

MIM(Prisons) Study Pack

Introduction to the Labor Aristocracy



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

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

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

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

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

MIM(Prisons) is our shorthand for the Maoist Internationalist Ministry of Prisons. Our name stems from the legacy of the Maoist Internationalist Movement (MIM), and their party based in North America that did most of the prisoner support work that is the focus of what we now do. When that party degenerated, the movement turned to a cell-based strategy that we uphold as more correct than a centralized party given our conditions in the United States today. Our focus on prisoner support is not a dividing line question for us. In fact, we believe that there is a dire need for Maoists to do organizing and educational work in many areas in the United States. We hope some people are inspired by our example around prisons and apply it to their own work to create more Maoist cells and broaden the Maoist movement behind enemy lines.

MIM(Prisons) distinguishes ourselves from other groups on the six points below. We consider other organizations actively upholding these points to be fraternal.

1. **Communism is our goal.** Communism is a society where no group has power over any other group.
2. **Dictatorship of the proletariat is necessary.** In a dictatorship of the proletariat the formerly exploited majority dictates to the minority (who promoted exploitation) how society is to be run. In the case of imperialist nations, a Joint Dictatorship of the Proletariat of the Oppressed Nations (JDPON) must play this role where there is no internal proletariat or significant mass base that favors communism.
3. **We promote a united front with all who oppose imperialism.** The road to the JDPON over the imperialist nations involves uniting all who can be united against imperialism. We cannot fight imperialism and fight others who are engaged in life and death conflicts with imperialism at the same time. Even imperialist nation classes can be allies in the united front under certain conditions.
4. **A parasitic class dominates the First World countries.** As Marx, Engels and Lenin formulated and MIM Thought has reiterated through materialist analysis, imperialism extracts super-profits from the Third World and in part uses this wealth to buy off whole populations of so-called workers. These so-called workers bought off by imperialism form a new petty-bourgeoisie called the labor aristocracy; they are not a vehicle for Maoism. Those who work in the economic interests of the First World labor aristocracy form the mass base for imperialism's tightening death-grip on the Third World.
5. **New bourgeoisies will form under socialism.** Mao led the charge to expose the bourgeoisie that developed within the communist party in the Soviet Union and the campaign to bombard the headquarters in his own country of China. Those experiences demonstrated the necessity of continuous revolution under the dictatorship of the proletariat. The class struggle does not end until the state has been abolished and communism is reached.
6. **The Great Proletarian Cultural Revolution in China was the furthest advancement toward communism in history.** We uphold the Soviet Union until the death of Stalin in 1953, followed by the People's Republic of China through 1976 as the best examples of modern socialism in practice. The arrest of the "Gang of Four" in China and the rise of Krushchev in the Soviet Union marked the restoration of capitalism in those countries. Other experiments in developing socialism in the 20th century failed to surpass the Soviet model (ie. Albania), or worse, stayed within the capitalist mode of production, generally due to a failure to break with the Theory of Productive Forces.

Introduction to this Pamphlet

This Labor Aristocracy Pack is a compilation of articles from *MIM Theory #1* published by the Maoist Internationalist Movement (MIM) in 1992, *Monkey Smashes Heaven #1* published by the Leading Light Communist Organization, and several original articles from MIM(Prisons). As regular readers know, we uphold and distribute the *MIM Theory* journals but we recognize the need for updates to some of the information as these journals are now quite old. *MIM Theory 1* represents the first comprehensive attempt by a communist organization in the United States to scientifically explain the economic basis for our understanding that First World workers are not a part of the proletariat. It was groundbreaking in its time and remains relevant today. However we are running low on copies of *MIM Theory 1* and take this opportunity to combine key articles from that magazine with some updated calculations and articles. LLCO has done some very good work in the area of demonstrating that First World workers are on the side of the oppressor both politically and economically. We include the best of their work in this area while calling out our disagreements with LLCO in appendix 1.

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

-Karl Marx, “Communist Manifesto”

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

We believe that without scientific analysis, it is easy to fall prey to First World chauvinism - the ideology of the imperialist nations justifying the oppression of the Third World nations. Even oppressed peoples may buy into the logic of the oppressor if they are not careful. To be emotionally on the side of the international proletariat is not enough. This labor aristocracy study pack is dedicated to putting the American workers in perspective for those stricken with political diseases found predominantly in the First World.

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

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

We believe that the imperialists and the First World workers owe a tremendous debt to Third World peoples - a debt that we intend to see paid back, as a necessary step toward communism.

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

The mass base for white supremacy in this country can be found in the poorest section of the white nation. They see that their aspirations to join their fellow whites in greater wealth can only come at the expense of oppressed nations. And so we have seen that organizing the white labor aristocracy for their own interests leads to fascism. The failures of so-called progressive groups in the United States and other First World countries to apply science to their analysis of classes leads them to claim that workers in these countries are exploited. And this leads to some of the most un-progressive organizing in the world: rallying the exploiters for greater wealth.

We acknowledge that the vast majority of the U.S. population cannot be organized against imperialism. This means progressive forces are a small minority in the First World. But the Third World will move forward whether the white workers like it or not. The Third World is 80% of the world's population. We are confident they will thoroughly destroy U.S. imperialism, even if most U.S. residents never get around to helping them. We do not want to delay the day imperialism dies. And so we will never assist in creating new forms of apartheid cloaked in the leftist rhetoric of organizing imperialist-country workers.

This question of who is on the side of the international proletariat and who is allied with the imperialists is the most important question facing revolutionaries in the world today.

Notes: In part, adapted from MIM Theory 1, The white working class: Why should we care?

The "left" tells MIM off

by Doug Henwood, Editor of The Left Business Observer
November 22, 1991
Excerpted from MT1

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

What planet are you on when you say that \$10.4 1/hr is a "whopping" wage, and that "Amerika's white workers are as a group paid more than the value of their labor"? ... Looking at this hourly wage, and the weekly wage of \$357.06, in isolation is foolish and un-Marxist. As Karl himself pointed out, the wages are determined by the costs of reproducing labor power. In the U.S., where people may spend \$500 a month on housing another \$500 on food, \$200 on medical care, several hundred more on clothes and transportation, \$357 a week barely reproduces labor power. Real wages have been falling for almost 20 years, while average work weeks have been rising. How is this overpayment?

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

Furthermore, the World Bank offers the following figures for manufacturing earnings as a percentage of value added in 1970 and 1989 (except China, 1986):(3)

	1970	1988	change
U.S.	47%	36%	-11%
Germany	46%	42%	-4%
Japan	32%	34%	+2%
China		15%	

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

Notes:

1. U.S. Department of Commerce, *Survey of Current Business*, Sept. 1991, p.3 (GNP) and p. 5-11 (hours).
2. *Organization of Economic Cooperation and Development, OECD in Figures: 1991 Edition, Supplement to the OECD Observer*, June/July 1991, p. 45.
3. World Bank, *World Development Report 1991*, appendix table 7, p. 217.

MIM trashes the myth of white exploitation

excerpted from MT1
by MC5

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

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

Amerikan leftist political economy vs. Maoist political economy

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

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

In Marx's day, the capitalists appropriated surplus labor from the white workers despite paying wages, so the workers were exploited. In the

1800s, it was possible to look at the dead labor that went into reproducing British labor power and say it was basically British. A loom or hoe used in production by British laborers pretty much came from the dead labor of British laborers.

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

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

Closed borders: separate markets for labor power

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

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

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

This is a false assumption. MIM has looked around enough to know that proletarians can reproduce and keep the capitalist system going for a lot less than \$10 an hour. There is no need to fantasize about the oppression of First World people, except as required for imperialist nation unity.

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

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

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

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

The search for surplus labor

Another definitive answer to the question is from the point of view of the capitalists. Where surplus labor is not appropriated, there are no profits. Of course, without profits, capitalists go out of business. Without profits, even capitalists wouldn't want the capitalist system to exist. Henwood's writings lead one to think that the capitalists have it made, thanks to how little the American workers make. The reality of profit rates is a little different though.

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

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

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

This calculation shows that Henwood did not understand MIM's argument regarding superexploitation of the Third World. The GNP is the monetary value of all the goods and services sold in the United States for a year. The GNP includes the value of the unremunerated dead labor of the Third World. That dead labor is paid for by the time it reaches the sales stage, the point at which the GNP is calculated. However, the people who get paid for that dead labor are not the Third World laborers, but the imperialist exploiters and the labor aristocracy. The income the

GNP counts is from the exploiters and the labor aristocracy and the Third World within the borders of the United States. The GNP figures do not say where that income largely comes from - the dead labor of the Third World.

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

Where do the profits go?

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

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

Instead, the bulk of the 64% fluff Henwood refers to is attributable to the fact that over half of Amerikan workers are white-collar, according to the 1980 census. Part of that fluff is collected in the form of taxes, which does not go directly into capitalist pockets. But most of the 64% goes into the labor aristocracy's pockets, especially retirement pensions and workers in the military - with a percentage of profits leftover for the corporations supplying the government.

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

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

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

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

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

Overall, those \$173 billion in profits are puny indeed. Any comrade who thinks about what it means that only 3.9% of GNP is profits will realize that it is simply not possible the white working class is exploited. In fact, those profits are so small because of overpayment in dead labor to the labor aristocracy.

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

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

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

Puny profits that actually end up in capitalist hands each year-under \$150 billion or 3% of the GNP - are easily explained by the exploitation of national minority workers within U.S. borders. These workers get about 70% of what white workers get, and that's only if they're documented. Let's be generous to the labor aristocracy and assume that the imperialists pay all the documented and undocumented minority workers an average of 70% of what white workers get (a very liberal estimate). Now look at the portion of GNP accounted for by national minority workers within U.S. borders - 20%. Giving 70% of that amount to minority workers leaves 6% of GNP as the difference in pay between white and national minority workers generated by discrimination, alone. Six percent of GNP is nearly all the profits before taxes! That leaves the labor aristocracy to get paid for all its dead labor while receiving all the superprofits from the Third World outside U.S. borders. (See the next article for more on

these calculations.)

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

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

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

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

Notes:

1. Seymour Melman, *Profits Without Production*, Philadelphia: University of Pennsylvania Press, 1987, p. 38.

2. Melman, *op. cit.*, 34.

3. *Revolutionary Communist League, Class Struggle*, vol. 15, no. 6-7, p. 11.

4. *Pulse of Capitalism*, Issue No. 91-3, p. 4.

5. *Statistical Abstract of the United States 1991*, p. 548.

6. William Domhoff, *Who Rules America Now? A View for the '80s*, New York: Simon & Schuster, 1983.

7. *MIM Theory* 9, 10.

8. For a review of the avenues of exploitation of the Third World, read Alain de Janvry, *The Agrarian Question and Reformism in Latin America*, especially pp. 50-60. Chapter I provides a state-of-the-art and more thorough answer to the questions raised here.

Calculations for the refutation of the Left Business Observer

Reprinted from MT1

by MC5 February 15, 1992

In this section we explain in detail something which is intuitive for anyone with a basic knowledge of reality. We start with Amerikan "leftist" assumptions and show that they have no possibility of fitting the facts. The Amerikan chauvinist "leftist" talks as if there was no surplus collected from the Third World by U.S. imperialism. They go on and on about conditions in the United States being so oppressive and they never talk about the superprofits from the Third World. So here we will assume that no surplus comes from the Third World.

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

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

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

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

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

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

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

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

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

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

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

The capitalist who has studied Marx whips out his calculator.

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

That means they get:

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

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

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

"Excellent! "

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

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

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

Hence we find the following assumptions cannot coexist:

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

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

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

A rough estimate of the value of labor by Serve the People

[See Review: Monkey Smashes Heaven 1 & 2 in appendix 1 for MIM(Prisons)'s analysis of the LLCO] originally published 30 June 2005
reprinted from Ilco.org

Let's try to calculate the value of average abstract socially necessary labor. This will give us an idea of how much people produce and who is exploited.

Now that virtually the entire world's economy is integrated into one giant imperialist formation, we can use Comrade Marx's labor theory of value to determine what labor is worth. Comrade Marx pointed out that labor is the substance of value. He said that the number of hours of average abstract socially necessary labor needed to produce a commodity represents its value. That means labor of average productivity under the given working conditions for the specified type of work. Therefore, if traded at value, one hour of labor put into harvesting parsnips is exchangeable against one hour of assembling washing machines (if the labor in both cases is of average productivity).

The nominal GDP of the entire world was \$31.9 trillion in 2002. (1) This figure represents everything produced in the world, including services (which tend to be overvalued), in a year's time. The population is about 6.4 billion people. Assume that 2/3 of them work full time on a typical US schedule of 2000 hours per year. Then the value of average labor is \$7500 per year, or about \$3.75 per hour. (Slightly higher, actually, since the world's population was a bit lower in 2002 than it is today.)

Elsewhere I have seen estimates from the UN that the world's nominal GDP in 2005 is about \$36 trillion. That would put the value of labor at \$8400 per year, or \$4.20 per hour.

What is the implication? In the US, the minimum wage is \$5.15 per hour, and even higher in some states and cities. If average labor is worth \$4.20, then even people making the minimum wage are overpaid on average by about 23%. The average wage in the US is about \$18 per hour, which is more than 4 times the value of labor.

This little exercise shows that no one legally working in the US is likely to be exploited. On the contrary, US workers receive superprofits extracted from the Third World by the imperialists and thus benefit from imperialist exploitation. The same goes for most Western European countries, where the minimum wage is generally even higher than in the US.

To disprove this claim, it would be necessary to show that US workers were more productive than average. The truth is that they are probably less productive than the international average, since the intensity of labor tends to be much higher in the Third World.

But there is exploitation in the US. Chinese garment workers illegally employed in sweatshops for \$1.50 an hour and Mexican agricultural workers illegally employed at similar wages are exploited. Possibly some prisoners are exploited as well, although the calculations are a little more difficult in that case. And there may be some isolated Stakhanovites who are so far above the average in productivity that they count as exploited.

Even so, the vast majority of Americans are clearly not exploited. They are, in fact, exploiters.

Notes: 1. http://hdr.undp.org/statistics/data/indic/indic_121_1_1.html.

Marx's Capital: What is exploitation?

Reprinted from MT1
by MC86

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

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

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

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

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

determined value.

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

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

A Maytag dishwasher

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

The surplus labor, therefore, equals \$100. The wages are \$100. The surplus labor divided by the necessary labor (s/v) is expressed as \$100 divided by \$100. From the vantage point of the capitalist, the rate of surplus value is therefore 100%.

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

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

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

In our model we are going to assume that the Thai workers were paid at or below subsistence for their locale and that the American workers were paid at or above subsistence for their locale. The figures we are using are perhaps exaggerations to demonstrate the point. Look at MCS's statistics for production workers in 1977: United States, \$7.60; south Korea, \$0.64. The American workers are paid more than 10 times the hourly wage of the south Koreans and 50 times the Sri Lankans'. In the model we are making, the Americans are paid nine times the amount of the Thais ($\$90/\10) (for the same time period of work).

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

Now put that into context. Factory workers in Southeast Asia work 60-80 hour weeks. American workers do 35-40 hours a week. Even though the rate of exploitation is only 900%, the Thais are working longer hours, creating more material contribution to the product (in an equivalent time period) than the Americans; consequently, the absolute amount of exploitation begins at a degree of 900% and spirals up from there into pure misery and overwork, to say the least.

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

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

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

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

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

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

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

Now let's put this into even more specific terms. Take the average American production/transportation/white-collar/blue-collar/service worker (for the purpose of this essay we shall consider service workers as links in the productive circuit who help to realize the sale and receive a wage

even while adding no surplus value to the particular commodity another form of subsidy).

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

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

Chapter XI of Capital notes: "The variable capital of a capitalist is the expression in money of the total value of all the labor powers that he employs simultaneously. Its value is, therefore, equal to the average value of one labor power, multiplied by the number of labor powers employed.... The mass of the surplus value produced is therefore equal to the surplus value which the working day of one laborer supplies multiplied by the number of laborers employed."(p. 287) An equation follows.

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

Who is really exploited?

First World vs. Third World labor

Reprinted from MT1

by MC5 January 18, 1992

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

Production workers in manufacturing
Percent of U.S. Wages

Country	% of U.S. wage 1975	% of U.S. wage 1989
Europe	82	100
Japan	48	88
Brazil	14	12
Mexico	31	16
south Korea	6	25
Taiwan	6	25
Hong Kong	12	19
Singapore	13	22
Sri Lanka	4	2
Portugal	25	19
Greece	27	38
Spain	41	64
U.K.	52	73

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

Statistical Abstract of the United States 1991, p. 851.

Europe and Japan closed the gap with the United States between 1975 and 1989. Europe's average manufacturing production worker wage is equal to that of the United States in 1989. Countries like south Korea may eventually join the ranks of the imperialists, but notice that in the sweepstakes of international capitalism Portugal has fallen km the role of major colonialist to Third World status, at least in, this regard. Not surprisingly, most of the counties listed in the U.S. government publication were imperialist countries or small but well-off capitalist countries it is not possible to gauge the world as a whole from these figures. Mexico and Brazil-die Third World countries with he largest populations on the list-actually saw a decrease in their wages relative to the United States. From this limited table we must conclude that the Third World fell further behind U.S. manufacturing wages between 1975 and 1989.

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

Per capita income figures

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

1988 per capita income

USA	\$19,840
Greece	5,225
south Korea	3,950
Portugal	3,906
Venezuela	3,198
Argentina	3,087
Yugoslavia	2,596

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

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

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

1988 per capita income

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

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

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

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

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

This per capita income table also shows that some countries are actually going backwards in this decadent imperialist era, despite all the "triumph of capitalism" bullshit. In the years 1980 to 1988, several countries saw a decline in per capita income--mostly Third World countries that could little afford it. The countries actually getting poorer and not just falling behind were Afghanistan, Algeria, Argentina, Brazil, Chile, Ethiopia, Iran, Iraq, Kenya, Madagascar, Mexico, Mozambique, Nigeria, North Korea, Pakistan, Peru, Philippines, Poland, South Africa, Sudan, Syria, Tanzania, Uganda, Yugoslavia and Zaire. Not a single Western European country saw decline, including Portugal and Greece.(1)

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

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

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

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

emerge as bourgeois democracies.

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

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

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

MIM(Prisons) adds: This article demonstrates clearly that it's impossible for anyone legally working in the U\$ to be exploited. This does not include migrant workers and prisoners.

Real versus Fake Marxism on Socialist Distribution

[See Review: Monkey Smashes Heaven 1 & 2 in appendix 1 for MIM(Prisons)'s analysis of the LLCO]

by Prairie Fire

Reprinted from llco.org

A global, socialist distribution of the world's wealth implies a distribution that approaches egalitarianism or a distribution where the only inequalities that exist are ones that benefit the proletariat and most oppressed segments of the global population. These distribution principles, taken together, can be described as roughly, reasonably egalitarian vis a vis the current world economy. (1) The question that every serious Marxist must ask is whether people in the United States, and First World peoples generally, benefit or lose out under a socialist distribution of the world's income. If the incomes of the First World working class, like the imperialist bourgeoisie, are so inflated that they need to be lowered under a socialist distribution, then there is no meaningful sense in which the First World working class is exploited. And, if, like the capitalists of the imperialist countries, the First World working class does not benefit under such a socialist distribution, then there is no reason to consider them part of the revolutionary subject, as part of the proletariat.

The majority of the world's population live on under \$ 2.50 (USD) a day. Over 80 percent of humanity, more than 5 billion, live on less than \$ 10 (USD) per day. (2) The vast majority in the Third World live very differently than the working class of the First World. For example, the average working person in the United States has a white-collar job. He has an income of \$ 32,000 (USD) or over \$ 87 (USD) a day. (3) There are more people in India alone who make less than \$ 0.80 (USD) a day than reside within the borders of the United States. (4) The working class of the First World often has more access to capital than the Third World capitalists, which explains how First World workers can obtain debt that is larger than the lifetime earnings of many Third World workers. This is because the ability to have large debt in the First World is a sign of wealth, of access to capital, not a sign of pauperization as it is in the Third World. Also, the average person in the United States lives in a house in a suburban setting, not in the destitute ghettos of megacities or in impoverished rural areas as Third World peoples often do. (5) The working class of the First World has much more in common with their own bourgeoisie, culturally and materially, than they do with the average Third World worker scraping by on survival wages. The latter, not the former, is who Marx described as the proletariat, as only having their labor to sell, as earning nothing but enough to eat and work the next day, of owning nothing, as having nothing to lose but her chains.

Virtually all First World peoples fall within the top 20 percent of global income. Most of the world's richest 20 percent are First World peoples. Almost every person in the United States, for example, falls within the top 15 percent. A person in the United States at the so-called "poverty line" is at the richest 13 percent globally. (6) The top 20 percent, which includes the entire First World, accounts for three-quarters of world income. This leaves only one-quarter to be distributed to the bottom 80 percent in, mostly, the Third World. (7) The only way that the current income levels for First World peoples are maintained is through the imperialist exploitation of the Third World. The world economy is one that directs value flows from the Third World to the First World such that the First World as a whole benefits. The only way to maintain or expand current income levels in the First World is by maintaining these flows. This is going to be the case whether a regime in the First World calls itself socialist or not. In fact, many regimes, especially in Europe, have called themselves socialist or social democratic. None of these regimes sacrificed the income levels of their populations in order to redress Third World exploitation by the imperialists.

Three-quarters of the private consumption in the world is accounted for by the world's richest 20 percent, mostly in the First World. Nearly all adult working in the United States fall within the richest 10 percent. (8) The richest 10 percent accounted for over half, 59 percent of the world's private consumption. (9)

The current share of First World peoples is already much larger than what would be entailed by a rough egalitarian distribution. With the gap between the wealthy countries and the poor countries as large as it is, it is simply not realistically possible to increase the share of the First World working class without lowering the share of Third World peoples. Even if, by some miracle, the global pie was doubled and First World income and private consumption remained constant, the top 20 percent would still account for a disproportionate, nearly 40 percent, of the income and a disproportionate, nearly 40 percent, of the private consumption. In other words, it is not possible to even-out the situation between the top 20 percent and the rest of humanity even if the social product dedicated to consumption was doubled with all of the extra product going to the bottom 80 percent. It would take, roughly, a tripling of the pie under the current system to even things out.

First Worldist revisionists, like other imperialists generally, contend that First World peoples deserve more than their current share of the world's resources. Even though overt white supremacy is now seen as uncouth, similar assumptions underlie all variants of First Worldism. First

Worldists assume in a religious way that people in the United States, and First World peoples generally, should have more and that Third World peoples should have less. Because if one upholds the former, then one is committed to latter. To significantly raise the distribution in one part of the causal nexus of the world economy requires that the distribution be lowered elsewhere. It is simply impossible to maintain or significantly raise the standard of living for 300 million people in the United States without enforcing poverty elsewhere, in the Third World. Similarly, it is impossible to significantly increase the standard of living of roughly five billion people in the Third World without lowering the incomes of the remaining First World peoples. Failure to acknowledge this fact is pure utopianism, not Marxism. One cannot just wave a magic wand and raise everyone in the Third World to the First World, exploiter-level income and consumption levels. In fact, to universalize such levels is probably not even desirable or ecologically sustainable. Real socialists fight for a reasonable standard of living for all as part of ending all oppression. Socialists do not advocate a fantasy world where everyone lives as the wealthiest do. And, socialists do not advocate that current exploiter-level income and consumption levels be maintained, let alone increased, for the First World. After all, there is only so much productive capacity on the planet and only so many resources. This revisionist denial is where First Worldism meets the Theory of Productive Forces. First Worldists either have to reject the idea that socialism entails rough egalitarian distribution between peoples or they have to abandon their claim to be socialist. In either case, the First Worldist vision for society is one that seeks both to maintain and increase current global inequalities. First Worldism, whether it calls itself socialist or not, advocates inequality between peoples. It advocates imperialism.

It was Lenin who criticized the German and French social democrats when they supported the war efforts of their imperialist homelands in World War 1. The revisionists placed their own peoples, their own working class, ahead of the global proletariat by doing so. Lenin, by contrast, advocated the policy of revolutionary defeatism. Lenin sought the defeat of the Czarist empire in the hope that a defeat for his imperialist homeland could lead to a revolutionary situation. Contrary to Lenin, the revisionists of the Second International were the social imperialists and social fascists of their day. They were socialist in name, but in reality, they were imperialists. Today, First Worldism is the main form of social imperialism and social fascism. First Worldists may use Marxist and socialist rhetoric, but, in reality, they seek the advance the interests of their populations at the expense of the vast majority of humanity. Like Lenin before, Leading Light Communism represents the interests of the proletariat and oppressed as a whole. Just as Lenin made the break from the kind of narrow, unimaginative, dogmatic thinking of his day, so does every real revolutionary scientist, so too does Leading Light Communism. It is no surprise that our movement is universally condemned by the imperialists and social imperialists.

In Long Live the Victory of People's War!, Lin Biao characterized the main social dynamic shaping our world as the global countryside confronting the global city. Thus the world revolution was conceived as a global people's war where the revolutionary forces of the global countryside surrounded, cut-off, and crushed the global city. In this way, Lin Biao extended and universalized Mao's theory of people's war. Today, the characteristics of the global countryside and city are changing. For example, there has been a major demographic shifts within the global countryside. The peoples of the poor countries are not as rural as they once were. More and more are trapped, leading cruel, unproductive lives in the megacities of the Third World. In addition, the global countryside is more and more the site of capitalist production, not merely the site of backward, feudalistic agrarian production. Along with this, there is less and less production going on in the global city. Instead, the economies of the First World can be described as small economies where people earn exploiter-level incomes employed in the areas of distribution, services, and management. The idea that the Third World lags behind the First World because they do not have technology within their borders is, more often than not, a First Worldist canard. The Third World is underdeveloped, it is configured to direct value flows to the First World. However, this is not the same thing as lacking the technology of production within its borders. Theorizing these changes within the context of the global people's war is one of the main breakthroughs of the Leading Light Communist movement.

Notes:

1. *Even the latter distribution principle, which draws its inspiration from John Rawl's Second Principle of Justice in A Theory of Justice, is still going to be vastly more egalitarian than the current world distribution or anything that First Worldists would propose.*
2. <http://www.globalissues.org/article/26/poverty-facts-and-stats>
3. *The Average Joe Amerikan, Monkey Smashes Heaven, July 2009* <http://monkeysmashesheaven.wordpress.com/2009/07/24/the-average-joe-amerikan/>
4. *Amerikkans rich, Indians poor, so-called "ICM" deaf and dumb, Monkey Smashes Heaven, August 2007* <http://monkeysmashesheaven.wordpress.com/2007/08/19/amerikkans-rich-indians-poor-so-called-icm-deaf-and-dumb/>
5. *The Average Joe Amerikan, Monkey Smashes Heaven, July 2009* <http://monkeysmashesheaven.wordpress.com/2009/07/24/the-average-joe-amerikan/>
6. <http://globalrichlist.com>
7. <http://www.globalissues.org/article/26/poverty-facts-and-stats>
8. <http://globalrichlist.com>
9. <http://www.globalissues.org/article/26/poverty-facts-and-stats>

The High cost of living in the Third World

[See Review: Monkey Smashes Heaven 1 & 2 in appendix 1 for MIM(Prisons)'s analysis of the LLCO]
by Serve the People
Reprinted from llco.org

Comrade Serve the People wrote these words in response to a First Worldist who claimed, without evidence, that the difference in wages between the US and Ghana was due to the difference in cost of living. As Comrade Serve the People shows, the cost of living in Ghana, and the

Third World more generally, is actually high and cannot possibly justify the low wages paid there. First World countries live at the expense of the Third World; they eat the flesh and suck the blood of the Third World masses.

When this article was written, the minimum wage in the US was \$5.15 per hour. As of 2011, it is \$7.25 per hour. Many US states set the minimum wage even higher, as high as \$8.67 per hour. The following slightly edited text was originally published by Serve the People on Dec 02, 2005:

Well, all right, let's look at the cost of living in Ghana. Here's a list of prices (a month or two old) in cedis:

<http://www.ghanaweb.com/GhanaHomePage/economy/market.prices.php>

Some of these prices are hard to use because they are in vague units such as "bag" or "large basket," and many prices are missing. Also, some of the commodities are Ghanaian things that I've never even heard of. Still, we have some useful data. I've converted them to U.S. dollars using the current rate of 1000 cedis = \$0.11.

First of all, the minimum wage is 13,500 cedis per day. That's US\$1.48. In hourly terms, that's \$0.19 an hour for an 8-hour day. Compare it to a minimum of \$5.15 an hour (more in some cities and states) in the U.S..

A live chicken (broiler) costs 60,000 cedis (\$6.58). It would cost less in the U.S., where a processed chicken would be less than \$5 (and even a roasted chicken wouldn't be \$6.58). The minimum-wage worker in the U.S. could buy that chicken in less than an hour. In Ghana, one would have to work for 4.5 days to buy it.

A bottle of beer ("Club"), 1 liter, is about 8000 cedis (\$0.88). A comparable product might be 3 times as much in the U.S.. But we're comparing half an hour to five.

You mentioned bread. The most recent price given at that site is 6,000-10,000 cedis in 2003, when the exchange rate was about 8500 cedis to the U.S. dollar. Suppose that a loaf of bread costs about the same, \$1 (9100 cedis at current rates), today. In the U.S., it is about twice as much for bread of good quality. The U.S. worker earns 2.6 loaves in an hour. In Ghana, about 2/3 of a loaf in a day.

This article claims that a decent lunch at a "chop bar" would cost 30,000 cedis (\$3.30), which is more than twice the minimum wage for a whole day. It says that no one can afford to rent a room (not an apartment, a room) and eat on that low wage. The author calls for raising the minimum wage to 25,000 cedis per day, which still would not be enough for lunch at a chop bar. The U.S. worker could have an extremely nice dinner in an elegant restaurant for his day's wages of \$41.20.

This article refers to the price of gasoline and the minimum wages in Ghana and the U.S.:

<http://www.ghanaweb.com/GhanaHomePage/features/artikel.php?ID=79434>

A gallon of gas costs 30,000 cedis (\$3.36). In the U.S. it was \$2.25 (20,250 cedi), but I'm going to make that \$2.70 (24,300 cedis) because Ghana uses imperial gallons, which are about 20% larger than U.S. gallons. A U.S. worker can buy that gallon of gas in half an hour. A Ghanaian worker would have to work for more than 2 days to buy it.

Here's a Christian publication from the West that discusses the living conditions in Ghana and the cost of living:

<http://gnmagazine.org/issues/gn36/livemonth.htm>

It speaks of rent as being \$7/month. Sounds cheap? It's for one room in a run-down old building. The kitchen and the bathroom are communal. Often even the room itself is shared. Such housing can hardly be found in the U.S. (and I bet the condition of the building in Ghana would be enough to get it condemned in the U.S.), but let's compare housing as a percentage of wages. That's what a Ghanaian earning the average got for 30% of his or her salary. A U.S. worker spending 30% of the minimum wage on rent would have \$265, which is enough to rent a decent apartment with roommates in many places. Also, just paying tuition (even at a public school) for one child cost about \$6, or some 25% of an average Ghanaian's earnings. Tuition at the public schools is free in the U.S..

I could go on. I've already spent too much time on this. But don't you see that the cost of living in Ghana is not less than that in the U.S.? Maybe a few items are cheaper in Ghana. But the time needed to earn them is much greater. And we haven't even talked about the cost of major items that people in the U.S. easily buy. The site mentioned 10,000,000 cedis (\$1100) for a Samsung air conditioner. I don't know what sort of air conditioner they mean, but presumably it's a small window unit, the kind that might cost \$200 in the U.S.. The Ghanaian price is higher than the U.S. price. In any case, you can bet that the Korean manufacturer isn't selling those air conditioners to Ghana for less than the going rate.

Banking on the backs of the oppressed

Reprinted from MT1

by MC5

January 20, 1992

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

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

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

Bankers themselves never let that happen. They never loan money for less than the rate of inflation because they don't want to go out of business. The owners of banks don't want to see their assets shrinking from inflation. If inflation is 4%, the banks loan out money at 11%, 13% or even 20%.

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

Banks profit from Third World loans

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

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

Some banks made some loans to the Third World that were not repaid. But it is a white lie to say that Third World loans are the main problem, as implied in all the major newspapers: “He [Citicorp's chairperson] pushed Citicorp into some highly profitable consumer business before they were fashionable, but left a legacy of loans less developed countries that caused heavy losses.”(1)

Actually, on the whole, First World banks made \$325 billion more from Third World countries in the 1980s than they put in.(2)

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

Developing countries paid out \$50 billion more to service loans than they received in new credits in 1988. In 1984, the gap was \$10.2 billion. The total for 1985-1988 is nearly \$120 billion Two-thirds of these payments are from Latin America.(3)

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

Notes:

1. *New York Times* 1/20/92, p. C3.

2. *Revolutionary Communist League, Class Struggle*, vol. 15, no. 6-7, p. 11.

3. *New York Times* 9/18/89, p. 23.

Underreported imperialist investments

Reprinted from MT1

by MC5

January 19, 1992

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

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

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

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

Another way U.S. assets abroad are undercounted is that, creative accounting and international tax evasion aside, the imperialists pay dirt cheap wages for the assets they construct in the Third World. A mine, factory, tool or office building that the imperialists build in the Third World is done for maybe one-tenth the price it is done in the United States, so as far as Marxists are concerned, the report of imperialist assets in the Third World could be completely honest by imperialist standards and still not reflect the realities of where the dead labor is.

Notes: *Statistical Abstract of the United States 1991*, p. 797.

MIM's jargon is the terminology of the oppressed nations

Reprinted from MT1

by MC5

February 15, 1992

The leader of the Russian revolution, V. I. Lenin, used the terms “Russian chauvinism,” “great nation chauvinism,” “imperialist economist chauvinism,” etc., to refer to various one-sided, biased, provincial and prejudiced thinking not in line with internationalism. Lenin did not make much use of the word “racism.” MIM does not use the word “racism” much either, although racism exists. Instead, MIM observes scientifically

that race does not exist and that what really happens in the United States is national oppression, not racial oppression. "Racism" does exist as an element of the superstructure of society, which is to say the ideas and culture, but "racism" is a product of national oppression, including, the exploitation and enslavement of various nations by others. Racism can only be disguised, never eliminated by propagating politically correct attitudes, because racism is just a justification for exploitation and enslavement. To rid the world of this exploitation and enslavement requires armed struggle against the imperialists.

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

The term "great nation chauvinism" referred to the bias of powerful countries against small countries. It could not be wished away, because imperialism has to be destroyed and the economic relations among the nations revolutionized before such attitudes can be changed systematically.

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

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

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

Then if you read the Ku Klux Klan slogans you realize that they see whites as a nation, and if you think about it, it is true. Sometimes MIM says "Euro-Amerikan chauvinism," but even that term has a little problem too. The problem is mostly in the hyphen, because then people say there are "Afro-Amerikans," etc. MIM says it is useless to talk about "Irish-Americans," "Italian-Americans," "Korean-Americans" in this context. The benefit of the term "white chauvinism" is that it doesn't have that hyphen and therefore avoids any implication that the white groups are not fully integrated (like Cuomo would have us believe) or that there are fully incorporated minorities in the United States. Some white groups occasionally organize politically as if they were not part of the superexploitation of the Third World, in order to fool oppressed peoples into uniting with them for their white nation goals.

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

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

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

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

Most of the "anti-racist" people think if we could change attitudes and individual behaviors -- especially by having everyone attend the proper finishing schools (called colleges) with the proper politically-correct codes -- we could solve the problem, whereas MIM says that stuff gets used to focus the disempowered on window dressing so they will avoid the power issue.

Pittston strike shows depth of white working class alliance

Reprinted from MT1

by MCO

MIM Notes 38, November 9, 1989

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

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

As white chauvinists, lacking confidence in the growing strength of the Third World working classes to destroy U.S. imperialism and capitalism

everywhere, the “left” has spent decades desperately cheerleading for movement after movement with no potential for revolutionary consciousness. Until it comes to grips with the reality of superprofits and national oppression, the “left” will never understand why it is so ineffective.

In what is considered a revival of the Amerikan labor movement by working class activists, the United Mine Workers of America (UMWA) went on strike against Pittston Coal Company in January 1989. Here the corporate and left media diverged. The mainstream basically ignored the strike while the Trotskyist and cheerleading “progressive” movements screamed class war and held out for the first national strike in U.S. history.

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

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

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

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

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

Second, in spite of the lower standard of living (an exception to the general rule for the white population) the relationship between these communities and the assets of imperialism remains. Sakai details the history of radical organizing which has taken place in Appalachia.

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

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

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

The miners, rather than looking to revolution and alliance with the Third World to beat the oppressor, seek to re-cement their bond with imperialism in the form of the company. They are not on strike to nationalize the mine, provide national health care, or condemn rent as theft. Instead, they want their company benefits back and their wages increased to provide the living standard of the rest of Amerika.

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

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

Sakai extrapolates with the case of Martin County, Kentucky:

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

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

But even in an area this poor, with rampant environmental destruction and much of the population living below poverty, there was no rebellion. The simple fact is that the money for those working the mines was good. The average miner’s wage was around \$30,000 while the poverty line was under \$8,000. It is a class of workers who would rather align with the managers, corporations, and government to ensure their benefits than break the state. It is a worthy goal of the Pittston strike to demand the support of the retired, disabled and dependent people, but this does not excuse the parasitism of white settler culture-a culture which is willing to destroy the environment and uphold the foundations of capitalism so that a few can get rich.

This is not surprising if we remember that John Mitchell, one of the founders of the UMWA, cooperated with the National Civic Federation program to head off radicalism in labor by forming a “responsible” group of leaders who could formulate ‘compromises with industry. A Euro-Amerikan nativist might argue that the radicals attempting to organize the UMWA or mine workers in general shared too little in common with the miner to be accepted and trusted. However, there is no indigenous movement for radical social change and the settlers in these areas willingly

collaborate with the state and industry to form their alliance. In short, the working class in the UMWA is no more radical than that Boeing or Eastern, and none of these movements have the interest of Third World people in stopping the imperialism of white Amerika.

Notes:

1. *Zeta* 10/89, p. 14.

2. J. Sakai, *Settlers: The Mythology of the white Proletariat*, 1983, p. 153. Available from MIM for \$10, postage paid.

3. W. Cornelius, "America in the Era of Limits: Migrants, Nativists and the Future of U.S.-Mexican Relations," 1982.

Newsflash: Amerikans are the Top 13 Percent

by Wiawimawo of MIM(Prisons) October 2011

Recent demonstrations in U.\$ cities have claimed to represent "the 99%" opposed to the greed of the richest 1%. MIM(Prisons) supports a more equitable distribution of the world's resources. What most Amerikans don't realize is that a true redistribution of wealth would mean less for them as they are all part of the richest 13%.

In 1970 an action similar in form to Occupy Wall Street! (OWS!) occurred in response to the assassination of students at Kent State University. In response, a local union rampaged through the street beating the students and attacking state offices. Reflecting on this event, a radio host implied OWS! was evidence of progress, measured by the union support it has received.

The material conditions of the U.\$ invasion of Vietnam forced Amerikan youth at that time to take a more progressive position than today, leading them to come at odds with white nationalist unions. The OWS! actions are even more within the realm of white nationalism than the so-called "Battle in Seattle" in 1999 where anarchists and environmentalists linked arms with unions to oppose the World Trade Organization. Only the likes of MIM and J. Sakai recognized the reactionary white nationalism that anti-WTO sentiments were being focused into within the Amerikan context. Yet, at least the anarchists had a healthy dose of internationalism motivating them back then.

With OWS! the principal cry is "defend the Amerikan middle class." While anarchists are attracted to the form (spokes councils and consensus open to "the people") the content is hopelessly white nationalist. It is the exact type of rhetoric that the social democrats of post-depression Europe spit that led to the rise of fascism in many countries.(1) When the privileged nations of the world feel their privilege is threatened they become uncharacteristically politicized in their demands for more. They attack the ultra-rich in order to create the illusion that they are poor in comparison. But facts are stubborn things, and the interests of Amerikans lead them to cry for the ultra-rich to defend Amerikan jobs and back the massive lines of credit they have taken out. Both demands are incompatible with the struggle for migrant rights, which has been in vogue among the white nationalist left in recent years.

MIM always said if real economic hard times hit the imperialist countries, we would see a rise of fascism more than an interest in Maoism. We say this not to instill fear and arouse emotions but to promote a realistic assessment of conditions. Amerikan youth are the ones who put their bodies on the line in Seattle and now in New York and elsewhere. Because of the decades of life they have ahead of them, young people have more interest than their parents in transforming this world to a more equitable one. But to do so they must see things for what they are and get behind the real forces for progressive change.

Notes: see H.W. Edwards. *Labor Aristocracy, Mass Base of Social Democracy*. Stockholm: Aurora, 1978.

Building United Front, Surrounded by Enemies: Case Study of the U.\$ Housing Market Decline

by Wiawimawo of MIM(Prisons) August 2010

United Front is the theory of uniting different groups across class lines for a common goal or interest, while maintaining independence where those groups disagree. The application of united front theory is about recognizing different contradictions in society and utilizing them in the interests of the international proletariat. The primary united front is the Anti-Imperialist United Front, which is made up of the majority of the world's people whose material interests lie in defeating imperialism. This is a strategic united front based on the principal contradiction.

In this article we will address a couple of contemporary issues in the United States and analyze their potential for united front work. We'll see that many of the big conflicts in a First World country are between the enemy classes, but that does not always mean we sit on the sidelines. Some forms of united front are tactical and require fast action based on thorough knowledge. To successfully navigate the potential for united front in the First World that serves the interests of the Third World proletariat we must first have a correct analysis of our conditions. The first section of this article provides a quick background to get us started.

Land, Housing and the Settler Nation

One of the arguments made against the labor aristocracy thesis is that corporations have no interest in sacrificing profit to pay First World workers more, and there is no corporate conspiracy to enforce such a policy. This is based in the theory of free market capitalism, or only reading the beginning chapters of Marx's *Capital* and treating that as an accurate model of reality in all places for all time. As a class, capitalists do

depend on the labor aristocracy, not just politically, but economically as consumers and cogs in their growing pyramid scheme of finance capital. And there is at least one place where the U.\$. imperialists can exert their will as a class (more and more these days) - it's called the U.\$. government. The promotion of home ownership by the feds is one of the biggest examples of the imperialists consciously building a labor aristocracy within the heart of the empire.

Home ownership has been a staple of Amerikan wealth since the settlers stole this land from the First Nations and built their homesteads on it. The net worth of Amerikan families compared to First Nations and those descended from slaves in the U.\$. is one legacy of this form of primitive accumulation. While land ownership among the earliest European invaders was 100% (that's why they came to the Americas), by the 1775 War of Independence, land ownership was still at 70% for the Euro-Amerikan nation.(1) Arghiri Emmanuel pointed out that Amerikan wages were able to stay so high in this early period of capitalist development, even as land ownership ceased to be universal, because the abundant "free" land stolen from the First Nations provided a fallback plan for European settlers.(2) This primitive accumulation through genocide was the basis for wealth that the Amerikan labor aristocracy enjoyed as industrialization transformed more of the settlers into wage laborers.

Following the inter-imperialist struggles of WWI, the United States became the dominant imperialist power. The influx of wealth that came with this allowed for the integration of southern and eastern European immigrants into the white nation leading up to the Great Depression.(1) From 1900 to 1950, home ownership rates in the United States averaged about 45%, with the lowest rates in the Black Belt South and the highest in European dominated northwest states.(3) After the economic recovery that came with the spoils of WWII, the United States embarked on the suburbanization of Amerika with numerous incentives from the federal government to bring home ownership above 60% again.

Since 1960, home ownership has stayed above 60% for U.\$. citizens as a whole.(4) This rate was above 70% for white Amerikans in recent years, but the census does not have comparable statistics by race going back very far. Blacks and Latinos are just under 50% for rates of home ownership, even though national oppression has ensured that they currently face foreclosure disproportionately.

Emmanuel's theories in Unequal Exchange demonstrate how the significantly higher incomes of people in the First World actually transfer wealth to the imperialist countries from the Third World, reinforcing their economic advantage. Similarly, the oppressor nation has equity and is able to increase wealth in ways that the internal semi-colonies have not been able to do despite access to exploiter level jobs. All of this fits with the general trend of capitalism, which is the accumulation of capital. The more you have, the more you tend to get.

Collapse of the U.\$. Housing Market

The left wing of white nationalism (whether self-described anarchists, socialists, Maoists or Democrats) has been saying that the increase in home foreclosures is an indication of the heightening contradictions between the Amerikan proletariat and the capitalists. These people defend the stolen land that was the foundation of wealth for settler Amerika, and the modern home ownership pyramid scheme that is the foundation of the Amerikan dream today.

Not only have millions of people lost their homes to foreclosure in recent years, but fear-mongers point out that the "2008 sub-prime mortgage market resulted in the disappearance of \$13 trillion in American household wealth between mid-2007 and March 2009... on average, U.S. households lost one quarter of their wealth in that period."(5) Such alarmists ignore that Amerikans gained \$10 trillion from 2006 to 2007 to reach an all-time high, and that net worth of the country's citizens has generally gone up at increasing rates since WWII.(6) The bigger ups and downs in all financial markets are certainly signs of crisis, but to act like Amerikans are being sunk to Third World conditions in 2010 is ludicrous. If only these activists would cry so loud for those who really have had to live in Third World conditions for their whole lives and for generations!

Most, if not all, of the loss in Amerikans' net worth is accounted for by stock portfolios and values of homes (which are bought and sold like stocks these days); in other words losses in finance capital. Traditionally, the petty bourgeoisie in Marxism was not exploited, nor did it significantly exploit others. To claim that those who reap profits from investments of finance capital are anything less than petty bourgeoisie is a rejection of Marxist definitions. With home ownership around 68% in recent years, that is a solid two thirds of people in the United States who fall squarely into the category of petty bourgeoisie or higher, including 50% of Blacks and Latinos (minimum). This group is 210 million people, or only 3% of the world's population in 2010, yet they hold more net wealth than the total market capitalization of all publicly traded companies in the world.(7)

Our critics point to the great wealth inequalities within the United States as reason to organize Amerikans for revolution. So let's just look at the bottom 80% of Amerikans, who owned 15% (a mere scrap from the table if you will) of the net wealth in the United States in 2007 (and this was a 15-year low for them).(8) While their share has decreased a few percentage points since 1983, total net worth in the United States has increased by almost 5 times. Therefore the lowest 80% of Amerikans went from about \$2.2 trillion in net worth in 1983 to almost \$10 trillion in 2007. (Two trillion dollars could eliminate world hunger for the next 66 years, until 2076.(9)) "Middle class" Amerika has assets that are greater than the GDP of China,(10) the world's industrial powerhouse representing about 20% of the world's population. That's comparing just the Amerikan "middle class" and "poor" to the whole nation of China, including its well-developed capitalist class.

Since the proletariat, by definition, has negligible net worth in the form of assets, let's look at their income.(11) Income generally increases proportionately with net worth across the globe.(12) Almost half of the world's population lives on less than \$1000 per year. That is 3.14 billion people living on less than \$3 trillion in a year.(13) Now before we condemn Amerikans' huge assets, let's make sure that they just aren't better at saving and investing their money than the proletariat. In 2005, the wealthiest 20% of the world accounted for 76.6% of total private consumption. The poorest fifty percent accounted for only 7.2% of consumption.(13) A conservative estimate leaves us with Amerikans, on average, consuming at least 27 times the average persyn in the poorest half of the world.(14) So money management skills cannot explain Amerika's huge net worth.

A just, sustainable humyn society requires the Amerikan labor aristocracy to be brought down to consumer levels much closer to the Third World. But this little exercise demonstrates that this is far from happening, despite the alarmists' cries.

Ultimately, the contradiction we're describing is between the labor aristocracy and the imperialists. The imperialists, in particular finance capi-

tal, are a dynamic, opportunist class. In contrast, the labor aristocracy benefits from stability of the status quo. The finance capitalists were able to make quick profits by selling the labor aristocracy short, so Americans are pissed. While perhaps pushing the labor aristocracy towards fascism, the finance capitalists are also undercutting the consumerism of Americans that their system depends on so much. What we are witnessing is an internal contradiction in the imperialist system playing out. Both groups control trillions of dollars in super-profits from the Third World, and the Anti-Imperialist United Front has no interest in one of them getting more than the other. We need to keep sitting this one out.

Migration to the United States

As discussed above, high wages and ballooning housing values reinforce themselves in our current economic system, making the rich richer. However, neither could be maintained without erecting a border outside of which these two things cannot flow. Therefore, keeping wages and housing values high is directly linked to the battle over increasing repression of migrant laborers within U.S. borders. The contradiction in this struggle is between oppressed nations who are trying to gain access to jobs in the United States and the oppressor nation that is trying to keep them out. This challenge to imperialist country privilege indicates that the battle for migrant rights is part of the anti-imperialist struggle.

While Third World people and some American youth faced American labor aristocrats on the streets, it was the U.S. District Court that put in place an injunction on most of the provisions of Arizona's Senate Bill 1070 (SB1070), in light of a lawsuit filed by the U.S. Department of Justice (DOJ) against the state of Arizona. The DOJ held that immigration was under federal jurisdiction, and that they had a plan for the whole country to balance its various interests related to immigration that Arizona would not be allowed to mess up.

The interest of the bourgeois internationalists is in having free access to markets and labor, not to mention international relations. This camp includes the federal government and their finance capitalist backers as well as smaller businesses that only operate in the United States, but depend on migrant labor. Their conflict is with other bourgeois interests and the bourgeoisified majority of Americans whose position of privilege stems from the elitism of who is allowed to enter their fortress of jewels.

There is effectively a united front between the internationalism of the mass resistance to SB1070 on both sides of the Mexican border and the U.S. government acting on behalf of bourgeois internationalism. And for now, it is the imperialists who are really throwing a wrench in the works for Americans, even though the contradiction at its base is between oppressed nations and the oppressor nation.

A majority of Americans in a number of polls supported SB1070 or a similar law. The highest percentage listed in one article, 79%, did not agree that "illegal aliens are entitled to the same rights and basic freedoms as U.S. citizens."⁽¹⁵⁾ This is the definition of American chauvinism. At best, one fifth of U.S. citizens don't think they deserve more than other humyn beings by virtue of being born in the United States. This is why we even keep an eye on the imperialists for glimmers of internationalism in the First World.

With Latinos, we can see how quickly this consciousness develops by tracking the percentage of coconuts in the population over time. A Latino Decisions poll found that 12% of second-generation Latino voters in Arizona supported SB1070. By the fourth generation it had increased to 30% supporting the coconut position.⁽¹⁶⁾ Americanism is an insidious disease that has claimed significant portions of the internal semi-colonies of the United States.

Unite All Who Can Be United

While many dogmatists still criticize Mao for allying the Chinese Communists with the national bourgeoisie, we can take united front theory even further and come up with examples of progressive forces allying with the government of the imperialist superpower of the world against an oppressor nation. This goes to show that we cannot let ultra-left ideas of purity prevent us from allying with those who might help our cause.

The rightist errors in applying united front theory happen when we have incorrect lines elsewhere. Not recognizing a united front as working with an enemy class, or becoming convinced that other contradictions have been resolved, and not just pushed to a secondary position, are the main forms of rightism to guard against. Mao had to fight much rightism from other communists who thought the communists and national bourgeois forces should merge into one, where inevitably the reactionary bourgeoisie would lead because of their relative power. Rightism in the United States looks like people getting caught up with legislative battles over migrant rights. Without national liberation, there is no freedom for oppressed nations under imperialism. The imperialists will always oppose that, just as the Nationalists fought the Communists in civil war once the Japanese were forced out.

We do not seek unity for the sake of unity. We seek unity that utilizes all the forces possible to tackle the principal contradiction, or battles that push the principal contradiction forward. When we find strategic unity with others, the united front also provides a basis for unity-criticism-unity, which advances the struggle and deepens the unity of revolutionaries and all oppressed people for a better future.

Notes:

1. J. Sakai, *Settlers: The Mythology of the White Proletariat*, Chicago: Morningstar Press, 1983, p. 10.
2. Arghiri Emmanuel, *Unequal Exchange: A Study of the Imperialism of Trade*, Paris: Monthly Review Press, 1972, p. 337. His theory of Unequal Exchange is greatly simplified in this article.
3. U.S. Census Bureau, *Housing and Household Economic Statistics Division*
4. http://en.wikipedia.org/wiki/Homeownership_in_the_United_States
5. Arianna Huffington, *Third World America*, Crown Publishing, 2010.
6. <http://en.wikipedia.org/wiki/File:Graphic.png>
7. This is the theoretical price to buy all publicly held companies. It was as low as \$40 trillion in September 2008. http://en.wikipedia.org/wiki/Market_capitalization Meanwhile, American homeowners went from \$65.5 trillion in 2007 to \$54.2 trillion in 2009. <http://srph.it/csOWKd>
8. [href="http://sociology.ucsc.edu/whorulesamerica/power/wealth.html"](http://sociology.ucsc.edu/whorulesamerica/power/wealth.html)>G. William Domhoff, *Wealth, Income, and Power*, UC Santa Cruz,

August 2010.

9. Munir Daya, *Commendable Philanthropy. The Citizen*, 7 August 2010.

10. http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28PPP%29

11. According to Wikipedia citations even the bottom quartile of U.S. citizens have no net wealth. http://en.wikipedia.org/wiki/Wealth_in_the_United_States#cite_note-GWUS-2

12. Davies, James B. *The World Distribution of Household Wealth*. 5 December 2006.

13. Anup Shah, *Poverty Facts and Stats*, March 28, 2010.

14. While most Americans fall into the top 10%, all of them are in the top 20%, so to be conservative we will take 76.6 over 20 and compare to 7.2 over 50. We get a ratio of 3.83 : 0.144 or the average American consumes at least 26.59 times the amount of the average person in the bottom 50%.

15. Daniel B. Wood, *Opinion polls show broad support for tough Arizona immigration law. The Christian Science Monitor*, 30 April 2010.

16. Peter O'dowd, *Some Latinos Support Arizona's New Immigration Law. NPR*, 25 May 2010.

Appendix 1

Review: Monkey Smashes Heaven 1 & 2

by MIM(Prisons) March 2012

Monkey Smashes Heaven 1 & 2

Leading Light Communist Organization

MIM(Prisons) has six cardinal principles, all of which we believe the Leading Light Communist Organization (LLCO) upholds to the degree that we consider them fraternal. As such, we distribute some of their better work, which is likely why you are reading this review. Ilco is one of very few who work within the legacy of the MIM to a significant degree.

This is our first review of the Leading Light Communist Organization by that name, but the theoretical journal *Monkey Smashes Heaven* predates the LLCO. We reviewed them in 2009 in *Maoism Around Us* and addressed them later that year in *What is sectarianism?*

The latter article criticized MSH's nihilist approach to the struggles that comrades from the Maoist Internationalist Party - Amerika went through in their last days. Unfortunately, their sectarianism has only increased since forming LLCO. In their 10 criteria set forth in the beginning of MSH 1 for who they consider to be a communist, the number one point is you must uphold their ideology called "Maoism-Third Worldism", now "Leading Light Communism." This amounts to saying, "we see you as fraternal if you think exactly like us." Cardinal principles should be a handful of the most important issues of the day that define the communist movement. The expectation that the only correct political organizations are those that share identical ideologies leads quickly to the Trotskyist requirement that revolution must be led by a single global organization imposing its will on all countries.

As we addressed already in "Maoism Around Us", we do not recognize an advancement of revolutionary science beyond Maoism as MSH claims Leading Light Communism is. After reviewing MSH 1 and MSH 2, MIM(Prisons) still fails to see the unique contributions that MSH/Ilco claim to have made to constitute a new stage of revolutionary science. They state this repeatedly in their journals, without explaining what exactly distinguishes Leading Light Communism from Maoism.

The one partial explanation they do provide on p. 51 of MSH 1 is that they were the first to scientifically explain that there "is no significant revolutionary class or socioeconomic group in the First World." MIM was the first to put together a lot of the theories on the labor aristocracy into a coherent class analysis of the First World. Yet even they acknowledged that the main points were not new to Lenin, and even Engels had talked about the buying off of whole nations. Ilco has written some interesting new articles on the subject, but has not advanced the theoretical concepts in any way. Where Ilco disagrees with MIM is on the question of internal semi-colonies being potentially revolutionary in the First World. The buying off of internal semi-colonies was most thoroughly addressed in MIM's "On the Internal Class Structure of the Internal Semi-Colonies" and recognized as early as 1992 in MIM Theory 1. We have yet to see Ilco address this issue in any detail. We have yet to see them explain the revolutionary nationalism of just a couple generations ago and why it could not happen again, or even surpass previous experiences. They simply dismiss the possibility with no analysis or explanation.

While opportunistically presenting as the heir apparent to MIM on Wikipedia, they almost never cite MIM or use MIM language except to criticize MIM. In reading the first two print editions of their journal Ilco takes similar approaches to the theoretical contributions of Marx, Lenin and Mao. This takes their sectarianism to another level of knocking down all of their predecessors as inadequate in the face of their supposedly advanced analysis.

Finally, their sectarian thinking leads to a cultish approach to organizing, rather than teaching people how to think and solve problems. While always being sure to hype Ilco as the most advanced, they rarely explain why. It is the job of the vanguard to raise the scientific understanding of others through struggle, not to simply encourage them to follow the leading light.

We won't list all the things we agree with in the first two issues of MSH here. The articles from MSH that we choose to distribute in our own study packs can speak for themselves in how correct they are. We generally agree with the content of those articles except for the points above, and we distribute them because they add new insight into the topics of study.