

# Introduction to *Midnight Notes* #9

*And in winter, under my greatcoat, I wrapped myself in swathes of newspaper, and did not shed them until the earth awoke, for good, in April. The Times Literary Supplement was admirably adopted to this purpose, of a never failing toughness and impermeability. Even farts made no impression on it. I can't help it, gas escapes from my fundament on the least pretext, it's hard not to mention it now and then, however my distaste. One day I counted them. 315 farts in 19 hours, or an average of over 16 farts an hour. After all it's not excessive. 4 farts every 15 minutes. It's nothing. Not even one fart every 4 minutes. It's unbelievable. Damn it, I hardly fart at all, I should never have mentioned it. Extraordinary how mathematics help you to know yourself.*

—Sam Beckett, *Molloy*

*Midnight Notes* last occurred in the fall of 1985. Since then it has sent its emissaries to all the major continents of the planet. . . some even to smell the tear gas and smoke in Tahiti. We returned to Boston with our findings only to be met by the October 19, 1987 Crash of the New York Stock Exchange and its cousins from Singapore to Rome. The Crash made the economic and monetary jeremiahs busy with explanations and oracles. We, on the other side, have merely noted that the non-opening, non-shattering windows on the Wall Street towers were strategically planned to assure a minimum of damage to the pavements below and the psyches around.

Our findings seem to have little direct relevance to the Crash. At first they appear to be a re-cycling of the Apocalyptic themes of the late 1970s when capital was declaring "the Age of Limits," of too little energy and too many mouths to feed. Our articles in this issue trace the progress of starvation, war and plague across the planet's and body's Tropic of Cancer. Food politics in India, the US bombing of Tripoli, earthquakes in Mexico; AIDS: all seem to call for the 1498 Durer plates on the Book of Revelations once more.

Capital's explanations of these late 1980s catastrophes, however, has shifted from the limitation-of-energy-ecological-demographic-panic-nuclear-winter-holocaust (sic!) scenario of the past. The media are busy with Debt Crisis, World Depression, Eurosclerotic Structural Barriers to Growth, Massive Mid-West Banking Defaults, Sisyphean Third World Debt Bondage, Tendentially Declining US Real Wages, Chronic European Unemployment, Free Falling Dollars, Cyclopean Trade and Budget Deficits. In the thinking of capitalist analysts, The Apocalypse of Money has displaced the Total Annihilation promised a decade ago by the much feared collision of Technology with Nature. Ironically, as the avant-garde of the Marxist and anti-Marxist intelligentsia

hotly debate post-marxism and post-modernity, the themes of the most vulgar of Marxisms drifted to the top of the capitalist agenda.

Our task, therefore, is much easier. Whereas in earlier issues of *Midnight Notes* we traced the lineaments of the class war in the emptying caverns of oil and the circuitry of the Cruise Missile's navigation computer, in this round we need merely lift, with practiced hand, the Veil of Money to expose the most basic of our struggles. The point of this introduction is to take you for a midnight ride around this cancerous planet below the depleting ozone layers of post-ist discourse. Luckily our intercelestial friends have lent us a useful vehicle, so our introductory voyage will be short and swift.

Let us begin our tour above the towers of Wall Street, at the vortex of capital's electromagnetic field of money. Tapping the field reveals that the messages are definitely desperate and entropic. It is now almost five years since the beginning of one of the longest cycles of expanded reproduction in US capital's history. However, this is the first "boom" in the post-WWII era when average weekly real (AWR) wages did not rise. At the trough of the 1979-1983 recessions the AWR wage was \$168.08; in

Not surprisingly this wage implosion correlates strictly with a collapse in strike activity in the post-1973 period. If we distinguish two major post-WWII eras (1947-73 when AWR wages rose 2.3% a year on average and 1974-87 when AWR wages fell 1% on average) and calculate the average percentage of estimated work-time in "days idle" because of "work stoppages involving 1,000 or more workers" per year in each period, we get a result that is not surprising: .17% for the 1947-73 period and .08% for the 1974-87 period. Roughly speaking this constitutes a 53% fall in this measure of "workers' militancy."

These facts explain much, from the rise of murder (becoming the fourth-ranked cause of death in the US, after heart attacks, cancer and accidents), to the decline of the individual savings rate from 5.4% to 3.8% of GNP, to the unprecedented increase in personal consumer debt in the 1974-87 period. Do they explain the Crash? Apparently not. After all, lower wages and docile workers are the essence of "healthy profits." They are not "problems" but "gifts" from the US working class to their masters, are they not?

But the messages Wall Street emanates are not sent to the past, they are beams of futurity. They detect storms

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September 1987 the AWR wage was \$167.70 (both in 1977 constant dollars). Indeed, since 1973 US AWR wages have fallen about 15%; this is a one per cent drop per year on average over two seven-year business cycles. The result: 1987 AWR wages are at the level of 1961. If this tendential fall continues, the next millenium will dawn with US AWR wages at a 1930s level.<sup>1</sup>

ahead, intimating the end of the recent "heyday of wage mildness." Why? The official unemployment rate fell below 6% in June 1987 (its lowest level since 1979), "output per hour" increased by 2.5% while real wages fell by nearly 6%, and profits soared. The two-tier wage system that has intensified and institutionalized the dramatic increase in wage dispersion is increasingly being challenged in union

contract negotiations; there is a widespread sense (and reality) of a "coming labor shortage": these are elements of a potential "wage explosion" that would undermine the premises of profitability in this period. Even to prevent the further decline of wages will block profitability.

Many of these intimations were apparently verified by the UAW contract that was signed immediately prior to the Crash. The contract put a limit on the cut-and-run tactics of auto companies in their globalization of production by "guaranteeing" that the companies will "maintain current job levels at all units in all locations and will prevent layoffs for virtually any reason except carefully-defined volume reductions linked to market conditions." The only response to this expression of workers' power in the case of the auto industry in particular (and capital in general) is the act of self-immolation of capital whose first stage was the Crash. Only an economic Apocalypse can check the wage catastrophe capital sees looming in the US. Thus in the months following the contract signing, GM shut down its Framingham, Mass. plant and Chrysler announced its first plant shutdown and layoffs since the recession of the early 1980s. We now turn our UFO eastward across the Atlantic. In an instant the cradle of capitalism emerges from the sea. As Capital rises to greet us we see it is no longer a youth; note the signs of sclerosis in its veins and joints, of an accumulated historicity in the frame, even a hysterisis in the bones.<sup>2</sup>

Its story is quite different from the American tale of the post-1973 period. In France, Italy, West Germany and the UK, real wages, instead of tendentially declining, have risen 22.2% in the 1973-85 period. By the beginning of the next millenium, at this roughly 2% per year average, the real wage will be approximately 50% above its first "oil shock" level. On the plane of nominal wages, especially with the post-1985 "free fall" of the dollar, the Europeans now are at a comparable level to the US. In 1985, the US nominal hourly wage was \$8.57, while the 1985 nominal hourly wages (at 1987 exchange rates) in France were \$6.42, in the UK \$7.41, in Belgium \$7.80, in West Germany \$9.10, in Denmark \$12.00 and in Switzerland \$12.24.

On the other side there has been a decisive drop in all the indices of employment. Meet Old Capital's minion, the European working class. Its employment characteristics make it a class of capital's "rich Blacks." Since the late 1970s, European employment patterns (though not wage trends) are similar to that of US

Blacks. European unemployment in the 1984-87 period was steady at about 20-25%, while male labor participation rates fell by about 15% between 1970-84 to 81% of total adult male population. In 1985, the US Black unemployment rate was 15%, Black youth unemployment was 32% and the male participation rate 71%. But—for US Blacks these statistics measured sources of a wage differential that has Black-to-White Median Family Income at .56 (in 1984). The European working class, however, has managed to turn the European-US wage ratio increasingly in its favor.

How has this economic "magic"—rising wages in a stagnant European economy in comparison to falling wages in a booming US—been realized? European wages are predicated in part on a deal between high-waged Euro-workers and Old Euro-Capital. The latter remembers the 1968 wage explosions in the factories of France and Italy which put an end to the wage restraint still exercised by lingering WWII terrors. The Euro-worker says to Euro-Capital, "If you try to deny or crush us, you will only bring into your plants those who are much worse than us... the terrorists!" Who are these terrorists but the young, the black, the southerners, the junkies, indeed, anyone who is outside of the "guaranteed circle." In its "cleansing fury," capital has thrown out of the labor market a large number who cannot even be a reserve army for the "guaranteed, high wage" jobs.

Thus Europe has filled with a world of labor market *desaparecidos* who perform an important function in the cynical conjurations of the European working class. As long as the young-black-IRA-Algerian-etc. *desperados* keep up the threat of calamity, the older guaranteed can ally in their repression while keeping alive, through this very repressive deal, the systemic memory of their own once threatening wage explosion. Without this memory, their real wage would be in jeopardy.

This tenuous arrangement, imitating the historic Black-White class relations in the US and producing for some high wages in a rigid labor market, now faces a cold stratospheric wind blowing across the Atlantic from the crashing towers of Wall St. Dr. America has diagnosed Euro-Capital as suffering from class sclerosis. The good doctor demands that Euro-Capital move his limbs, shake his body and unclog his labor market. "But Doctor... it might cause a heart attack!" Euro-Capital pleads. Dr. America sternly smiles and responds, "Better the chance of a heart attack than the certainty of perpetual coma."

## AVERAGE WEEKLY EARNINGS

Average weekly earnings in selected private nonagricultural industries

[For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted]

Year or month	Average gross weekly earnings	
	Total private nonagricultural <sup>1</sup>	
	Current dollars	1977 dollars <sup>2</sup>
1947.....	\$45.58	\$123.52
1948.....	49.00	123.43
1949.....	50.24	127.84
1950.....	53.13	133.83
1951.....	57.86	134.87
1952.....	60.65	138.47
1953.....	63.76	144.58
1954.....	64.52	145.32
1955.....	67.72	153.21
1956.....	70.74	157.90
1957.....	73.33	158.04
1958.....	75.08	157.40
1959.....	78.78	163.78
1960.....	80.67	164.97
1961.....	82.60	167.21
1962.....	85.91	172.16
1963.....	88.46	175.17
1964.....	91.33	178.38
1965.....	95.45	183.21
1966.....	98.82	184.37
1967.....	101.84	184.83
1968.....	107.73	187.68
1969.....	114.61	189.44
1970.....	119.83	186.94
1971.....	127.31	190.58
1972.....	136.90	198.41
1973.....	145.39	198.35
1974.....	154.76	190.12
1975.....	163.53	184.16
1976.....	175.45	186.85
1977.....	189.00	189.00
1978.....	203.70	189.31
1979.....	219.91	183.41
1980.....	235.10	172.74
1981.....	255.20	170.13
1982.....	267.26	168.09
1983.....	280.70	171.26
1984.....	292.86	172.78
1985.....	299.09	170.42
1986.....	304.85	171.07
1986: Sept.....	304.67	170.59
Oct.....	306.05	171.07
Nov.....	308.33	171.96
Dec.....	305.86	170.40
1987: Jan.....	307.44	170.04
Feb.....	309.91	170.75
Mar.....	310.07	170.09
Apr.....	309.18	168.77
May.....	312.36	169.95
June.....	311.11	168.71
July.....	311.81	168.73
Aug.....	314.80	169.52
Sept <sup>3</sup> .....	312.09	167.70

<sup>1</sup> Also includes other private industry groups

<sup>2</sup> Earnings in current dollars divided by the consumer price index on a 1977 = 100 base.

<sup>3</sup> Based on data not seasonally adjusted.

Source: Department of Labor, Bureau of Labor Statistics.

Midnight is passing, so let us point our craft eastward again, this time towards Moscow and the darkling plains beyond, And in a . . . but halt! Our path is blocked by luminous communist angels wailing and shedding crystalline tears.

"Why do you cry my angels?"

A spokesangel responded, "Gorbachev has stolen the hearts of the capitalist bosses but we mourn for Comrade Brezhnev."

"I thought Gorbachev was a boon for you all and Brezhnev a neo-stalinist monster in a greatcoat."

"What a fool! Did you not know that between 1976 and 1985 real wages in the USSR grew at a 2.8% annual rate? At that rate Soviet wages would have doubled between 1970 and the year 2000 while those deluded American masses would be eating out of the garbage cans of the rich. Did you not know that under the guidance of Brezhnev, Soviet wages became more egalitarian? For example, the ratio of Earnings of Engineering-technical Workers to Earnings of Production Workers between 1970-79 fell from 136.3 to 115.9. But now that renegade Gorbachev wants to trick the Great Soviet Proletariat (GSP) by promising a transformation of the wage-form that would make it open to global labor, to make the rouble a convertible currency. But this would have its price: increased wage differentials, unemployment, more "rational" pricing and lower average real wages, exploitation on the shop floor in joint ventures with capitalists, etc. Just as we were approaching Socialism comrade Brezhnev was snatched from us and this wily serpent found his way to power."

"Will the GSP be so silly as to throw its hard-won patrimony to the pigs, St. Leonid or no St. Leonid? Surely not for a pair of jeans, a PC and a glimpse of Madonna! Come my angel don't fret . . . the Turkish Baths will be filled again at 10 A.M., vodka will flow in proletarian veins and workers will sleep with their machines again."

## Did you not know that under the guidance of Brezhnev, Soviet wages became more egalitarian?

"Do you think so? Perhaps . . . where do you go now?"

"South to the Tropic of Cancer. Come along, if you're free."

"Impossible," said the spokesangel, "there is a weekly Marxist-Leninist astrology class to attend . . . it is a revolutionary duty . . . you ought to come as well comrade . . ."

With that we left our garrulous friends. Taking one look back as the full moon rose over the cold, snowy, 5000 mile

the 1980s show a dramatic reversal in annual rates of real per capita gross domestic product (GDP) for "developing" countries as a whole. After a period of growth in the 1970s at 3.4% per year, the 1980s recorded a 1% per year decline. This reversal was especially sharp in Africa, where after a modest 1.8% per year growth rate in the 1970s, the 1980s average fell to -3.8% a year. If this rate continues through the 1990s, Africa will begin the next millenium literally value-

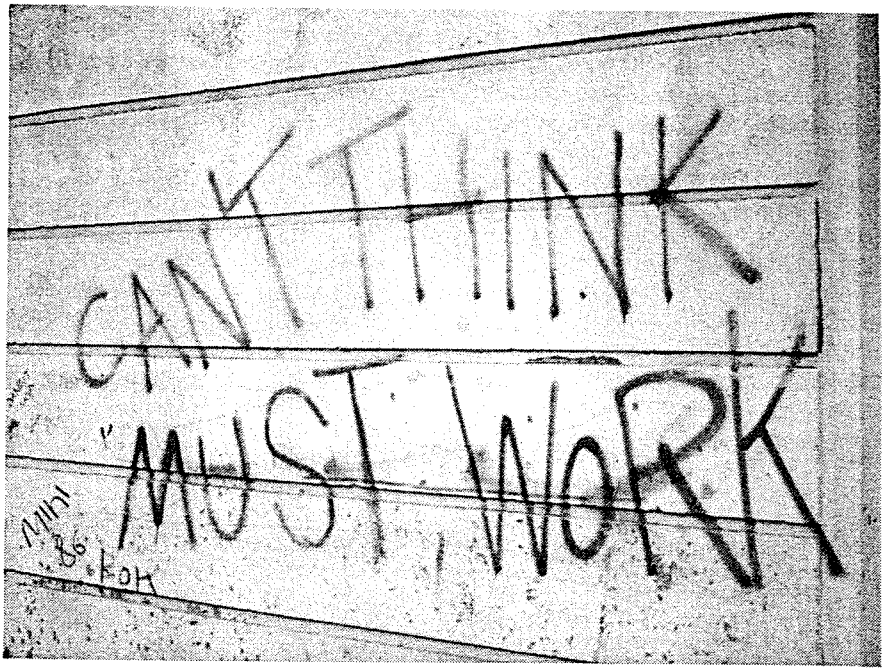


Photo by John Roosa

less bosom of Mother Socialism, and with no regrets, we directed our ship to the heart of this our human race in the Creole belt of the planet (prudently flying above the range of small-arms fire, SAMs and Stingers, of course).

Across the waist of the world is a spectacle of real wage collapse in the 1980s. The dimensions are difficult to assess for two interrelated reasons. First, many are fighting a wise and pervasive anti-mathematical struggle against the state and international agencies under the maxim that when the state wants to count you, it is planning to tax you or kill you or both. Second, the bulk of humanity in this belt is wageless. In dollar terms, the overwhelming majority of the world's population (which lives there) ought to be dead. (Indeed, our race as a whole ought never to have started since Adam was penniless!) But midnight facts are still facts . . . there they and we are.

In the money terms that are available,

less. The real meaning of these numbers is seen in the chronic famines and wars of counter-revolution of the period: available food cannot be bought by hungry Africans, while hungry Africans can be bought as mercenaries for a song by South Africa, the US and France.

The mechanisms of this almost total demonetization of most of the "Third World" in general and Africa in particular involve the decline in commodity prices, increasing international debt repayments, dizzying devaluations of currencies, and domestic price inflation. Thus, for example, the "real prices of commodities" (i.e., "dollar index deflated by dollar unit value of exports from developed market economies") fell by 26% in the 1981-86 period. This general commodity collapse was accelerated by the 1986 oil price catastrophe which left real oil prices at about their pre-1973 level. On top of this export debacle, the interest and principal payments on the "easy loans" of the 1970s have come due in the 1980s at inflated 1970s interest rates! The World Bank quotes is hard cop brother, the IMF, by noting: "Interest plus principal payments absorbed little more than 15% of export earnings of the group of sub-Saharan countries at the end of the 1970s. In 1986, they were estimated to rise to 36% and to rise to 38% in 1987 and 1988."

Why this trend toward the total devaluation of the lands between the Tropics of Cancer and Capricorn (with Africa as the most zealously chased object)? Why is capital impoverishing the Debtor so that the Debt will be unpayable? To merely state the situation baldly

allows for an answer, although the details are given as debt-for-equity schemes, IMF supervising teams, "free market conditionalities" on "structural adjustment" loans, etc. IT IS CAPITAL'S FINAL ATTEMPT TO TRULY OWN THE PLANET.

By 1984 the path to this planetary totalization of capital seemed open: the Israeli invasion of Lebanon, the Reagan invasion of Grenada, the CIA mining of Nicaragua's harbors, the survival of Pinochet, the Nkomati accords, the Buhari coup in Nigeria, etc. ad nauseum, were political expressions of the drive behind the Debt Manipulations.

But at the end of 1984 the "bottom moved" and suddenly the whole game was put into question: the Black South African working class launched its housing and land struggles that put the micro-

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scopic model of capital's world hierarchy into crisis. Other nations like Mexico had declared debt payment moratoria before. When South African capital declared a moratorium in August 1985, Reagan and Company had no choice but to alter the conditions of debt repayment or face the possibility of both the collapse of their most exemplary model and the wholesale repudiation of debt. This they could not do.

As other moratoria and payment deferrals followed using the South African case as a precedent, it soon became evident that the US had to devalue its own currency—the universal universal equivalent. Within two years the US transformed itself into a Third World country in crisis, from the point of view of its balance sheets. This reversal of roles brought about the free fall 50% devaluation of the dollar in two years with a parallel devaluation of US wages.

The collapse of the value of US labor-power with respect to world standards touched off capitalist fears of a "wage reaction." Combined with the relatively low unemployment level and other factors mentioned earlier, and given the present economic strategy of US capital, this would mean increased interest rates and a recession within six months to a year. Such were the conditions causing the Crash of October 1987.

Thus we returned to our New York beginning. (The night was too short to travel over Asia and Latin America, but we do have reports from those conti-

nents.) After rounding the body and organs of the Planetary Work Machine we are ready to issue a "travel advisory" warning to our celestial friends who graciously loaned us their vehicle:

- In the US, a steadily declining real wage heading to a 1930s level by the end of the century, combined with a steadily increasing hierarchical dispersion of wages. The main response of the working class so far has been a suicidal plunge into the labor market, increased work days, personal indebtedness and poverty.

- In Europe, increasing real wages to the guaranteed are being provided with a concomitant development of "diffused camps" of wageless *desaparecidos*.

- In the USSR and Eastern Europe, an attempt at a massive retreat from the increasing real wages, reduced wage dispersion and work reduction of the Brezh-

nev years in exchange for an "international" currency.

In Africa, Central and South America, Southern Asia and Oceania, a growing tendency to a state of ZEROWAGE, i.e., slavery, food-for-work, chronic counter-revolutionary war, gigantic biological experiments conducted by Euro-American drug companies, etc.

CONCLUSION: THE PLANETARY WORK MACHINE DOES NOT WORK—AT LEAST FOR US! Even its most basic condition of existence, the provision of wages for work, is in question.

On receiving this advisory, our comrades from the stars asked, "Should we put the whole planet on quarantine? Forbid more intercourse with the galaxy for the safety of any unsuspecting travelers?"

We handed them this issue of *Midnight Notes*, saying, "Study this and then decide." As a parting gesture they flew us back to Boston, promising to inform us of their decision soon.

Midnight is long since past as we climb out to a cold winter's morning on Feb. 26, 1988 in front of the Bank of Boston headquarters, 100 Federal St. We note Mr. Donald McHenry rushing to an emergency Board of Directors meeting. McHenry was the second Black appointed to be US ambassador to the UN in the Carter Administration. Since 1980 he has been on the corporate fast track, becoming a director of the Bank, Coca-Cola and International

Paper (IP). It is in this latter capacity that he is an object of our interest and disgust.

Union workers at the International Paper mill in Jay, Maine, workers who truly provide the "ground of being" for all our words, have been on strike since June 16, 1987 refusing to accept the wage cuts and work practices demanded by IP that would undermine workers' solidarity. McHenry was among the directors who advised IP to try to break the union by provoking the strike and then immediately hiring more than one thousand scabs. Pleased with the way the strikers were apparently being isolated in a small town in central Maine, he was eager to tell his fellow directors at the Bank about the tricks of his union-busting trade. "The strike is almost smashed," he smiled inwardly. But in his elation he didn't notice something unusual going on near the entrance. "No, it can't be...!?"

So ends our tale. Later that morning a demonstration of a couple thousand IP workers and their local supporters marched to the Bank of Boston demanding that the Board either force McHenry to support the demands of the striking workers or kick him off their Board.

### ENVOY

Let you who read your words  
or write them on paper  
remember:  
the true substance of your words  
is made by workers.  
If these workers are scabs  
so too will be your words.

### Footnotes:

1. The sources for the data in this article are *The Economic Report of the President* (1987) and various issues of *Monthly Labor Review*.

As we show in *Midnight Notes* #3, *The Work/Energy Crisis and the Apocalypse*, the story of wages is both payment received and work done. Since the early 1970s, vastly more work is being extracted from the working class in exchange for lower wages. Work for capital must be understood not only as waged-work, but also as unwaged labor, in particular housework.

2. Hysterisis: the not-visible but actual onset of damage from previous wear and tear.

