

A paper of Marxist polemic and Marxist unity



weekly **worker**



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Towards a Communist Party of the European Union

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LETTERS



Letters may have been shortened because of space. Some names may have been changed

Bowie's side

Toby Abse is very cross, but it seems he can't be bothered to find out who he is cross at (Letters, January 14). He quotes David Bowie's well-known, and appalling, praise of Hitler, and goes on to say, "that is all OK for most of the so-called left". Now "the so-called left" is a pretty vague term, and doubtless there were some varying reactions by leftwingers. But surely the best known response to Bowie's outburst was the founding of Rock Against Racism - in response to Bowie and the overt racism of Eric Clapton.

RAR was one of the most successful anti-racist initiatives of the period and paved the way for the Anti-Nazi League. The originators (Red Saunders, Roger Huddle, Dave Widgery) were members of, or close to, the International Socialists (forerunners of the Socialist Workers Party). So that is quite a big chunk of the "so-called left", for whom Bowie's deplorable, if short-lived, enthusiasm for fascism was decidedly not OK. Does Toby really not know about this, or has he deliberately suppressed it from his tirade?

Toby claims that there "is absolutely no sign that [Bowie] ever made even one political statement supporting our side". Again "our side" is a rather vague term, but how about his performances of Brecht songs from *Baal* and 'Alabama song'. Or was Brecht not on "our side"?

What Toby does not actually say, though he suggests, is that Bowie's pro-fascist utterances made him a bad musician. Personally I would sooner have Bowie that a whole barrowload of the caterwauling operas Toby is so fond of. But then if we all liked the same things it would be a boring old world.

Ian Birchall
email

Bohemian scum

Whilst I don't like David Bowie's music and the cultural scene he stands for, although I think that it is a social-cultural important phenomenon, I would like to state my strong disagreement with Toby Abse's remarks on *Charlie Hebdo*, as quoted here: "Yet most of these very same self-defining Marxists who would not hear a word against a fascist propagandist on Facebook were more or less saying in January 2015 that the martyred leftist atheist cartoonists of *Charlie Hebdo* were blaspheming Islamophobes who deserved what they got."

The recent issue of *Christian Science Monitor* reports that *Charlie Hebdo* has - as a reaction to the 'events' in Cologne on new year's eve - published a 'caricature', where the three-year-old Syrian boy who drowned in the Mediterranean Sea last summer is portrayed as an adult sexually aggressing 'our' women. Frankly speaking, if this is true and if I do not - contrary to all the other readers of the *Charlie Hebdo* - totally misunderstand the message, I still don't feel that the terrorist attack of a year ago was OK, but I feel that the hands of this Bohemian scum should be broken - if only symbolically.

Fortunately I know damn well

that their cynical attitude has nothing to do with any sort of leftism. If it had I would gladly stop calling myself a leftist, which I have done since about 50 years ago.

A Holberg
Bonn

Corbyn appraisal

Not wishing to upset the Corbynistas, I think, however, it is time for a long, cool look at what that nice Mr Corbyn has to offer.

His election as leader of the Labour Party has had an impact not only on Labour, but on the left outside. Even the revolutionary left are queuing up to pay homage to JC. Many Marxists (current and lapsed) have put aside their antipathy to Labourism and clambered aboard the JC bandwagon in the last few months. And various left groupings appear to have given him their blessing.

It is reported that Corbyn's election triggered mass resignations in Left Unity. At its November 2015 conference, LU decided to remain a party and for the time being will not stand in any parliamentary elections in order to support Jeremy Corbyn. Salman Shaheen, one of four principal speakers, tabled a motion that would pull the plug just two years after LU was founded. Shaheen's motion failed and he subsequently resigned.

So let's take a look at the man whose election to the leadership of the Labour Party has had such a profound effect upon the external left, and his politics. First and foremost, he is no Marxist; he is a dyed-in-the-wool left social democrat, who has been steeped in Labour Party politics for 42 years. He is, in that respect, a latter-day Michael Foot.

There are some parallels. On November 10 1980, Foot was elected leader of the Labour Party. At last, we thought, a leftwinger - a bit dodderly perhaps, but nonetheless a leftwinger - leading Labour! But really we had no illusions. Tolerated and respected by the right and mythologised among the Labour ranks for his passionate oratory skills and intellectual capacity, Foot had long been waiting in the wings - the skeleton in the cupboard, some might say - before being thrust into the limelight. He was a member of parliament from 1945 to 1955 and from 1960 until 1992. He was deputy leader of the Labour Party from 1976 to 1980, and later leader from 1980 to 1983.

Associated with the left of the Labour Party for most of his career, Foot was an ardent supporter of the Campaign for Nuclear Disarmament, which undoubtedly would have been of major concern to the establishment, now that he was leader, and especially as his party had a 24-point lead in the polls.

They viewed Foot's succession to the leadership as something that urgently needed to be dealt with. His support for CND at a time when the Tory government was gearing up for a major step-up in nuclear armament with plans to buy Trident and site scores of cruise missiles on UK soil despite the recession and three million unemployed, meant that he had to be destroyed politically.

Foot was famous for his old Labour pedigree, his walking stick and his somewhat shabby appearance. His election had been

greeted by Tory MP Kenneth Baker with the observation: "Labour was led by Dixon of Dock Green under Jim Callaghan. Now it is led by Worzel Gummidge." Foot never lived down Baker's jibe and was depicted as a scarecrow on ITV's satirical puppet show *Spitting Image*.

The media now had *carte blanche* to move in for the kill and this they proceeded to do with uninhibited enthusiasm. Like the furore over Corbyn's supposed misdemeanours at the 2015 Remembrance Day ceremony, Foot was lambasted for wearing a duffel coat at the cenotaph in 1981 (his coat was derided as a "donkey jacket") and the sartorial insults added to his image problems.

The media also concentrated on portraying Labour as a party with deep divisions between the left and right, since Foot's appointment had dismayed many on the right. However, he declared in his acceptance speech that he would not compromise his left-leaning views. He told journalists: "I am as strong in my socialist convictions as I have ever been."

The media-portrayed split in the party, as well as the Falklands War in 1982, and an 'ill-judged' manifesto, contributed to a heavy defeat for Labour in the general election of 1983. Gerald Kaufman, prominent on the Labour right, described the 1983 Labour manifesto as "the longest suicide note in history". Labour's share of the vote was just 27.6%, the lowest since 1918, and Michael Foot resigned the leadership.

Now let us put Jeremy Corbyn under the spotlight. Ideologically, he identifies as a democratic socialist. He advocates an anti-austerity platform of reversing cuts to public-sector and welfare funding made since 2010, proposing the prevention of tax evasion and avoidance by corporations and wealthy individuals, reducing corporate subsidies, and pursuing an invest-to-grow economic strategy as an alternative. He proposes renationalisation of public utilities and the railways, abolishing university tuition fees, and financing 'people's quantitative easing' to fund infrastructure and renewable energy projects.

On Corbyn's economic policies, one of Labour's biggest donors, JML chairman John Mills, who is normally associated with the Blairite wing of the party, said the anti-austerity policies being pursued by Jeremy Corbyn "made a lot of sense" and could be popular with the public in 2020. Mills also expressed limited support for Corbyn's plans to implement so-called "people's quantitative easing". He said it was sensible to borrow for investment in capital projects, but warned against any wider application, saying that it was not a "magic trick" that could be relied upon to re-inflate the economy.

However, he also warned that Labour's plans to increase spending would be "disastrous" if they were not matched with a wider strategy to rebalance the economy in favour of manufacturing. Mills criticised Corbyn's recent appearance in front of the Stop the War Coalition Christmas party, but said there were other signs he could move the party to the centre ground over the next few years. Mills said he would continue to fund the Labour Party, but would now concentrate more on supporting

think tanks in order to shift the political and economic consensus in his direction. However, he said he was open to playing a larger role within the Labour Party if he were asked by Corbyn.

As I see it, the left perspective presented by the Corbyn project becomes increasingly flimsy and illusory with the passing of time, as in interview after interview those around him detract from the vision. Even his backers retreat before the clinical interrogation of the hostile media. The whole Corbyn thing is looking very shaky and suspect.

David Callaghan
email

Revolutionary

The Left Unity Facebook page has seen a debate over a resolution changing the party's position from left unionism to anti-unionist internationalism. The CPGB had opposed this resolution for LU conference. Then two CPGB members, including Tina Becker, claimed, incredibly, that their party was anti-union, citing a *Weekly Worker* article back in 2001.

Now that Corbyn has reclaimed Left Unity's clothes, this question has double importance for the survival of LU as an independent party with distinct politics. Unfortunately, the two key players in Left Unity - Socialist Resistance and the CPGB - are opposing the resolution with fatal consequences.

The resolution says: "1. We recognise the Acts of Union bind England with Northern Ireland, Scotland and Wales. 2. We call for the abolition of all the Acts of Union, thus ending all jurisdictions by the British crown over the nations of Ireland, Scotland and Wales. 3. By ending all Acts of Union, the people of Ireland, Scotland and Wales, will be able to freely choose their future relations with the people of England, whether as independent nations or in some form of voluntary federal relationship or within the European Union or in whatever form they decide."

The crown and the union are fundamental to the constitution, as indicated in the title 'United Kingdom'. The British ruling class defends, promotes and supports its monarchy and its unionist laws. The monarchy, House of Lords and the Acts of Union were and remain undemocratic institutions and laws which are barriers to the sovereignty of the people.

Conservatism defends the status quo. Revolutionary democracy sweeps all into the dustbin of history. Lenin explains in *Two tactics of social democracy* that "the revolutionary path is one of rapid amputation, which is least painful to the proletariat, the path of immediate removal of all that is putrescent, the path of least compliance with and consideration for the monarchy and the abominable, vile, rotten and noxious institutions that go with it."

The 1707 Act of Union is precisely one of the rotten, putrescent laws that "go with" the British crown. It binds Scotland to England "forever", securing Protestantism as the state religion, abolishing the Scottish parliament and giving the Scottish aristocracy and merchants access to the British colonies and the slave trade. Which part is relevant today?

The European Union enables the free movement of goods, services

and people across the Scottish border. The 'Little Britain Union' is as obsolete as the Atlantic slave trade. The capitalist market is subsumed in a much bigger European Union. It makes little economic difference if Bavaria 'leaves' Germany, Catalonia 'leaves' Spain and Scotland 'leaves' the UK, since all remain in a union of 503 million people. The difference is in politics.

The revolutionary class approaches the national question in a revolutionary way. Scotland is part of the process of democratic revolution across the UK and Europe. Scotland's rebellion against the Acts of Union is directly connected not only to Wales and Ireland, but England and the crisis in the EU. The revolutionary class is the only class capable of taking "the path of immediate removal of all that is putrescent", such as the monarchy and the Acts of Union.

The nationalists claim the abolition of the Acts of Union is for the Scottish working class acting alone. This is fundamentally wrong. It is a joint enterprise for the English and Scottish workers, aided by the Irish, Welsh and wider European working class. The central problem is that the working class in England has not stepped up to the plate. The confusion in Left Unity is no more than a reflection of this conservatism.

The working class in England must play its revolutionary part. Unfortunately, in England the working class is weighed down by middle class conservatism, trade union economism, social reformism and the dead weight of the Labour Party and the trade union bureaucracy. This is why the fight in Left Unity is important in starting to break the working class in England away from conservative attitudes. Only then will it be possible to unite the English and Scottish workers in a joint expedition to eradicate these laws.

The British ruling class defends the British union because their rule depends on it, both domestically and internationally. They depend on conservative ideas among the middle classes corrupting the working class. Fear of change is the main weapon in building a conservative majority. With a stake in the system, the middle classes are not going to gamble, not least given the dire warnings of economic disaster. The Tory press deployed this fear in the Scottish referendum and now against Corbyn.

Scotland's 'forced marriage' to England includes no right to divorce. What will replace it? The resolution says that the people of Ireland, Scotland and Wales "will be able to freely choose their future relations with the people of England, whether as independent nations or in some form of voluntary federal relationship or within the European Union or in whatever form they decide".

Working class action to end the Acts of Union with immediate effect is self-determination considered in a revolutionary way. No clinging to the past or nostalgia for the great days of the British empire.

Revolutionary self-determination is about democratic revolution and international action by the working class in England and Scotland. The middle classes may pretend to support self-determination, but always in

a conservative way, hedged by ifs, buts, maybes and probably nots. So Tina is probably right to claim that conservative self-determination is in the CPGB programme.

Steve Freeman
Left Unity and Rise

Contradiction

Self-declared Red Party member Johan Petter Andresen from Norway asks what is the position of yourselves, and thereby the CPGB, on the European Union (Letters, January 14).

And what an extremely good question that is; indeed it's one I'd been meaning to challenge you with myself for some considerable time now. What exactly did I think to challenge and precisely why did I intend to do so? Well, presumably your organisation opposes the retention by Britain of nuclear weapons and thus the replacement of Trident. Obviously you're against the maintenance of any standing armed forces by our UK governments. Equally I assume you're entirely antagonistic to the existence and therefore any prolonging of Nato.

However, if I understand these overall matters correctly, in stark contrast the CPGB regards UK membership of the EU as necessary, desirable and therefore to be tacitly supported until such time as we reach a stage of European-wide revolutionary consciousness and associated anti-establishment action that will allow the dismantling and replacement of what is, in its very essence, that neocon-centric set-up and thus anti-working class gang of countries. Not to put too fine a point on matters, those being the same countries and that being the self-same EU that will send Nato troops in to support any UK government faced with a Marxist-Leninist-driven revolutionary takeover!

Once again, if correct in my understanding, it seems to me this is a massively confused and ridiculously contradictory position to take. And at least in my humble, but also considered and entirely sincere, opinion, confusion and/or contradiction, alongside a lack of any inspirational plus uplifting 'messaging', is not the stuff that will result in the building of an effective revolutionary movement via a truly communist party here in either the socio-political situation or the cultural scenario of the modern-day UK.

Bruno Kretzschmar
email

Then and now

"That a class which lives under the conditions already sketched and is so ill-provided with the most necessary means of subsistence cannot be healthy, and can reach no advanced age, is self-evident ... How is it possible, under such conditions, for the lower class to be healthy and long lived?" - Friedrich Engels, *The condition of the working class in England*.

In 1844, Engels presented his *Condition of the working class in England* to Karl Marx. He had written the monograph from his apartment in what is now the Whitworth Park student halls of residence. We wanted to know whether his statement would resonate with local students, so we set out to summarise his work and to ask them.

A blue plaque fronts Leamington House, Whitworth Park. When they took up residence, Engels and Marx had just arrived from Brussels to visit the leaders of Britain's Chartist movement. Having developed their philosophical position, Engels

arrived at the conclusion that "the condition of the working class is the real basis and point of departure of all social movements of the present because it is the highest and most unconcealed pinnacle of the social misery existing in our day".

According to a recent study, Manchester is one of Britain's most "working class" cities with a high factor of so-called "emergent service workers" and "precarious proletariat". If Engels' underlying thesis is still at all relevant, it should resound more with our peers than with any other random sample of British people. We put this point to our peers to an initially mixed reaction. Most responses to the theme of Marxism, or even socialism, were somewhat apathetic. A substantial number had not heard of Marx, let alone Engels. To some, the terms 'Marxism' or 'socialism' seemed intimidating. We saw plenty of tentative shrugs.

When pressed on the question of class more generally, however, people grew more vocal and, in spots, visibly angry. It is estimated that, nationally, one million people rely on food banks. Child poverty in Manchester is at a 120-year high. Early last semester, Manchester hosted one of the year's largest demonstrations. Over 60,000 people marched in protest against cuts to public services and the 'austerity' initiatives of the Conservative government.

It is commonly accepted that young people in England vote in low numbers. The political consequence of this is that government spending is directed away from youth initiatives. Indeed, some 350 youth centres have been closed since 2012 as a result of spending cuts. All this, while the tax evasion and avoidance of large transnational corporations has further focussed the public eye on the subject of grave economic inequality. Hence, the landslide election of Jeremy Corbyn to the Labour Party's helm on an anti-austerity platform. We witnessed, in microcosm, the national success of the latest, radical Labour evolution on our local tour.

The positive embrace of Corbyn's success was tangible around campus. The 'Westminster bubble' appeared synonymous with political injustice and inequality. The Corbyn brand was celebrated as a welcome alternative. Political injustice was still felt to relate thematically to class identity. A marked separation of 'elite' and 'non-elite' was felt viscerally and appeared, until recently, to have no solution. Corbyn's success was, to many, symbolic of a larger political fight - one for social justice - which they felt could now, feasibly, be won.

Why Engels? Why now? The viciousness of the political non-voting circle is unpleasant. Yet this has not stopped people advocating political positions in other ways. Though the political act of 'non-voting' is, undoubtedly, counterproductive, it is not so far from trying.

As a hub of political initiatives and ideas, Manchester overwhelmingly qualifies. Flyers and posters for talks and marches are commonplace around the city. Students make up majorities at most events. Engels may well have been proud of the place he once called home, a century and a half down the line. Yet one does not have to call oneself a Marxist to recognise that the contradictions of capitalism that Marx and Engels once highlighted are once again emerging as issues of public conscience. The observations,

specifically of Engels, were markedly astute for their time and have not lost their relevance. His work, therefore, deserves revisiting.

Marx (with Engels' assistance) took 17 years to complete his magnum opus *Das Kapital*. The underlying point of the work, however, was summarised in Engels' original *Condition of the working class in England* back in 1844, in which he observed that "people regard each other only as useful objects: each exploits the other, and the end of it all is that the stronger treads the weaker underfoot; and that the powerful few ... seize everything for themselves, while to the weak many, the poor, scarcely a bare existence remains."

These words seem entirely relevant in today's political climate, where rampant inequality has emerged as, in Obama's words, the "defining issue of our time". Without the reinvolvement of the 19th century's great capitalist sceptics, serious debate about a world in which the richest 1% owns as much wealth as all others has been stymied. Engels' legacy, forgotten so often, lives on, if subconsciously, in Britain's radical heartland. This is the time to bring it back.

Mark Montegriffo, Fergus Selsdon-Games
email

All the rage

Just to thank you for publishing my letters and for mentions in the Robbie Rix funding column ('Get justice', January 14).

We should encourage people from the destroyed section of our population to write in and express the social mood there. It can't be got from anywhere else. We need to work especially hard to cultivate people who have been systematically excluded and defamed. The authorities are attacking here mercilessly. We must protect this weak area of our population or face another loss at the next stage that is upon us now, which is to attack and defame organised labour. It's all-out war against the people. There is no limit to what the capitalist state trash will do to us. We are all vulnerable to this trash.

And, while we are at it, let's stop using the term 'middle class' without quote marks and always put 'so-called' in front of it. We can't give space to those whose minds are formed in segregated housing estates and who are in fact an apartheid class. Britain is an apartheid state. I would like that examined in the pages of the *Weekly Worker* by its consistently outstanding writers.

All praise to the CPGB and to the *Weekly Worker*. I will continue to read the paper each week and to donate to its fighting fund. I urge all readers to do the same. From the most badly affected and suffering part of the population comes the anger and rage which creates the revolutionary social impulse. This is where revolutions start; this is where confrontation with the state authorities is taking place every day and all over the country. It's an undergrowth fire.

Let's get this into the *Weekly Worker*. Reflect the confrontational reality which is the driving force of the struggle. Let's get into our estates - this is where the war is raging. It's a catastrophic social and economic and political breakdown. Our job must be to turn this rage into a revolutionary army.

Elijah Traven
Hull

ACTION

CPGB podcasts

Every Monday we upload a podcast commenting on the current political situation. In addition, the site features voice files of public meetings and other events: <http://cpgb.org.uk/home/podcasts>.

London Communist Forum

Sunday January 24: No forum.

Sunday January 31, 5pm: Weekly political report from CPGB Provisional Central Committee, followed by open discussion and reading group. Calthorpe Arms, 252 Grays Inn Road, London WC1. Study of Ralph Miliband's *Parliamentary socialism*. This meeting: chapter 2 ('World War I'), section 1: 'The great illusion'. Organised by CPGB: www.cpgb.org.uk.

Radical Anthropology Group

Tuesday January 26, 6.45pm: Introduction to social and biological anthropology, Daryll Forde seminar room, Anthropology Building, 14 Taviton Street, off Gordon Square, London WC1. 'A plains Indian myth: the wives of the sun and moon'. Speaker: Chris Knight. Organised by Radical Anthropology Group: radicalanthropologygroup.org.

Resisting police militarisation

Thursday January 21, 6.30pm: Planning meeting, Global Justice Now office, 66 Offley Road, London SW9. Share and learn from stories of police repression. Organised by Campaign Against the Arms Trade: www.caat.org.uk.

An economy to serve people, not profit

Thursday January 21, 10am to 4pm: Conference, Central Hall, Oldham Street, Manchester M1. Cooperative and labour movement discussion on alternatives to capitalism and austerity. Speakers include John McDonnell MP. £45, including lunch and refreshments. Organised by Cooperatives UK: www.uk.coop.

No to Trident

Thursday January 21, 7pm: Debate, Quaker Meeting House, Friargate, Lower Friargate, York. Organised by York Against the War: www.stopwar.org.uk/index.php/events/local-stop-the-war-events/21-jan-york-public-meeting-trident-debate.

Stop Trident

Thursday January 21, 6.45pm: Meeting, Unity Hall, 277a Upper Street, London N1. Speakers include: Kate Hudson (CND), Asima Shaikh (Islington Labour councillor). Organised by Stop the War Coalition: www.stopwar.org.uk.

Burning country

Thursday January 21, 7pm: Debate, Five Leaves Bookshop, 14a Long Row, Nottingham NG1. 'Syrians in revolution and war' - talk by Robin Yassin-Kasib on his new book on Syria. £3. Organised by Five Leaves Bookshop; fiveleaves.bookshopevents@gmail.com.

Left Unity Wales

Saturday January 23, 1pm: National meeting, Sport Wales National Centre, Cardiff CF11. Organised by Left Unity: www.facebook.com/LeftUnityWalesChwithUnedigCymru/.

On liberty

Saturday January 23, 2.30pm: Corin Redgrave Memorial Lecture, Conway Hall, Red Lion Square, London WC1. Speaker: Shami Chakrabarti. Entrance: £8 (£5 concessions). Organised by Peace and Progress: www.peaceandprogress.org.

Back the NHS and tube strikes

Saturday January 23, 2.30pm: Public meeting, Bloomsbury Baptist Church, 235 Shaftesbury Avenue, London WC2. Organised by Unite the Resistance: <http://uniteresist.org>.

Don't renew Trident

Wednesday January 27, 7pm: Discussion, Priory Rooms, Quaker Meeting House, 40 Bull Street, Birmingham B4. Speakers include Lindsey German and a Lebanese socialist. Organised by Stop the War Coalition: www.stopwar.org.uk.

Corbyn's campaign

Wednesday January 27, 7pm: Book launch, Five Leaves Bookshop, 14a Long Row, Nottingham NG1. With Tom Unterrainer, Tony Simpson and Adele Williams. Organised by Five Leaves Bookshop; fiveleaves.bookshopevents@gmail.com.

Media bias and Israel

Saturday January 30, 2pm: Public meeting, Unity Hall, Central Road, Yeovil BA20. With guest speaker Ilan Pappé. Organised by Palestine Solidarity Campaign: www.palestinecampaign.org.

No to the Housing Bill

Saturday January 30, 12 noon: March to Downing Street. Assemble Imperial War Museum, Lambeth Road, London SE1. Organised by Lambeth Housing Activists: <http://housingactivists.co.uk>.

Less Trident, more welfare

Tuesday February 2, 7pm: Public meeting, Trinity Centre, Trinity Road, Bristol BS2. Organised by Stop the War Coalition: www.stopwar.org.uk.

Britain and Palestine

Saturday February 13, 10am to 5pm: Conference, Sarum College, 19 The Close, Salisbury SP1. £25 (£12 students). Debating Britain's past and future relations with Palestine. Lunch included. Organised by Palestine Solidarity Campaign: www.palestinecampaign.org.

CPGB wills

Remember the CPGB and keep the struggle going. Put our party's name and address, together with the amount you wish to leave, in your will. If you need further help, do not hesitate to contact us.

LEFT UNITY

Things don't look good

Peter Manson reports on last weekend's shambolic London members aggregate

I am afraid to say that the January 16 aggregate meeting for Left Unity's London members served only to confirm the sense of disarray and disintegration that has been hanging over the organisation since the election of Jeremy Corbyn as Labour leader.

Hundreds of members have simply jumped ship, while the leadership seems to be at a loss as to LU's role, especially since it seems clear that Labour is now much more fertile ground for the kind of left reformism that many of LU's tops advocate. This uncertainty found reflection in the shambolic organisation of the aggregate - not only in relation to its purpose, but in the way it was called.

While such aggregates are able only to make recommendations rather than take decisions, that is no excuse for the total failure to advise the London membership that a meeting had been called. There was no general email or other form of communication sent out and in fact no-one had even thought to advertise the aggregate on the LU website or in any other way. It was only those who are fortunate enough to be subscribed to the regional email list who learnt about the aggregate first hand - personally I did not even know such a list existed, and there must be many more like me.

When at the meeting I pointed this out to comrades from the regional committee, I was told that it was the job of branches to advise their members. My own branch secretary was obviously not aware of this - he told me earlier that he just assumed everyone was on the regional list and did not email the branch members for that reason. But what about those branches that have folded or all but collapsed? Where does that leave their members?

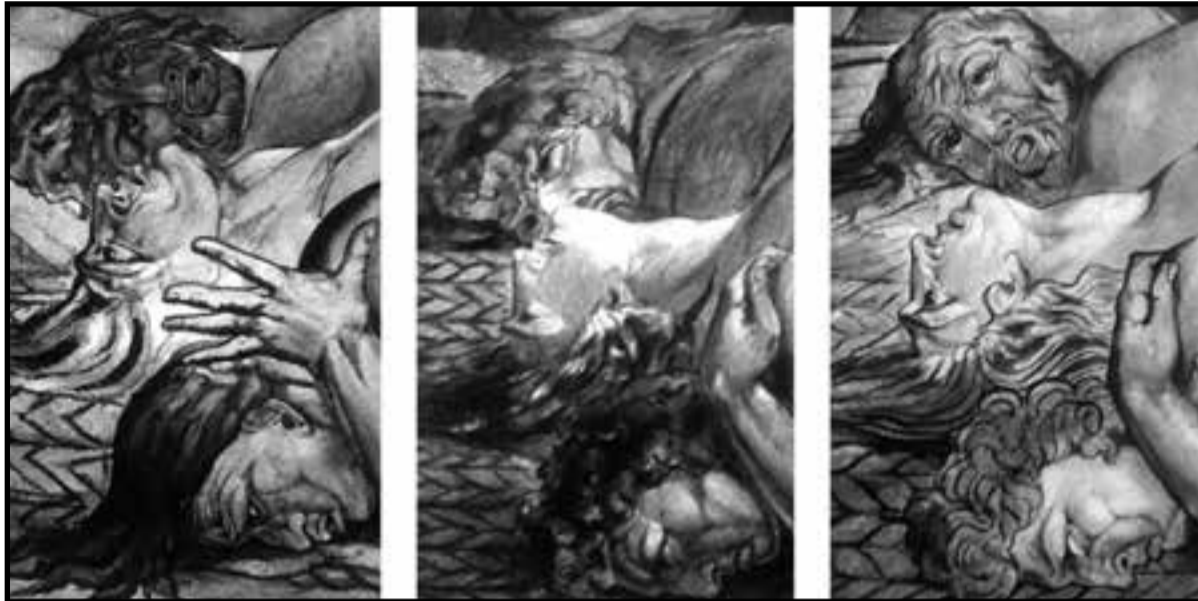
Towards the end of the aggregate national secretary Kate Hudson told us that there are still 200 members in London, but "probably the majority" have never got involved in any LU activity. In that case, and in view of the failure to give proper notice of the meeting, the attendance of 30-35 was actually pretty good.

But what was the aggregate for? There were three items on the agenda: Corbyn and Labour; campaigning priorities; and branch organisation. It was only when we eventually got to item three that it was revealed that a discussion on reorganising the London branches in view of the drastic fall in membership had originally been the purpose of the meeting.

Corbyn

Before that, however, there were two debates that were both problematic in their different ways. First, Stuart King introduced a discussion on Corbyn and Momentum, in which he claimed that the balance of power within the Labour Party had dramatically shifted in favour of Corbyn since the November 2015 LU conference. Comrade King - previously a member of Workers Power, Permanent Revolution and the Anti-Capitalist Initiative (three groups that no longer exist) - declared that the Corbyn leadership is today "much more secure".

Referring to Labour as "one of the parties of the ruling class", he said that Labour's rank and file - "largely through Momentum and Stop the War" - had led an "extremely effective campaign", which won a majority of Labour MPs to side with the leader over the bombing of Syria. Following this Labour won the Oldham West by-election and Corbyn



Membership falling

was able to reshuffle his cabinet, thus strengthening the left. So things have "changed considerably" since November.

Momentum, the campaign set up to support comrade Corbyn within the party, has 30,000-40,000 supporters, he went on, but at the national level things are not so good. The Momentum leadership's bureaucratic behaviour will drive out a lot of people, he thought. So there is "a struggle to be had". However, this struggle was not over the battle to win Labour for the working class, but to "turn Momentum outwards", so as to form an anti-austerity "social movement" in and out of the party.

Comrade King was aware that Left Unity will "not be recruiting people easily" in current circumstances, but he made no recommendation as to what precisely LU members should do. Should we all join Momentum and, if so, should we try to fight within it for a common cause? We were not told.

Several comrades, including national treasurer Andrew Burgin and Roland Rance, made it clear that they too have been active in Momentum, although in his case comrade Rance said it had been "made clear that we're not welcome". He too was in favour of "turning Labour towards the campaigns", towards "activism".

He was followed by Jack Conrad of the Communist Platform, who disagreed with comrade Rance. Our job is to channel people into the Labour Party, he said, and in this respect it was a big mistake for the November conference to reject fighting for affiliation.

In response to comrade King's claim that things have changed substantially in Corbyn's favour since the LU conference, he pointed out that Corbyn has, quite correctly, been making use of the Bonapartist powers enjoyed by the Labour leader. In other words, the present situation had been perfectly foreseeable, but the LU majority had preferred to believe that Corbyn would soon be defeated by the right and the tide would turn in LU's favour. Comrade Conrad added that the main struggle Corbyn has should be viewed not in terms of winning the 2020 general election, but in terms of the party's rules. It was a struggle to democratise Labour in order, amongst other things, to completely change the composition of the Parliamentary Labour Party. In fact, Labour can be transformed into a permanent united front of the working class.

Comrade Burgin reported that the

Momentum meeting due to be held on the same day as the aggregate had been called off - although it "would have been a stitch-up" in any case, he said. Our aim should not be to dissolve LU so that everyone could join Labour, he continued. We can work in Momentum, but LU is a "very different" organisation, aiming to unite all the left. It was important to grasp that there has been a "shift to the left across Europe", he said, and that LU is part of that.

LU nominating officer and Socialist Resistance member Terry Conway "agreed strongly" with "virtually everything Stuart said" and "fundamentally disagreed with Jack". Rather mysteriously she stated that turning people outwards to the campaigns was not an "abstract" question - you "can't do it just in the Labour Party".

For my part, I pointed out to comrade King that it was incorrect to state that Labour was unambiguously "one of the parties of the ruling class". The Corbyn phenomenon has confirmed Lenin's analysis that Labour is a bourgeois workers' party and Corbyn's victory has proved that the working class pole, previously completely marginalised, is alive and well, in however attenuated a form. The main task within Momentum was not to "turn it outwards", but to help win the battle in the Labour Party, to transform it into a vehicle for our class. That was why I too thought it was a bad mistake to vote against the idea of affiliation - the aim ought to be for Left Unity to act as a disciplined force within Labour to aid that process.

One of the Corbyn-sceptics was LU national council member Richard Farnos, who said he did not "share the euphoria" over the new leader. As for Momentum, it was "inevitable" it would become a "creature of the Labour Party" and it was essential that LU remained outside Labour to continue with our aim of building "a party of the left". Nevertheless, like many others he said he would prefer a Labour government to a Tory one and wanted Labour to win in 2020.

Steve Freeman preferred to talk about matters other than the question of Labour. He thought it was more important that our policies on democracy, Scotland and Wales, and the European Union were correct. Despite the fact he had stood against the LU-backed candidate in last year's general election, I thought the reception he received was strangely polite and receptive.

RMT union executive member

Oliver New is one of those who thinks that discussing politics can often mean "not doing anything". Didn't we realise that politics was not about "debating endlessly"? Rather it "comes out of the working class struggle".

Responding to the debate, comrade King emphasised that the "most crucial thing" for Momentum is *not* changing the Labour Party, but "defeating the Tories by mobilising people". Our role is to "convince Momentum of that". As for Left Unity, although our website is "awful" and we "need to get our act together", we "have the politics - we just need to present it".

Campaigns

Next, Doug Thorpe briefly outlined the executive committee's recommended campaigning priorities - even though we are "a smaller organisation than a few months ago", he said, we should still be getting out there and making our presence felt as Left Unity.

The first priority is the campaign against the renewal of Trident - that takes "pride of place". He suggested we produce a broadsheet on the question. Other campaigning areas included housing, the environment and, of course, the battle against austerity - so the April 16 People's Assembly demonstration was very important. In other words, it was very much another case of 'as you were' - even comrade King pointed out that the EC had not mentioned Momentum in its list of priorities, for instance.

After that, several members took the opportunity to tell us what they had been doing in their locality or what we ought to be campaigning on in the near future. So Dave Landau of the Independent Socialist Network thought the EU referendum campaign would be "really racist" on both sides and it was vital to focus on that. Alan Thornett of Socialist Resistance proposed a "discussion seminar on climate change with others from the green left", while comrade Rance said that his branch had placed a "strong emphasis on disability rights" and a couple of others mentioned the latest acts of oppression from the Turkish state.

Comrade New agreed with the EC that Trident should be the first priority, as it props up British imperialism's role in the world. Local branches should hold forums and leaflet on the question, using CND material if necessary. We need to be "seen as people who are cracking on with it". He also pointed out that lots of campaigns are "dominated by men" and so we should produce a leaflet that

"links up with feminism". Eve Turner, from the chair, called for a "day of action", when all branches would campaign against Trident.

Comrade Freeman took the opportunity to obliquely refer to his own hobby horse, when he said LU should "build links with the Scottish left". In response to this, the CP's Sarah McDonald commented that Steve was actually "trying to get someone from Rise to talk to us about independence".

In reply to the 'debate', comrade Thorpe helpfully concluded that having a list of priorities "doesn't mean we don't do anything else". So just carry on campaigning as before - and don't worry about *political* priorities. After this, it was agreed that branches should organise a day of action and call forums on Trident before the February 27 demonstration.

Branches

If you have the impression that the above sessions were less than purposeful, then read on. Comrade Turner apologised for not being entirely sure of things, but she pointed out that there is no regional secretary at the moment. "Are there any volunteers?" she asked, adding that perhaps a couple of comrades could job-share? (Whatever happened to elections?)

Since she did not know exactly what the final session was supposed to be about, she suggested that there should be "branch reports" from the floor. What? I thought we had just heard a lot of those. However, in response to other comrades pointing out that there were specific questions that needed to be raised, comrade Turner called on Doug Thorpe once more to explain the thinking of the regional committee. He informed us that the committee had decided that the question of branch organisation was the "main reason" why we needed this aggregate, but he could not "remember exactly why".

At this point comrade King came in again to point out that several south London branches had agreed to fuse, and comrade Rance reported that Tower Hamlets and Hackney were considering a merger, or at least working together. For his part, comrade Burgin recognised that, while some current branches were "viable", others were not, but he thought that "pulling together faraway branches" was not a good idea.

He and comrade Hudson both recommended that there should be monthly London-wide members' meetings (which ought to be properly advertised, they said pointedly). Andrew reported that Lambeth used to have around 20 people at its meetings, but now it has joined forces with three other branches and only around eight people come along.

Finally, comrade Conway undertook to "get a list of the full London membership" and the meeting ended up endorsing a recommendation that the four south London branches should merge - in reality this was a *fait accompli*, of course. So there had been no general recommendation on branch organisation either from the regional or national leadership. How should LU be organised locally? One branch for each borough or one for whole areas of the capital? Or should we give up on branches altogether and just go for London-wide meetings?

I can only conclude that, if this meeting is anything to go by, things do not look good for Left Unity ●

peter.manson@weeklyworker.co.uk

ECONOMY

Drowning in oil

The capitalist world economy is fast slowing down. Investors and central bankers worry about a catastrophic crisis. Meanwhile, asks **Eddie Ford**, does Venezuela's oil-reliant Bolivarian revolution face its nemesis

Showing the jittery state of the world economy, both the Standard & Poor 500 and Dow Jones Index have notched up their worst ever start to the new year since 1929.¹ That does not necessarily mean, of course, that we are about to have another 1929 - rather that for the first two weeks of this year, these markets have racked up *big* losses of up to 10%. Whether you want to start panicking is up to you.

At the time of writing, the Asia Pacific stock markets appear to be in full retreat.² MSCI's broadest index of Asia-Pacific shares outside Japan sank 2.1%, to levels not seen since late 2011, and Japan's Nikkei was down 3.7% - leaving it 20% below last year's peak and thus technically entering a bear market (broadly defined as a 20% fall from a previous peak).³ But the pain does not stop there. Stocks in Australia have fallen 1.3%, with the Asia-focused bank, ANZ, down 4.5% and the country's huge resources and energy sectors also being punished. In South Korea, the Kospi index was down 2.6%. Hong Kong's Hang Seng index has continued to fall sharply, shedding 3.75% - having lost more than one-third of its value since April last year.

In turn, the FTSE100 has fallen 155 points, or 2.6% - its lowest level since November 2012 - putting it in bear market territory. The same goes for the German Dax and the CAC-40 in Paris, respectively down by 2.5% and 2.3%. Meanwhile, the International Monetary Fund cut its global growth forecasts on January 19, blaming a slowdown in China, the falls in commodity prices and the Federal Reserve's move to start raising US interest rates. Mining giant BHP Billiton has added to the bleakness by saying it sees no early recovery in iron ore or coal prices. Full of gloom, William White, chairman of the Organisation for Economic Cooperation and Development's review committee, told *The Daily Telegraph* that the problems building in the global financial system were now "worse than it was in 2007". He warned that central bankers had "used up all their ammunition" (January 19).

Tsunami

As most of our readers will know, this massive sell-off and general gloom has been fed by the continuing slide in the price of oil (now below \$28 a barrel - its lowest point since 2003) and, as mentioned above, increasing concern - if not fear - over the dramatic slowing down of the Chinese economy. Or, in the words of Phil Orlando, chief equity market strategist at Federated Investors in New York, there is a "tsunami of negative psychology" about China and there is "nothing we can do except step back, hunker down and wait for the carnage to play out".⁴

Official Chinese figures tell us that the economy grew last year by 6.9%, compared with 7.3% a year earlier - marking its slowest growth in a quarter of a century. For what it is worth, the IMF predicts that the economy in China will grow by 6.3% this year and 6% in 2017 - Beijing having set an official growth target of "about 7%". Most analysts think that any growth below 6.8% would fuel calls for further economic stimulus. The government-backed *China Securities Journal*



Nicolás Maduro: on back foot

reports that Beijing has the "policy space" to further support the economy, including raising deficit spending to around 3% of annual economic output. China's central bank revealed late on January 19 that it would inject more than 600 billion yuan (\$91.22 billion) into the banking system to help ease a liquidity squeeze, expected before the long new year celebrations. However, such a move was not particularly usual before the holidays and stopped well short of an actual cut in bank reserve ratios. Since November 2014, Chins has cut interest rates six times as part of a range of measures designed to bolster flagging growth.

But official Chinese statistics and growth figures are notoriously flaky, if not an enormous exercise in creative accounting. The data comes from provinces across the country and, though Beijing stands accused of 'inflating' the overall figures, the individual provinces are also thought to 'sex up' their results - everybody lies to each other in typical Stalinist fashion. Confusion reigns. But in December 2015 even the state media suggested that regional economic data had been drastically exaggerated, with one province reporting revenue 127% higher than the actual number. According to Wikileaks, back in 2007 China's current premier, Li Keqiang, described regional GDP data as "man-made" and "unreliable". Instead, he suggested determining growth from electricity consumption, volume of rail cargo and amount of loans disbursed (the so-called 'Li Keqiang index').

Most serious guesstimates have the growth figures nearer 2%. In the financial press you can regularly read stories about former fund managers and investors beginning to pull out of China on the basis - or expectation - that it is going down the plug-hole one way or another.

Of course, as we have pointed out before in this paper, it is not the actual Chinese stock exchange that matters - it is more or less insignificant, compared to the equities traded in the City and Wall Street. But a slowdown

in the Chinese economy *as a whole* has a near immediate knock-on effect on Australia, Canada and many other countries. For a European or Japanese car company, it matters how much spending power the Chinese middle class has. For many African countries like Nigeria or the Congo, it matters how much money Chinese companies have to spend on investment. Australian or Indonesian mining companies are heavily dependent on Chinese demand for iron ore and coal, whether increasing or slowing. And steel plants in Wales and elsewhere go bust if China is flooding global markets with steel too cheap to compete with.

Emergency

The Asian markets have been particularly rattled by the warning from the International Energy Agency that the oil market could "drown in oversupply", now that sanctions against Iran have been lifted - Tehran has vowed to boost output by 500,000 barrels a day, thereby cancelling out production cuts elsewhere (such as Russia).⁵ Additionally, the agency estimates about 300,000 b/d of additional crude could be flowing to world markets by March - not to mention the fact that last year production from countries outside Opec, led by the "stubbornly robust" United States, grew 1.3 million b/d from the prior year to 57.6 million b/d. Overall, the IEA calculates that 285 million barrels will be added to stocks this year.

In other words, this means that there will be an *overabundance* of oil, alongside a *weakening* of demand as China, Japan and the eurozone stagnate or record less and less growth. Furthermore, adding to the pessimism, warm early-winter temperatures in Europe, Japan and the US and continued economic woes in Brazil and other commodity producers caused a sharp reversal in the oil market last year. Demand more than halved from 2.1 million barrels a day in the third quarter (almost a five-year high) to a year low of one million barrels a day in the final quarter.

As storage space on land becomes scarce, the IEA report points out, it may become profitable to stockpile excess crude on tankers at sea in order to accommodate the oil glut. Any sort of bounce-back is unlikely, concludes the agency - just a further downward pressure on prices, possibly to a level previously thought unimaginable.

Demonstrating the ruthless interconnectivity of the global capitalist economy, that crushes all beneath its heel, the slump in oil prices has had a devastating effect on various governments throughout the world - none more so than Venezuela, which depends on oil for about 95% of its foreign currency and has the world's largest oil reserves. Of course, the main recipient of its oil exports was the US, and this financed the 'Bolivarian revolution' - which certainly lifted the position of the poor in shanty towns and slums, especially when you bear in mind that in 2008 oil was at \$147 a barrel.

Now the country faces chronic shortages of basic foods, inflation is soaring and the murder rate is going through the roof - with the prospect of things only getting worse and worse, as oil prices continue to fall in the aftermath of the Vienna agreement. Factors exacerbated by US sanctions against the country and massive corruption in all levels of society.

In despair, on January 16 the Venezuela president, Nicolás Maduro - successor to Hugo Chávez and a member of the United Socialist Party of Venezuela (PSUV) - declared an "economic emergency", seeking extraordinary powers to rule on economic matters. This is not the first time that Maduro has attempted to rule by decree since becoming president in April 2013. He announced the creation of a new agency, the Vice Ministry of Supreme Social Happiness, to coordinate all the social programmes - its aim being to take care of the most "sublime, vulnerable and delicate, to those who are most loved by anyone who calls themselves a revolutionary, a Christian and Chávista".⁶

Maduro ruled by decree between

November 19 2013 and November 19 2014 - requesting an enabling law in order to fight corruption and launch an "economic war". Then on March 10 2015 Maduro again asked to rule by decree following the sanctioning of seven Venezuelan officials by the US, requesting powers to "confront" the "aggression of the most powerful country in the world" - the national assembly granted him such power until December 31 2015.

In a rather rambling three-hour speech, Maduro maintained that the country's economic misfortunes were the result of a "non-conventional war that attacks our homeland". The central bank, which for some reason has not published any economic statistics since the end of 2014, declared on January 15 that Venezuela's economy shrank 4.5% in the first nine months last year and that inflation had hit an eye-watering 141.5% - the country's revenue having plummeted by 62%, thanks to the sharp downturn in oil prices. Needless to say, there has been huge slump in the purchasing power of most Venezuelans. Maduro called the figures "catastrophic" and appealed for "national unity" to face the economic crisis. His decree would give him wider powers for 60 days to intervene in companies or limit access to currency and also gives authorities special "temporary powers" to boost production and ensure access to key goods - including taking command of companies' resources, and to impose currency controls.

However, this time round Maduro might have problems getting his own way. For the first time in 17 years, the mostly centre-right opposition controls the assembly after winning the December elections - the Democratic Unity Roundtable coalition securing 109 of the 164 general seats and all three indigenous seats. The government's own coalition, the Great Patriotic Pole, won the remaining 55 seats - the PSUV being in alliance with the Communist Party of Venezuela (two seats) and the even smaller Bicentennial Republican Vanguard (one seat). Clearly masses of people are becoming disillusioned with the Bolivarian revolution and are in desperation turning to the parties of the right because they appear to offer the prospect of stability.

For communists, the deepening problems in Venezuela - just as with Syriza in Greece - shows yet again that leftwing attempts to save capitalism from itself are bound to fail. Certainly the path to socialism and working class rule does not, and never could, come through the Bonapartist rule of Chávez and then Maduro. To act as a class the workers must be formed into their own party. Not subordinated to the PSUV and the Great Patriotic Pole ●

eddie.ford@weeklyworker.co.uk

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CRISIS THEORY

Moving money does not generate surplus value

Stay as money, face death as capital

How can capital extricate itself from crisis? Hillel Ticktin argues that it has no solution

This is the 10th year since the financial crisis that began in the United States with a banking crisis in relation to mortgages in June-July 2006.

The crisis reached a point where it erupted politically in Greece and what was clear was that there was no middle way between the left and the right - and that applies not just in Greece, but in Britain and around the world. There is no middle way in deciding how to deal with the crisis. For the first time you can really see the beginning of a crack in the capitalist system. The political consequences are beginning to show and the bourgeoisie is well aware of it, as could be seen by the particular course of action taken in Greece last year.

In other words, the attitude of the Germans in relation to Athens was not related to some misapprehension as to what was going on, or an attempt to be vindictive. Angela Merkel and co were acting in the interests of the German state and in the interests of the wider capitalist class in taking the hard line they did. Having been in Greece just prior to the imposed

settlement, it was clear to me that Syriza was going to split. It was also clear that the working class as a whole was very angry. We can expect the situation to intensify - perhaps not immediately, but over time.

Of course, it is fairly obvious to the right that they have to keep things under control. Many leftwing commentators pointed out that the attitude of the right was not based on economics, but was consciously political. If they conceded they would have to concede everywhere - in Spain and elsewhere in southern Europe in the first instance. The right upheld a political position in order to hold the fort, but they were not quite as stupid as they appeared to be.

The question is, where does the bourgeoisie draw the line? Is it possible to draw a different line? Is it possible for them to concede at some level? Is there a liberal bourgeoisie that wants to concede and believes in a more humane capitalism that could be maintained for a longer period? I have been arguing for some time that the bourgeoisie is divided. However, practically all conservative parties

around the world take the same line. They all go for austerity - there are no liberal bourgeois governments. For instance, I do not think that Barack Obama has been objectively liberal, whatever his personal views are. In terms of the actual policy undertaken in the United States, it is the same as is being pursued in Britain and everywhere else.

Could they have taken a different line? Is there a middle way for the bourgeoisie at the present time? I do not think so. There is a liberal section of the bourgeoisie, but it is not able to act, it seems, and exert much influence. There are those who put forward arguments on inequality, but that debate is not going anywhere.

Historical function

Is there an alternative? The crisis itself expresses the fact that there is not. We cannot look at crisis simply in terms of the immediate period from 2006 to the present. The capitalist system has been in crisis from 1870 at least. You can argue about the date, but I am taking the Leninist line here and I think Lenin was absolutely

correct. Basically what we are talking about is the point at which capitalism ceases to be competitive in the classic sense and when the capitalist class can no longer control its production in order to maintain profits. In other words, its historical function to raise productivity, which Marx goes into detail about, has effectively come to an end.

Looking at it in an objective way, in 1870 capitalism's reason for existence came under threat. What that meant was the capitalist class had a problem as to where it was going to invest. The question today is exactly the same. The *Financial Times* is full of examples of this problem. A few months ago, it published an article revealing that around 40% of Japanese firms had huge holdings in cash: in other words, they are not investing. Japan has been in a depression since 1989 and its government is implementing what amounts to a massive Keynesian programme of state expenditure. Japan is an extreme example, but the same is true of practically any developed capitalist country.

I have cited this a hundred times over, but the International Monetary Fund has pointed out that there is something like \$76 trillion being held by financial firms, such as private equity in different forms, waiting to be invested. There is - and I am surprised this is not cited more in the press - something like \$28 trillion that is held in the bank of New York Mellon alone. The amount of money that cannot be profitably invested keeps going up. When you put your money in a bank like that, not only do you not gain interest: you pay bank charges. It is a crazy situation when such enormous sums of money are being held and not being invested - a situation that has lasted almost a decade.

In other words, there is a very large proportion of surplus value that is not going into investment. And money that is not invested is not capital: it is not being used to generate more surplus value. The same situation occurred in the great depression. The point I am making is that you can refer back to 1870 and the difficulties under conditions of

monopoly (in the Marxist sense of a relatively small number of firms which are able to plan their output). But anybody who studies bourgeois economics will know that today monopoly is not discussed: it does not exist in the textbooks. They have decided, without actually declaring it, that one can describe capitalism as simply competitive, whether there are six firms or a hundred firms in a particular market - what matters is the interaction between these firms.

Some Marxists have taken up this viewpoint too, arguing that Hilferding and Lenin were wrong on monopoly capitalism. This view is more common in the United States. For example, Anwar Shaikh, professor at the New School, makes it clear that he rejects the Leninist viewpoint. Another person who takes this view is Charlie Post, also a member of the American left. If you look at the work of Robert Brenner, although he does not go the whole way, he accepts it to at least some degree. This is quite an important point because of what it means if they are right.

However, it seems to me they are wrong. The question is whether firms - from 1870 onwards - could plan their output at some kind of level and restrict it in order to make the maximum profit. I do not think there is any doubt that they can. And if they can then they will have a surplus which they cannot invest. There will be a level of output which they cannot exceed. Under these conditions - and they are general conditions within capitalism - the solutions that was previously adopted can no longer be applied.

Twofold solution

The solution adopted to stabilise capitalism was twofold. I say 'stabilise' because as you will remember the so-called long depression occurred at roughly the same time - in 1873. The first part of the solution was the turn towards imperialism - which still, of course, exists, but in a more attenuated form than it did then, as profits now are lower in relation to the amount invested. Imperialism exists and finance capital invests around the world and gets relatively high returns, but it does not exist on the same level as in the 1870s.

The second way in which the surplus was absorbed was through war, from World War I onwards. It seems reasonable to state that capitalism needs war. If you look at its history it seems to be the case. It serves wonderfully for absorbing investment. The problem today, however, is that neither of these solutions are tenable any more.

It is true that there are leftwing groups like the Socialist Equality Party in America which keep going on about the war that is about to come. I do not see where this approaching world war is coming from: the idea that the US is going to fight Germany or France is absurd. By the same measure, we do not really expect, despite the nonsense talked about it, the United States to go to war with China. War is effectively ruled out. We no longer even have a cold war, although some are trying to drum one up in relation to Vladimir Putin. But, after all, Russia and the US are on the same side.

So we do not have war and we do not have imperialism in the old way. Obviously we have independent countries (semi-independent in reality), and capitalists do not get the same rate of return as they once did. Nonetheless money is still coming in, and investors in the third world are getting money coming into the imperialist centre. What this means at present, however, is simply a build-up of money - at this point reinvestment in the periphery is not taking place. After the crisis in 2008

a lot of money went out there, on the basis that the rate of interest in the third world is often higher than in the core countries. Consequently it was possible to get relatively high profits simply by putting money into the third world, either in the stock exchange, in particular shares or simply through interest. That has now stopped: it is not possible to do it in the same way and the result is that there has been a rapid deceleration of the third world. The crisis has really hit peripheral countries and effectively it is intensifying. The obvious examples are Brazil, which is often in the headlines, and South Africa, which is in dire straits.

So the general crisis of capitalism has returned with some force.

Contradictions

There is a problem with the Marxist discussion of crisis, of course, in that it tends to concentrate on the immediate mechanisms, the three aspects of crisis. These are underconsumption, disproportionality and the falling rate of profit. In fact there is a more general crisis if we define it in the way that Marx did - as a situation where all the contradictions of capitalism show themselves.

In other words, it is a situation where the contradictions cannot actually be resolved. A contradiction involves an interpenetration of two opposites that come together and allow for an entity to function and propel it. In fact they are its mechanism and form of advance. When they cannot interpenetrate, and come into conflict, the system begins to collapse. That is the nature of crisis that is described by Marx in *Capital*. It is clearly the case today in the case of investment. It cannot happen because firms cannot make use of it and there is a build-up of money, as opposed to capital. The process by which money becomes capital - in order to exploit workers and produce surplus value, which turns into money again and so on - is not occurring. Today that interaction is not happening.

We can talk about the problem beginning in the 1870s, and the way it was solved through imperialism and war. We can talk of the period after 1917 when effectively the system was able to function very largely due to the existence of social democracy and Stalinism. You cannot take the politics out of political economy: it was through the sell-out of social democracy that capitalism could go on functioning - this was obviously true from 1945 onwards, when the military-Keynesian strategy was adopted.

The essential point is that today that has all broken down. Effectively there is no more social democracy. Around 25 years ago I made this point in a speech and someone retorted: 'Yeah, it is finished, but remember what Rosa Luxemburg said in 1918 about the stinking corpse of social democracy'. In other words the left has been talking about the end of social democracy since 1918. However, I think it is true that it is finished, I cannot see it having any real meaning today.

As I have said, there is no middle way. It is not just a question of underconsumption, disproportionality and the declining rate of profit. It is an actual crisis of capitalism itself, which is long-lasting - although obviously it will not lead to capitalism coming to an end like a balloon that bursts: it has to be overthrown. But, if social democracy does betray - which it has - and the revolution itself is destroyed by Stalinism, capitalism will not be overthrown. We have had a century when it has been necessary to overthrow capitalism, when it has been demanding its own overthrow, but the political ability to do it has been lacking.

What one has therefore is a continuous crisis and it has to be looked at in those terms, as well as in the more detailed terms of the particular form the crisis takes. If you just look at it in the particular form you end up with a stilted understanding of what is happening.

Falling rate of profit

I will briefly make a point here on the question of the falling rate of profit, since it has become an orthodoxy in certain circles of Marxism. There is no question that if you uphold the labour theory of value, which any Marxist must do, there has to be a falling rate of profit over time. However, it is not automatic and it is based on a simple point that there is a rising organic composition of capital.

The problem is that the organic composition of capital may not rise and it can be offset. In *Capital* Marx says there are six ways in which it can be offset. In fact the argument against it is much stronger than this. You cannot simply say the rate of profit declines: you must give the details of how the organic composition of capital is rising and is not being offset. You would expect under normal circumstances that there would be ways in which it would be.

There is no question that ultimately the organic composition of capital will rise over one or two hundred years, to a point at which there is no surplus value. And it is true that at times the rate of profit will fall as part of the process of accumulation. But the issue is not whether it falls, but whether the tendency is offset. Since that is precisely described in *Capital*, you cannot cite Marx as a supporter of the theory of crisis resulting from a falling rate of profit - he does not support such a theory. I recently read the Ernest Untermann (1909) translation of *Capital* and in certain points it is just wrong. What is particularly wrong is the reference to the 'law of the tendency of the falling rate of profit'. But Marx never used that expression. It is in Untermann's English translation, but not in the original German. There is a heading about the "law of the tendency", but that was not put in by Marx.

The simple, dogmatic acceptance of this theory is comparable to the method used in bourgeois economics. There is a real problem with taking a viewpoint like that and simply running at it in a straight line. As I have said, it is true that in any accumulative process the rate of profit will fall, but that tendency is always offset, or at least offset for a time. It has to be, otherwise when we consider that Marx was talking about it 145 years ago, shouldn't the rate of profit in the US now be lower? The problem for a Marxist in looking at it in this 'straight line' way is that it detracts from the whole argument in terms of the class struggle - and the interrelationship between political economy and the class struggle. You are meant to conclude that the system is simply coming to an end and to put it like that is a dogmatic fallacy.

I am not arguing that this view - and it did become the orthodoxy within Marxism from the 1970s onwards - is not a Marxist argument, but I think it is fallacious. The idea that the falling rate of profit is effectively the only main cause of crisis at all times is simply wrong and it destroys the whole theoretical basis of Marxism. Obviously the people making the argument are Marxist, but I am simply giving the alternative argument. The crisis is not based on the falling rate of profit in and of itself.

The question, of course, is whether it is the falling rate of profit that has caused the present crisis, and it is very hard to build a case to support

such an argument. You can collate statistics, as people have done, but where do those statistics come from? The capitalist class is talking about a rate of profit of something like 12%. In the United States half of the companies in the stock exchange get a substantial amount of their profits from overseas, from imperialism, so it is necessary to take that into account. Apart from that, much of those profits is hidden, which means there is no way of accurately establishing the actual rate - and it is quite clear that capital is not behaving as if there is a profit crisis. On the contrary, it seems to have made too much profit! The capitalist class currently operates on the basis that it has too much money. In other words, if you uphold a theory of the falling rate of profit, you need a separate theory to explain the curious behaviour of the capitalist class. I am not arguing that at some point the falling rate of profit might not actually make itself felt: it might, but it is clear that at present this is not the problem.

Austerity

What we have at the present time is the same basic problem that has existed since the 1870s - the inability to raise productivity to a sufficient degree. So how can this be dealt with? Only by doing what they did in the 19th century and lowering wages, in order to produce a period of boom when there are superprofits (that would be followed by a crisis, of course, but the working class would be under control). It is obvious that the ruling class has wanted to do this all along - returning to conditions of commodity fetishism and the reserve army of labour. However, what is clear is that it cannot be done. Austerity cannot work. The idea that they could abolish welfare benefits to that extent is fantastic. Nonetheless, that is where they are going. Why is this?

There is an ideology within the Conservative Party of the small state. In other words, having a proportion of the population which, despite being effectively on the bread line, is declared to be running small businesses - in Britain the figure for this is about six million people. This categorisation is ideological, but clearly there is no real difference between such people and unemployed or semi-employed workers. Obviously people in that position will tend to move to the left, because there is no solution within capitalism.

It is becoming clearer to the capitalist class itself that austerity is not a long-term strategy. The classic form of capitalism cannot be reimposed. That is why the IMF is now saying that there must be

investment in infrastructure. It is why Lawrence Summers, an economist formerly closely tied to the US administration, came out with the line that investment costs nothing, since it is paid for by the return that accumulates. That argument is powerful and it shows there is a realisation that the state cannot continue shrinking indefinitely, which reduces the potential for investment.

Modern capitalism does not work in the way described in textbooks, whereby individual capitalists decide to invest and there are wonderful results. In order to invest big capital has to be sure that it will get a return over 10-20 years. It must be confident of being able to maintain its current level of profits, or at least something near it. The capitalist class has never really been assured of this since the 1870s, and that applies particularly to the period since the 1970s. So in effect we are in a crisis that has been going on since the 1870s - a situation that was reinforced in the 1970s, when the capitalist class pulled the plug on investment and went for finance capital. But this turn to finance capital obviously has a limit: the amount of money cannot be expanded indefinitely in the expectation that value will be generated out of thin air. From the point of view of the law of value it is technically impossible, but even those who do not support the Marxist view would agree that finance capital on its own is useless. Finance capital has reached its limits and this is a symptom of an overall crisis within capitalism.

Let me repeat: there is no middle way for capitalism. There is talk about state investment, but the ruling class is worried about putting it in to practice. They are confused and stuck in a rut - this an important feature of the crisis at the present time. They can keep on with austerity, but this approach is breaking down, as we saw in Greece. They can see that the economy cannot continue like this and that the working class is not going to accept it. They have to change, but they cannot change, so they simply continue with the old forms.

In other words, a characteristic of the current stage is this prevailing confusion rather than any even semi-rationalised ideology to support the current approach. But a second characteristic is seen in the fact that the working class is beginning to act, and the capitalist class has no real answer. So, on one level, the position today looks very difficult for the working class - but, on another level, it is looking very hopeful, because for the first time since the rise of Stalinism, since the 1930s, we are beginning to see a possible breakthrough ●

Fighting fund

Do your bit

My concern at the below-par total of donations received last week seems to have produced a reaction, mainly in the shape of two hefty cheques - from TS (£100) and JK (£50). JK writes: "Two great issues to start the new year!" We try, comrade, we try.

PayPal donations came our way from DL (£20) and TF (£10), who were among the 2,948 comrades who read our paper online last week. Then there were seven standing order contributions totalling no less than £365. But it is again just two comrades who take pride of place in that department: comrades MM and SK, whose monthly donations are, respectively, an excellent £75

and a huge £230. Both comrades are very modest, but just once in a while I feel I ought to mention them.

Anyway, all that comes to £545 and takes our fighting fund running total for January up to £1,184. So we have exactly 11 days to reach our monthly £1,750 target. If I can report another result like this week's in the next issue I will be more than happy.

Take that as an invitation to do your bit! ●

Robbie Rix

Fill in a standing order form (back page), donate via our website, or send cheques, payable to *Weekly Worker*

POLEMIC

Making inroads into power of capital

We should support all measures facilitating an accumulation of productive capital, thereby placing workers in the most favourable position, argues **Arthur Bough**

In two articles last year, Mike Macnair examined the question of the conditions under which socialists might support the taking of governmental office, within a framework where severe constraints are placed upon the kinds of government policy that can be pursued.¹

Mike set out his analysis of modern capitalism, as one where money capital is dominant. In a global economy, he contended, this money capital moves immediately from one economy to another. So the strategy of Syriza could not work. It raises questions over whether a similar strategy could work for a Corbyn Labour government.

Mike's argument, that modern capitalism is dominated by money capital, is counter to Marx's conclusions. Merchant and money capital existed in previous modes of production, but, wherever they existed, they resulted in the destruction of the existing modes of production and conversion of the producers into slaves. The dominance of these forms of capital, Marx concludes, is inimical to industrial capital.

When industrial capital arises, the nature of merchant capital and money capital is transformed. Industrial capital is now the means of producing surplus value, and the determination of the average rate of profit. That average rate of profit determines the rate of profit obtained by merchant capital, and ultimately determines the rate of interest obtained by money-lending capital. Commodity capital and money capital are forms taken during the circulation phase of industrial capital, and the fact that these forms become solidified as independent capitals - as merchant capital and money capital - does not change the fact that they remain subordinate to productive capital as the source of the surplus value, whose realisation they merely effect.

Mike wrongly describes the process of the formal and real subordination of labour. The formal subordination of labour arises, because independent producers cannot continue production on their own account. This condition exists as much in relation to the 'putting-out system' as it does to the factory system. The difference the factory system effected was that these individual handicraft workers were brought together under one roof. As handicraft workers they were still technically able to undertake that same production independently, provided they could obtain the means of production to do so.

What brings about the real subordination of labour is the transformation of the worker - first from being a skilled handicraft worker, to being a detail worker, as the division of labour expands, and finally to being simple factory labour, which can only ever be employed in a factory, and can only, therefore, be employed by those that own factories. The subordination of merchant capital and money capital arises on a similar basis.

Previously, merchant capital formed a large proportion of the total capital. But, in absolute terms, it remained small, because little production was actually exchanged. Under industrial capitalism, the economy expands massively and merchant capital expands along with it, as a growing proportion of that production is exchanged. But, as a proportion of the total capital, the merchant capital actually shrinks. The same is true in that respect with money-dealing capital. It is the average rate of profit determined by productive

capital which regulates that.

The same is true with interest-bearing capital, which stands outside the circuit of capital. Previously, borrowing was a last resort. Direct producers had little reason to borrow, unless they ran up debts resulting from a need to pay taxes and so on, or due to natural disasters. Borrowing and lending was a relatively peripheral activity. Consequently, where money was loaned, high rates of interest were charged.

Industrial capitalism creates the basis for interest-bearing capital on the kind of scale it exists today. Money capital can only be loaned on that scale, at interest, to industrial capital. Mike's assessment that modern capitalism is dominated by this money capital is wrong. At times, and in certain countries or regions, one fraction of capital rather than another may enjoy more or less power, just as, at times, the demand for labour-power may push wages higher, and put workers in a stronger position, *vis-à-vis* capital. But ultimately these other forms of capital are subordinated to productive capital, as is labour.

Mike mistakes the circuit of newly invested money capital for the circuit of capital itself. He states that the circuit of capital is $M - C - C' - M'$. But, for Marx,

... it is the form of capital that is newly invested, either as capital recently accumulated in the form of money, or as some old capital which is entirely transformed into money for the purpose of transfer from one branch of industry to another.²

It is not the circuit of industrial capital. In *Theories of surplus value*, Marx notes that the physiocrats were more advanced than Adam Smith in recognising that social reproduction begins not as a clean slate, at the start of each period, but with the material production of the previous period. In their case, the circuit begins with the previous year's harvest, which provides the constant capital, in the form of the seeds, livestock and so on, to be consumed in this year's production, and the variable capital, in the form of the food and other means of subsistence, to be paid to workers as wages, and consumed as part of this year's production process.

Productive capital

Marx assumes that each firm intends to continue in business, and not to simply transform all of its capital into the money form, and that each existing firm starts the year with a stock of fixed capital in the shape of buildings, machines, etc: a stock of materials waiting to be processed, and some that are already in the production process, as work in progress, all of which constitute circulating constant capital; and with a workforce already in the process of transforming those materials. It starts the year with a physical quantity of productive capital.

The purpose of the productive capital is to produce a larger mass of productive capital - or, at the very least, in the case of simple reproduction, to physically reproduce that productive capital:

The circuit of productive capital has the general formula $P...C'-M'-C...P$. It signifies the periodical renewal of the functioning of productive capital, hence its reproduction, or its process of production as a process of reproduction aiming at



London Olympics: celebrating the glories of social democracy and productive capital

the self-expansion of value; not only production, but a periodical reproduction of surplus value; the function of industrial capital in its productive form, and this function performed not once, but periodically repeated, so that the renewal is determined by the starting point.³

Productive capital and merchant capital can only continue to act as capital if they are continually reproduced in this form. As Marx says later in *Capital* volume 3, M or M' can never represent a termination point for capital, other than for interest-bearing capital, because it must continually be reproduced in kind. The physical use-values that comprise the constant and variable capital must be continually replaced:

In so far as reproduction obtains on the same scale, every consumed element of constant capital must be replaced in kind by a new specimen of the same kind, if not in quantity and form, then at least in effectiveness.⁴

And:

In the reproduction process of capital, the money-form is but transient - a mere point of transit.⁵

The term M only refers to the money equivalent of the current value of the capital, which must be reproduced. M is only money as unit of account, required to make rational calculations. The historic cost of consumed cotton, used to produce yarn, may have been £10, but that is irrelevant to its current value, transferred to the yarn, as well as to the portion of the yarn required to reproduce the cotton. Marx separates out the portion of the commodity capital, C' , into C and c . C is the physical portion of the commodity capital required to physically reproduce the commodities consumed in its production, whilst c is the portion of the commodity capital in excess of that. It is represented as its money equivalent by M and m .

If £10 was the historic price of 100 kilos of cotton, that is irrelevant, because the circuit here is based on the actual value of the commodities that take part in the production and subsequent circulation process, P £10 (£5 constant capital, £5 variable capital) ... C' (£15) - M' (£15). M (£10) - C (£10) ... P (£10). If the output consisted of 90 kilos of yarn, then it would break down into 60 kilos

(C), required to reproduce the cotton and labour-power consumed in its production, and 30 kilos (c) which constitutes a surplus product. The money equivalent of these is £10 M plus £5 m .

The importance of this can be seen when considering m , the money equivalent of the surplus value. Originally, £10 bought 100 kilos of cotton, £5 bought 50 kilos of cotton, but it now buys 100 kilos. The rate of profit, the ratio of the surplus to the actual capital value required for its production, has risen, and is why Marx calculates the rate of profit on the current reproduction cost of the capital.

Even for the interest-bearing capital, whose circuit appears as simply $M - M'$, this is an illusion. It only appropriates this interest, because a social surplus is created, out of which it appropriates a portion. No sooner has M returned to the money-lending capitalist, than they must lend it out once more. It is only when it is being loaned out that it acts as capital at all. If the money-lending capitalist keep the money in their safes, it represents not capital, but merely a store of value, merely money in a barren state.

This puts the money capital in its rightful, subordinate role. Money capital increases in mass only as a consequence of the actual increase in mass of the surplus value, which is a function of the increase in the mass of productive capital, and the mass of labour-power employed. This increase in money capital is only a reflection of the fact that there is an increased requirement for money to mediate exchanges, and to act as a store of value - for example, as a money hoard for the realised value of the wear and tear of fixed capital, and that portion of surplus value, which productive or merchant capitals cannot immediately accumulate.

Individual capitalist firms can conduct the commercial relations between each other on the basis of commercial credit, and the use of bills of exchange, rather than money. Money is only required as a means of payment to cover the balance of these various transactions. In a highly banked economy even that becomes redundant. Payments are effected by electronic transfers from one bank account to another. Money is reduced increasingly to being only a unit of account, and store of value. The Greek economy relied a lot on actual money transactions, which made it susceptible to a cessation of the supply of currency. Had it been an entirely

banked economy, the question of the European Central Bank cutting off the supply of currency would have been irrelevant. All internal transactions could have been effected by electronic transfers, which require no currency whatsoever.

A large part of the capital requirement for any capitalist enterprise comes from its own generation of surplus value, rather than the need for money capital to be provided from external sources. If we take productive capital as a whole, this is even more the case, as the money capital borrowed by one firm is provided by the surplus money capital of some other firm.

Mike has fallen into the trap set by the bourgeois apologists of money capital, that additional money capital is injected into the system by a class of money capitalists, who provide this money from their own savings, rather than that those money capitalists only have their revenues, because they obtain interest on the money capital they lend, and that interest is only payable because productive capital generates surplus value. The existence of money capital is no more attributable to the existence of money-lending capitalists than is the existence of land attributable to the existence of landlords.

Marx sets out the objective basis of these different revenues. Economically, all that the lenders of money capital are entitled to receive is the average rate of interest. None of these lenders are the legal owners of the productive capital, any more than a bank is the legal owner of a house, upon which it provides a mortgage. The lenders only have legal title to the money loaned, and only on the conditions stipulated in the loan agreement.

In a joint stock company, the capital is owned by the firm itself, as a legal entity. It is collectively owned by "the associated producers", as Marx describes it. That is, the firm's professional managers, and its workers. It is not owned by the shareholders, who merely lend money to the firm, in return for the right to the average rate of interest in the form of dividends. That was set out in English law: "A company is an entity distinct alike from its shareholders and its directors."⁶

Yet, shareholders do exercise such control over property they do not own, and do so because of current corporate governance laws, which allow them to appropriate the right to appoint boards of directors above the actual "functioning capitalists", the day-to-day professional managers. This reflects a contradiction of material interests between "profit of enterprise" and "interest", between industrial capital and interest-bearing capital: "On the other hand, profit of enterprise is not related as an opposite to wage-labour, but only to interest."⁷

The functioning capitalist is the personification of industrial capital, which predominantly takes the form of socialised capital, whereas boards of directors are the personification of interest-bearing capital. In Germany, this is reflected in its co-determination laws, which limit the shareholders to electing half of the members of supervisory boards of companies. At a time when industrial capital was more obviously dominant, and social democracy, therefore, was able to represent its interests more forcefully, those same principles were promoted on a wider basis.

The Bullock Report, commissioned by the Wilson government in 1975,

went further than the German system. Its terms of reference stated:

Accepting the need for a radical extension of industrial democracy in the control of companies by means of representation on boards of directors, and accepting the essential role of trade union organisations in this process to consider how such an extension can best be achieved ...⁸

It proposed that all companies employing more than 2,000 people ballot their employees to decide whether they wanted to have representation on the board, and only trade union members would be allowed to nominate, be nominated and vote for those representatives. There would be an equal number of trade union and shareholder directors, with the chair appointed by the government. Its motivation was the European Economic Community's Draft Fifth Company Law Directive, which sought to harmonise the measures of workers' democracy across the EU.

Social democracy

Underlying Mike's argument is the concept of social democracy as a variant of socialism, or at least a movement that seeks to ameliorate or enhance the position of workers. He presents it as hostile to an undifferentiated capital, and vice versa. He sets up an argument as to why this social democracy cannot deliver socialism, faced with the opposition of this undifferentiated capital.

Social democracy is not a variant of socialism: its purpose is not to bring about an amelioration of the workers' condition, or to further the workers' position within society, other than to the extent that this flows naturally from the needs of productive capital itself:

And so the bourgeoisie and its economists maintain that the interest of the capitalist and of the labourer is the same. And, in fact, so they are! The worker perishes if capital does not keep him busy. Capital perishes if it does not exploit labour-power, which, in order to exploit, it must buy. The more quickly the capital destined for production - the productive capital - increases, the more prosperous industry is, the more the bourgeoisie enriches itself, the better business gets, so many more workers does the capitalist need, so much the dearer does the worker sell himself. The fastest possible growth of productive capital is, therefore, the indispensable condition for a tolerable life to the labourer.⁹

Social democracy is the agent of productive capital, whose basic drive is to promote the accumulation of large-scale productive capital, and only thereby to bring about the improvement in the workers' condition.

Marx's pamphlet *Wage-labour and capital* was written in 1847, when the vast majority of capital was in the hands of a monopoly of private capital. The rise of socialised capital, in the shape of the joint stock companies, only began to occur in the late 1860s, following the passing of the Limited Liabilities Act in 1855. When Marx talks about the dichotomy of interests between wage-labour and capital, it must be remembered that, after this point, the rise in the power of capital, as against labour, is a rise in the power of this socialised capital, as against labour. It is reflected in his statement in *Capital* volume 3, in reference to the purest form of socialised capital, the worker-owned cooperative:

The cooperative factories of the labourers themselves represent

within the old form the first sprouts of the new, although they naturally reproduce, and must reproduce, everywhere in their actual organisation all the shortcomings of the prevailing system. But the antithesis between capital and labour is overcome within them, if at first only by way of making the associated labourers into their own capitalist: ie, by enabling them to use the means of production for the employment of their own labour. They show how a new mode of production naturally grows out of an old one, when the development of the material forces of production and of the corresponding forms of social production have reached a particular stage.¹⁰

Economically this situation applies to the socialised capital of the joint stock company, whose capital is the property of "the associated producers" too:

The capitalist stock companies, as much as the cooperative factories, should be considered as transitional forms from the capitalist mode of production to the associated one, with the only distinction that the antagonism is resolved negatively in the one and positively in the other.¹¹

Social democracy is an ideology representing the interests of large-scale productive capital against the interests of those fractions of capital that stand in opposition to it. It is the representative of productive capital, at a particular stage of its historical development: ie, when it has grown into the stage of socialised capital, and broken the fetters imposed upon it by the monopoly of private capital. Its personification is the "functioning capitalist", the professional manager, and bureaucrat, which is why social democracy itself is most readily identifiable with such social layers and world outlook.

Social democracy exists not as part of "the left", other than in the context that the interests of the working class also lie in the accumulation of this large-scale productive capital and in its transformation into socialised capital, and in the defeat of all those previous forms of property, such as privately owned capital and landed property, upon which conservatism rests. The implication of Mike's argument - that social democracy must fail, because its goal is the furtherance of the interests of the working class against the interests of capital - is then wrong, because the real interests of social democracy are the furtherance of socialised capital, of the large-scale joint stock company, cooperative and state capital, and, as Marx sets out, objectively it is in that direction that capital develops, against the obstacles put in its path by conservative forces, which represent those older forms of property.

This is the problem with the analysis that the *Weekly Worker* presented in relation to Greece, and the imposition of austerity in general, which was to see austerity as a policy designed to meet the needs of this undifferentiated capital, whereas it is merely a policy designed to meet the needs of *interest-bearing capital*, and those other reactionary forms of capital associated with it.

This dichotomous model sets up the anti-austerity measures advocated by Syriza, Podemos, and other social democrats as being equally anti-capitalist, whereas such anti-austerity measures - for example, as implemented in the US, and advocated by it - are entirely in the interests of large-scale productive capital, and only contrary to the interests of those forms of property that leech off it, and whose fictitious wealth, in the shape of various forms of debt instrument, are written down or cancelled by it.

These conservative forces are

significant, but it is important to understand what the contending social forces are. From the perspective of the dominant form of capital - socialised productive capital - and the state, whose role is to protect it, the objection to the left social democrats in the Wilson/Callaghan Labour governments of the 1970s was not the proposals for an extension of social democracy into the workplace, which is quite compatible with that socialised capital, and exists in a variety of forms across many of these large firms; not the proposals for greater regulation, via the National Enterprise Board, or the introduction of planning agreements - all of which acted as means both to provide the kind of stable, regulated conditions for capital accumulation that such businesses require, and which had been introduced already, on a wide scale, not just in Germany - but in the shape of the Milk Marketing Board in Britain, the Common Agricultural Policy in the EEC, and so on. The objection to it was that it was not social democratic enough! All of these policies, summed up in the Alternative Economic Strategy, were nullified by the narrow nationalistic, and hence conservative, framework within which they were constrained, and which was symbolised by the opposition to the Common Market itself.

It is an indictment of social democrats that they have been unable to latch on to those general historical forces, moving in the direction of socialism. That can be explained in terms of the continued role of nationalist ideas within the workers' movement, and a failure to deal with the continued ingrained political power of the conservative representatives of those old forms of property. I agree, therefore, with the points Mike makes in those respects. A fundamental task of social democracy should be to deal with those vestiges of political power retained by conservative forces.

Favourable measures

So how do we go about overcoming the power of capital? It comes down to what programme we should propose, here and now, and what policies we should give critical support to when advanced by social democrats. It is clear that I start from different premises to those of Mike. As I write this, I have just been watching a fund manager on Bloomberg talking about the possibility of a "Merkel plan", as something similar to the Marshall Plan. That even the money-lending capitalists and their representatives are considering the need for such measures is an illustration of the idea that anti-austerity measures are not just in the interests of productive capital, but in the longer-term interests of money-lending capital also.

Resolving the current financial crisis in Europe, within the bounds of capitalism requires such a programme of fiscal expansion, and a massive writing off of debt. It is quite rational within capitalist terms, given current low levels of interest rates and inflation, to use money printing to finance such fiscal expansion, and thereby to promote an accumulation of real wealth at the expense of the fictitious wealth that has been built up over the last 30 years, and which hangs over economies in the form of huge levels of debt.

Marxists do not propose such solutions, which by their nature are solutions within the confines of capitalism, any more than Marx advocated free trade rather than protectionism, as such a solution. Our goal is not to help capitalism resolve its problems, but to replace capitalism, and thereby remove the basis of those problems. But, if social democracy proposes such solutions, then it is sectarian purity for Marxists to oppose them, on the basis that they are

only reformist, bourgeois solutions. On that basis, we would refuse to support strikes, because they are also only reformist, bourgeois solutions, designed merely to ameliorate the workers' condition, whilst remaining within the constraints of capitalism. Marx argued for free trade because it created better conditions for a transition to socialism.

For the reasons Marx sets out in *Wage-labour and capital*, we should support all those measures which facilitate an accumulation of productive capital, and thereby place the workers in the most favourable position. That is also in relation to the accumulation of all those productive forces which the workers will require for the more rapid construction of socialism. By the same token, we should oppose all those conservative measures which drive in the opposite direction.

Socialists should make clear the limited, social democratic nature of such solutions, but Mike is wrong to believe that such solutions are not possible, being against the interests of capital. There are other policies that social democrats can pursue, which socialists should support, that are also achievable within the confines of capitalism. Pursuance of those policies, however, requires a rejection of the statist conceptions of socialism, which the left has operated under for more than a century and which underlie Mike's own definitions of 'left' and 'right'.

We should support those policies, which strengthen the economic and social position of workers. Mike quotes an article by Trotsky. He was writing about the Cardenas government, in Mexico, which, having nationalised the oil companies, sought the support of the Mexican workers against the pressure it faced from British imperialism. It offered workers' control in those nationalised industries, as a means of securing that support. Trotsky points out that, under capitalism, other than in a situation of dual power, there can never be any real workers' control of capitalist property. However, he asked, if a capitalist government offers such workers' control, what should be our response to it? His answer is that, whilst continuing to explain the limited nature of such solutions, there is no reason to oppose them:

... such a negative policy from the revolutionary wing would not be understood by the masses and would strengthen the opportunist positions. For Marxists it is not a question of building socialism with the hands of the bourgeoisie, but of utilizing the situations that present themselves within state capitalism and advancing the revolutionary movement of the workers.¹²

Participation of workers in the management of socialised capital, whether of state-owned capital, joint stock capital or cooperatives, is clearly not impossible, or alien to the interests of productive capital. On the contrary, it is probably beneficial for that capital, by incorporating the workers, and utilising their knowledge, in just the same way that social democracy incorporates the working class by the extension of the franchise. Whilst such measures are limited, compared to the goals and ambitions of socialists, there is no reason why socialists would oppose them. On the contrary, to the extent workers gain knowledge of capitalist management from such participation, they further strengthen their position to act, independently, and to utilise that knowledge for themselves.

Socialists explain to workers the limited nature of such policies and, in the process, that also involves explaining why it is only by direct ownership and control of the means

of production, via worker-owned cooperatives, that real control can be exercised. Socialists should not generally call for nationalisation, but would not oppose such action by a social democratic government, and would certainly oppose measures to return such industries to private ownership. But socialists should have opposed the inclusion of, for example, the worker-owned and controlled mines, alongside the capitalist mines, in the nationalisation programme of Attlee, after World War II.

If we take the example of the Militant control of Liverpool city council in the 1980s, socialists should have advocated that workers, organised within their own communities, be encouraged and assisted, by Labour Party members to create housing cooperatives, which could have taken over the council's housing stock, and run it democratically. With the housing stock in the ownership and control of the workers themselves, the potential for future conservative governments to effect massive transfers of wealth by selling houses is reduced, because they would have to be openly stealing the houses from their immediate owners.

Cooperative ownership and control of housing leads on to the logical development of other forms of workers' direct democracy within those communities, which then deals with other issues of community management and control. It creates the potential for other worker-owned and -controlled property related to it: for example, the creation of cooperative construction and maintenance enterprises, to provide for the related maintenance and development needs.

These forms of direct workers' democracy also naturally flow into other organisational forms. In affluent neighbourhoods, it has become commonplace for the residents to employ their own security services. By the same token, it should become commonplace for workers' communities to organise their own security and policing. Organising coordination of such bodies develops organically towards the creation of workers' defence squads, and further to the creation of a workers' militia.

In fact, as Engels argued, compulsory universal military conscription is the necessary and logical adjunct to universal suffrage, so that those who have voted can ensure that what they have voted to implement can be enforced, arms in hand.

All of these kinds of measures, contrary to the kind of statist approach that much of the labour movement has pursued for the last century, requires the permanent and active mobilisation of the working class in ever larger numbers, and on the basis of its own self-activity and self-government ●

The full version of this article can be read at:

<http://boffyblogger.blogspot.co.uk/2016/01/overcoming-power-of-capital-part-1-of-8.html>.

Notes

1. 'Overcoming the power of capital' *Weekly Worker* November 5 2015; 'Masses and government', November 12 2015.
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7. www.marxists.org/archive/marx/works/1894-c3/ch23.htm.
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10. www.marxists.org/archive/marx/works/1894-c3/ch27.htm.
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REVIEW

Vatican's dodgy goings-on

Gianluigi Nuzzi *Merchants in the temple: inside Pope Francis's secret battle against corruption in the Vatican* Henry Holt and Company, 2015, pp224, £24.99

Gianluigi Nuzzi's *Merchants in the temple* is one of two books published in November 2015 - the other being Emiliano Fittipaldi's *Avarizia* - which have been written on the basis of secret Vatican documents. They include an audiotape of a furious pope Francis admonishing Vatican officials and many key cardinals about corruption and financial mismanagement at a meeting on July 3 2013. They were leaked to journalists in what became known as 'Vatileaks 2'.

The original Vatileaks was a similar episode in 2012, when Nuzzi was given a large bundle of important documents by Joseph Ratzinger's butler - documents which formed the basis for Nuzzi's earlier book *Sua santità*. On the previous occasion, the butler - Paolo Gabriele - was tried and found guilty of theft by the Vatican authorities; on the second occasion Nuzzi and Fittipaldi have been charged by the Vatican authorities and are being tried along with three insiders allegedly responsible for the current leaks, which occurred electronically through a computer system, whose password was only known to a very restricted group.

Nuzzi and Fittipaldi were only doing their job as investigative journalists and there seems to be a consensus amongst their colleagues that what they did in receiving and then employing the documents in serious works seeking to make public financial crimes and misdemeanours involving high-ranking clergy (as opposed to, say, using the documents for illicit private gain by blackmailing clergy involved in financial misappropriations) would not be a crime under current Italian law - although in the last 20 years various Italian politicians, not just Silvio Berlusconi, have been eagerly attempting to criminalise the publication of leaked judicial, and other sensitive, documents within Italy, so far without success.

Initially the Vatican seemed anxious to finish the trial as rapidly as possible without any regard to judicial procedures of the kind usually followed in western Europe or North America in relation to defendants' rights to choose their defence lawyers or to have prior knowledge of the testimony against them.¹ There currently seems to be some relaxation, or at least partial concessions to external, more bourgeois-liberal norms, largely because, now that the

possibility of completing proceedings and reaching a verdict before the start of the latest Papal Jubilee in December 2015 has disappeared, it may have been judged politic to postpone the trial proper until there is less international attention focused on the papacy.

Whilst the Vatican's repressive response to the two recent books appears to contradict pope Francis's repeated calls for greater transparency and his frequent public attacks on corruption both within the Catholic church and in the secular world outside, it could be argued that the Vatican's handling of such cases is much milder than the American government's response to Wikileaks and other recent leaks of secret documents; although Gabriele was imprisoned, for a relatively brief period, in the Vatican gaol before being pardoned by Ratzinger himself² and subsequently lost his job and accommodation, there was no question of a life sentence or a death penalty.

Sympathetic

Nuzzi appears genuinely sympathetic to pope Francis's concerted attempts to deal with widespread corruption and gross financial mismanagement within the Vatican and does not show any signs of a consistently anti-clerical, let alone an anti-Catholic, agenda. Even in his references to the continuation of corruption and financial mismanagement under Ratzinger, he seems deliberately ambiguous as to whether the German pope lacked the will to engage in an all-out confrontation with his subordinates or was actually complicit in such wrongdoing. As Nuzzi points out,

Under Benedict XVI, Monsignor Carlo Maria Vigano, secretary of the governorate, reported to the pontiff outrageous expenditures such as a Christmas tree in St Peter's Square that cost €500,000. As his reward, he was discredited at the Vatican and exiled to the United States as the *apostolic nunzio* (a permanent diplomatic representative of the Holy See) to Washington, a lower-level position (p25).

Nuzzi claims:

This book is not a defence of the pope, but rather a journalistic analysis of the serious problems afflicting the church today, caused by an ecclesiastical leadership and power circles hostile to change. My intention, once again, is to lend transparency to an authority that has long been obfuscated by narrow, often illegal, interests at odds with evangelical principles. As before, I am not driven by anti-clericalism, but by the desire to acquaint Catholics and non-Catholics alike with the contradictions of the church - a church that Francis wishes to reform radically, turning it into a home that is finally open to the needy and poor and no longer focused on its own privileges and jealous of its own indestructible power (p5). Whether t h e

publication of the two books - by Nuzzi and Fittipaldi - is actually helpful to Bergoglio in the internal power struggle against the crooked old guard promoted by Wojtyła and Ratzinger, rather than merely playing into the hands of his many powerful enemies, is hard for an outsider to judge. However, the fact that Bergoglio's annual address to the curia on December 21 2015 echoed some of the criticisms of the church hierarchy's behaviour that he had made in a similar address to the same audience the previous year suggests that the Argentinian pope has not abandoned his attempt to reform the Vatican.

The motives of those who leaked the documents to Nuzzi and Fittipaldi were probably questionable, despite Nuzzi's claim that "The people who made this material available to me did so because they are pained by the deeply rooted hypocrisy they see in the Vatican" (p5). The main suspects in Vatileaks 2 were both members of the Commission for Reference on the Organisation of the Economic-Administrative Structure of the Holy See (COSEA) appointed by Francis in July 2013.

Monsignor Lucio Angel Vallejo Balda and Francesca Immacolata Chaouqui, the two principal defendants in the Vatileaks trial, have fallen out and lost no time in blackening each other's reputation in press interviews in the run-up to the trial. Whilst, somewhat predictably, each seeks to assign the primary criminal responsibility to the other in the decision to leak, the quarrel seems to have deeper causes. The two were once very close, as was demonstrated by the notorious party for celebrities that they organised on April 27 2014 on a terrace with a splendid view of St Peter's Square on the morning of the canonisation mass for popes John XXIII and John Paul II - an episode that greatly angered the current pope and probably triggered the pair's fall from favour. Nonetheless, Chaouqui, the wife of "an IT specialist who had worked with the Vatican for many years" (p27), denies Balda's claim that they were lovers (albeit for a single night) - an episode which the middle-aged cleric subsequently felt very guilty about in view of his vow of celibacy: he proclaimed to the press that the monsignor's inclinations were homosexual and not heterosexual.

Given that some readers might see Balda's membership of Opus Dei as prima facie evidence of villainy, it is worth pointing out that Chaouqui and her husband, Corrado Lanino, are currently the subject of a number of other unrelated criminal investigations by the Italian, as opposed to the Vatican, authorities, including allegations of some sort of blackmail of Paolo and Silvio Berlusconi. Chaouqui and her husband were also guests at the wedding of Marco Carrai, a close associate of Marco Renzi, in 2014 - a wedding at which the Italian prime minister and his wife were the witnesses to the legal document registering the marriage with the Italian secular authorities.

Whilst there is clear evidence of the tireless and unremitting social climbing of this daughter of a Moroccan immigrant and an Italian teacher, the widespread rumours about her connections with the Italian secret services remain unproven. All that can be said with certainty is that Bergoglio or his advisors showed a distinct lack of judgement when choosing the very first female appointee to a really powerful position inside the Vatican. As Nuzzi explains, "It would be her job to create the new department in charge of Vatican

communications from the press room to the daily newspaper *Osservatore Romano*" (p27).

Regardless of the suitability of some of its members, Francis's creation of COSEA was a brave attempt at a serious reform of Vatican finances. It formed part of a reform programme that rapidly followed Bergoglio's election to the papacy in March 2013, which seems to bear out the theory that those who pushed his candidature wished to curb the power of the Roman curia. In April of that year he appointed a commission of cardinals for the reform of the Roman curia and in June he established the Pontifical Commission for Reference on the Institute for Works of Religion (IOR).³

The setting up of COSEA in the aftermath of Francis's tirade was a result of a letter sent to the pope by the five international auditors of the Prefecture for the Economic Affairs of the Holy See. These outsiders had sent a similar detailed letter expressing concern about financial irregularities to Benedict XVI in December 2010, but Ratzinger had in effect kicked this warning into the long grass. These concerned laymen hoped for a better result with the new pope and were proven right.

Nuzzi explains in considerable detail the problems of the Amministrazione del Patrimonio Apostolica (APSA), which he describes as "essentially the central bank of the Vatican" (p3), and seems to regard as more important than the better known IOR, even if the latter still seems to be used for large-scale money-laundering.⁴ There seems to be no accurate listing of exactly how many properties APSA owns, let alone their real value or their extent. Many are given to leading clerics rent-free, whilst others are let out for below market rents - sometimes to people whose connection with the Vatican is somewhat dubious at best. Most of these properties are highly sought after and extremely valuable apartments in the very centre of Rome.

Incompetence

Other investments seem to be handled with equal incompetence, which is arguably rather more surprising, since there do not appear to be the obvious possibilities for nepotism and personal corruption offered by the property portfolio. €9 billion of the €10 billion of APSA's investments are in stocks, as against a mere €1 billion in real estate. Nuzzi cites many ways in which those in charge fail to achieve what a normal business would regard as an adequate return on capital. For example, a document quoted by Nuzzi points out:

One example is from the diversification of the financial portfolio of APSA for €1.1 billion, starting in September 2013. The investments of 60% of APSA clients are concentrated on four or five stocks. Of 60 APSA clients with a current portfolio of €1.1 billion, 35 are exposed to an extremely high risk in their portfolios, a risk of loss of value due to the lack of diversification (p77).

Whilst the Vatican's grossly incompetent management of its own assets may cause surprise, the fate of Peter's Pence will cause more indignation, especially amongst Catholics. As Nuzzi points out, according to the Vatican website, Peter's Pence is "the financial support offered by the faithful to the Holy Father as a sign of their sharing in the concern of the successor of Peter for the many different needs of the Universal

Church and for the relief of those most in need" (p49). However, of the €53.2 million taken through Peter's Pence in 2012, 67% was spent on the curia and 12.4% set aside as reserves, so only about 20% is actually spent on projects to help the poor, according to Nuzzi's figures (p56).

By and large, the response of Francis's opponents to his attempt at financial reform has been consistent obstruction and foot-dragging, hypocritically disguised as attempts to help or difficulties in obtaining accurate information - the stock in trade of all conservative bureaucracies the world over. However, there were two instances of rather more sinister behaviour. Firstly, there was a burglary in the Vatican in March 2014. As Nuzzi explains in detail, despite the theft of small sums of petty cash from safes, it was quite clear that this was an inside job and the real target was confidential documents - "the burglars made off with part of the secret archives of the COSEA Pontifical Commission" (p139). This was followed in April 2014 by the return in a mysteriously deposited parcel of a collection of letters from Michele Sindona - part of the stolen documentation. Nuzzi believes that the choice of documents to return was designed as a deliberate warning to the pope, reminding him of the violent end of Sindona.

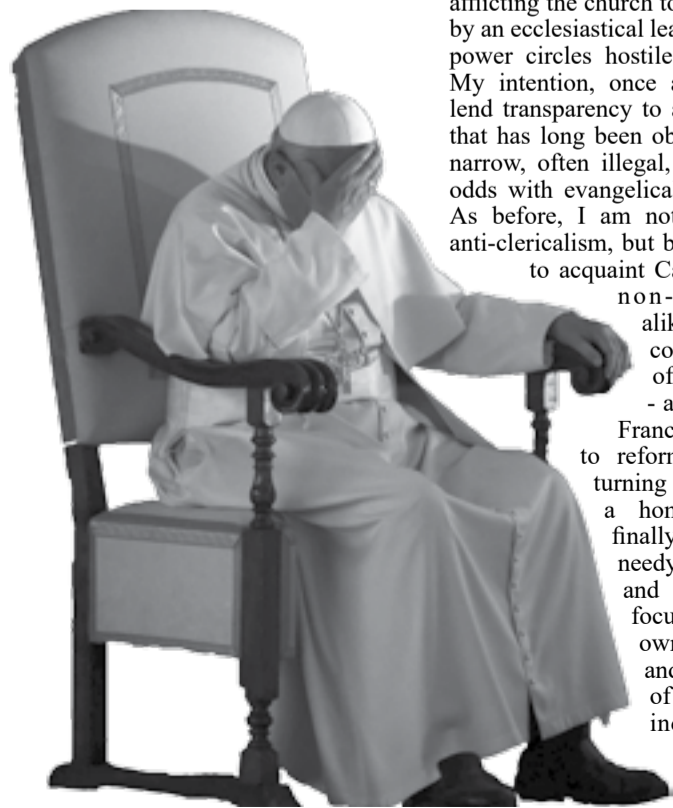
Exciting as the episode described above might appear, the general tenor of Nuzzi's book is that of a sober investigation of Vatican finances, rather than anything resembling David Yallop's bestseller (banned in Italy at the time of its publication) *In god's name*, the first book to claim that John Paul I was murdered.⁵

It seems surprising that the American publishers have made no attempt to distribute this book in the United Kingdom or the Republic of Ireland (as opposed to the USA and Canada)⁶, despite the considerable attention it aroused in the British broadsheets and the English-language Catholic press; one hopes this is not yet another sign of a publisher yielding to British refusal to allow any criticism of organised religion in general and the popes (Ratzinger and Bergoglio) in particular. It would be a sad state of affairs if a book that is at the top of the Italian best-selling charts has been reduced to semi-clandestinity here, lest any cleric or believer take offence that their 'safe spaces' were being invaded ●

Toby Abse

Notes

1. In many respects Vatican legal procedure seems more reminiscent of the absolute monarchies of the early modern period - hardly surprising, given that even after the Second Vatican Council the Pope remains an absolute monarch in many respects.
2. Whilst Nuzzi attributes generous motives to Ratzinger's subsequent concern about the health and financial circumstances of Gabriele and his family, given the circumstances of Ratzinger's strange and unexpected resignation as pope, there may be less creditable reasons for this reconciliation, as perhaps a butler might have known more than he could have revealed to the secular world, to the pope's discredit.
3. Since both the Nuzzi and Fittipaldi books are largely based on leaked COSEA documents, they have relatively little to say about the IOR - popularly regarded as the Vatican bank and at the centre of the scandals of the 1970s and 1980s.
4. See in particular pp68-75 - the section of Nuzzi's book entitled "Money-laundering at the IOR". There are other references to such money-laundering elsewhere in Nuzzi's text.
5. Nuzzi's opening pages (pp1-2) repeats this claim, albeit in an indirect and coded way.
6. It is, of course, available via Amazon, but no mainstream or left bookshop in London appears to stock it or have any plans to do so.



IRAN



Hassan Rowhani: fearful of warlords

Step up solidarity

The rapprochement between the Tehran regime and the west ushers in a challenging new period, writes **Mark Fischer** of Hands Off the People of Iran

Iran has complied with the agreement signed in July 2015, and the five nuclear powers + 1 (the United States, United Kingdom, France, China and Russia, plus Germany) have announced themselves satisfied that Iran has dismantled those parts of its nuclear programme that were alleged to be part of a drive to achieve nuclear weapons capability. All nuclear-related sanctions are now in the process of being lifted and, in theory, there will be no barriers to economic deals and investments in the country.

This will mean a huge boost to Iran's battered economy - which is starting from a very low level, of course. It is in desperate need of additional oil income and will benefit from the re-establishment of a connection to the Swift network (which allows foreign bank transactions), as well as the release of cash from frozen assets.

No doubt the Iranian leaders will attempt to spin these developments to claim vindication for its previous policy of provocation and brinkmanship. This is nonsense. Clearly the west and, in particular, US imperialism have emerged victorious from this confrontation. America's attempt to bring some sort of order to the chaos that is the Middle East is now supplemented by an ability to have a working relationship with Iran. In stark contrast to the treatment of Tehran, there are no proposals from any section of the American establishment to impose sanctions on ally states in the region - foul regimes that have blatantly promoted and materially aided jihadist groups (not that we are advocating such sanctions, of course).

Meanwhile, the economic siege Iran has faced, especially during the period of US- and UN-imposed sanctions, has cowed the country's leaders (despite their occasional pugnacious rhetoric) and ensures that there will be no stunts such as the 444 days occupation of America's Tehran embassy. Iran's ruling elite has learned its lesson and will now abide by the rules of the 'international community'.

Inside Iran, there were celebrations following the initial deal in July 2015. Ordinary Iranians hoped the lifting of sanctions would ease the hardships

they endured and - there is no doubt - there will now be improvements for the mass of people in the country.

They will have better access to medication and essential supplies. The lifting of banking sanctions means Iranians can enter into personal and commercial transactions. Sanctions created mass unemployment, as strategically important parts of the economy such as car production contracted. But - as is always the case - the imposition of these economic penalties did not impact on every layer of society in the same way. Far from it. While they impoverished the majority, they brought windfalls worth billions of dollars for those close the regime. These sections benefited from the black market and the sanction-busting racket, all with the semi-official connivance of sections of the government.

Hands Off the People of Iran (Hopi) has implacably opposed all imperialist-imposed sanctions on Iran. We defined them as a tactic of war, not some benign alternative to armed conflict. But we have no illusions that the lifting of sanctions against Iran will in itself result in the ending of oppression within Iran. In fact, the rapprochement with its external enemy will free the Iranian ruling elite to concentrate on its internal enemy: the working class and its allies. The receding of the spectre of conflict with the US could mean that the regime will step up the domestic class war.

Iran's president, Hassan Rowhani, and his foreign minister, Javad Zarif, have already sent very clear messages to foreign capital. Iran is open for business and its labour force - intimidated by years of recession, mass unemployment and the regime's brutal repression - will accept low wages, poor conditions and vicious exploitation.

Shahrokh Zamani

In preparation for an expected wave of overseas capital investment, Iran has intensified its crackdown on working class activists and militant leaders. We have seen a new wave of arrests targeting organisations and individuals who have been campaigning on workers' and civil rights. Most ominously, we have seen

the death in prison of labour activist Shahrokh Zamani.

Shahrokh Zamani died in Gohardasht (Rajai Shahr) prison in the city of Karaj on September 13 2015. He was a member of the founding committee of the Syndicate of Paint Workers of Tehran and the Committee to Pursue the Establishment of Workers' Organisations.

News of his death was greeted with widespread shock and disbelief. The comrade has no prior history of serious illness and his death has been widely attributed the shocking state of Iranian jails - terrible conditions that are particularly harsh for working class and progressive activists. They suffer physical and mental abuse, amounting to torture.

Shahrokh was arrested on June 8 2011. After what was seen as a show trial, he was sentenced to 11 years in prison for 'crimes', which included "acting against national security by establishing or membership of groups opposed to the system" and "spreading propaganda against the establishment". For the past four years he was repeatedly transferred from prison to prison on the direct orders of the security apparatus and was subject to harassment and torture on numerous occasions. He responded by demanding that the Islamic Republic free him and engaged in lengthy hunger strikes (in one instance for 48 days). In letters and audio files he reported that the security apparatus had threatened his life on numerous occasions and that the leaders of the Islamic Republic would be culpable for his death in custody, should it come. The intransigent courage of the comrade was shown by his refusal to stay silent, despite the huge pressures he was subjected to. He repeatedly issued statements, not simply about his own situation, but also in support of other democratic and working class struggles.

As a statement on behalf of a number of workers' committees in Iran put it,

... for such a brave fighter prison did not mean an end to struggles. In his almost five years of imprisonment, from his two-man cell at Gohardasht prison, he never stopped until his last

breath to struggle and fight for just causes. Jails, courts, repression and pressure from the security forces and jailers could not silence Shahrokh.¹

The harassment did not cease with the comrade's death. His father, son and son-in-law, who had arrived to collect Shahrokh's body, were held for three and a half hours and forced to sign documents which committed them not to pursue official grievances in connection with the death or to ask for an autopsy.

Hopi

No one should expect the nuclear deal to herald a new dawn of democratic rights. However, it is clear that the situation has actually become worse in the last six months. While the regime's leaders have taken the pragmatic decision to reverse the nuclear programme in order to cling onto power, their intransigent opposition to basic political freedoms remains unchanged. Those fighting for the rights of workers, women, national and religious minorities will face a demanding struggle in the coming period.

Those who - for reasons of naivety or cynicism - accepted funds from international institutions promoting imperialist-sponsored regime change from above will be under particular pressure. The thaw in relations with Iran will see the slush funds of these 'non-governmental organisations' dry up.

Now is the time to step up genuinely independent solidarity, of the type organised by Hopi, not the sort that dovetails with the political agenda and initiatives of imperialism - precisely the force that has been such a disaster for the people of the Middle East ●

mark.fischer@weeklyworker.co.uk

Notes

1. This statement is signed by the Haft Tappeh Sugar Cane Workers Syndicate; the Paint Workers Syndicate of Alborz Province; the Centre for the Defence of Workers' Rights; the Committee for the Establishment of Independent Trade Unions; the Coordinating Committee for Establishing Independent Workers Organisations; the Coordinating Committee for Restarting Tehran Paint Workers Syndicate; and the Free Trade Union of Workers in Iran.

What we fight for

■ Without organisation the working class is nothing; with the highest form of organisation it is everything.

■ There exists no real Communist Party today. There are many so-called 'parties' on the left. In reality they are confessional sects. Members who disagree with the prescribed 'line' are expected to gag themselves in public. Either that or face expulsion.

■ Communists operate according to the principles of democratic centralism. Through ongoing debate we seek to achieve unity in action and a common world outlook. As long as they support agreed actions, members should have the right to speak openly and form temporary or permanent factions.

■ Communists oppose all imperialist wars and occupations but constantly strive to bring to the fore the fundamental question - ending war is bound up with ending capitalism.

■ Communists are internationalists. Everywhere we strive for the closest unity and agreement of working class and progressive parties of all countries. We oppose every manifestation of national sectionalism. It is an internationalist duty to uphold the principle, 'One state, one party'.

■ The working class must be organised globally. Without a global Communist Party, a Communist International, the struggle against capital is weakened and lacks coordination.

■ Communists have no interest apart from the working class as a whole. They differ only in recognising the importance of Marxism as a guide to practice. That theory is no dogma, but must be constantly added to and enriched.

■ Capitalism in its ceaseless search for profit puts the future of humanity at risk. Capitalism is synonymous with war, pollution, exploitation and crisis. As a global system capitalism can only be superseded globally.

■ The capitalist class will never willingly allow their wealth and power to be taken away by a parliamentary vote.

■ We will use the most militant methods objective circumstances allow to achieve a federal republic of England, Scotland and Wales, a united, federal Ireland and a United States of Europe.

■ Communists favour industrial unions. Bureaucracy and class compromise must be fought and the trade unions transformed into schools for communism.

■ Communists are champions of the oppressed. Women's oppression, combating racism and chauvinism, and the struggle for peace and ecological sustainability are just as much working class questions as pay, trade union rights and demands for high-quality health, housing and education.

■ Socialism represents victory in the battle for democracy. It is the rule of the working class. Socialism is either democratic or, as with Stalin's Soviet Union, it turns into its opposite.

■ Socialism is the first stage of the worldwide transition to communism - a system which knows neither wars, exploitation, money, classes, states nor nations. Communism is general freedom and the real beginning of human history.

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weekly Worker

**Democratic
governance
mysteriously
put back**

Missiles and meetings

Paul Demarty asks if the Labour left can press home its advantage

Of all the issues which divide the Labour leadership from the bulk of the parliamentary party, there is one which just refuses to go away: the decision on whether to renew Britain's Trident system.

And, while we *sort of* get it - Blairites and soggy Labour centrists alike are committed to the defence of the realm and all that - it still strikes us as a most peculiar hill to die on. This 'independent' nuclear deterrent (which can only be launched with American say-so) is worse than useless against the enemies we are told we face nowadays (shadowy international terror networks). No end of career military types can be found grumbling that there are more practical uses for a 12-figure sum of pounds sterling than spunking it away on a weapon which cannot be used without operational go-ahead from the States and without inducing a nuclear apocalypse.

Yet here we are. Jeremy Corbyn and his circle are under intense pressure to wave through this little bit of pork-barrel spending. He has already failed to get it to conference floor once, but is unlikely to fail again next year; so the policy is under 'review'. Initially this review had Ken Livingstone's fingerprints all over it - Livingstone is increasingly playing the part of a leadership enforcer, which must be a novel experience for him, but it has been handed off to Emily Thornberry, who got in so much trouble for tweeting a picture of a suburban house draped in English flags, and has described herself as a Trident 'sceptic'. Very good.

No review, of course, should be allowed to pre-empt people from blurting out more or less ill-considered proposals in the meantime. We note that the (thankfully now retiring) GMB union general secretary, Sir Paul Kenny, has returned to the issue, calling a 'conference' of workers in related industries to 'discuss' the issue. We already know the answer they will come up with, which is the answer Sir Paul wants.

"Everybody keeps talking about the wonderful principles of Trident [sic!], but there are tens of thousands of jobs involved in Britain," he said in a GMB press release. "If anybody thinks that unions like the GMB are going to go quietly into the night where tens of thousands of our members' jobs are literally swanned away by rhetoric, then they've got another shock coming." Such is the moral compass of Kenny, a man happy to accept a bauble from her Maj, and prioritise his members' right to work on weapons of mass destruction over all the workers of the world's right not to get vaporised in nuclear fire.

Corbyn's bright idea for a compromise, meanwhile, is to build the submarines, but not purchase any warheads, and use them for ... what, exactly? Novelty cruise holidays? It is, of course, true that very many big-ticked bits of military spending end up with ... counterintuitive results (the case of the state-of-the-art aircraft carrier floating around without any



Jeremy Corbyn: pork barrel

money for planes springs to mind). It is considered good form in the industry, however, to at least *pretend* that billions of pounds of taxpayers' money is to be spent on something useful, rather than just on creating pointless jobs for Kenny's boys. It seems Corbyn still has much to learn about the hypocritical decorum of bourgeois politics.

Momentum

At the base, however, things are looking a little rosier for the leader. Labour membership statistics show a near-twofold increase since the start of the leadership contest, bringing the total close to 400,000. Peter Mandelson claimed, not long ago, that 30,000 long-standing members had left since Corbyn became leader - the actual figure is 13,000 (perhaps he misheard?).

This, as much as anything else, is hard proof of the significance of Corbyn's election as leader. For decades, the membership of the main parties has been sliding downwards. The Labour Party has suffered most particularly under Tony Blair and after, where the achievement of

apparently total central control robbed local parties of the rights they were able to offer prospective members (pick your MP, send someone to conference, and so on). Meanwhile, fringe parties have relatively prospered - recent membership figures for Ukip, the Greens and the Scottish National Party are 47,000, 65,000 and 110,000 respectively. (With 54 seats in parliament, you can hardly even call the SNP 'fringe' any more.)

The main bourgeois parties (including, for present purposes, Labour) have come to rely not on mobilising people at the base, but on addressing the population 'directly', which is to say, through the mainstream media. Thus the crypto-racist Powellites that once were found in every Conservative Association in the land, and the sentimental socialists in Labour constituencies became liabilities. Corbyn is an act of revenge by grassroots Labour members and supporters against the technocratic, sneery machinations of central office, who tried to save the village by burning it.

It turns out that their efforts have failed, and the Labour left now has its

tail up for the first time in 30 years, and has captured the leadership under its own steam for the first time ever. The question then arises: *what do the Corbynistas want?* What is their programme and their organisation? To the former, we are confident in saying that they are mostly of one mind with their anointed leader on his squishy left Labourism. As to the latter, the organisation of the insurgency for now is Momentum.

Momentum is in an odd position at the moment. It has pitched itself, as all such things must, as a grassroots campaigning organisation; but any organisation, by definition, begins as the initiative of a small group of people who are necessarily self-appointed. We were thus greeted at the outset with promises that Momentum would set up "democratic governance" structures in not too much time.

Exactly what those were to be remained obscure until very recently, but moves are being made to set up a provisional national committee, with a familiar-sounding structure to those who have been around the block in the past few years - a large body, with representatives from the regions

(England) and nations (Scotland and Wales), with a mandatory 50% quota of women, and proper obeisance paid to the panoply of contemporary identity politics.

All this stuff is a bit cloak-and-dagger at the moment - public notices are entirely absent, with emails sent out to regional organisers. From what we have seen, this body was supposed to have its inaugural meeting last weekend, but it was delayed due to disagreements over how the delegations were to be constituted.

Whispers reach us that this hinged ultimately on the question of Labour membership - ie, are Labour non-members entitled to take positions on leading committees of Momentum? Are they even entitled to vote? It is possible, of course, that the rumours are untrue; but that is what happens when you insist on keeping the wider world in the dark. In any case, we know very well that comrades from the Socialist Workers Party, Socialist Party, Left Unity *et al* have been involved with local Momentum groups, urging a course of orienting to 'the struggle', whatever that happens to be this week, rather than getting stuck into 'internal' battles.

In truth, those who want the opposite - to set up Momentum as an unambiguously *Labour* organisation, even applying for status as an affiliated socialist society, rather than as some vague pool of human resources to staff various demonstrations - have the right of it. The great opportunity of the Corbyn 'event' is to build a nexus of *permanent* organisation against the attacks of the ruling class, and (dare to dream) for something else, even if that is left Labourism. The problem with demonstrations, strikes and the like is that they end, one way or another. They are great things, sure, and there should be more of them, and they should be bigger; but after they are done, we all go home, until the next one.

Many of the bright young things that make up Corbyn's Lenin Levy will be horrified by their first contact with Labour Party politics; they will have the rulebook thrown in their faces. They will be stitched up and beaten down. All this is a given. Yet - helped along, hopefully, by the other generation of Corbynistas, disaffected former members returning to the cause - they will learn to fight, and then to win. It will be an education in politics - struggle in the true sense, for something that matters ●

paul.demarty@weeklyworker.co.uk

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