuses to provide them with education, housing, and health care. The struggle for nationalization allows the people to ask why they are forced to pay whatever the price-fixing energy conglomerates charge. Revolutionaries can then pose the question: why do these

continued on pg 5

TABLE OF CONTENTS

The Rise of New Parties: Lessons from History

The party that succeeds reflects new political needs and how to meet them.

Editorial: Let America be America Again!

Global Economic Transformation: Dangers and Opportunities

The global economic crisis is laying the foundation for political crises to come.

Revolution

New tools give rise to the need to reconstruct society.

The Rise of New Parties: Lessons from History

Politics is undergoing major change in this country. The corporatization of government has placed severe limits on what the politicians and the two major corporate parties can do. At the same time, the vast majority of Americans face the destruction of their way of life. Today's two-party system is splitting and polarizing, opening the way for something new.

The next stage in the development of the proletarian movement, which may only come together after other attempts at political realignment, will be the development of a working class party that better reflects the interests of those who were once at the heart of the system, but have lost their usefulness to it as technology has replaced them. They are a new class with no ties to capital.

EDITORIAL POLICY

Rally
to bring back together and put in
a state of order, as retreating
troops [to return to attack]

Comrade
a person with whom one is allied
in a struggle
or cause

In this period of growing motion and developing polarization, *Rally, Comrades!* provides a strategic outlook for the revolutionaries by indicating and illuminating the line of march of the revolutionary process. It presents a pole of scientific clarity to the conscious revolutionaries, examines and analyzes the real problems of the revolutionary movement, and draws political conclusions for the tasks of revolutionaries at each stage of development in order to prepare for future stages.

It is a vehicle to reach out and communicate with revolutionaries both within the League and outside of the League to engage them in debate and discussion and to provide a forum for these discussions. Articles represent the position and policies of the League of Revolutionaries for a New America.

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Revolutionaries have an important role to play in the fight of the working class for political independence and have no choice but to participate in each stage of the process, remaining clear about what the needs of the time are, and propagandizing based on what is politically driving the process rather than getting lost in its ups and downs. Remaining disengaged to see what happens or until some "perfect" party arises is not a choice for those who want to influence the process.

Revolutionary activity in this process needs to be guided by an historical and theoretical framework. This article will examine the objective forces that shape how new political parties develop by looking at another major political shift in the U.S., the period that resulted in development of an entirely new Republican Party just before the Civil War. The period when a developing industrial capital was forced to fight for a free labor system in the U.S. provides lessons for our times that can help guide revolutionaries in the current political situation.

DEVELOPMENT OF THE REPUBLICAN PARTY

There are several lessons for the modern revolutionary from looking at the objective development of new political parties, specifically at the development of the Republican Party before the Civil War. First, political development goes through particular stages that respond to new technological-economic and social change. Second, this process starts with the destruction of the old party system and creation of a new one. Third, although multiple attempts to build a party responsive to a new political period often take place, the party that succeeds reflects an ability to identify the new needs and how to truly meet them.

Political development in the half-century between 1800 and 1850 went through major change based on the dramatic changes in the economy, geographic size, and population of the United States. The use of the steam-powered cotton gin led to a gigantic increase in cotton production and the expansion of slavery in the agrarian South, while in the North, the use of steam power in factories - and the development of the steamboat, the steam-powered locomotive, and the steam-powered printing press - transformed the means of production, transportation and communication.

As these new technological advances were being applied to production, the possibility of the new United States creating its own market became a necessity for developing the industrial system. The economic foundation of America had been land speculation and a slave system producing for export. A home

market, however, required a system of home production and distribution. The construction of the Erie Canal and then the connection of the East and Mid-Western U.S through the railroads in the first half of the 1800s created the conditions for this home market. Fueled by industrial production, this market ultimately meant that the two labor systems within U.S. capital became competing, rather than complementary systems. This competition became the economic engine that drove the nation towards the Civil War and the destruction of the slave labor system.

This same half-century was a time of major social change, driven by the same economic process and affecting the development of a new American politics. Antebellum reform movements, formed around the turn of the century and which peaked in the 1830s and 1840s, were diverse and increasingly broad. Often led by northern evangelical Protestants, they included movements against poverty, poor education, drink, and slavery. An ideology of "free labor" grew alongside and out of these social motions, eventually becoming the integral ideological underpinnings of what became the Republican Party.

The ideology of free labor was based on a different idea of labor than we have today. Everyone directly involved in production of goods, from laborers and farmers, to planters and small businessmen, created "value" and depended therefore on human values such as honesty, frugality, diligence, punctuality and sobriety. This was seen initially in a very different moral light than the moral opposition to slavery. In fact, large sections of the northern working class opposed emancipation, because they feared the effect of large numbers of freed slaves on the labor market.

The anti-slavery movement was small and often isolated from other motions more central to the growing free-labor ideology of industrialism and urbanization. From 1834 to 1838 riots against anti-slavery speakers and the distribution of anti-slavery literature broke out both in the North and the South. In 1835 a mob led abolitionist William Lloyd Garrison through the streets by a rope and in 1837 rioters attacked Elijah Lovejoy's press in Alton, Illinois and murdered the editor himself. The clearest, most ardent abolitionists were also often the most anti-political. Only at mid-century did a significant section of the abolition movement, based largely in frustration with the lack of effectiveness of moral suasion, become an active force in creation of a political party that could fight, at least, against the slave power, if not, against slavery itself.

The antebellum period further helps the modern revolutionary understand the objective development of new political parties by showing the destruction

of the old party system and creation of a new one. During the American Revolutionary War, the merchant capitalists of the North were united with the slave-owning capitalists of the South in a common fight against the British government's efforts to curtail the economic expansion of all the 13 colonies. The creation of a free-labor economy and society was supported by a free-labor morality and ultimately a free-labor politics.

After the independence of the United States was won, and the Constitution of the United States was ratified in 1788, this unity between Northern and Southern capitalists continued for decades in the new republic. This unity of Northern and Southern capitalists was expressed in the rise of political parties in the United States, which included within the same party representatives of both those who exploited slave labor and those who exploited free labor. The Whig Party and the Democratic Party were both examples of this trend.

However, the political unity of North and South that marked the first decades of the existence of the United States began to split apart in the early 1800s as different political forces attempted to represent the needs of a society that was fracturing politically around the issues of free labor, immigration, and slavery. What began to be the "crisis of the Union" took decades to come to fruition, but ultimately the unity of those political parties, which originally included representatives of both North and South, was broken apart.

The battle was joined when Northern settlers headed west and Southern slave-owners sought new land to replace depleted soil. By the early 1800s, the question was: would the federal territories in the Midwest and West enter the Union as free labor states or slave labor states? In 1854, the passage of the Kansas-Nebraska Act undid the fragile political truce established by the legislative compromises of 1820 and 1850, both of which had permitted slavery in the South, while banning it in the new states in the North entering the Union.

In this environment of turmoil, new parties, including the Anti-Masonic Party, the Liberty Party, the Free Soil Party, and the anti-immigrant Know-Nothing Party, came into being. While many were short-lived, these parties reflected strivings in the social motion to address different aspects of the economic and social situation politically. Those that addressed the central political need of industrial capital, a free labor system, helped pave the way for a new political party that survived, the Republican Party. Those that addressed peripheral issues, like immigration or the gold standard, did not.

The pre-Civil War newly organized Republican Party was not a party of abolition. It did rely, however, on pro-

motion of a new "free labor" economy built around the new technology. Westward migration was seen as a way to turn the "dependent poor" of a new permanent working class into prosperous yeomen farmers. The Party was therefore opposed to the expansion of slavery into the new territories, challenging the old North-South unity.

Furthermore, anti-slavery reformers increasingly understood that their "free labor" society faced the political hegemony of a Southern "slave power," and propagandized the Republican Party to deepen the party members' understanding of what was at stake; if they didn't abolish slavery, they couldn't win the war. Ultimately, the Republican Party went into the war with a platform of preserving the Union, but came out of it as the party of the Emancipation Proclamation.

It took development of a political party that best represented the objective social forces against a slave economy to win the Civil War, but it was the confluence of social, ideological and political factors driven by a new economic reality that allowed that party to reflect the needs of the times.

LESSONS FOR OUR TIMES

The Republican Party was organized 150 years ago to express a broad agenda to promote "free labor" capitalism. This time around political party development is taking place under qualitatively dif-

ferent conditions. While steam cheapened the value of labor power in the 19th century, the introduction of the silicon chip into production in the 1970's began to replace labor altogether at the end of the 20th century. Human life is becoming worthless within the capitalist system. New economic relations are destroying old social relations in society. The capitalist class is maneuvering to maintain profits and control in an economy that no longer needs the large industrial workforce it needed in the first half of the 20th century. Its agenda today is how to maintain control, not how to provide for the needs of these or any other worker.

As a result, the old bonds that tied workers into the industrial system are being broken, creating a developing new class with no ties to capital. The anti-concession struggle, the struggle against NAFTA and the outsourcing of jobs, social movements against growing homelessness, rebellions in Los Angeles (1992) and other cities against criminal police repression were all reflections of early resistance against the fallout from the changes in the economy. Today a social movement on an even broader basis is beginning with social struggles taking place alongside a process of political polarization.

As in the previous century, a series of new political parties have appeared on the scene over the last two decades. Many reflect the character of the "third" opposition parties that have arisen

through U.S. history to advance a particular reform or reforms without challenging the system itself. The formation of the Labor Party in 1996 took an important step beyond "third" opposition parties by establishing an anti-corporate program that was explicit in its class position. Its impetus and support among significant sections of organized labor was rooted in the Democratic Party's NAFTA "betrayal" (signed 1992, implemented 1994).

The Labor Party welcomed the unemployed into its ranks and adopted a specifically anti-corporate program that championed the cause of both employed and unemployed workers. This was an important step forward in the politicization of the struggle and one which revolutionaries wholeheartedly supported. The party formed, however, before the social movement existed that could have sustained it.

Nevertheless, the founding of the Labor Party was an early signal of what is to come. The non-owning class has no choice but to fight for its interests. Practical demands for work, housing, health care, food, and water are determining the character of the social struggle today. It is in the battle for these basic needs, in the battle over whose interests the government will or will not protect, that the participants have the opportunity to develop politically, to recognize the limits of capitalism, and the need to fight as a class.

By directing these demands at the

government and exposing class interests, as the fight grips the combatants, revolutionaries fighting within these battles help to form up this new class to prepare for a struggle for power. As more combatants fighting in the interests of this new class see that protecting the private property of a few deprives the vast majority of life itself, it will be possible to develop the leadership necessary to fight to reorganize society so that the wherewithal for life is guaranteed to all.

A social movement requiring a class party is beginning to develop. Impulses toward class unity arising in this movement require not only a break with the old political unity, but efforts to unite an entirely new class to fight for its interests. Ultimately, the goals of the capitalist class require mobilization of a section of society for a fascist solution.

The development of a class party and its political battle for class interests will be both an expression of and a tool to advance our class's political development. We must take this next step if the vast majority of us are to survive and live in peace. Through the work of revolutionaries, the new class can be formed into a political force that operates in accordance with its independent class interests and can move forward toward the transformation of society.

Editorial: Let America be America Again!

And all the songs we've sung
And all the hopes we've held
And all the flags we've hung,
The millions who have nothing for
our pay -

Except the dream that's almost dead
today.

O, let America be America again -
The land that never has been yet -
And yet must be - the land where
everyone is free.

- Langston Hughes, "Let America be
America again", 1938

In less than two months, the elections will be over and the country will have a new President. No matter who wins, the two major parties have sounded their warning to our class - the world belongs to the propertied, the elite of all nations, regardless of color or gender. We can continue to try to convince ourselves that "the lesser of two evils" is a viable strategy, or that the "politics of begging" will fill that empty belly, or pay our utility bills, or put gas in our cars to get to that second or third job. Yes, we can continue to do this, and

we can see all that we have worked for crumble like dust in our hands. Or we can draw a line beyond which we will not retreat, and make our stand there.

Taking that stand is not a matter of courage; revolutionaries have that in abundance. It is a matter of direction, of strategy, of moving forces in alignment with the motion of history. In his poem, Hughes wrote not only of the oppression of the African American, but of all workers, "the poor white, fooled and pushed apart/the Negro bearing slavery's scars/the red man driven from the land/the immigrant clutching the hope I seek ." He spoke of a *class*, one that lived only as long as it could work, who yet despised and disenfranchised by the rulers of this country were, in the end, America's only hope to "Let America be America again."

Yet how is this class to be prepared for this momentous and historic task? This is the question we must begin to discuss.

As the article "Revolution" shows, revolutions do not just happen, they have to be made. The process of revolution begins with the introduction of new tools and technologies, but it is people

that determine the outcome. Consciousness, understanding, and human will make the difference between victory and defeat.

But we must also look at where we are in this overall process of revolution. From this vantage point, we can figure out how to get from where we are now to where we need to be. The article Global Economic Transformation: Dangers and Opportunities shows that the implementation of labor replacing technologies, driving and generalized by the development of a world economy, is leading to not only to economic crisis, but to inevitable political crisis and laying the foundation for world revolution.

Armed with this assessment we can begin to work out the next steps toward moving the growing struggle along the path toward the resolution of the problems faced by our class. "The Struggle for Nationalization: A Key Battlefield" addresses this alignment of strategy and tactics. The capitalists are beginning to call for the nationalization of key industries in order to protect their own interests. By engaging on this battlefield, revolutionaries can develop consciousness, moving people to force the gov-

ernment to act as the government of the people and developing them politically on the basis of their class interests. In this battle to force their will - their survival - on the capitalist-controlled government, they can learn, from their own experience, the need to take over the corporations and create a new society.

To organize and develop this class it has to have a political party of its own. Using the Republican Party of the pre-Civil War Period as an example, "The Rise of New Parties: Lessons from History" shows that new parties arise at times of economic change and the parties that emerge from the fray are the ones that most truly reflect the needs of the times.

Today the crying need is for a class party that can organize, develop and assert the independent class interests of the growing ranks of the dispossessed - from the industrial workers throughout the Rust Belt to the destitute wandering the streets in search of homes. Such a party is essential for our class to develop and assert its class interests, and, in doing so, move forward toward the transformation of society.

Global Economic Transformation: Dangers and Opportunities

"Historically, the processes of globalization have always been the result of active state policy and action, as opposed to the mere passive surrender of state sovereignty to market forces. Market forces cannot operate in a vacuum. They are governed by man-made rules. Globalized markets require the acceptance by local authorities of established rules of the dominant economy."

—Henry CK Liu, "Super Capitalism and Super Imperialism: A Structural Link", *Asia Times Online*, October 12, 2007

A tsunami is building deep within the base of our society that will erupt into an economic and political crisis of unprecedented proportions. All of society is struggling to adapt to the disruption created as the economy shifts from the one base to another. This process is extremely uneven as the changes in the economy that began with the introduction of qualitatively new means of production - the robotic revolution in the workplace - come up against static relations of production - the relationship between labor and capital.

The laws, institutions and culture of the nation-states throughout the world reflect, uphold and protect the property relations of an economic base dependent upon production with human labor. This economic base is coming to an end. The emerging and arising base of society is an economy that is global and able to produce immense wealth with electronic robotic automation without human labor.

For over thirty years, as this arising global economy has taken shape, the ruling national elites of the world have straddled the chasm created by this shift from one base to another. From the towers in which they reside along with their apologists in academia and the media, they claim unprecedented growth of the world economy, ignoring the billions who are homeless and starving. During this time, the U.S. corporate state emerged as the dominant force, ensuring the global stability of capital through its financial, military and political hegemony.

It carried off this global role from its national base in a quid pro quo that benefited the ruling elites of the world while offering the means to consume through debt, and an appearance of wealth for the "middle class" social base that provides popular support for the U.S. political elite.

The developing economic crisis is shattering the illusion of economic success and stability and bringing domestic and global challenges to the U.S. corporate state. The underlying instability created by the shift from one economic

base to another is overflowing into the social and political sphere. This opens up the opportunity for revolutionary change - a political struggle between the ruling class seeking to hold on to its power, and the new class of dispossessed who must fight for survival in an economy where wage labor is no longer the means to a paycheck to buy necessities.

This crisis will reveal further fundamental class divisions hitherto hidden by the ability of many middle income Americans to hold on to the American dream. It will shake up whatever remains of "middle class" complacency, as hundreds of thousands are driven down into poverty and become part of the new proletariat. The political struggle will rise to a new level.

Like all crises of capitalism, the root of this crisis is the inability of workers to buy back the goods they produce. But this crisis is qualitatively different from all earlier crises that could be resolved within the capitalist system. The new means of production have created a permanent economy of overproduction. This crisis cannot be resolved within capitalism. Its onset has been held off by the corporate state, acting in the interests of the ruling class, but everything the ruling class and its corporate state do only increases the severity of the impending crisis. Each step they take further undermines capitalism itself and creates the conditions for a political crisis and revolutionary change.

THE STATE AND THE ECONOMY

Capitalism has never existed without laws and institutions establishing, upholding and protecting the property interests of the capitalist class. The cries for free markets and freedom from government control are veils to prevent labor from understanding the extent to which the state apparatus controls and shifts wealth and resources to protect the interests of the minority, who own the means of production, against the interests of the vast majority, who must work in order to survive.

This state intervention in the interests of capital has differed through each of the stages of the growth of capitalism, as can be seen by the difference between the state's response to the Great Depression of the 1930's and the state's response to the developing crisis today. The Great Depression of the 1930's took place before the shift to the new economic base, at a time when human labor was essential to industrial production. Confronted with the massive financial, economic and social disruption of the Great Depression, the Roosevelt administration's actions upheld and protected

the capitalist relations of production based in industrial production.

The state acted decisively in several ways. It enacted numerous regulatory laws to control the excesses of the banks, market speculation and corporate manipulation that had led to the stock market crash of 1929. Acting on the theories of economist J.M. Keynes, the state put purchasing power in the hands of workers through a number of government programs to provide jobs and stimulate job creation, in order to pull industrial production out of the depression, and to quash the growing workers' movement strongly influenced by communists.

The Roosevelt administration sought to save capitalism, to save business from itself, by preventing the conditions for another cyclical crisis. The National Labor Relations Board was established to regulate labor unions, and set federal minimum wage laws. The Social Security Act was enacted to keep purchasing power in the hands of retired and unemployed workers, through retirement insurance, unemployment insurance, and federal grants to states for persons with special needs.

At the point when conditions leading to the current crisis started to emerge over thirty years ago, these protections, which were intended to prevent a future crisis, were summarily jettisoned.

STATE SHIFTS ROLE AS ECONOMIC BASE SHIFTS

The role of the state shifted as the economic base of society changed with the introduction of revolutionary means of production in the 1970's. The new electronic technology led to plant closings, permanent layoffs and job losses, and initiated a long-term trend of declining standards of living, rising permanent unemployment and decline of manufacturing in the United States. As the global economy emerged, steel mills moved to Brazil, and Japanese car sales challenged the U.S. auto market. General Motors started a trend that has continued to the present by posting higher earnings from its financing section than its auto production.

As the economic base of society shifted, and robots replaced workers, the state no longer needed to serve capital by educating and maintaining a labor force. Thus began the outright assault on workers domestically and abroad, shifting wealth from the poor to the rich. They broke unions, cut taxes for the rich, and introduced a brutal neoliberal global free-trade offensive and anti-labor government trade policies, and dismantled the safety net. The costs of health care and pension plans were shifted from corporations to workers.

Social security surpluses were diverted to the U.S. fiscal budget to offset deficits. Congress suspended state usury laws, opening the way for mortgage and credit abuses.

The double sucker punch to the working class through loss of jobs to robots and tearing up the safety net significantly undermined the ability of the American workers to buy the goods produced, and threatened to break the circuit of capital. The state intervened by setting the conditions for a consumer economy based on debt, asset inflation and speculation.

Thus, while workers of this country have been plunged into extreme poverty, the U.S. has become the consumer for the global economy. This was made possible by state policies and practices favoring the financial sector at the expense of the industrial sector, and through dollar hegemony.

In 1999, the Clinton administration repealed the Glass-Steagall Act, a Depression era law that prevented banks from merging with brokers. This deregulation gave vertical financial conglomerates the ability to package loans as investments, opening the way for the subprime debacle. Tax laws were passed to make debt leveraging and financial speculation more profitable than investing in industrial capital. While taxing workers' incomes to the max, the IRS treats the income from the financial, insurance and real estate sectors as untaxed costs.

Fiscal giveaways and Federal Reserve policies helped inflate the real estate bubble. By lending debtors enough money to pay the interest charges, the financial sector was protected from defaults through its claims on the rest of the economy, polarizing society between creditors at the top and an increasingly indebted base at the bottom.

Exponentially soaring debt overhead threatens to plunge the economy into chronic depression as interest and other financial charges eat further and further into the economy's ability to spend on consumption and tangible capital investment. To cover increasing interest payments, workers cut back on consumption, debt-wracked companies cut back on new capital investment, research and development, and governments at all levels cut back on spending on infrastructure and services.

These shifts in the economy and state were accompanied by an ideological tidal wave to convince the American people that the only way labor can prosper is to let capital achieve high returns. It pulled workers into overextended mortgage and consumer debt by convincing them that asset inflation was real growth of wealth and that asset prices would continue to rise indefinitely. Workers lost their homes to this imaginary fig leaf of paper wealth. The ideological tidal wave worked overtime to convince workers to abandon their collective defenses in favor of fending for themselves individually in the name

of freedom. The freedom they found was the freedom to lose job security and see wages and benefits fall without any recourse in a world of global labor competition.

The path for the U.S. from leader of the capitalist world following World War II to today's dominance of the global economy began in the 1970's, when the Nixon administration took the dollar off the gold standard. Subsequently the administration forced the oil-producing countries to price oil in dollars, thus creating an international pool of petrodollars that became the reserve currency for nations throughout the world.

Dollar hegemony is the key to the quid pro quo that allows the U.S. to dominate the world without increasing taxes to cover the costs of its wars and military budget. Thus, the corporate state has been able to maintain its "middle class" support, while waging an assault on jobs and standards of living. Dollar hegemony frees the U.S. corporate state from normal competition in world trade to become a fiat-money-making monopoly. Every other trading nation has to exchange low-wage goods for dollars that the U.S. alone can print freely, and that can only be spent in the dollar economy. For exporting countries, like China and OPEC, with whom the U.S. has huge trade deficits, the dollars are used to purchase Treasury bills and thus they are financing the US

budget deficit. Dollar hegemony has permitted the U.S. to spend billions on its bloated military budget and carry out preemptive and endless wars while granting generous tax breaks to the rich.

The IMF, the World Bank, NAFTA and similar trade agreements caused the destruction of foreign economies and drove down wages domestically and abroad. Financial deregulation created a global orgy of speculation. Real public and private investment were replaced by a fantastic world of derivatives, hedge funds, securitized derivatives and leverage-without-limit that fed off of the dot.com bubble and the housing bubble. Speculation and Ponzi schemes replaced production of commodities as the driving force of the U.S. economy, leading headlong to today's international banking and credit crisis.

The productive relations of capital have become global. The goods purchased by the American consumer are produced in other countries under obscene conditions with wages of \$1.00 a day, child labor, workers enslaved to their machines, and twelve-hour working days. The manufacturing sector in the United States has declined to 10% of Gross Domestic Product while the ruling class ruthlessly drives down wages and demands greater productivity from workers forced to compete with robots and the global workforce, and in the process discards a global class of

permanently unemployed workers, creating a new proletariat.

CAPITALISM MOVING TOWARD ITS DESTRUCTION

Globally, dollar hegemony places the U.S. in an extremely vulnerable position - at the mercy of other countries' central banks. At this time, China, OPEC and Europe support U.S. dollar hegemony, but China in particular is biding its time, not confronting the U.S. now, but preparing a strategy for survival and global dominance. In this current financial sector crisis, the seeds are planted for the beginning of the end of U.S. hegemony.

Domestically, the proposed mortgage bailout is a bailout of the banking and mortgage industry for which workers will pay the price. Job losses, home foreclosures, the falling value of the dollar, and inflation are driving down standards of living, as more and more people find themselves part of the new proletariat as the American dream becomes a nightmare.

There is increasing evidence that this current financial crisis is leading to a systemic meltdown with the financial sector collapsing, and the shutting down of manufacturing and service industries with massive unemployment. The state is responding with unprecedented actions to nationalize and centralize bank-

ing and financial institutions.

Whether this is the beginning of a major economic and political crisis or whether it is a further stage in the corporate state's intervention to stave off the crisis cannot be known. What is known is that global society is undergoing revolutionary change, and that economic and political crisis is inevitable.

Global forces and domestic forces are converging to challenge the U.S. state. As the foundation of capitalist relations of production is undermined by revolutionary changes in the means of production, the U.S. corporate state has successfully staved off economic crisis and dominated the global economy from its national base. Each action that the state takes to protect the capitalist class brings the economy closer to a major breakdown that opens up the opportunity for revolutionary change.

The ruling class and its corporate state are preparing to replace capitalism with a new form of private property and exploitation. Revolutionaries are preparing the new proletariat for a revolutionary change of power to reorganize society around communal ownership of the means of production - a communist society. The political battles over which outcome will prevail are becoming clearer and intensifying. The opportunity is great; the responsibility to fight to victory is even greater.

continued from pg 1

conglomerates have the right to own the country's natural resources? Revolutionaries can show that there is no way to control these corporations except through public ownership.

TEACHING AS WE FIGHT

To pull consciousness forward, revolutionaries rely on and proceed from both the objective demands and the sentiments of the people that flow from history. The American people have a deep-seated belief in the democratic process. They believe that this government is their government and that the officials they elect to office are supposed to represent their interests. Whether this is true, or not, is not the point. The point is that the corporations and the government can be exposed by the demand for nationalization. In the process, the masses can be educated to the actuality that globalization and robotics make it impossible for the private sector to provide the necessities of life and that a new economic system is needed.

For example, combatants in the housing arena are fighting to force the government to take some responsibility for their well being. The government is steadily gobbling up mountains of vacant real estate and putting these properties on the market as investment

opportunities for corporate interests. Under nationalization, these properties could be rented out for a nominal fee to those who need them. The battle lines are drawn. Nationalization of housing is the next step forward. The current housing crisis opens up opportunities for drawing people into political struggle. This political work sets the basis for the introduction of new ideas about the ultimate solution in a new society.

In Detroit the struggle to stop the privatization of water is escalating. Over 45,000 homes are now without running water. The people demand that the government distribute water at affordable rates. However, this cannot be done without nationalizing in the interests of the people those corporations that are buying up the world's water. By the people making sensible demands that the government refuses to accept, and by revolutionaries playing their educational role within this battle, Detroit's fighters are coming to understand the class nature of the government.

As the above examples illustrate, the demand for nationalization flows from the struggle. In this sense, it is objective. As such, it allows revolutionaries to show there is no way to control these corporations except through public ownership. The only alternative is a true people's government. But, first we have

to get rid of this system. The first step toward that end is for workers to begin placing demands on the government.

SUMMATION

For the first time in U.S. history, it is possible to achieve a communist America. Today, new labor-replacing technology is permanently eliminating work and destroying the foundation of the capitalist system. Step by step, a whole new class of people hit by the electronic revolution is being forced out of the capitalist system. This new social force is the key to social transformation. If clear on its historic role, it can pull society toward the vision of a democratic and peaceful world.

Today, everything depends on whether revolutionaries are positioned within the approaching battles, raising things in advance of economic or political changes, and preparing the people for the coming struggles. The tactic of calling for nationalization leads the people into the political struggle against the government on the basis of their class interests, where they can learn from their own experience. With conscious revolutionaries politicizing these battles, the people will come to see that their livelihood depends on actually taking over the corporations and creating a new society where the world of plenty

that exists today can be distributed to all based on their needs.

The political demand must be: since the corporations can't or won't provide for the people, then the government must. Ultimately, society either brings these corporations under its control or the corporations will control society -- with all the devastating consequences. There is no middle ground left.

As the economy teeters on the verge of catastrophe, as people's lives are devastated, and as the U.S. pulls the world toward disastrous war, the question at stake in each battle is: in the interest of what class will these problems be resolved?

Revolutionaries must use their theoretical clarity to illuminate the path forward. But winning the battle for the masses to take up the political struggle, depends on art and skill. It depends on revolutionaries who are clear about what's at stake, drawing people into the struggle in their own class interests.

In this way, revolutionaries proceed from a general understanding of the need for communism to developing the practical steps for society to take over the corporations. History and the current conditions determine *what* we are fighting for. Revolutionaries at the various fronts of struggle determine *how* to wage that fight.

Revolution

Revolution is a stage in the development of human society when the tools humans use change in such a way that the old social arrangements -- the way necessities are distributed to those who need them -- are no longer adequate, and need to be changed to fit the new condition.

A new class emerges from the changes in production and society, a class that no longer has a place in the old disintegrating system. This class, whose ranks grow as the process develops, must fight for what it needs to survive. To do so, it must understand itself as a class, and understand that its fight to survive and thrive is in reality a fight for a new society, a new economic system, and a transformed world.

Revolutions go through stages. One stage sets the stage for and leads to another, but they also overlap and interact, occur together and inform each other. The first stage - the one that kicks off the revolutionary process - is the introduction of new means of production that changes in a profoundly radical way how things are produced. Today, the introduction of the computer chip - the electronics revolution and automation - is replacing workers and eliminating the need for labor, throwing the entire world into an irreversible crisis. This process is well underway.

This disruption and the social destruction it causes give rise to social revolution. Because the capitalist economic system is based on the exploitation and selling of labor power, the very foundation of capitalism is being destroyed, along with the lives of the workers who are thrown-out of the production process. We see the maturing of this objective stage of the revolutionary process, and the scattered, but widening social response by the growing ranks of the poor and insecure who have no choice but to fight for what they need.

This social destruction is reaching into all sections of society, and polarizing the world and the American people into two camps: those few, the owners of the means of production, who are becoming obscenely rich from the plundering and profiteering on everything, and the mass of people being driven down into poverty, indigence and homelessness. More and more families are slipping into the ranks of the poor, as good jobs are replaced by computers or shipped to starvation-wage parts of the world. The "middle class" is being destroyed, falling down into insecurity and poverty.

This growing mass of the economically insecure, the permanently jobless, and the homeless form a new class. The demands of this new class - for housing, health care, education, and the wherewithal to fulfill themselves materially,

culturally, and spiritually, free from misery and exploitation -- are revolutionary demands. This class has been pushed outside capitalist relations, and has no stake in them anymore.

Without consciousness of itself as a class, without understanding its common class interests, this objectively revolutionary class of workers can neither link up their struggles, nor forge a strategy that will allow them to get what they need. The various struggles are

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fought out in isolation from each other against an enemy that is organized and conscious, and -- whatever their differences among themselves -- understands that it is a class.

The ruling class knows that it must move to contain the brewing social struggle using all the weapons in its arsenal. These include the stripping of rights, mass incarceration (especially of our youth), war, police murder, forced evictions, hunger, and the direct thievery of public resources known as "privatization." They divide the working class with propaganda campaigns using their historical weapons of division: racism and immigrant-bashing. The entering of the Blackwater mercenaries, fresh from Iraq, into post-Katrina New

Orleans was an indication of the fascist nature of the ruling class response to the growing class of the impoverished and the vast movement that is yet unorganized and scattered, but whose demands are that of the revolution itself.

In the context of this epochal change in the economic underpinning of society, none of the demands of this new class can be met without a revolution in the way society is organized -- to one that is based on cooperation and distri-

experience them, to raise this understanding of the common goals, and articulate the vision of and teach about the nature of a communist economic system and society - the only one compatible with humanity's evolution, and the only one equal to its best dreams.

The last stage of the revolutionary process is political. This means that the class understands itself as a class, aligns itself along common interests with a common vision, and organizes itself politically on that basis, with the goal of political power and the transformation of society in its interests. This stage ends with a seizure of political power and the remaking of society in the interests of the revolutionary class and humanity itself.

This is the stage that people usually think of when they use the word revolution, which is defined in the dictionary as "overthrow of a government, form of government, or social system by those governed, and usually by forceful means, with another government or system taking its place." When this stage is achieved, the work of the reconstruction of society begins.

The revolution that is underway today - objectively maturing, but subjectively still unconscious and scattered - is of an epochal nature. With its victory, we will have the peace, equality, and abundance that humanity has dreamed of and struggled for throughout history. This is the vision that the conscious revolutionary brings to the social revolution, and the mission of a revolutionary organization is to organize for this stage of the revolution's development.

bution according to need. Understanding this as the necessary outcome to the various scattered struggles is key to workers being able to achieve their goals. Without this vision of what is being fought for -- beyond the specific demands of the moment -- the fighters on the various fronts of struggle can only fight for what they have known in the past. With a cause and a vision, workers understand their scattered struggles are part of a larger social movement for a new society. But understanding and vision do not arise spontaneously; new ideas must be introduced.

The role of the conscious revolutionaries is to teach the science of society and revolution in ways that relate to the specific struggles and the way people

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