

# **Detroit: City on the Edge of Forever**

# "So goes Detroit, so goes America." FINANCE IN THE ROBOTIC ECONOMY

etroit faces economic, social and political catastrophe. Detroit's root problem is a changing economy, with capitalism completing all stages of development, and in transition to a new social system.

#### **HISTORY OF THE CITY**

Modern cities come from somewhere and appear at a certain stage in the development of society. Society is a certain stage of development of our human community. Society is constituted on a mode of production. The mode of production is productive forces and productive relations. These together define the economy, which is basically production and the distribution of that production. Productive forces are the instruments, tools, machines, technology, skills and energy deployed in production. Productive relations are how groups of people organize themselves into classes. Property relations assign property rights distinguishing those who own the means of production and those who don't, setting the foundation for those who rule and those who are ruled.

The long history of tool development, discovery of fire, creation of means of production and the spread of applied technology in production caused clusters of human beings to become communities (clan communities) and then a society based on the matriarchal pattern. After thousands of years, humans invented the bow and arrow, started to tame animals, discovered primitive agriculture and later, stock breeding. Discovery of metal working, the extension of the discovery of fire and ultimately the discovery of new energy sources other than animal and man would drive the transition from agricultural relations to industrial relations, creating the modern city.

Cities, towns and villages are distinct kinds of community corresponding to different stages of development of society. The original village was a community of people based on the bow and arrow, the wheel, animal husbandry, arising before commodity production. A town is different. Towns arose in antiquity at the dawn of the slave-owning mode of production. At first the towns were not that different from villages, both being primarily agricultural communities. As handicraft, trade and the activity of merchants exchanging commodities became concentrated in villages, the villages lost their original character and became towns.

Over centuries the growth of towns became the basis of a new political status of the individual, who was no longer bonded to a slave owner, Lord or master. The town inhabitants acquired a residential status, ultimately resulting in something new - citizens with "rights" based on property ownership.

"Town air makes a man free" was the saying.

The steam engine made possible new machines and new modes of transportation. The new technology, with the gas lamp and later the electric light and electric power grid, created the basis for a new kind of town — the modern city.

### **AMERICAN DEVELOPMENT AND RISE OF DETROIT**

America began as a colony, as a European settler's State. The villages of the Native American Indians were destroyed in wars of genocide, and new towns and cities were created based on a capitalistic economy, with its signature buying and selling of labor power. Southern slavery dominated the economy, subordinating Northern industry and finance to a Southern-based agricultural economy.

Industry, more productive and profitable than agriculture, caused the North to break its dependence upon the South, with the North now demanding the deciding voice in government and State. The result was the Civil War and the victory of the North over the South. After the Civil War, a new model of the town - capitalist cities with night lights and then electric lights, grew up financed by Northern finance capital

Detroit, existing as a port city and early home of steel and oven making, grew with the transition of the carriage industry into the auto industry. Henry Ford's assembly line methods drove the development of gigantic industry and monopoly finance and created the foundation for the industrial city model.

Mechanized agriculture kicked eleven million sharecroppers off the land; six million white, five million Black. These folks migrated from the Southern farms, ultimately ending up North, seeking work in an expanding industrial economy.

After World War II a wave of legislation was passed to guarantee the workforce for this expanding economy. Measures were taken to support, house and keep intact a mass of trained industrial workers with the ups and downs of the capitalist economy. The civil rights movement exploded during a time when the economy needed the labor of Blacks. With the passage of the Civil Rights Act of 1964, the Voting Rights Act in 1965 and the Fair Housing Act of 1968, legal segregation based on skin color was overthrown. Women made strides in fighting to keep the family checkbook out of the pubs, taverns and bars, and for a greater share of the social wealth. A new generation of women entered production, achieving greater economic independence than their previous generation. The first public housing projects, the first freeway, which laid the basis for suburbia and shopping malls, and the very first shopping mall, were created in Detroit.

An economy is essentially production and distribution. Under capitalism proletarians (laborers) sell their labor ability to the owners of the means of production in exchange for wages. With these wages commodities created by the class of wage laborers are purchased.

Capitalism is the interplay of group-class interests. Ultimately these groups are divided into economic classes with class interests, and involve other factors including sex, age, color, religion, nation, region, etc. Terms such as finance, speculation, capital, etc., have been created to describe components of a specific kind of class-based system. The common use of these terms over time disguises the system and makes it appears as a law of nature. Just as monarchism and American slavery were rationalized as a natural law of the economy, God sent, the same is true with capitalism today.

Computers and robotics are creating a new economy and a new form of financial capitalism: speculative finance capital. This form of capital in the robotic economy has little to no connection with production of "things", that is, commodities. It has proletarians, cities, students, and everyone else in a web of debt that can never be paid off.

The solution to the crisis of the city and city finances requires taking sides on this issue. These new banksters are not the old banks of the industrial epoch. Bank of America is the second largest holder of municipal debt in the United States. It is second only to JPMorgan Chase. In fact, neither one of these financial institutions are really banks. That is to say these non-banking financial institutions are allowed to create a credit and debt system based on valueless products without an anchor in production of real commodities. The recent filing for bankruptcy of Detroit is another stage in the inevitable result of this process.

The solution is to dismantle the financial system and nationalize the credit system in the class interest of the new class of proletarians.

#### **EMERGENCY MANAGER SYSTEM: FASCISM**

Just as the industrial revolution had transformed the villages of antiquity and the

towns of medievalism, the electronic revolution transformed the industrial city and the bourgeois- democratic regime. The bourgeois revolution created the epoch of the citizen, abolishing the status of serf. slave, lord and master. Electronics eliminates the need for human labor. Under the capitalist system, this throws millions into poverty, makes widespread ownership of property no longer possible and undercuts the foundation for the bourgeois-democratic regime. Today, the ruling class is turning from bourgeois democracy to fascism to maintain its rule.

Since March 25, 2013, Michigan's largest city — Detroit — has been governed by an Emergency Manager. The Emergency Manager suspended — in practice, fired — the mayor and city council, making Detroit the first major American city since the system of Jim Crow to be ruled based on a fascist form of the State. The mayor's office and city council have no political or administrative authority, despite the fact they are democratically elected by the people of Detroit.

The fight to impose the Emergency Manager system in the state of Michigan goes back two decades. In 1990, Public Act 72, the Emergency Financial Manager law was enacted. Governors dispatched EFMs to cities or school districts to take over their finances. While it was undemocratic on its face, EFM powers were limited. Claiming a new law was needed to give managers new "tools," Governor Snvder signed PA4 into law in 2011, giving the EFM breathtaking powers. The Emergency Financial Manager (EFM) became a new and improved Emergency Manager (EM).

The Emergency Manager Act criminalizes debt and makes the inability or perceived inability of a political jurisdiction to pay the interest on debt, punishable by the suspension of representative government. In the case of school districts, local school boards including the Superintendents can be suspended (in reality, fired). The new and improved managers under PA4 can break up and merge cities under their jurisdiction: can void union contracts; sell off public assets (including water rights, public parks and beaches, libraries, hospitals, airport authorities, etc.) and privatize city services. Pay, benefits, pensions and job security are all at risk. The ability of an

Continues on page 2

### CONTENTS

Inside: Forward – Illuminating the Path

The New Class, New Form of Racism, Police State

From the Editors: New Stage of Social Movement Arises

War and the Current Situation in Asia

Korea: Key Link Communism Today

### Inside: Forward - Illuminating the Path

new powerful spontaneous movement is arising. It is being driven by the growing inequality of wealth and impoverishment of the American people. It is becoming outraged by the corruption of elected officials who have turned their backs on the growing needs of the people in favor of the corporations and the rich. It is fighting back against the attack on democratic and political rights.

We saw this in the Occupy Wall Street protests, in the demands of the Dreamers and the immigration movement, in the Florida Dream Defenders, in the tens of thousands of people fighting back against the dismantling of democracy in Michigan, to the recent demonstrations against the Zimmerman verdict, and the Moral Monday protests in North Carolina

They announce with one voice — no law can trump justice

"A New Stage of a Powerful Social Movement Arises" examines the Moral Monday movement in particular, showing that they oppose the Southern program that the State seeks to impose, and put forward their own program that demands the "necessities of life, for food, for homes and education for their children."

These embryonic beginnings are drawing the dispossessed of all kinds into activity and politicizing them. This is an essential development of our class as they begin to break their ideological and political ties with the rulers and set out looking for their own independent course. What is the root of the problem, how do they not only redress their grievances, but take advantage of all that is made possible by the new period of time? How do they go about it?

It is the revolutionary's calling to offer answers to the questions they seek.

Our cover article "Detroit: City on the Edge of Forever" opens with the saying "So goes Detroit, so goes America." In Michigan, a powerful movement centered largely in Detroit has developed across racial and even party lines to fight the Emergency Manager Law. The ruling class is not going to allow workers it no longer needs to make decisions about its money and property. The Emergency Manager laws have effectively eliminated democracy where they have been imposed, and are being used as a model for the rest of the country. Governed by an Emergency Manager since March 2013, Detroit has been declared bankrupt. The people of Detroit will be forced to sell off the public assets their taxes bought in the first place and destroy the lives of tens of thousands by gutting their pensions, all in order to pay off the banks.

The wholesale transfer of public property to the corporations and the attack on the workers' legal and political means of redressing their grievances has to be considered also in the larger global context. "War and the Current Situation in Asia" shows how the rise of Asia is exacerbating the scramble for markets created by the spread of laborless production. Encircling China in particular is central to U.S. economic and geopolitical domination. "Korea: The Key Link to the Encirclement of Asia" unmasks the recent controversy over North Korea and shows the integral position that containing North Korea plays in this regard. The cost to the American workers is destruction of education, health care, basic living standards and any hope for a decent future.

While the ruling class makes empty appeals for national unity in the face of "foreign competition," they are transforming the legal system to guarantee that these increasingly impoverished workers have no say about the

government's protection of the interests of the corporations over society or the billions that are funneled from the needs of the people into militarizing the economy.

The article "New Class, a New Form of Racism, and the Police State" shows how the ruling class has skillfully manipulated the question of race to build the apparatus of oppression. While the target is the new class as a whole, the ruling class takes aim at the Black worker who is at the core of this new class. As with the Zimmerman verdict, we can see that as society polarizes racism tends to become the form rather than the content of the struggle, and that content is more clearly seen as class exploitation and oppression.

Racism, class exploitation and oppression, the elevation of corporate interests above

those of the people — are all structural elements of the capitalist system and cannot be done away with unless the capitalist system itself is done away with. Today, the impact of qualitatively new technology is already disrupting the system and opening the way for something new. "Communism Today: Distribution on the Basis of Need" provides a vision of what this new technology makes possible. Revolutionaries put forward answers to the problems that this new stage of the spontaneous movement seeks to solve that for the first time in history the wherewithal exists to establish a communist system where distribution is based on human need and conforms to our most cherished ideals and ancient spiritual values of sharing, communalism and cooperation.

### Detroit (Continues from page 1)

individual to exercise the powers generally reserved to government, based on a representative democracy, is fascism.

#### **VISION OF A NEW CITY**

Like the clan community, villages, towns, temple-city-states and the industrial city, economic systems have a life cycle. New means of production creates new classes and new ways of organizing human society as the law of life. Just as the steam engine created an industrial working class that replaced the existing manufacturing class, electronics — computers and robotics — is creating a new class of workers. Once we view production and distribution differently we can see our way out of the mess in which electronic capitalism has ensnared the country.

Finance, from municipal bonds to student loans to mortgages to monthly car payments is a monetary form of capital used to realize private profit. In our vision of the new society based on public ownership of the socially necessary means of production, corporate profit is done away with. Deploying labor and resources in an environmentally safe way in order to provide for the well-being of all society will be the purpose of production.

A new system based on public ownership of the socially necessary means of life means that credit and financing becomes the ability to "make things happen" (mobilize and deploy resources and labor to advance the human agenda). We can solve the crisis of cities and create a new kind of city no longer based on the corporation once we leave the system of capitalist production relations behind.

### **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

Rally, Comrades! is the political paper of the League of Revolutionaries for a New America. 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, 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.

**Editor:** Brooke Heagerty

Editorial Board: Cynthia Cuza, Nelson Peery, John Slaughter

Reach us at: RALLY@LRNA.ORG

# League of Revolutionaries for a New America WHAT WE STAND FOR

Tens of thousands of socially conscious people declare themselves revolutionaries in opposition to the degenerating social and economic conditions. The League's mission is to unite these scattered revolutionaries on the basis of the demands of the new class, to educate and win them over to the cooperative, communist resolution of the problem.

The demands of this new impoverished class for food, housing, education, health care and an opportunity to contribute to society are summed up as the demand for a co-operative society. For the first time an objective communist economic class is forming to become the foundation for a communist political movement. A new fascist state form, the naked rule of corporate power, is arising to oppose this motion.

Society must take over these corporations or these corporations will take over society. The new class must have political power to achieve these goals. In the effort to achieve this political power the League supports all political organizations and sections of society that fight against the growing poverty, social and ecological destruction, fascism and war.

Nothing can be accomplished until the American people hold a vision of where they want to go and what they want to be. Creating and imbuing them with such vision is the overriding task of revolutionaries and the foundation of our organization.

Destruction of the ecology, the threat of nuclear war and the looming pandemics are calling the very existence of the human race into question. The battle is class struggle. The war is for the existence of humanity.

We in the League face the future with confidence. We call upon all revolutionaries to abandon sectarian differences, to unite around the practical demands of the new class and to secure that imperiled future.

### The New Class, a New Form of Racism, and the Police State

he American people are becoming more and more aware that jobs are not coming back. The first waves of mass layoffs and permanent layoffs began in the 1980s, first affecting industrial workers and then reverberating through the service economy, now affecting even knowledge workers as more and more of production is automated, digitized and turned over to robots and computers.

The problem for the ruling class has become, how does it control the rise of a huge and growing new class of workers that are no longer needed? At the heart of this new class is the Black worker, who had only just entered the industrial workforce after a mass migration from the sharecropping fields of the old agricultural South. The old Jim Crow no longer held sway for them, but the ruling class nevertheless relied on the historic forms of control that arose out of that sordid history of slavery and white supremacy. The target today is the new class as a whole, but the ruling class takes aim at the Black worker who is at the core of this new class. It is a kind of racism that is based more on economic status than on skin color, but it is racism nonetheless.

#### A MILITARIZED POLICE STATE

The centerpiece of the ruling class' response is the formation and implementation of a police state, principally as a form of social control. The power of the State has been and is being utilized to mass incarcerate more than two million of our poor, Black, male, and young people. It is a mass incarceration that is designed to warehouse a new class that is deemed disposable, no longer needed in the new global economy.

In her book, *The New Jim Crow*, Michelle Alexander provides many examples. In our major American cities as many as 80 per cent of young African American men have prison records. The jobless rate is as high as 65 per cent, and 70 per cent are high school dropouts. In some states Black men are in prison on drug charges at 50 times the rate of white men, even though a majority of drug users are white. More than 31 million people have been arrested since the "drug war" began. Ronald Reagan initiated the drug war in 1982, coincident with the disappearance of millions of manufacturing jobs due to the onset of the new technology.

Bill Clinton escalated the drug war with "three strikes and you're out" and "ending welfare as we know it." In 1996 funding for public housing was redirected for new prison construction. Public housing funds were slashed by \$4.7 billion and money for corrections was boosted by \$19 billion. Prisons became the main housing program for the poor. Banned from public housing, many became homeless.

Mass incarceration is bad enough, but it does not end there. Prison is a gateway to permanent marginalization. By a system of laws, policies, and institutions, ex-offenders are barred *by law* from ever entering the mainstream of society again. Once released,

the former prisoner is denied the right to vote, excluded from juries, denied the ability to obtain employment, housing, or public benefits.

Those who have been convicted of a felony drug offense are banned permanently from receiving welfare or food stamps. In 2002 the Supreme Court ruled that public housing tenants can be evicted even if they had no knowledge of nor participated in alleged criminal action. More than 650,000 are released from prison each year, and finding a home is next to impossible for the rest of their lives.

a crime. To illustrate this in law, Alexander quotes Ruffin v Commonwealth (Virginia). "He has forfeited not only his liberty ... but all his personal rights. He is for the time being a slave of the State."

The Supreme Court has since moved to eviscerate the 4th amendment, which protects against illegal search and seizure. It has approved mandatory drug testing of employees and students; upheld random searches and sweeps of public schools and students; permitted police to obtain search warrants

alized by laborless production, but which employs a new form of racism that targets a class based more on economic status. But at the forefront of that class stands the African American and Latino workers, who bear the brunt of the assault by the police state.

The Latino workers are targeted by the police state through Homeland Security's ICE and are also subject to mass incarceration but they are also withtelly the definition

bargaining and sentencing. The results are

otherwise. What we have is a closed circuit

of permanent marginality, which has targeted

a section of a new class objectively margin-

police state through Homeland Security's ICE and are also subject to mass incarceration, but they are also virtually the definition of marginalization as they are excluded from jobs, voting, education, housing, and public benefits.

Alexander calls this "new Jim Crow" a racial caste system in the age of electronics, but her own words contradict her. While Blacks and Latinos are the main targets, it also includes the poor white workers, she says. What she describes is a new class which includes poor Black, white and Latino workers. The target is not all Blacks or all Latinos, and does not, for that matter, exclude all whites.

The process that has been ongoing for the past 30 years has become normalized. But what that poses for the American people is a moral dilemma: Where was I when they came for the Black or the Latino masses or our youth and I said nothing? Who will be left when they come for me? In truth, this section of our class may be marginalized and excluded, but they are still a part of us. If we do not take a stand for class solidarity in defense of all of humanity, then our whole society may become a prison.

The target today is the new class as a whole, but the ruling class takes aim at the Black worker who is at the core of this new class. It is a kind of racism that is based on economic status rather than skin color.

And then there is the "box" — checking yes or no on an employment application if you have ever been convicted of a crime. In an environment where jobs are harder and harder to find, this amounts to a permanent life-time ban for employment. You are simply excluded

Most who are released from prison also carry with them a heavy debt load. Many may work in prison for \$1.25 to \$3.00 per hour, but are forced to pay for drug testing costs, jail book-in fees, jail per diem, public defender application fees, bail investigation fees, parole or probation service fees, and then late fees and interest. It is a debt load from which they are never unburdened. Locked out of the legal economy, many are returned to prison for failure to pay their debts. The prison system has become a modern-day debtor's prison

Confronting this marginalized and excluded new class is the consolidation and implementation of a 21st century American police state. It is a State that has in the first place militarized the police and prison system. In 1999 alone more than three million pieces of military equipment were allocated to local police departments, including Black Hawk helicopters, M-16 rifles, grenade launchers, etc. SWAT teams are now routinely employed to serve narcotics warrants by forced unannounced entry into homes. No knock warrants have jumped from 3,000 a year in the early 1980s to more than 40,000 a year by the early 2000s.

### **FASCISM BY LEGAL MEANS**

What is chilling is that all of this is being carried out by legal means. The "loophole" through which the legal system has been able to initiate what amounts to the formation of a fascist State by legal means is contained in the 13th amendment to the Constitution of the U.S. That is the amendment that bans slavery, but with one exception — punishment for

based on anonymous tips; expanded the government's wiretapping authority; legitimized the use of paid, unidentified informants; approved the use of helicopter (and drone) surveillance without a search warrant; allowed the forfeiture of cash, homes, and other property based on unproven allegations of illegal drug activity.

Added to this, taking the lead of the Supreme Court, the legal system is said to be formally color-blind. The door to claims of racial bias has been closed at every step of the legal process, from stops and searches to plea

# You Need Rally, Comrades! Rally, Comrades! Needs You

Rally, Comrades! stands out, offering a sound and clear analysis of the way forward. Rally, Comrades! shows how capitalism is coming to an end. Rally, Comrades and the League receive no donations from the corporations, foundations or government. We rely completely on volunteers and donations from readers like you to carry out this urgent work.

### PLEASE GIVE AS GENEROUSLY AS POSSIBLE TO:

Rally, Comrades!, P.O. Box 477113, Chicago, IL 60647 Make checks to: LRNA (with *Rally Comrades!* on the memo line)

### SUBSCRIBE TO RALLY, COMRADES! ONE FULL YEAR FOR \$15

Please send this coupon with a check or money order payable to "LRNA" to: LRNA, P.O. Box 477113, Chicago, IL 60647

Name:	
Address:	
City/State/Zip:	

VOL 23 ED 5

### War and the Current Situation in Asia

he world is in the clutches of a social revolution triggered and fueled by the transition of social production from electro-mechanical production to electronics. In its strategy of empire building, the goal of the U.S. is to dominate the world economically and politically in this era of history, in which the qualitatively new means of production are destroying all previous economic and social relations and laying the foundation for struggle on a world scale.

In this new world scenario, where the underlying factor is brutal competition over new global markets, Asia, and particularly China, is rising as a major international force that will define politics in the 21st century. After WWII the economic and therefore political power in the world shifted from Europe, with England at its helm, to the U.S. But since the 1980s Asia has been steadily rising as an economic force, beginning the shift from the West to the East. The 2008 global crisis only reaffirmed the U.S.' decline. As Asia rises as a global economic force, the more U.S. supremacy is threatened, and the closer the world gets to war.

#### **ECONOMIC SHIFT TO THE EAST**

"For the first time since the 16th century, the single largest concentration of global economic power will be found not in Europe, nor in America, but in Asia," states Michael Evans in his article for the Foreign Policy Research Institute, "Power Paradox: Asian Geopolitics and Sino-American Relations in the 21st Century". The magnitude of Asia's population — 4.3 billion, i.e. 60 percent of the world's population, and its extensiveness in territory — from Afghanistan through Russia to Japan to Australia — no doubt aid Asia in growing into a powerful economic force.

To help wrap our brains around Asia as a continent it is helpful to see Asia the continent as three separate regional economic areas: East Asia, South Asia and Southeast Asia. The countries with the largest economies in the continent are China, Japan, India, South Korea and Indonesia

The economic area of East Asia is home to the world's most dynamic economies — China, Japan and South Korea. It is no surprise then, that in 2006 East Asia's GDP stood at 37.5 percent. East Asia claims a population of 1.5 billion people, about 38% of the population of Asia and 22% or over one fifth of all the people in the world.

While South Asia has one fifth of the world's population (1.2 billion), with the majority living in the Republic of India, it is also the poorest region in the world. More than 40% of its population lives on less than \$1.25 a day. Nonetheless, South Asia is of strategic importance to Asia, since an estimated 50% of world container traffic and 70% of shipborne oil and petroleum transit the Indian Ocean on its way to East Asia. (60 percent of trade is by sea). Also, India has the third largest navy in Asia and is second only to the U.S. fleet in the Indian Ocean.

Southeast Asia is the smallest sub-region in Asia with a population of about 593

million and 14 countries. These fourteen countries, with the exception of East Timor, are in the Association of Southeast Asian Nations (ASEAN). But regardless of its size in population, Southeast Asia is a geopolitical and geo-economic fulcrum. This is due to the importance of the South China Sea and the expansion of trade partnerships. ASEAN's primary goal is to establish and stabilize the area economically. In respect to the South China Sea, the territorial disputes over the Scarborough shoal between China and the Philippines threaten to embroil the region in war to the extent that China has issued warnings to its citizens in the Philippines. Meanwhile the Philippines feels assured because it has a commitment from the U.S. to protect what it considers to be Filipino territory if attacked

#### **U.S. AND ASIA ECONOMIC TIES**

U.S. trade with Asia has increased from \$300 billion in 1991 to \$900 billion in 2006. Asian nations are also major holders of outstanding U.S. federal debt. As of December 2011, China, Hong Kong, Japan, and Taiwan were among the top 10 foreign holders of U.S. federal debt amounting to \$2.5 trillion, or 28.6% of the total outstanding federal debt.

President Barack Obama sees Asia as a solution to U.S. economic woes with its huge population and resources. Obama's National Export Initiative of 2010 targeted the Asia-Pacific region, specifically China, India, Indonesia, and Vietnam, as countries to export U.S. goods and services. Major companies from China, Hong Kong, Japan, South Korea, and Singapore are becoming leading competitors to those U. S. companies, because they also see their domestic and regional markets as a destination of their goods and services, as well as foreign markets beyond the region. Today, in their search for new markets, all corporations, whether Chinese or American, venture abroad to sell their products and services in execution of the law of maximum profit under capitalism, if they are to survive.

China has become a manufacturing matrix tying together all of Asia into one powerful regional economic market. Trade is what ties China to the rest of Asia and Asia to China. The reciprocal relation between China and Asia is that while China manufactures goods and services for the global market, Asian countries in turn supply China with components and parts for the manufacture of such goods and services. In this trade relationship both China and Asia benefit. China is propelling Asia's economy upward, and China has become the world's number one factory, making it the number one rival of the U.S. in the desperate race for markets.

### **CHINESE AND U.S. RELATIONS**

As China grows into an economic force it is becoming the main focus of U.S. military strategy. The U.S. has no qualms about flexing its military muscle to protect its economic and geopolitical interests in China and the whole of Asia. Economic supremacy is at the

bottom of any war danger in the region.

The two rivals differ in philosophy in terms of achieving or maintaining their power. The U.S.' goal is to build an empire and have worldwide hegemony. To bring the world to its knees and be subservient to U.S. needs, the U.S. military might has to be superior to all.

This is where China and the U.S. differ. China does not have an empire building strategy. While China has not been without its contradictions — the opening of the country to controlled foreign investment, the allocation of society's resources to building up the economy, and the rise of a small but wealthy elite in the country — China's long term goal since the Chinese Revolution has been to raise the standard of living of its people overall. To do this it has to concentrate its fiscal budget on enhancing and growing the civilian sector. This translates into feeding its population, building schools and housing complexes, and providing health care and education

pushing the world toward war. In such an unstable environment, the ruling classes lift historical threads from history to whip up ideological propaganda against this or that group.

Historically, when it comes to the U.S. and China rivalry, there are two geographical points of contention, Taiwan and North Korea, that the U.S. empire builders can lift to unleash an inevitable world war. Their ultimate goal is to contain China and to consolidate U.S. military, political and economic power throughout the world under the new conditions of today.

Revolutionaries have to see things for what they are: in this case where is the war danger emanating from and by whom? The competition for markets is moving the U.S. empire builders to reach out and secure markets at any cost. We revolutionaries have to shed light on the real problem for everyone to see. We shed light so that we, the working classes of the world, can unite as a class, fighting for our own interests, and not for the

The deteriorating world economic situation and the intensifying struggle for markets between the U.S. and Asia, particularly China, are pushing the world toward war.

China has followed a path of bolstering its civilian economy over military expenditures. China's military budget of \$115.7 billion is only about one seventh of the U.S. military budget, estimated at about \$737 billion in 2012. The U.S. military budget is the largest in the world, and it equals 39 percent of all military expenditures in the world. Without a doubt the U.S. military expenditures reflect its empire building strategy.

China's military strategy is one of defense against invasion. It has no military bases outside its territories, while the U.S. operates and/or controls between 700 and 800 military bases worldwide. In fact, military forces are aimed and ready in South Korea, Japan, Guam, Afghanistan and Taiwan, a clear and present danger to all of Asia and particularly China.

#### **U.S. ON A WAR FOOTING**

Today more than half of the U.S. discretionary budget goes to the military. The size of the U.S. military budget grows apace with its empire building strategy, particularly as Asia's economic might grows, and more specifically China's. The U.S. recognizes that the center of gravity for its foreign policy, national security and economic interests has to shift towards Asia, and this mandates that its strategy and priorities be adjusted accordingly.

The deteriorating world economic situation and the intensifying struggle for markets between the U.S. and Asia, particularly China, are continuing to create instability and

capitalist class. This is the real meaning of proletarian internationalism.

As American revolutionaries — living in the belly of the beast — we have a special role. In the immediate sense, we have to raise consciousness so that the American worker fights against its own ruling class and against U.S. military budget increments, and demands our tax money be used for education, health care, food, and housing. In these battles for the necessities of life, we bring to the fore our real class interests, and reach out to our sisters and brothers in Asia. We have to raise class-consciousness so that the American workers stop being complicit with the U.S. capitalist class as it "terrorizes" the world to achieve its empire.

Political Report of the LRNA Resident Standing Committee, July 2013.



### Korea: Key Link in Encirclement of China

he Korean War, or any war, has to be seen in the context of the strategic goals of the combatants as well as those of the allies on either side. What was the setting for the outbreak of the war and what is the situation today?

First, the background for the outbreak of the war. The United States emerged as a full-fledged imperial power at the turn of the 20th century. Its first aggression was against the decrepit Spanish empire. The rebellions in Puerto Rico, Cuba and the Philippines offered an opportunity for U.S. imperialism to quickly defeat Spain, convert Central and South America into colonial preservers of the US and, most importantly, conquer the Philippines and use them as a springboard to "the illimitable markets of China."

Preventing China from re-establishing itself as a dominant world economic power and guaranteeing its "open door" to U.S. imperialism has always been the basis of US Asian policy. Korea has always played a key role in this. However, the US isn't the only power interested in China and Korea. Most of the 1905 war between Japan and Russia was fought in Korea. The Japanese won that war and annexed Korea as a colony and the basis of the Japanese Empire. From Korea, the Japanese invaded Manchuria and China. Russia and Japan constantly clashed over Japan's intrusions into Siberia. This broke out into a full-scale war in 1938 with the Soviet

Union crushing the Japanese army in the biggest tank battle in history up to that time. The Japanese then transferred 5 million crack imperial troops to Korea and the Siberian border where they remained until the end of WWII. Recognizing that they could not defeat the USSR, The Japanese turned to China and South Asia. The Japanese trained a Korean puppet army mainly recruited in the South, and an administration under the feudal lord, Syngman Rhee. The grandfather of the current South Korean president, Park, was a general in the Japanese Army.

the US, the hard-pressed Americans extracted a promise from the USSR to attack Japan within three months of the ending of the European War in return for American aid. Exactly on schedule the USSR declared war on Japan. The U.S. dropped the bomb on Hiroshima on August 6th. The USSR declared war on Japan on August 8th. It was not the bomb that ended the war so abruptly — it was the rapid destruction of the imperial army, and the liberation of all of Manchuria and the northern half of Korea. Both the U.S. imperial establishment and the Japanese fascists

Any war has to be seen within the context of the strategic goals of the combatants as well as the allies on either side.

Korea was basically agrarian and feudal in the south and industrial in the north. A powerful anti-Japanese national liberation movement led by Kim II Sung was primarily based in the North where it was aided by the Chinese Red Army, which was also fighting the Japanese, as well as the puppet Chiang.

When war broke out between Japan and

panicked as the Soviet Army poised to liberate the entire north of Asia. As horrible as the war was, the Japanese and Americans had a common interest in stopping the spread of communism in Asia. This was the real reason for the abrupt ending of the war.

The Americans quickly occupied the southern part of Korea in an agreement to

disarm the Japanese and hold democratic elections to unify the country. The strategic goal of imperialism regarding China kicked in. The U.S. blocked the elections and installed the pro-Japanese butcher Rhee as president. The move to encircle China began again as the French invaded Vietnam, the British moved to invade Burma, and the Dutch attacked Indonesia.

Since Korea borders both China and Russia it is the most accessible invasion route. The U.S. built up its forces in Japan and Korea. The Soviet Union's decision to boycott the United Nations over its exclusion of Red China gave the Americans an opportunity. In April of 1950 there were two large-scale incursions by South Korean troops. The Democratic Republic in the North issued a warning that any further incursions would mean full-scale war. On the 25th of June there was another large scale invasion. The North pulled back its troops for ten miles then unleashed a massive counter attack.

There has never been a peace treaty to end the war and it could begin again without notice. At this time it is the flash point and key link for the encirclement of China.

Political Report of the LRNA Resident Standing Committee, July 2013

### From the Editors:

### A New Stage of a Powerful Social Movement Arises

In our assessment of the Trayvon Martin situation we noted that we are seeing the beginnings of a new stage of a powerful spontaneous movement. It is an inevitable social response to oppression. The "Moral Monday" movement in North Carolina is another case in point of a new stage of a movement rising to confront its oppressors.

A broad coalition of religious leaders, educators, unions, activists and ordinary people have assembled on each Monday at the North Carolina legislature, now in session, occupying the legislature until they are handcuffed and hauled away to jail. To date more than 900 have been arrested.

They are there to protest what they call extreme legislation that is targeting the very means of livelihood for millions of North Carolinians. They see this as a moral outrage, and vow to stand up to this onslaught and take "Not one step back." Some of the legislation that has been passed or is pending includes eliminating the Earned Income tax credit for 900,000, declining Medicaid coverage for 500,000, ending federal unemployment benefits for 170,000, cutting pre-K for 30.000 children while shifting the money to vouchers for private schools, and slashing taxes for the top 5 per cent while raising taxes on the bottom 95 per cent.

In addition, a number of extreme restrictions to voting rights have been enacted,

including the requirement for a state-issued photo ID, which 318,000 registered voters don't have, drastically cutting early voting, eliminating same-day registration, and rescinding the automatic restoration of voting rights for ex-felons. The gutting of the Voting Rights Act by the Supreme Court is a green light to proceed unchecked.

All of this taken together represents a direct attack by the ruling class on the very means of survival of the working class, and is at the same time an assault on democracy. It is a ruling class directly imposing its power. Theirs is a program that arises right out of Southern history, a history rooted in white supremacy and the dictatorship of corporate power. It is a program for fascism.

This is what the movement in North Carolina is rising to confront, and this is why it is so significant. This movement represents a new stage in the spontaneous movement precisely because it chooses to do battle, not on scattered defensive fronts, but to directly confront the State. *That is,* they directly oppose the Southern program which the State seeks to impose, but they oppose it with their own program. Their battle is for the necessaries of life, for food, homes and education for their children. And yes, it is a battle for democracy.

This movement is significant also because it is breaking out in the South. We have long

understood, precisely because of the history of this country, that as the South goes, so goes the nation. The South, and the Southern worker, is key to the advance of the revolutionary process

In some ways what is happening with the Moral Monday movement is an expression of the "rising new electorate" we saw emerging in the 2012 elections. But while the "extreme" legislators in North Carolina may happen to be Republican, it is not a matter of Democrat

vs. Republican, although some of those features may appear to be in the mix. Likewise, while much of the rhetoric of the movement may be expressed in the religious idiom (it could not be otherwise in the South), it is much more than that. That may be its form; its content is the immorality of a system that oppresses its people without compunction. That is a moral outrage, an outrage we share.

# Visit the Rally, Comrades! website! http://rallycomrades.lrna.org

The Rally, Comrades! bilingual website provides on line access to all issues of Rally, Comrades! It is a political resource for our readers, and provides up-to-date articles, statements and analysis of key questions of importance to revolutionaries.

VOL 23 ED 5

### **Communism Today: Distribution According to Need**

hat is communism? What is socialism? Americans today are increasingly asking themselves these questions as they seek answers to the poverty and violence of daily life in a capitalist economy. Is it true that there is simply no alternative to the mind-numbing destruction and waste of modern capitalism? Do the communist and socialist experiments of the past have any lessons or solutions for people today? Is it even possible to build an economic system organized around our most treasured moral and spiritual values, instead of private gain and social mayhem? History tells us that yes we can — under certain conditions — conditions that are increasingly becoming present today.

#### **ORIGIN OF PRIVATE PROPERTY**

The prevalence of communist or so-called "gift economies" in human pre-history throughout the globe is now universally acknowledged. Although hunter and gatherer tribes frequently warred with one another, they never took slaves. They literally had no use for them. Captives were either killed or simply integrated into the tribe. It was only with the development of herding and agriculture that some societies found they could create and store a surplus product above and beyond the needs of immediate consumption. People found they could then increase the surplus by "privatizing" it and using it to force others to work for them. This created the de-

Technological productivity creates so much wealth that it mocks the very concept of scarcity. All that is needed today is the political power to organize and equitably distribute the social product according to need.

Webster's dictionary defines communism as a "theory advocating elimination of private property" and "system in which goods are owned in common and are available to all as needed." According to this definition, communism has been around for virtually all of human history, both as a practical way to organize human societies, and as a value system or "theory." All primitive hunter and gatherer societies were communistic because collective ownership corresponded most efficiently to the tools and skills they used to survive. Since there was no agriculture, the concept of land ownership never even occurred to them. And with no ability to store perishables, and limited capacity to transport possessions, there was literally no use for or concept of what we today call private property.

Charles Eisenstein described the situation in Sacred Economics: "When a primitive hunter killed a large animal, he or she would give away most of the meat according to kinship status, personal affection, and need... It was much better to have lots of people 'owe you one' than it was to have a big pile of rotting meat, or even of dried jerky that had to be transported or secured. Why would you even want to, when your community is as generous to you as you are to them? Security came from sharing. The good luck of your neighbor was your own good luck as well. If you came across an unexpected large source of wealth, you threw a huge party. As a member of the Pirahá tribe explained it when questioned about food storage, 'I store meat in the belly of my brother."

mand for slaves, and the division of society into masters and slaves became the first great class division in human history.

As it turned out, they created a monster. The growth of private property — whether slave, feudal, or capitalist — then established economic systems that developed laws of their own. These laws governed the maximizing of exploitation, and sharply contradicted the customs of the earlier communist societies that fostered gifting and sharing. In fact, in virtually every instance since then, where a private property society has encountered primitive communism, the result has been the total, violent destruction of the latter.

Most of the world's great religious and spiritual traditions evolved from the communal value systems of the primitive gift economies. These values persisted well into the development of early agricultural societies and are clearly evident in many of our ancient sacred texts such as the Torah. The clear communist trend in early Christianity was influenced not only by these ancient traditions, but also by contemporary sects such as the Essenes, who consciously set out to practice communist sharing of the social product in the Dead Sea area of Roman Palestine.

#### **SOCIALISM**

The resiliency of these cooperative spiritual ideals has characterized the history of class societies every bit as much as the class struggle alluded to by Marx and Engels, especially in the times of great social upheaval.

The struggle to organize society to conform to a moral vision has been the great intellectual challenge of every revolutionary in every epoch.

The communist movement of the 19th and 20th centuries — in the main based on the science of Marxism — was the attempt by leaders of that era to reorganize society during its transition from agriculture to modern industry. They sought to construct economic and political forms to manage that transition and put society on the road toward the classless, communist ideal that we have always traditionally aspired to. Generally they called these transitional societies, socialist.

Socialism is defined by Webster as a system or theory of "government ownership and administration of the means of production and distribution." The experiences of the socialist countries were mixed. There were stirring political victories over fascism and stunning advances in industry and living standards. However, most of these systems were ultimately overthrown or economically subverted by a capitalism that had clearly not yet used up all of its capacity for innovation and expansion.

The term socialism is frequently confused, however, because many who call themselves socialist (or social democrat) do not advocate a socialist economy at all. They advocate a "mixed economy" that is partially capitalistic and partially government owned, such as in some Western European countries today. The problem with mixed economies is that the market is still subject to the economic laws of capitalism. One of those laws is that wealth inevitably concentrates and polarizes. Capital then uses its political muscle to weaken or eliminate the government sector and force the population to submit to austerity programs, with "socialist" parties all too frequently acceding — the very process unfolding in Europe today as we speak.

### THE AGE OF ELECTRONICS

The world today has changed completely. Since the Great recession of 2008, the replacement of industrial production with electronics has now in fact brought capitalism to

the end of its ability to grow or even function. Capitalism cannot coexist with means of production that no longer have a use for human labor.

On the one hand, this technological productivity creates so much wealth that it mocks the very concept of scarcity. Even today, if the U.S. Gross Domestic Product were evenly distributed, every family of four would receive an income of \$200,000 a year right now.

On the other hand, in a private property system, computer technology causes the emergence of a rapidly growing class of people that cannot access even the most basic means to survive. Escalating poverty and unemployment mean people cannot purchase their basic necessities. The system cannot circulate commodities, and poverty and unemployment escalate further. This new class becomes a revolutionary class. It is forced to overthrow the system or die trying.

The need for 20th Century socialist transitional societies no longer exists. All that is needed today is the political power to organize and equitably distribute the social product.

Private property began and became powerful because it advanced humanity's rudimentary early means of production. But by definition it cannot exist without scarcity. The very word "private" connotes deprivation. When the means of production have advanced so far that scarcity is no longer an issue, private property becomes historically obsolete. Instead of advancing technology, it starts to impede it, engulfing us in unnecessary, endless social turmoil.

We have an historic choice to make today. Will we continue to allow the world to be pillaged by the powers and principalities of private property? Or will we take this opportunity to establish a communist system where distribution is based on human need, and conforms to our most cherished ideals and ancient spiritual principles?

The League of Revolutionaries for a New America unites with the moral outrage of the American people and inspires them with a vision of a society that nourishes the material, intellectual, spiritual and cultural needs of all of its people. Join us!

info@lrna.org 1.773.486.0028

LRNA P.O. Box 477113 Chicago, IL 60647