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## Structural crisis exposes neoliberalism as disaster

By Sam Webb

**I**t would be wrong to simply characterize this global economic crisis as only cyclical in nature. In a typical cyclical crisis, workers are idled, wages are lowered, excess capacity is destroyed, inefficient competitors are eliminated, inventories are reduced, and debt is drawn down. And in so doing the conditions are created for a vigorous recovery, that is, a fresh round of accumulation of capital (investment and growth) on a broader scale.

In the post-World-War II period this is precisely what happened in the core capitalist countries. Full recovery followed retrenchment.

But so far this crisis is different. True, it follows old patterns, but only up to a point. No revival and recovery has followed.

Growth rates are no longer negative, but they are not robust either. And there is little reason to think it will be much different going forward.

All of which suggests that this crisis is structural and systemic as well as cyclical.

Over the course of the last century, the country has experienced four structural crises.

The first was in the 1890s and out of it came the rise of finance and finance capital (the first financial hegemony), leading to the Depression.

The second was the Great Depression of 1929-1940 and out of it came the Keynesian (class) compromise of reforms and concessions to the working class, and an era of vigorous growth.



The third began in the 1970s and lasted for nearly a decade and out of it came neoliberalism (the second financial hegemony).

And the final and most recent began in 2007/2008 and its outcome is still to be decided.

None of these crises were self-correcting. They were longer lasting and deeper. And their resolution was bound up with the outcome of a bitter class struggle in which the victor - the working class and its allies or the capitalist class and its allies - was able to restructure the economy, politics, and conventional wisdom in its interests.

Neoliberalism, as mentioned, emerged in the wake of the structural crisis of capitalism of the

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1970s. It was the result of the economic contradictions of capitalism and the class struggle.

It rested on the emergence of global-scale

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flexible production networks, union-busting, deregulation, low-wage labor, inflation-suppression, the hollowing out of the welfare state, tax redistribution, and, above all, the rise of finance.

The state didn't withdraw from the economy as much as it restructured its role and functions to suit the objectives of the top fractions of the capitalist class and particularly finance capital.

Giving a necessary and heavy assist to this process was the Reagan administration. Much like Margaret Thatcher in the United Kingdom, Reagan employed state power to crush the opposition to neoliberal policies, reframe popular thinking, and grease the skids and shape the contours of neoliberal financialization and globalization. In doing so he set into motion three decades of neoliberalism in a right-wing political skin.

Capitalism morphed into its neoliberal form in a contested process in which the working class and its allies found themselves on the defensive, fending off blows and unable to mount a sustained and sufficiently strong counteroffensive.

The neoliberal expansion beginning in the early 1990s, resting on debt, temporarily hid the conflicting interests and contradictions of this structure of capital accumulation.

But all this changed in the fall of 2008. Looking ahead, the exact contours and content of the recovery will depend on which class and its allies are able to leave their imprint on the political and economic process.

This is a struggle over whether the working class and its allies are able to set into motion a process of reforms within capitalism.

So far financial capital and right-wing extremism has the initiative. But the battle and final outcome is far from settled.

Millions are coming to the conclusion that there is a divergence between neoliberalism and the needs of the working class.

And if neoliberalism is being challenged at the national level, it is under siege at the global level. It was undone by its own contradictions. It promised rising incomes but brought hardship.

The rebellion against neoliberal globalization and financialization in some regions of the world, namely Latin American and Asia, has progressed from protest to the development of alternative growth models. They offer new pathways and promise.



**Sam Webb is chair of the Communist Party USA.**

## **Stop brutality against peaceful protesters!**

By PW Editorial Board

**M**illions of Americans have watched blast after blast of pepper spray directed at seated, passively resisting protesters at the University of California, Davis. The chemical was fired into their faces and on their bodies at point-blank range.

This is not an isolated incident.

It is time for the federal government to move in and stop attacks on the fundamental rights of all Americans to engage in peaceful protest.

This has historical precedent. When workers occupied an auto plant in Flint, Mich., in the 1930s, U.S. troops were sent in to protect the occupiers from the police who were attacking them.

During the upsurge of the civil rights movement in the 1960s, our government again sent troops in to protect the public against police.

As more and more members of the 99 percent majority exercise their rights to public assembly and free speech, we should expect nothing less.

We are clearly in an era now where protests are becoming a daily, business-as-usual event. This demands a reassessment of how police forces, nationally, need to change the way they behave

when "protecting" the "public." Even the definition of the "public" itself has changed as, more and more, the public and the protesters become one and the same.

One of the big issues for Occupy Davis students is the ceaseless round of tuition hikes resulting from the state's cuts to education. Previous generations of working-class youth attended that institution for free. Today, the tuition stands at almost \$14,000 a year and it is climbing.

Students across America, asking nothing more than what was granted to generations before them, should not have to face the threat of police attacks on their peaceful protests.

There are demands to fire the police chief, the officers involved and the University's Chancellor at Davis. While we support all of those demands, they are only first steps.

It's time for our elected leaders to speak out and take action against police brutality. The Justice Department needs to step in with strict guidelines that protect all the people. And it should investigate the police departments involved for violating protester's civil rights.

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# Thousands rally against Alabama's immigration law

By Pepe Lozano

In a united effort to repeal Alabama's anti-immigrant law, black, white and Latino members of Congress, faith, labor, community and civil rights leaders kicked off a state and national campaign Nov. 21 in Birmingham.

Thousands of Alabamians from across the state packed the historic Sixteenth Street Baptist church to denounce the draconian measure, which opponents call racist, anti-American and anti-family.

The campaign, One Family, One Alabama, welcomed a congressional delegation earlier in the day led by Rep. Luis Gutierrez, D-Ill., one of the most vocal proponents for immigration reform in Washington.

"I am going to Alabama to stand with the good, decent people of Alabama to fight back and defend what I think is right," Gutierrez said in a statement days before the campaign launched. "We need an immigration policy that does justice and fairness to the rich history of immigrants that we have in the United States of America. An immigration policy that doesn't rip families apart."

Gutierrez spearheaded the congressional delegation of 11 House members including Rep. Yvette D. Clarke, D-NY. "It is our duty to reject the politics of divisiveness and bigotry," she said.

An ad hoc hearing was held by the delegation prior to the rally where the mayor of Birmingham, William Bell, said the Alabama law echoes the dark days of apartheid in South Africa and Alabama's Jim Crow laws.

Rep. Raul Grijalva, D-Ariz., was also part of the delegation. His home state also passed a strict immigration law that spurred Alabama and several other states to copy and follow suit.

The law requires police to detain people who can't prove they are in the country legally and prohibits immigrants from receiving government services. One provision of the law calls for schools to



check the legal residency of new students.

The law was passed by a majority Republican state assembly and signed by its GOP governor in June. Some Alabama Republican leaders say the federal government, which opposes the law, should be sending them "thank you" notes for addressing the problem.

Meanwhile Democratic State Senator in Alabama, Bill Beasley has sponsored a bill to repeal the law, HB 56. His colleague State Rep. Merika Coleman, also a Democrat, told the crowd of rally goers there is strong opposition to the law.

"We are the majority," she said.

In the last couple of weeks religious leaders and black, labor and civil rights leaders have visited Alabama to denounce the law. They're also calling for statewide unity to repeal the measure.

The National Council of La Raza (NCLR) held a Nov. 21 vigil at Lafayette Square in Washington D.C. as part of a nationwide effort to show solidarity with Alabamians who oppose the measure.

Isabel Rubio, a lead plaintiff in a lawsuit challenging the law, said, "We need to come together as a nation and say 'enough' to these bills that demonize and discriminate."

**What is urgently needed is a broad, sustained struggle for economic justice and equality.**

## CSU staff: “We’re not your ATM!”

By Marilyn Bechtel

**C**alifornia State University faculty’s first such action since collective bargaining began almost 30 years ago, two of the system’s 23 campuses were idled in a one-day strike Nov. 17. Teachers and students from other CSU campuses joined the California Faculty Association’s picket lines at CSU-East Bay in Hayward, across the bay from San Francisco, and CSU Dominguez Hills in Carson, near Los Angeles.

Faculty members in bright red tee-shirts paraded back and forth with their picket signs, as they crossed and re-crossed the road in front of an entrance to CSU East Bay, their banners weaving in and out against a backdrop of the coastal hills. Supporting them were many students and members of other area unions.

Philip Klasky, who teaches American Indian Studies and Ethnic Studies at San Francisco State University, was supporting his East Bay colleagues on the picket line. Calling CSU Chancellor Charles Reed “one of the 1 percent,” Klasky noted that while faculty members have not received contractually agreed raises since 2008, administrators’ compensation has gone up 10 percent and Reed “is paid more than the U.S. president or the governor of California.”

The university is “not a corporation but a public service,” Klasky said. “CSU used to be a place where everyone could get a quality public education,” he added. “I work with kids who are the first in their families to attend and graduate from college.”

Klasky backs efforts to put an initiative on the ballot next year for an oil severance tax earmarked for public education.

This year the state legislature has cut some \$650 million from the California State University system. The legislature is hamstrung by the requirement of a two-thirds majority to raise taxes, and a Republican minority that rejects any call for new revenues.

## Atacan hackers sistemas de agua potable en EEUU

Por Blake Deppe

**E**n un aumento amenazante y constante de ataques cibernéticos, reporta BBC News que hackers han destruido una bomba de agua que proporcionaba agua potable a domicilios en una ciudad de Illinois.

Ya investigan el incidente la FBI y el Departamento de Seguridad de la Patria (DHS, por sus siglas en inglés), pero lo que está hasta el momento es que parece que unos hackers con acceso a la red de la facilidad hidráulica destruían la bomba de agua prendiéndolo y apagándolo en rápida secuencia. Según un reporte del Centro Estatal de Terrorismo e Inteligencia de Illinois, los hackers ganaban acceso por medio de contraseñas y palabras de pase robadas, obtenidas de una compañía que escribía los programas de control. La dirección de los hackers fue trazada a Rusia.

Mientras tanto, investiga el DHS detalles de lo que pueda haber sido otro ataque en la cual un hacker reclamaba tener acceso a los sistemas de control de otra planta hidráulica norteamericana, subiendo un documento a un sitio llamado Pastebin en el cuál puso gráficos de lo que es supuestamente el sistema de control interna de una planta de tratamiento de agua en South Houston. Aun no ha confirmado ni desmentido los reclamos del hacker el Departamento de Aguas y Drenaje de South Houston.

Según el reporte, estos incidentes forman parte no solo de una creciente interés por parte de atacantes cibernéticos por la infraestructura norteamericana, pero también de una serie constante de ataques contra sistemas que utilizan programas de “Supervisory Control and Data Acquisition”. Estos sistemas son los

más peligrosos en casos de sabotaje externo, con muchos aparatos de control utilizados para la purificación de agua, el manejo de sustancias químicas, la distribución energética.

Y la lista de lo que puede ser atacado por hackers va mucho más allá de sistemas hidráulicos.

Se reporta que son blancos potenciales hasta los aparatos médicos personales como son las bombas de insulina y los “pacemakers” (marcapasos cardíacos), sobre todo para atacantes cibernéticos que buscan atacar a ciertos individuos. Funcionan estos aparatos como salvavidas bajo condiciones normales, pero los hackers pueden sabotear sus sistemas inalámbricos para hacer lo opuesto.

En el caso de los marcapasos cardíacos por ejemplo, utilizan los médicos sus controles inalámbricos para realizar ajustes delicados sin tener que recurrir a la cirugía innecesaria. Pero, la señal que se usa no está encriptado, que quiere decir que pudiera manipularlo por control remoto cualquier hacker con el aparato correcto de reprogramación causando un ataque cardíaco u hasta la muerte.

Las señales de las bombas de insulina pueden ser saboteadas desde hasta media milla de distancia manipulando antenas radiales sencillas para proporcionarle al usuario una sobredosis mortífera de insulina.

El sentimiento popular, dice ella, es que es “siempre un incidente u ocurrencia asilada nada más. Y si se ve cada incidente en aislación, resulta difícil, si no imposible, distinguir un patrono o conectar los puntos”.

“Y el no conectar los puntos,” concluye ella, “es lo que nos llevó a ser sorprendidos en el 9/11”.