

billion matures in less than a year. Japanese banks hold an estimated \$36 billion. Thanong also said the entire package would go to shore up Thailand's foreign reserves, a point Hubert Neiss, head of the IMF team in Bangkok, subsequently stressed. "The fund will absolutely not be used to clear up the financial sector," where 58 of 91 firms have been ordered to close, he said.

What does Thailand get in return? In July, the IMF demanded that Thailand float the currency, the baht, and increase foreign ownership in financial institutions to 25%. Added to that, the value-added tax was scheduled to rise to 10% on Aug. 16 (up from 7%); there will be additional, unspecified \$3 billion in cuts in the 1997-98 budget; the two-tier baht trading system will be lifted; there will be no government intervention into oil or utility rates (which have already risen); and, targets will be set for reducing the current account deficit, controlling inflation, and strict monetary discipline. Oh, yes, and layoffs — at least 40,000 more by the third quarter of this year, according to estimates of the Ministry of Labor and Social Welfare.

If Thailand is the IMF's second "success," who will be third? Malaysia's Prime Minister Mahathir has incurred the wrath of London's financial establishment because he dared to denounce George Soros, by name, at the recent Association of Southeast Asian Nations meetings as a "rogue speculator" whose operations threaten to undermine everything ASEAN countries have accomplished since regaining their independence from the colonial powers. London's *Economist* magazine for the last two issues has spewed venom at Mahathir for such insolence. Malaysia's currency has been hit by "offshore parties" of late, losing 12% of its value in the past month, despite up to \$8.8 billion having been spent in its defense.

In its Aug. 9 editorial, the *Economist* says the root of Thailand's problem has been the "complacency" of its political leadership. The editorial continues that the next "biggest dangers lie" in Malaysia, where the "spiky Mahathir Mohamad" made a scene attacking the leader of the pack of hyenas that are now circling the wounded tigers.

Alex Brummer, in the Aug. 9 London *Guardian*, was even more explicit in justifying the latest phase of IMF conditionalities, stating that the blame for the financial crisis must be pinned on "a rotten and often corrupt political system" in Thailand; political authorities in Malaysia (read Mahathir), who blame Soros or "some international conspiracy against an Islamic regime"; or China, "the least transparent" World Bank customer in the world. Monetary and financial housecleaning is not enough, if the Bretton Woods institutions are to survive, Brummer says. The IMF needs a new mandate: "the message of good governance. That has plainly been absent in Thailand," Malaysia, and, come to think of it, that's what the IMF said was missing in the alleged, "crony-infested" regime of the Philippines' Ferdinand Marcos, before the "tigers" ever roared.

Teamsters' strike targets labor recycling

by Nancy Spannaus

Not only is the Teamster Union's strike against United Parcel Service (UPS) the largest labor action in the last 25 years, but it is targetted directly at the central pernicious labor policy that has taken over during the same period. Teamsters are battling the policy of labor recycling, which officially took off under the Nixon administration's declaration of bankruptcy on Aug. 15, 1971, and called for deliberately cheapening and downgrading the U.S. labor force through wage cuts, speedup, and workfare slave labor.

As Teamster President Ron Carey has emphasized, UPS epitomizes the anti-labor practices which have prevailed over the past 25-30 years, and led to the dramatic gap between the very wealthy, and the majority of working people. AFL-CIO President John Sweeney, who has declared that the labor federation will financially as well as politically back the Teamsters, put it this way in an interview with ABC's "Good Morning America" on Aug. 14:

"This is a critical moment, and it's an indication of the solidarity and the support of workers all across the country in support of the striking UPS workers. . . . The issues here are issues that workers can identify with, and those are crucial issues. UPS is a part of the new economy and has been making a lot of money, and yet their goal seems to be more and more part-time jobs, and full-time workers understand this and feel threatened themselves."

In a country where unionism has shrunk, where companies are being subsidized to put welfare recipients in slave-labor jobs, and where there is a tradition of cutthroat competition for low-paying work, the Teamsters strike has no guarantee of success. That will depend upon an expanding political movement which fundamentally rejects the axiomatic assumptions of a cheap-labor, post-industrial, globalized economy, and returns to the principles of scientific and industrial progress.

UPS slave drivers

United Parcel Service is a privately owned company, which advertises that it is largely controlled by its own workers. However, the largest stockholder is the Annie E. Casey Foundation, the family fund of the Casey family which founded UPS. And, the board of directors includes a number of establishment-connected people, including two prominent associates of former President George Bush. They are Gary E. MacDougall, who was the assistant campaign manager of Bush's 1988 Presidential campaign, and Robert M. Teeter,

who managed Bush's 1992 re-election bid, as well as worked on the 1988 campaign.

MacDougal and the Annie E. Casey Foundation both have histories of close involvement with social policy formulation, especially in the field now known as "welfare to work." The Annie Casey Foundation funds think-tank studies which push "workfare," and, in turn, UPS receives government subsidies in order to hire welfare recipients to work in its plants. UPS is experimenting with using welfare recipients in programs in New Jersey, Chicago, Dallas-Fort Worth, Maryland, Pennsylvania, and Virginia.

More than 60% of UPS's jobs are part-time, and begin at \$8 an hour. But that does not tell the full story. The part-time workers, who are mostly the warehouse workers and packers, work largely in four-hour shifts, according to reports. A large number are attempting to support a family. They are also subjected to speedup, reminiscent of the most drastic assembly line gearups that occurred in the auto plants in the early 1970s. A report on the New York City plant quotes workers saying that sorters are clocked so that they handle at least 1,000 packages per hour—a back-breaking rate. This speedup corresponds to the official reports, by the union, that UPS has a very high accident rate, and has had at least one death on the job per year.

Not surprisingly, such working conditions, and wages, lead to a very high rate of turnover in the part-time workforce—some say as high as 400%.

One of the major Teamster contract demands is an increase in the number of full-time jobs, as well as an increase in wages for full- and part-time workers. UPS, the only unionized company involved in the overnight delivery business, is offering only minimal concessions in this area, even by its own accounts.

Pension grab

If UPS is prepared to use up and throw away its workforce, it doesn't feel the same way about their money. The second major issue in the strike, from the side of the company, is the pension fund. Presently, UPS pays into several Teamster pension funds, which cover workers from many companies. Union and management both participate in the funds' administration, which is regulated by the Federal government.

UPS is demanding that it be allowed to withdraw its pension contributions, and to set up an independent company fund for UPS employees; UPS calls it, "UPS monies for UPS workers." UPS says that it will increase the level of the pension payments within its independent fund. The union has described this proposal as an attempt to grab the money from the fund, which it will then use to reduce its contribution to the plan, and pad its profits. UPS Vice President for Human Resources Lea Soupata admitted on Aug. 12 that, "if investment income were so significant, it might result in fewer additional dollars going into the plan."

Teamster President Carey commented: "The company

has now confirmed what we have been saying all along—this is a multibillion-dollar attempt to rip off our members." Private pension funds in the United States are notorious for bankrupting themselves, and leaving their employees and retirees in the lurch—a danger which is particularly likely in the current period of financial liquidation on the markets.

The political line-up

Various Conservative Revolution governors, led by Virginia's George Allen (R) and Iowa's Terry Branstad (R), have

LaRouche offers support for Teamsters' UPS strike

Democratic Presidential candidate Lyndon H. LaRouche, Jr., issued the following statement on Aug. 12, supporting the strike of the International Brotherhood of Teamsters against United Parcel Service. We have added subheads:

I regard the well-designed strike against United Parcel Service as an important, most timely part of the struggle to return the United States to those principles which plainly underlie our republic's Federal Constitution. Important, because many in the Congress either never learned, or have forgotten our Constitution; timely, because prominent Justices of our Supreme Court have dedicated themselves to overthrowing that Constitution. I write to call your attention to those issues of this strike.

The fundamental law of our Federal Republic is stated in the Preamble of that Constitution. The remainder of the body of that Constitution is a well-considered design of government for implementing that fundamental law. I quote that Preamble, and then address that principle which the Preamble carries forward from the 1776 Declaration of Independence.

"We the people of the United States, in order to form a more perfect Union, establish Justice, ensure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to our selves and our Posterity, do ordain and establish this Constitution of the United States."

Republican principles

Read this in light of some very distinctive and meaningful choice of language featured in the Declaration of Independence: "Life, Liberty, and the Pursuit of Happiness." This is the language which our republic's founding

joined House Speaker Newt Gingrich (R-Ga.) and UPS in demanding that President Clinton intervene to send the Teamsters back to work. This he would have to do under Taft-Hartley legislation, which was devised to be applied in the case of national emergency, or to remedy the shutdown of strategic sectors of the economy. If the President invoked Taft-Hartley, he would go to court to seek an injunction against the union, forcing them to keep working while arbitration on a contract was under way.

As AFL-CIO President John Sweeney has pointed out, it

is ironic that the company would demand government intervention, when it generally objects vigorously to government intervention on questions of health and safety. The same applies to the Conservative Revolutionaries, who oppose a strong government, except when it calls for suppression of labor.

President Clinton, who has encouraged his Labor Secretary Alexis Herman to “jawbone” both sides into further talks, has so far resisted the pressure to intervene, saying that the damage from the strike has not reached the threshold required

fathers adopted from Gottfried Leibniz’s exposure of the evil intended by John Locke’s “Life, Liberty, and Property.” This difference in language was the central issue of our war against the British monarchy’s oppression, then, and against the same alien philosophy of our so-called “Thatcherite neo-conservatives” today. Put this central principle of our Declaration of Independence together with the fundamental law of our constitutional Federal republic, its Preamble, and the importance of victory of this strike against the rampage of inhumane “neo-conservatism” should be clear to all thinking citizens.

Our republic was founded by colonists chiefly from the British Isles, Netherlands, and Germany, who settled here under the inspiration of a great struggle for civil and religious freedom then in progress within Europe itself. Those founders sought to do here, what had seemed to be nearly impossible in Europe itself at that time. Thus, in the many struggles against the English and British monarchy and Parliament, from the founding of the Massachusetts Bay Colony, through our Declaration of Independence, our forebears, relatively freer from that sodden hand of feudal oligarchism which still ruled Britain and other European states, framed what has proven itself to be the most suitable design of government yet specified by any people of this planet. Would that we had been able to stay with that design and its intention.

The struggle to free man

The European struggle for liberty, of which the republican leaders of the colonies were representative, was conceived to the purpose of forming national republics which would serve the true interest of all of the people, rather than merely a small minority of overlords and their lackeys. This intent sprang from a Christian reading of *Genesis* 1:26-28, that each and all persons are made in the image of the Creator, that mankind might exert dominion in the world. The intent was to free mankind from the circumstances to which more than 95% of the people of all known cultures had been condemned earlier, to live as slaves, serfs, or, in other guises, as virtual human cattle to be

herded, and culled by overlords’ exertion of what is called today “property right.”

The essential distinction of man and woman, which sets us apart from, and above the beasts, is the developable, creative powers of the individual human mind, the source of humanity’s manifest power of dominion over nature about us. Thus, the education of each and every mind, the conditions of family life needed for the cultivation of that same potential, the opportunity to work and live, as adults, in a fruitful manner consistent with the dignity which that implies, are the hallmarks of true human freedom, and the wellspring of a natural right of each and all persons, which is always to be superior in law to the claims of property-right.

Thus, Leibniz replaced Locke’s “Life, Liberty, and Property,” with “Life, Liberty, and the Pursuit of Happiness.” Thus, when slave-owners sought to defend their regression to the most evil practices of past history, the degrading of men and women to the status of cattle, they invoked Locke’s slogan as their law, as do, to kindred effect, radical neo-conservatives of today.

The practices against which this strike are directed, express the evil which has taken over much of the economic practice of these United States during the course of the past quarter-century. Cheating human beings of their right to a decent living, and the looting of our enterprises by the scavenger’s trick of “just-in-time” policies of inventory maintenance, typify those misconceptions which have ruined the living standards of our people, collapsed our governments’ tax-revenue base, and looted our physical economy down to the bone, all for the sake of great speculative short-term paper profits on Wall Street and similar places.

Now, as under the leadership of that President Abraham Lincoln who restored the intent of our 1789 Federal Constitution, it is necessary to go to battle once again, to give flesh and blood to the intent of that Constitution. Every true patriot of our nation, and every lover of true freedom from around the world, should salute those trade-unionists whose battle is our own.



Teamsters on a picket line against United Parcel Service, in Chicago on Aug. 6. "The practices against which this strike are directed, express the evil which has taken over much of the economic practice of these United States during the course of the past quarter-century," said Lyndon LaRouche.

for intervention. When pressed by reporters on Aug. 8 for the President's view toward the union's argument, White House spokesman Mike McCurry said:

"As a general proposition, the President has been concerned about employee benefit coverage for workers in the workforce. One thing we believe is that at a time of near-full employment in our economy, it ought to be more possible for private-sector employers to be somewhat more generous in the provision of benefits to workers, and that includes both full-time salaried positions and then when that's not available, part-time work that's covered with some measure of an acceptable employee benefits package. Pension coverage is important, health insurance coverage important, disability coverage important, and all as part of the private-sector-provided safety net, that works with the government-provided safety net, to provide for the economic security of the American people."

The Teamsters can be expected to get support from the International Transport Workers, and from other AFL-CIO unions in the United States, including the pilots who work for UPS. The pilots are already honoring picket lines.

But the corporate and political pressure for forcing the union back to work can be expected to grow. Businesses dependent upon "just-in-time inventory" delivery will be hit hard. Because UPS held the lion's share of the market in overnight deliveries, and can now only service 10% of its orders with management personnel, its idling is creating a large hole in the motion of goods, and paper, throughout the economy.

If UPS decides to try to resume work by hiring replace-

ments for the strikers, tensions can be expected to escalate quite rapidly.

What kind of economy?

The question called by the UPS strike drives at the heart of what kind of economy the United States is going to have. A prosperous industrial economy, as has not been seen in the United States for approximately 30 years, depends upon long-term investment in labor skills, education, and physical infrastructure. This is the very antithesis of the quick-buck economy which has built up over this 30-year period, as reflected not only in the gambling fever on the markets, but also on the disinvestment in infrastructure and the workforce.

When the U.S. economy shifted into the post-industrial, quick-buck mode, the U.S. labor movement did not respond politically. It staged losing, defensive battles against outsourcing jobs to other countries, and other downsizing. And, it basically bought the monetarist argument about cutting back government spending (including on infrastructure) and forcing welfare recipients to work at low-wage jobs. Those who realized that such actions were destroying the very basis for the future of the society — by undercutting wages and necessary infrastructure — kept quiet.

The only political voice which adequately addressed these questions, in terms of the bankrupt economic theory and financial system, was Lyndon LaRouche, whose movement fought against workfare, and for a new monetary system based on investment in major capital infrastructure projects at home and abroad, from the early 1970s on. LaRouche's statement on the current strike action is included here.