

What I'm going to talk about today is the attack on public worker unions, with a particular emphasis on public worker union pensions. I think all of you are very familiar with the onslaught that's been going on over the last many decades, but certainly since the financial meltdown in 2008, there appears to be an intensification of the assault on the public sector, on a national level, state level, and obviously...

[Pounding heard on side door of lecture room]

It, it's the SWAT Team. They're always looking after me.

[Inaudible]

That's it.

[Laughing]

I thought it was the police, to be honest with you.

[Inaudible]

Yeah, hey, they've been, they've been chasing after me for a long time.

But again, as I was saying, that since 2008 there's been an intensification of the assault on the public sector, public education, and obviously public workers, and public worker unions. The attack in the area of public education has been the privatization of education through the advocacy of the charter school movement, and what we can clearly see is there's not only continuity between the Bush Administration and the Obama Administration, but Obama has upped the ante, if you will, and intensified that attack. Some of the comments I'm going to make today fit very neatly to understand the attack on education, but again, we'd like to focus on the, the pension story.

Just to comment on the genesis of my paper, I've been active for the last three years in the San Francisco Bay Area with a group of activists, union activists – let's be honest, George, just say radical, union activists in the San Francisco Bay Area – and we were able to organize together an organization called the United Public Workers for Action, about three years ago, and we've been staging political education forums all over the Bay Area, dealing with the privatization issue, as well as the attack on pensions. It's been, I've made a contribution, I feel it's been more an academic historical contribution, where my other colleagues are, you know, well worn in the wars, union wars, and I've learned an awful lot from them, during that process, as well. By the way, if you're interested in locating the United Public Workers For Action, the web site is www.upwa.info, I-N-F-O, and a lot of our activities, as well as some of the forums are videotaped, as well as some of the papers that have been presented.

Steve Zeltzer, who's kind of the main guy in the group, last summer, asked me to write a book review of a book, and he wanted it to be circulated in a variety of ways, and I asked him how many words did he want, and he said, about 1,000. Well about 20,000 words later, I finished the paper, right before the Christmas holidays. Basically, what I'm going to be doing today is to kind of go through the main points of the paper that I wrote, and some of you have already read the paper, and one of you, our new colleagues in political science told me he read it recently, so that's what we'd like to present. The basic goal of my talk is to try to establish the historical context for the attack or assault on the public sector, and to more, or less, lay out the arguments

that are being presented by the advocates of this assault, I don't want to label them yet, I will in a moment, and to try to rebut their arguments, because not surprisingly, their arguments, which really is propaganda from my vantage point involves in a tremendous amount of misinformation, selective use of information, and divisive kind of tools to confuse working class people, and the middle class, about this particular issue.

There are four things I'd like to do in the presentation. One, I'd like to make some comments about methodology, and the methodology that I use to analyze this story, because I think unless one at least understands my methodology, one might have some problems with some of the analysis and some of the conclusions that I'm drawing. The second thing I'd like to do is, briefly as I can, I'd like to present the historical context – I'd like to present about 45 years of history in about two minutes, okay, which is what I hope I can do. And then, the third thing I'd like to do is to walk through some five points that I think are very important to kind of frame the arguments being used to attack public worker pensions, and then to try to rebut those arguments. To be very candid with you, I think it is very easy to rebut them, the problem is to get a hearing in the public, to challenge these people. By the way, one of the objectives of my colleague, Steve Zeltzer, is to have me eventually debate one of the advocates of this assault, and I think Irv, in particular, and others, know that I'm not good at reasoned discussion.

[Laughing]

So, I'm not sure I want to participate in this, this potential debate, but you know, if it's for a good cause, I might stick my neck out, and do my best, okay?

Let's talk about the methodology first. How I look at politics, or both domestically and internationally, is kind of the interplay among four ideas, or four areas: one, is the economy; two, is politics; three, is policy, itself; and four, is ideology. I personally believe that one can't understand totally what's happening politically without, more or less, wrapping all four of those ideas together. We could probably give an hour or a week's lecture on each one of these points, but we'd just like to make a few comments about each one of these areas to show you where I'm coming from.

First, related to the economy, I think there's at least two key points to make. One I can label the current global economy, and this is the idea taken from Samir Amin that the economy is a globalized monopoly capitalist system that is deeply integrated on the global level. There's hardly any space on the planet that is not incorporated into that system in some form. The second point I want to make about that system is that the driving engine of that system is the maximization of profit, and nothing gets in the way of that process. We could be a little more technical and talk about the accumulation of capital as really being the major objective, but I think just focusing on the maximization of profit helps us to understand the character of capitalism, there, there is an imperative to that drive, okay?

The second area would be related to politics, I personally feel more comfortable talking about politics using the words, "the state," okay? This is obviously derived from a Marxist perspective of all of this, but "the state," which often times we refer to as "the government," is a combination of certain institutions – some kind of bureaucracy, an executive, perhaps a legislative branch of some sort, and a judiciary, and certainly a military, and a police force. Many people think that the state or the government is neutral. I don't subscribe to that position, I believe that the state is not neutral, and that it is highly skewed to do one thing, and that's to facilitate the maximization of profit. That is its sole purpose. Now obviously, at different historical moments how it goes about that role can vary, and can vary quite significantly. But what we're going to find out in a

minute, only to the fact that we're in a very, very severe global crisis at this point, the role that government plays in that area is becoming, I believe, increasingly more transparent to everyone around us, okay? Sometimes it's obfuscated, and we don't quite see that role, but I think it's becoming clearer and clearer to everyone around us. Certainly the people in the streets of Egypt recognize that reality.

Now related to policy – this is where we could spend an awful lot of time, and there's a lot of heavy thinkers in this room that have lots of knowledge about policy – but in a nutshell, I feel policy is created within a mediated process between the economic system and the state. Obviously the economic system has a tremendous amount of influence in financing foundations, policy planning organizations, think tanks, public relations firms, the media, et cetera, who play a significant role in the creation, the formulation, the propagation, the projecting issues onto the political agenda. And obviously, the legislative process and the implementation of that idea is going to be a central piece to my discussion about this attack on public worker pensions.

Just to make one more note, it seems to me that looking at the last 40 years of history, that there are then what I like to call consensus-building projects and consensus-building campaigns. These consensus-building projects have been about promoting big issues, meaning the promotion of the dismantlement of corporate liberalism, and the promotion of neo-liberalism in the 1970s, and we'll talk more about neo-liberalism in a minute. Pushing for the war on [inaudible] I think is a big project, okay? And, it involves, you know, a wide perspective. Single issue consensus-building campaigns deal with one issue, whether it's attacking welfare, attacking affirmative action, attacking public education, whether it's about tort reform, the attack on abortion, whatever. And around that issue is immobilized an enormous amount of institutions and resources. At the core of these single-issue campaigns, or single-issue consensus-building campaigns, is an interesting phenomena – and that is a scholarly book emerges, within the midst of this process, and the purpose of that scholarly book is to legitimize the attack on the given issue. What we can see historically, there's been a lot of examples here. If you go back to the 1960s, when you see the beginning of the attack on welfare, we see Patrick Moynihan's book, "The Negro Family," which creates a notion that there is a pathology within the Negro family, and that welfare doesn't benefit these people, et cetera. Now that campaign obviously went on for many, many years, until Clinton passed the so-called Welfare Reform Bill in 1996. During the attack on affirmative action, back in the '90s, with which we had a lot of activity on this campus, both sides were represented, very, very vigorously, but there were two books that kind of stood out. One was Herrnstein and Murray's book, "The Bell Curve," and then there was also Dinesh D'Souza's book, "The End of Racism," okay? And, those books were used quite prominently, either up front in discussions, by commentators, or pundits, or the ideas were taken and called for the individual messenger.

At this point, what I'm going to propose to you is that this book by Steven Greenhut that is, "Plunder – How Public Employee Unions Are Raiding Treasuries, Controlling Our Lives, and Bankrupting the Nation," is one of these books, a scholarly book aimed to legitimize the attack on pensions. Yes, Steven Greenhut, H-U-T. Interestingly, there's a *New York Times* reporter that writes on the same issues, named Steven Greenhouse, okay? And Greenhouse does good work, okay? Greenhut is troubling, to say the least. By the way, on a personal note, when my colleague, Steve, asked me to read the book, I said, yeah, I'll do it. But then I started reading it, and it was probably the most difficult reading task I've ever done in my life, because almost every sentence was just laden with distortions and lies. You know, by the way, I, I write in my books when I read them, and there's a lot of four-letter words written in the margins of that book, but I eventually made it through, and I actually ended up writing, I hope, a scholarly paper, rebutting his arguments.

The fourth area is ideology, and this is, perhaps, the most confusing part of the whole list related to methodology. I strongly – and here's where my colleague, Bill Stewart, and I might have common ground, some common ground in this area – but I strongly believe that ideology is a very, very powerful force in shaping and defining the parameters of what is acceptable for political debate and political discourse in our society. I also believe very strongly that ideology is a social construct that is manufactured at any particular point in time by dominant interest, who feel it is in their interest to promote a certain world view, certainly during the late 1960s, early 1970s, when the country and the world began to face a global economic crisis that was upsetting to post war U.S. dominance over the global economy. Dominant interests in the United States actively promoted an alternative ideology to the New Deal ideology of corporate liberalism that many of us grew up under and shaped our world view, very strongly. The ideology, what it does is it helps to define the policy debate, it helps to define what's acceptable within the context of the policy, et cetera, et cetera.

Now, the ideology that that was constructed in the '60s and '70, and was institutionalized during the Reagan Administration is something we call neo-liberalism. There's a lot of literature out there on this, although some of my personal friends still have problems with the term, no matter how clearly I think I'm presenting the definition of neo-liberalism. The neo-liberalism, to simplify it, is a return to original liberalism, or classical liberalism, which was guided by the idea of limited government, okay? Now, during the Progressive Era, 1900 to about 1970, we were influenced by corporate liberalism that promoted government intervention, and government management, and regulation of the economy. That's what the New Deal was about – Truman, Kennedy, even Eisenhower, and Johnson.

Now, what are the characteristics of neo-liberalism? There are five characteristics, and I argue very strongly that these characteristics shaped the outlines of public policy since the 1970s. These outlines are, one, cutting taxes for the rich, okay? That's number one. Number two is to deregulate the economy, okay? Under the guise that government intervention, government regulations are impediments to growth, and to development, and to investment. Just yesterday, the House of Representatives had a hearing entitled, "Government Regulatory Impediments to Economic Growth and Job Creation," okay? They don't have enough deregulation, they want even more, okay? Luckily, one of the Democrats on the panel said, well, isn't that how we got into the sub-prime mortgage crisis? That was obviously dismissed very, very quickly. A third characteristic of the neo-liberalism is rolling back the welfare state. And fourth, is to privatize the public sector. And, fifth is to destroy unions, okay? That's the agenda, and that's the world we're living in. Okay.

So, those are methodological points, and I think all four of those are vetted. Now let's try to get through context, very, very quickly. We've got about 40 years here, a little over 40 years, I've got A, B, C, and D, let's see if I can do it quickly. The first point is that I would argue, and this is from a lot of literature that I've read, that this crisis started somewhere in the '60s, and there are two examples that caused the crisis. One is corporations, starting in the mid, late '60s, began to experience a falling rate of profit, okay? I think many of us are familiar with that dynamic. A second phenomena was that President Johnson fighting two wars, a war in Vietnam, and a war against poverty, realized he couldn't raise taxes. Keep in mind, that the top one percent of the income bracket, at that time, paid 91 percent of their income in taxes. That's why I could come to Chico State in 1964, and my fees were \$47.50, okay? You guys understand the connection here, okay? Now, what what Johnson did was that he couldn't raise taxes, so he pursued deficit spending, which then precipitated inflation. Going into the early '70s, we see the expansion of what was labeled stagflation, and then that was exacerbated by the rise of global economic competition in the form of the West Germans, in particular, Europe, as in general, and the

Japanese carving into U.S. global markets, as well as third world nationalism, whether it was economic nationalism, or revolutionary nationalism. So a tremendous amount of instability took place during the '70s in a structural sense. Now, what's kind of interesting, many people think the '60s was the period of change. I don't agree with that. It was a period of social change, and cultural change perhaps, but the real structural change started in, it was manifested in the '70s. The second point here is, what did the dominant economic interest do to respond to this crisis? They had to come up with a new accumulation model, okay? A new model to make money. For about 100 years, how the capitalists made money was through production, okay? Making things in factories, paying workers wages, and workers would buy these goods.

Starting in the late '60s, early '70s, into the '80s, they came up with a new accumulation model, consisting of maybe four or five things, separate but interrelated. One is to de-industrialize the economy, shift production to the third world – labor costs are going to be cheaper. By definition, that undermines the private sector labor force, or unionized labor force, to create a non-union service sector at low wages, often times. And then this is a key, to pursue financial speculation under the guise of what John Bellamy Foster, writing in *The Monthly Review*, calls “financialization,” And you can see, starting with Nixon taking the dollar off the gold standard in '71, and then Carter appointing Volcker in '79, using monetarism, the deregulation of the savings and loans in '80, Reagan, all the way to the Clinton Modernization Act of 1999, which opened the door for all of the speculation of the 2000s, leading to the sub-prime crisis, okay? Credit was also another vehicle of making money – they started issuing credit cards to everybody at high interest rates, et cetera. And then, obviously, the big one as well, is military spending. We forget that often times, we think that we're defending our national security, when really, military spending is fundamentally corporate welfare, and I don't see it as anything else. So that has been the model, or the elements, that have been used up until recently to try to make money on the part of the dominant interest. There are obviously social costs here: maldistribution of economic wealth, income, stagnant wages, et cetera, et cetera, et cetera.

The third point is that to rationalize all of this, a new ideology dominant or hegemonic ideology had to be created, and that is, again, neo-liberalism, which we went into. I talked about a moment ago that there are many books, but perhaps the best book to read on that is David Harvey's book – he's a British sociologist, who teaches at NYU part of the year – and it's entitled, “Neo-liberalism, A Brief History.”

The next point I want to make about the crisis that we're describing is that the meltdown in 2008 provided a dramatic historical opening for change. And what we see is in the United States, potentially, there was an opening for a variety of different directions we could have gone as a nation, to deal with the crisis. The country could have had a massive stimulus, reintroduced Keynesian policies, could have withdrawn the military from around the world and channeled that money into the public sector, could have promoted what Joseph Stiglitz once said, re-regulated the economy, et cetera. But what they did, is bailouts for the banks, a limited stimulus plan, and the continuation of neo-liberalism by smashing the public sector, and using that as a means to make the working class and the middle class pay for the economic crisis, okay? And, that's the world we're living in, and I would argue this intensification of the assault of public education, public unions, public worker pensions is within that context, okay? We'll try to make this as quick as possible, and so we can have some questions, and comments.

Now, let's talk about the rebuttal to this, this is the rebuttal to Greenhut's book, not Greenhouse's book. Again, his title is, “Plunder: How Public Employee Unions are Raiding Treasuries, Controlling Our Lives, and Bankrupting the Nation.” In looking at this book – which, again, I call a scholarly book aimed to legitimize this single-issue, consensus-building campaign

against pensions – it has five key characteristics to it, and I think this framework can be applied to other like books, as well. Let's walk through each point, I'll try to comment on the author's position, very briefly, and then try to at least give an alternative view.

It seems to me that these books do...one, they discuss the specific issue without historical and/or intellectual context, okay? That's very, very important – they discuss the specific issue, without historical and/or intellectual context. Again, this assault blames public worker unions for the state and local budget deficits. Anybody with any common sense should recognize that's not true, okay? It's simply not true. The cause is rooted in the financial economic crisis, which manifested itself in 2007, and 2008, abetted by four decades of neo-liberal policies, combined with generalized and specific economic and political conditions at the state and local levels. So I think all three of those things can be examined separately, but I think combined, they help us to understand the, the crisis. Two quick points, one, what are the neo-liberal policies? The deregulation of the banks, a regressive tax structure, huge cuts in the welfare system and public education, and this is all underscored by a lack of investment in domestic production over this period of time. So, that's the first point, now we went through that fairly quickly, that's good, wow.

The second theme, or characteristic of these books are to exaggerate [inaudible] or isolate information that back up the argument presented, while claiming that information is universal. This is the easiest part to attack this book, okay? The first three chapters of the book deal with salaries and pensions, okay? And, I just kind of cherry picked a few things, things that the author pulled out, and I did some homework to try to find more on these points. For example, and I know this really well now, he argues that junior college teachers earn over \$100,000 a year, okay? H just categorically says that, okay?

[Inaudible]

Really. Exactly, oh, I've got one [junior college teaching job], and I'm not making \$100,000, okay? My good friend, Peg McCormack, has put me on the right track on this in some of our discussions. What I did is I picked five random community college districts, throughout the state, and I looked at their salary schedules, and I put them together. And if you have a Ph.D., and you're a starting faculty member, the consensus salary is \$47,000, okay? And, it takes 10 years to get to \$68,000, and 20 years to get to \$85,000, okay? I mean, 85s, you know, that's a good salary, but, you know, family of two, three, four, I mean, you're still on the edge. Now, what's also important, and this is what I've learned at Skyline College with many of my colleagues, most of them that are full time did not get a full-time position straight away. They were adjuncts for four, or five, ten years, before they were able to get a full time position, which means after their graduate work, they're about 35, 36, maybe even 40, before they get their full-time job, and so, they're not necessarily going to teach close to 20 years, if even 30 years in the cycle. And then also, one-third of the faculty are adjuncts, earning about one-third of what full-time faculty earn – let's wait, let's wait. So those are a few points that stand out, and there are many, many, many examples related to salaries that can be challenged in this presentation.

The second area, and this was probably more fun than the first, and that has to do with pensions, the author claims that in the CalPERS System, there are 24 – these were published in early 2010 – he says in the CalPERS System, there are 24 retirees earning \$200,000 annually, and then says that there are 5,115 earning over \$100,000 annually, well, I went to CalPERS to see how many retirees were in the system, and what I found out was in 2009, there were 492,515 CalPERS retirees. When I divided 24 into 492,000, I got .0000487, okay? And, that doesn't seem to me to be a significant number, and what famous statistician over here, can probably back me up on that, John Ebeling. He says in all of the three major systems –

CalPERS, CalSTRS, and the UC System – there are 800, 8,205, 8,205 earning more than \$100,000, well, that's .01131 percent, okay? But, those figures are what's bandied about all the time, not the broader reality. Now, to even go further, to find out what CalPERS retirees earn, the average retiree earns, on average, \$2,188 per month, and that's after 19.6 years of service, okay? Retired school teachers average, per month, \$1,192 after 16.8 years of teaching, and that 78 percent of CalPERS' retirees earn 36,000, or less, per year, which is below the poverty level for a family of 2, okay? And, I'm going to actually read a quote that I think could be, and should be circulated around. Let's see, page 24.

Now this is a quote from Kathryn D. Alexander [assumed spelling] – found this on the web – quote, with the annual gross figure, divided by 12 months, the average CalPERS' school system retiree at 1,192 is not only living at poverty level, they are not achieving a California or national minimum wage figure, after years of retirement contributions, which would reach an annual minimum wage level with \$1,386, so they're over \$200 less than the minimum poverty rate. So, one could go on. Now, the other major argument they make, he makes, or this position makes, is that public workers make more than private sector workers, okay? There was a report issued at UC Berkeley, this year, actually it was 2009, by the Center For Wage And Employment Dynamics at Berkeley. In conjunction with a fellow, Jeffrey Keefe at Rutgers, they concluded that public workers earned seven percent less than private sector workers, but make about the same amount, after benefits and compensation are factored in. And the next part is really what's heavy. The report, which focuses on education level, also states that 55 percent of public employees surveyed, had a college degree, while 35 percent of the private sector workers had a college degree. Therefore, quote Sylvia Allegretto observes, quote, public employees do not get the same return for their education level as private sector workers. There's a lot more evidence to back up this particular position.

Now, the third point, and this may be an area of some controversy in this audience, I hope not. But the third observation, or characteristic of this position is that it makes allegations without substantial, or actual, or – yeah – or accurate, factual support – now what the author states very categorically throughout his book is that the Democratic Party carries the water for unions, okay? Unions own the Democratic Party. Now all you have to do is look on the national level, and on the local level, and see very clearly, that cannot be the case. The bottom line is that unions are in bed with the Democratic Party, unions give lots of money to the Democrats, they canvas neighborhoods, they make all kinds of contributions. But if you look at the effort and the resources put into the candidate, compared to the return it's very, very meager. And in fact, if you look at the direction the public policy is going, increasingly the Democrats champion the same agenda couch, perhaps in a little gentler form than our Republican allies, or friends, do. I don't have to, I think, go into much detail on that point, but we have a lot of information in my text. NAFTA would be a great example, Obama's race to the top, and our /democratic friends eagerly embracing charter schools and cuts in pensions would be another example throughout the state.

Number four, the fourth characteristic is that these books tend to cater to the racial prejudices and economic fears of susceptible working class whites that are the targeted population, okay? The book states clearly that its intent is to mobilize conservatives, the right wing, and libertarian forces to challenge the power of public unions. What this book very clearly does is it aims to further divide an already fragmented working class and provoke anger among private sector workers that are non-union, and unemployed workers against public workers. This is done party through code language, constantly referring to public workers as government elites, or to school teachers as government elites, or claiming that public workers are abusing the tax payers, as if public workers don't pay taxes. I mean, the litany goes on and on in this argument, and it

obviously doesn't hold much water, if you sort it out clearly. Part of what this is about is to distract the working class, whether they're employed or not, from the massive transfer of wealth from the public sector to the top one percent in our society.

Now, let me make a few other comments here. There's no debate on the question that the country is in crisis, and people are fearful, and are uncertain, and insecure. Every one of us feels that ourselves, to varying degrees, and we feel it in our families, to say the least. I mean, right now I'm on a little niche, where I'm hanging on, but when I called my sister or brother up, that's not their situation. And it's quite frightening – I mean the possibility of them losing their homes, and all this kind of stuff, it is there. I, obviously, and everybody in this room feels that very strongly, so the issue is real, but what I'm, what I propose is these kinds of arguments are manipulating those fears and trying to force people to attack the wrong threat, or the wrong cause of the particular situation. A Pew Poll came out very recently, I think last summer, that painted this picture that unions generally are fairly favorably considered by the public. The statistic is always above 60 percent, but since the 2008 crisis that figure's dropped. Last time, when this article was published, to 41 percent, and that could probably continue to drop. Now, what the Pew Poll does state is that there is a tendency during economic crisis for a drop in support for unions. But I would argue that that may be the case, but certainly the anti-union propaganda must be playing some role in furthering that, only fueling fire, fire for those advocates, who are trying to attack public workers.

The final characteristic of these kinds of books, is they propose a political program, or a political agenda. They advocate implementation of relevant agendas. In this instance, what this book proposes as solutions, are neo-liberal oriented policies, which are the same framework that has created the crisis that we're living in, okay? And so, you know, there's a Catch 22 here that has to be addressed in some form. My argument is that if these individuals are so concerned about the well being of the public, of the tax payers, why aren't they [inaudible] angry about the extension of the Bush tax cuts, or these massive military expenditures. We – Obama – inherited two wars. He claimed he was going to leave one, and now, we have five, okay? And, they continue, perhaps day by day. There's so many things that they really could focus their energy on, if they were really truly concerned with the well being of public, and state, and local governments, and the taxpayer, et cetera.

Let me wrap up with some conclusions. There's hundreds of conclusions you could draw from all of this, and what I've decided is just to pick four that, more or less, stand out in my mind. The first conclusion to draw is that the crisis that we're living in, and the political response to that crisis, is not just statewide, local, and national. This is a global crisis. This has been affecting every country in the world. I just spent three weeks in Amsterdam and Paris, during the winter, talking with – and drinking a lot of wine, by the way – with my colleagues over there, and learning a lot about what's been going on in the streets, and in the board rooms in Europe. What is very clear, since 2008, is that the initial response was bailout across the board for the banks; secondly, varying degrees of stimulus. Perhaps the Chinese had the biggest stimulus – that's why their economy is doing a lot better than most.

And yet, in the last year or so, the consensus has been, and this is probably since the G20 Meeting, last summer, is to push austerity, okay? Which means cuts, cuts, cuts, privatization, privatization, and that's across the board, okay? The idea here is to make the public sector pay for the economic crisis, okay? The rich are not going to get hurt at all in all of this, and obviously, they have the political power and the media control to foster this agenda at this point. What is also significant is what is the response to these crisis on a global level? All of us watched closely last fall, during the winter, Greece, Spain, Portugal, France, Germany – even

England recently, with students. And we see, you know, people were angry, and they went to the streets. Unfortunately, their syndicates and unions are generally in complicity with their liberal-left parties as well, and their leadership, just like our union leadership, is aimed to try to appease the workers and buy into the giveaways, and continue to support their respective liberal left parties. You guys understand what I'm talking about? That tends to be what's happening.

It seems to me, that one of the more effective countries in the world to challenge this crisis has been Egypt, okay? In the last 17 days, and I think all of us have heard that Mubarak stepped down today, in response to this public revolt that took place. Now, Peg and I have already compared a few notes, and we're not quite sure what's next. Without going into long analysis, I personally believe that the United States told Mubarak last night he better step down, because they didn't want to have to go through what was going to happen today if he was still there, okay? That, and many of you probably heard my boy, Zbigniew Brzezinski on Jim Larry, yesterday, come and, you know, kind of exposing his, his moderation there, but we love Zbig, he tells it like it is. He's the only honest ruling class intellectual, I think, personally.

The second conclusion you can draw from all of this, and by the way, we're rather complacent, to the say the least, okay? And the question is why? The second conclusion, I think, you can draw from all of this is an interesting contradiction, and that is if you have a structural crisis that is caused by overproduction and under consumption, meaning a lack of demand, seems to me, if you want to get out of the crisis, you try to create a demand, okay? So, in that case, why would you cut middle class public workers salaries, and lay them off, because that's your purchasing power. you guys understand what I'm saying? What is this all about? You know? It doesn't make any sense. Well, maybe it isn't rational, maybe it is irrational, but it seems to me that I, I've kind of come up with the following conclusions. One, the dominant economic interests have realized that profits are more important than creating demand, okay? Profits are more important than creating demands, if you can make money off of sucking the surplus from the public sector, so be it, okay? Especially if you're not going to invest in any production, and then the, the second conclusion, I think, you can draw from this, is they have no intention of reviving this economy, okay? In any form, okay? What they want to do is smash us to third world standard, okay? And they're pleased to do it, at least that's my conclusion.

Now, what's the third conclusion we can draw from this? This assault on the public sector and, specifically, public pensions will continue, and it is going to intensify. There will be no let up, okay? Unless we find a way to stop them, okay?

Which now leads to my fourth conclusion, is what must done, that great question that has to be posed, Lenin laid it out well, I think. The first, and I think – believe it or not – the most important, is somehow intellectually, and ideologically, and programmatically, we have to break out of the neo-liberal paradigm, okay? We cannot come up with solutions within the context of the ideology that frames the problem, okay? Or creates the problem. Give you an example. I'm listening to Amy Goodman a couple months ago and some young man, who promoted, claimed he was very progressive, said that he was for re-regulating the banks, but he's not for nationalization, though. Well, why not? We got to get out of the box, okay? In many ways. when we think about the deficit we don't think about raising the taxes of the wealthy, we think about cutting the working class and poor, okay? So, we have to break out of this, and we have to come up with a counter hegemonic ideology, I don't think it's existed before, I don't think we can go back to Keynesianism because Keynesianism was basically designed for a society that had an industrial base and a domestic working class. So somehow we're going to find new ideological paradigm. That's Bill Stewart's job, okay? All right, go Bill, go Bill.

Secondly, we have to formulate an alternative political agenda, somehow, okay? Rather than buy into moderating the cuts, what we need is a new program, we have to nationalize the banks, we have to nationalize all the public utilities, we need to have a real progressive tax structure. I'd like to go back to what it was from 1951 to 1964. I mean, if we were going there we would be in good shape, okay? We have to end this illusion that the United States can be the global hegemon and dominate the whole world. If they haven't learned the lesson yet, when are they going to learn it? The world doesn't want us to control them, okay? And, the models that we've laid on them have caused crises, and that's what the Bolivarian Revolution has been about in Central America, and that's what the Egyptians are about. What they're not telling is that, yeah, they're angry at Mubarak, the dictator, but they're also angry at Mubarak the implementer of neo-liberal policies in Egypt that have destroyed their economy, okay? And, that's why they're angry, and that's why they're not going home, so Silmun comes out there and says you guys go home now, go home, we got the message. They have nothing at home, they don't have any food at home, okay? They have no place to go. Tahir Square was it, baby, you know? Come on now, and obviously we need to cut back military budget, which is the fat and the pork.

The other thing we need – Jim Gregg's going like this – we need universal health care, we need single payer, okay? For everybody. I just turned 65, or no, 66, or whatever it is, it goes fast, baby, it goes fast. But you know, I'm now on Medicare. You know, why do you have to wait till you're 65? You know, why don't the day you come into the world, you're on Medicare? Or, whatever they want to call it?

And, here's the one that is, to me, believe it or not, the most important, I think. We have to move from this privatized world we live in and re-promote a new public life, a public world, where the public is celebrated, the public spaces, public everything, okay? We have to. You know, I'm an old runner, and I emphasize old, and I refuse to go to a fitness center, I mean, it's not my religion. Why would you pay to go to a fitness center, when you can just go out in the park and jog, you know? For free, you know, come on, what's this all about? I don't, it doesn't make sense to me.

And the final thing this program needs to do is to promote truly cooperative international treaty regimes, okay? Where we work with the rest of the world as equals, not as children, okay? And, until we get to that point we, as a society, is in trouble. The final aspect of what must be done, and this may be the most difficult of all, is we have to unify, we have to find a way to break out of these fragmented units that we live in, and find a way to come together. And whether, unions, and all other social groups in our society, and I would argue, believe it or not, the popular revolt in Egypt is the current model that we need to examine, okay? To be very honest with you.

There is one that I forgot too, is that somehow we've got to divorce ourselves from believing in the Democratic Party, okay? We got to begin doing that, okay? If we haven't learned it's like we're going around in circles, you know? Margaret's here, she's a psychologist, she could tell us, if you keep doing the same screw up all the time, what's wrong with you? You've got to break out of that cycle. And, we just keep believing, you know, that just 'cause the guy was black, he was going to save us. Come on, now, okay? Obama wouldn't be there if he was going to save us, okay? They wouldn't have let him be there, he was vetted from the get-go, okay? Even when he ran against Bobby Rush for Congress in Chicago, and he lost, that was a plus for him, because it proved that he wasn't going to succumb to the civil rights/black power constituency, you guys understand what I'm saying? It's all a game, being run on us, okay? Somehow, but I don't know where to go either, okay? So, I don't have the answer. Thank you.

[Applause]

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