# Revolutionary Perspectives

57



# Fighting the Cuts Means Fighting Capitalism

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## **Revolutionary Perspectives**

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#### **Insurrection and Imperialism**

#### **Egypt**

As we went to press last January the Tunisian revolt had just toppled Ben Ali and we were already seeing "A New Stirring in the Arab World". Those who thought this would have some positive consequences for the working class have been premature in their optimism. Since Egyptians toppled Mubarak they have found the old French proverb that "the more it changes the more it stays the same" has kicked in with a vengeance. We noted at the time that the Army had waited for over a fortnight whilst a standoff took place in Tahrir Square. They only moved against their boss when the working class started to go on strike. And the first thing they did was ban strikes.

According to Al Ahram, the National Democratic Party (NDP) is still alive and kicking despite the revolutionaries insisting that it has to be dissolved. The local councils and governors appointed by the old regime have not been replaced; editors of all the national papers, associated and hired by the old regime, remain in their positions; members of the old regime still dominate most workers' unions and public companies; the emergency law has not been lifted and most political detainees remain in captivity.

http://english.ahram.org.eg/ NewsContent/1/64/8914/Egypt/Politics-/ The-revolutions-honeymoon-is-over.aspx

The same source tells us that anyone advocating strikes can be jailed for one year and fined €60,000 (a fortune). Political parties under Mubarak could register when they had 1000 names - now you need 5000. This benefits the existing parties of The Muslim Brotherhood and the NDP. The Army did a deal with the Muslim Brotherhood to get a yes vote in the recent referendum on minor changes to the Constitution. Extreme Islamists (including the assassin of Sadat) have been released and Salafist threats against women who don't cover up are increasing. Attacks on Coptic Christians are also increasing. The arrest of Mubarak and his sons is only a sop to those who demonstrated for a better chance to decide their own futures.

#### Libya and Beyond

Whatever popular elements started off the revolt against Gadaffi the whole thing quickly descended into a tribal war (see http://www.leftcom.org/en/articles/2011-03-19/the-libyan-crisis-imperialism-prepares new%E2%80%9Cdemocratic%E2%80%9Dbombs) which naturally provided an excuse



for imperialist intervention to secure oil supplies and maintain a strategic position in the area. Behind the hypocritical "humanitarian" resolution 1973 of the UN Security Council lies the transparent aim of the West to take out Gadaffi. Having halted his forces through the no-fly zone the Western powers are now preparing to arm and train Libya's Eastern tribes. In this situation we support neither our own imperialism nor the bloody dictator. Working class autonomy means we fight for our own agenda which is to get rid of all exploiting factions wherever they come from. (see http://www.leftcom.org/ en/articles/2011-04-02/neither-gaddafinor-nato-but-on-the-side-of-the-workingclass) And let us make no mistake, the revolts in the Arab-speaking world are entirely linked to the long slow capitalist crisis which has produced decades of social stagnation for millions of workers. These revolts have now spread to Yemen, Bahrain, Oman, Jordan, Algeria, Morocco and Syria. In the latter the repression of the regime has been ferocious but as yet it has not suffered any major defections which could seriously affect its ability to carry on crushing the revolts. Having no serious oil deposits, Syria is not a frontline target for the West despite its hated alliance with Iran so we can expect only "humanitarian" handwringing over the hundreds who have died there so far.

#### **Crisis and Cuts**

The austerity and cuts we face in the advanced capitalist countries as they attempt to make us pay for a crisis of their system are as yet minor compared to the horrendous conditions facing most of the world's working class. However, as the articles in this issue on the UK and US demonstrate, the frame of reference for the ruling class is now more global than ever. This means that they want to reduce the cost of labour power to the lowest they can on a world-wide scale. Using the banking collapse as a suitable opportunity, they aim to reduce the workers in the old capitalist centres to the same level as those of workers everywhere else, even as

Chinese workers are themselves fighting for higher wages.

In truth the crisis is more serious than ever, no matter how much the ruling class babble about "recovery". In meaningful terms the economy is not reviving, unemployment is increasing, and with unemployment, so is job insecurity. The young are hit most. In the most seriously affected places half of them have no job. The rest fight for temporary jobs at derisory wages. Investment is not taking off, the profits crisis and the search for a higher rate of financial profit continue to stimulate speculation on the raw materials markets especially in cereals like wheat. The inevitable consequence is an increase in prices of basic goods. In the case of less developed countries these have been at the root of the recent impoverishment of growing masses of working class families, despite the recent bread revolts.

The welfare state – where it exists or used to exist – continues to be progressively dismantled making access to school, healthcare, pensions, and unemployment benefit more difficult.

The rich capitalist countries are no longer able to guarantee what they once could to workers but are forced to reduce wages, jobs and welfare.

Workers have to resist and are already signalling that they are ready to fight back in many places. However, as the articles in this issue show, they will need to learn in the course of that resistance that their enemy is not this or that set of politicians. It is not this or that cut. It is the whole system and its mode of operation which produces the cuts in the first place. Our perspective is a long one. The crisis will make things worse for workers and in the course of this many will come to understand what the system is all about. We want to join with those groups of workers and ultimately create an international party to fight in every country to overthrow the profits system and replace it with communism. Not the abortion that was passed off as such in the ex-USSR and elsewhere, but a system of freely associated producers who will banish exploitation, money, wars, and states to the museum of anthropology.

# After the March 26 Demonstration Fighting the Cuts Means Fighting Capitalism

The demo itself was just as we predicted — unfortunately. A hell of a lot of people but no single thread to the 'demands' or slogans; many people just had their own slogans. It was very closely stewarded by the TUC itself — they didn't need the police. Everyone just filed up the Embankment to Hyde Park and filed out again after (mostly) passively listening to a few speeches (not even sure who was speaking apart from Miliband). There were still people coming into the Park while others were leaving and the speeches were over. The feeling was of people looking for a solution but with no idea what to do next.

[Report of CWO militant on 26 March TUC demo]

t's cold comfort to report that the TUC's so-called 'march for the alternative' went off like the proverbial damp squib. From the point of view of turnout it was impressive enough. Most commentators reckon there were half a million people and acknowledge it was the biggest demo in London since the 2003 protest against Blair's decision to join in the invasion of Iraq. However, aside from the numbers and the obvious sincerity of the protestors (many had come armed with their own, more imaginative, slogans) the event was further confirmation of the lack of any alternative being put forward to the existing political and economic set-up. On the contrary, the tightly organised, carefully stewarded procession which the TUC had already largely restricted to public sector workers and which - with the aid of the police — was kept immune from 'unauthorised' feeder groups, notably a whole contingent of students (i.e. not simply "troublemaking rabble") — was a clear echo of the insidious, divisive role the unions play under the guise of organising a fight back. For a start, simply because the issue of the hour is the Con-Dems' £80bn state spending cut programme, does not mean that the effect of those cuts is limited to workers employed by the state nor even the people immediately affected

by the loss of a local service. The TUC was ready enough to have the 'victims' of social service cuts march alongside the bands of public sector workers who face unemployment or increased work loads, a two year wage freeze, pension cuts while payments from their wages go up ... but where were the contingents from the rest of the working class?

Many workers would only have been made aware of this march — which had taken the TUC six months or more to organise — when it appeared on the telly news some time between the boat race and the football results and accompanied by more dramatic shots of the radical reformists of UK Uncut occupying Fortnum and Masons and the antics of the self-styled anarchists in Oxford Street and (later) Trafalgar Square. Whilst this underlines the high level of privatisation and low level of class consciousness amongst workers in Britain it also highlights the TUC's talent for undermining the strength of the working class. Not only would involvement of workers with potentially a lot more clout than those from the service sector have raised the stakes it could have clarified that the issue is not just about fighting 'Tory cuts' and controlling wicked bankers. (Although it might also have clarified that most workers, especially in the private sector are not in a union.)

#### The Real Issue

The real issue is that the working class as a whole is being made to pay for the capitalist crisis. Not just here but worldwide. Moreover, despite all the rhetoric about greedy bankers, this crisis stems from the contradictions at the heart of capitalist production where the companies responsible for manufacturing, extracting, even agricultural production, all essential to the 'real' economy are driven by the necessity to increase profits and yet the more effectively they do so the more the general rate of profit declines. For decades capital has been striving to reduce its costs of

production in order to combat the low rate of profit, no more so than what bosses the world over regard as their most expensive 'cost' — wages. This is glaringly obvious when it comes to the shifting of production to China and other areas of cheap labour power (i.e. rock bottom living standards). What is less obvious is that this is not the end of the process. For capital now the benchmark for wage costs is defined by Chinese, even Vietnamese or Bangladeshi wage rates, a benchmark which brings its own logic to the established heartlands of capitalism: the necessity to reduce wage costs even further, not simply by individual firms making direct wage cuts but by a general lowering of wages and the undermining of a welfare cushion which at its most basic guaranteed a certain level of survival for people unable to work and protected people without a job from having to work for next to nothing.

This is not to deny the financial crisis and its knock-on effects for government finances or the cost of servicing the enormous national debts that suddenly swelled when the richest states in the world, from the USA through the EU to little old UK, found themselves with no alternative but to take over the debts of the financial sector when the speculative bubble finally exploded. The fact that the bubble was actively encouraged by governments and financial authorities worldwide by low interest rates, relaxation of consumer credit regulations and the general deregulation of the banking and financial sector, is now being forgotten as the whole thing is presented as the result of ... greedy bankers! Their rates of return on capital were attractively high due to the 'excess liquidity' from the 'real economy' (i.e. the capital which was not being invested in production because bigger profits could be had from the financial sphere). In other words, the 'credit crunch' and the bursting of the financial bubble are part of a much deeper and intractable capitalist crisis which has now lasted

for decades, with each downward turn of the spiral leaving the capitalists and their governments with less and less room for manoeuvre and, from the capitalist standpoint, with no option but to attack the working class. In fact, the crisis over budget deficits has been seized on by governments everywhere as the opportunity for a general and head-on assault on the working class in general. Of course, this is not how it's being presented. The overarching theme is still that 'we are all in this together'. Like one big family which has mismanaged its finances and which now must work together to pay off its debts, 'the nation' must pull together and accept sacrifices in this difficult time of austerity. Which brings us back to the TUC and March 26.

#### The TUC "Solution"

As a point of fact Brendan Barber, TUC general secretary, has rejected the analogy of a household that has 'maxed out on its credit card':

Unlike households, sovereign nations can print money, raise taxes and fund debt over many decades.

This in a nutshell, is his classical Keynesian answer to the present situation which he compares to the 1930s:

Massive cuts are a false economy. As we saw in the 1930s, austerity begets more austerity — more unemployment, more misery for working people, and yes, more national debt.

Barber is under the illusion that the deficit today can be solved by more, not less, state spending as in 1945 when the UK was effectively bankrupt but:

within a decade we had got the economy back on track, built the NHS, extended the welfare state, and constructed millions of council homes. And through growth and full employment, Britain also got its deficit down.

What he fails to see is that the postwar recovery and higher growth rates (read rate of profit) was predicated on six years of global war, involving massive austerity, not to mention loss of life, capital destruction and the running of machinery and equipment into the ground, all of which were necessary to prepare the way for capitalism's revival. Deficit financing was the capitalists first response to the present global crisis. It was ditched in favour of 'monetarism' and 'free markets' in the face of rampant inflation and the collapse of the postwar Bretton Woods fixed exchange order. His call now for an injection of state funding (unfortunately he seems to think that quantitative easing in the US has done the trick. Hasn't he heard of Wisconsin?) is sure to fall on deaf ears.

Transferred from the realm of intellectual argument Barber presented the TUC's alternative to the masses in Hyde Park:

Let's keep people in work and get our economy growing.

Let's get tax revenues flowing and tackle the tax cheats.

And let's have a Robin Hood Tax on the banks, so they pay us back for the mess they caused.

#### A Fake Campaign

And the response to the cuts themselves? As in the US, a large share of the 'austerity measures' are being doled out at local level. This is ideal for the government as a way of breaking up any resistance. It is ideal for the TUC as a way of riding on the back of, and taking credit for, local protests when opportune or for ignoring them and letting them fizzle out when they see no particular gain to be made. The TUC waited until the end of the financial year to hold its anti-cuts demo. In other words the debates and voting in local council chambers as to where the axe would fall were already over before the jamboree in Hyde Park. No question then of demanding from the Labour Party, even now dependant on funding from the unions, that its councillors refuse to vote for the cuts. On the contrary, Barber announced at the demo that 'this is just the beginning of our campaign...' In other words, the Labour Party has not been embarrassed by the spectacle of a repeat of what happened in Lambeth and, more famously, Liverpool in the 1980s when 47 Labour councillors were perfunctorily removed from office and personally surcharged for refusing to implement spending cuts. The whole thing proved to be a major impetus towards the formation of



Ours was one of the few papers to carry a direct anti-capitalist headline in the demonstration.

#### **Aurora**

As the stakes in the class struggle get higher, and as workers everywhere are beginning to resist the austerity and misery of the system, increasing numbers of people are asking for bundles of our agitational broadsheet Aurora (see above) to give out. The next is due out on May I<sup>st</sup>. If you would like to help distribute it please email or write to us (see inside front cover for addresses)

'New Labour' — i.e. a Labour Party no longer exclusively aiming for the working class vote — and the ditching of Clause 4 from the Party's constitution (nationalisation of the 'commanding heights of the economy'). Still, the new New Labour leader's decision to address the Hyde Park rally was a tricky one. The last thing Miliband wants is to present himself as the poodle of the TUC. At the same time he needs to retain the loyalty of the traditional Labour voter; on the other hand, how is he to capture the vote of 'middle England' (whoever that is)? The trick is to appear to be what he really is: the leader of her majesty's loyal opposition and to let it be felt that Labour and the TUC are the embodiment of 'the nation'. In a speech littered with nationalist claptrap and empty phrases Miliband got away with saying nothing:

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We recall the greatest moments of our country's history... Standing up for our country... Standing up for fairness ... Standing up for change ...

Not a word about the working class, much less 'socialism'. He did, however, manage to mention that "We do need to cut the deficit." (Just in case 'middle England' began to think he was a raving militant). Clearly the only alternative on offer is the prospect of Labour returning to office at the next election. Too soon, of course, to openly call for that but it's a prospect implicitly endorsed by the likes of Socialist Worker (with its headline 'Drive Out the Tory Scum') and the rest of the platform speakers proclaiming platitudes such as this government has 'no mandate for these cuts'. (Barber had already claimed to be speaking for the people of Britain.) Meanwhile, before the next election, we can all go back to our localities and 'fight the government's brutal cuts in our workplaces and our communities' (Barber again): lunch time 'strikes', for example ... or what about day schools? Then of course there is the demo of the 'Hardest Hit (disabled) outside Parliament on 11 May .... And so on.

#### There is Only One Alternative

Even today there are grassroots militants who are prepared to fight tooth and claw for a real class struggle within the frame of the unions and inside the capitalist political set up. This is touching (we are not intending to be sarcastic) but ultimately a fruitless endeavour. The National Shop Stewards Network, for example, who believe that the 26 March demo gave a boost of confidence to the struggle against the cuts and are advising their members to go to their union branch meetings with proposals to coordinate strike action and motions that the unions combine to plan for a '24 hour public sector general strike' [sic]. Their attempt to be 'realistic' exposes the futility of relying on the unions to generalise (i.e. strengthen the class struggle).

In the political realm there is the Trade Unionist and Socialist Coalition [TUSC], associated with Dave Nellist. It will be putting up candidates in the May local elections who "pledge to oppose all cuts in council jobs, services, pay



TUC policing another A to B procession

and conditions. We will campaign against the idea that 'some cuts' are necessary".

At the level of class instinct this is admirable. The bleak truth is, however that the struggle for a new world order has to be defined by more than a gut instinct. It's true that this battle against the cuts - and against the future attacks on workers' living and working conditions which inevitably lie ahead — will ultimately have to be resisted in a political way. That is, in a way which directly challenges the capitalist order, because at the end of the day, the only way to overcome the measures demanded by a capitalist system in crisis is to pose an alternative capitalism itself. Unfortunately public "bringing democratic into ownership the major companies and banks that dominate the economy, so that production and services can be planned to meet the needs of all and to protect the environment" [TUSC statement of aims] is simply a regurgitation of Old Labour's Clause 4: the myth that nationalisation equals socialisation. This sort of thinking, together with the belief that working class interests can be seriously defended inside the capitalist council chambers is the sort of thing communist militants have to be able to answer.

In the months and years of struggle ahead, the onus is on revolutionary internationalists to put flesh and bones onto the communist programme. To remind working class militants that it is not enough for workers to take over the existing state, but that they have to overthrow it. In the more immediate term the question needs to be posed about how the struggle can be extended: for sure not by keeping to union boundaries, nor to the unions' acceptance of capitalist legality (for example over ballots for strikes). As the crisis intensifies there will be a torrent of nationalist propaganda from all factions of the ruling class. A true socialist or communist will be distinguished by rejection of the old Labour claptrap about nationalisation (or 'public ownership' of the means of production), by their awareness that the capitalist crisis is global, that the working class is an internationally exploited class and that the answer to the iniquities of the present system of production for profit is for the working class worldwide to take over production and institute direct democracy — based on immediately recallable delegates in communities and workplaces — in order to directly meet social needs. At least Labour and the TUC have stopped pretending they stand for socialism. Nobody should now pretend that they can be the vehicle for anything other than the preservation of capitalism. The task of the internationalists is to win over militants to the only viable alternative for the working class: the political struggle for the overthrow of capitalism and its states, a struggle which above all requires that workers en masse take up the communist programme. That is what we are working towards in the long term. To achieve this we appeal to those who broadly agree with our perspective to get in touch with a view to reinforcing the struggle against this iniquitous system.

#### NHS 'Overhaul':

# Front Line in the Firing Line

f any public institution enjoys near universal public support it is the NHS. Beloved as much by Daily Mail reading 'middle England' as it is by workers, any government that tries to mess with the NHS is playing with political dynamite. Although the Tories were elected on the basis that they would make major public spending cuts, they pledged to preserve the NHS and maintain spending in line with inflation. Spending, they say, will increase by £11 billion by 2015 and "no front line services will be hit". So at least the NHS is safe in ConDem hands; well no, not exactly, in fact probably not at all.

The first point is that even the pledged increase in spending is very likely going to amount to a real terms cut of around £1bn when inflation is taken into account. But given the annual spend is over £1000 bn, and in a period of savage cuts where some government departments are seeing their budgets slashed by 25%, perhaps it may be a little churlish to get too worked up about this. More disturbing is that the increased budget is in fact a substantial and absolute spending cut. Sounds bizarre and it is, but at the same time as the budget will increase by £11 billion, the NHS will also have to find £20 billion in 'efficiency savings' by 2015. So what is meant by 'efficiency savings'? Cuts to back office functions, plush offices, large pay cheques for senior managers, stuff that won't affect the front line services provided to patients or the jobs of medical staff? Well no, 560 front line jobs with the London Ambulance Service are to be axed. A&E waiting times are increasing, and across the country nonacute services are being cut back. According to Dr Mark Porter, chair of the BMA's Hospital Consultants Committee:

The examples [of cuts] are becoming more and more widespread. The national picture is that every primary care trust is taking steps to reduce access to

whole swathes of healthcare.

The Royal College of Nursing (RCN) has produced its own report which confirms this. From a survey of 21 NHS trusts it found 10,000 jobs are set to go, including doctors, nurses, midwives, therapists — in other words, 54% of them frontline medical staff. Assuming these cuts represent what's in store for the NHS as a whole the prospect is for an overall loss of 40,000 jobs with "a catastrophic impact on patient safety and care" [Dr Peter Carter, RCN chief executive]. The idea that the NHS has been spared from spending cuts is just another multibillion pound ConDem con trick.

But these chilling cuts are just the beginning. Alongside budget cuts, the government is also planning major structural reforms of the NHS. The big idea is that the NHS trusts will be broken up and the greater part of the budget will be devolved to GP consortia who will be able to commission services from a range of providers including the private sector and charities as well as what may be left of the public sector, which will be expected to compete for contracts with private health providers. The plan is controversial even among the Tories and its architect Health Secretary Andrew Lansley has had to accept a 'pause' in its implementation. No doubt this pause will be used to re-package the proposal in a less threatening guise whilst maintaining its basic premise, the effective privatisation of the health service. The point of this competition for contracts is to drive down costs and there are only two ways this can be done. The first is to make workers redundant and make the remaining staff work harder for less money. The second is to reduce the quality of patient care. This is the future for public health provision in the UK, a bleak future both for health workers and patients.

For the first time in its history the

far from militant RCN passed a vote of no confidence in the Health Secretary. But it is going to take a lot more than this to prevent the dismantling of public health provision.

And for those taken in by New Labour's claim that the NHS is safer with them don't forget who started the idea of decentralisation, internal competition and privatisation of parts of the health provision. Medical professionals all know the answer to that question and those that have no other financial interest than their NHS salary are well aware that the so-called abolition of the "top down" approach began with New Labour. It was they that replaced committed health professionals in the NHS with layer upon layer of managers setting more and more arbitrary targets. You do not need to rely on our word. As early as 2003 a leading academic gave the following incisive analysis

> New Labour has had to come to terms with the barty's Nationalised previous history. and centralised institutions such as the National Health Service (NHS), once praised as crowning glories of previous Labour administrations are now seen as problematic for the party. Many of New Labour's policies are as much about distancing themselves from 'old' Labour as about distancing themselves from the Tories. Here I want to argue, with respect to the introduction of NHS 'foundation trusts', that Labour is selectively reinterpreting history to justify policy measures which are driven by pragmatic and ideological considerations, and which have the potential to fragment the NHS. This entails the construction of a mythical past which has two central elements. Firstly, it denigrates centralism and state planning, allowing the government to insist that only competition and choice can drive forward improvements

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in the NHS. Secondly, there are proposals to return hospitals to the autonomous status which they enjoyed prior to 1948. These arguments rely on invocation of a mutualist and localist past, in which hospitals were somehow more responsive to the wishes of the local community. These policies might have short-term electoral advantage but they have the potential to impact adversely on access to health care. This is because the establishment of autonomous foundation trusts will remove or weaken some important mechanisms for planning and cross-subsidy within the NHS.

John Mohan in History and Policy to be found at http://www. historyandpolicy.org/papers/ policy-paper-14.html

Anyone who has frequented hospitals over the years since that was written know only too well the consequences and the way in which some hospitals have declined faster than others. These have been closed so that the sick and elderly have had to travel further for treatment. Treatment which is becoming ever more cursory, incompetent and down right shoddy.

The real truth is the NHS is not safe in the hands of any capitalist crew. In a continuing economic crisis of a system that is in visible social decay the idea of socialised medicine is at total loggerheads to the demands of the market. The entire political ruling class are consciously lying when they tell us otherwise.

**PBD** 

#### The Cuts Drive Home

According to a Financial Times estimate based on twenty councils, cuts voted in by local authorities for the 2011 financial year amount to £6bn and hit the elderly and children hardest. Apart from £6,669m of general cuts in corporate services (a 27.4% reduction) some of the others include.

Adult social care 23% (£6,669m) Universal children's and education services 15.8% (£961m) Children's social care 5.5% (£337m) Public transport 4.7% (£284m) Road maintenance 2.7% (£163m) Housing and homelessness 2.6% (£159m) Library service 1.1% (£68m)

Behind these figures lie a tale of pay cuts quite separate from the two year civil servants pay freeze. From Cumbria County Council's 3,500 teaching assistants whose pay is being cut by a quarter to workers providing for disabled adults in Sefton, Merseyside who face a take it or leave it 26 per cent pay cut. Thousands of jobs are being cut including 2,450 in Birmingham, England's largest local authority. In Blackpool Conservative council leader Peter Callow praised the trade unions for persuading staff to accept pay cuts.. etc etc..

Last year (2010) 111,00 general government jobs were lost, including 66,000 in local government. By February 2011 local authorities had earmarked 150,000 jobs to be axed, with more to be decided. Nobody yet knows the full total to be cut this year.

At the same time Iain Duncan Smith's rolling programme of cuts in welfare benefits has started to bite. Like pensions, all welfare benefits are now 'uprated' according to the lower CPI (consumer price index) instead of RPI (retail price index). Child benefit is frozen for 3 years. Local Housing Allowance is reduced. Working tax credit reduced by 10%. Draconian changes to Incapacity Benefit and Disability Allowances which, if implemented as in the trial runs in Aberdeen and Burnley, will deem thousands of ill and disabled fit for work and thus unentitled to financial support beyond job seekers allowance. More measures 'to make work pay' are due in next year, and the next...

In the NHS, a report by the Royal College of Nursing (April 2011) into 21 trusts, estimates that 12% of nursing jobs are due to be cut out of an estimated 10,000 total job losses, including doctors, nurses, midwives, therapists. If this scenario is repeated through the NHS 26,841 posts are at risk in the UK.

#### The Alternative Vote Referendum:

## Whatever the Vote, the Same Class Wins

The whole dream of democracy is to raise the proletarian to the level of stupidity attained by the bourgeois.

Gustave Flaubert.

**E**very now and then our rulers take a break from telling us how their democracy is the most advanced humanity can ever reach and they start to tinker with it. Like someone fiddling about with an old engine in a shiny over-painted car, it has to look good before they can sell it on to the unwitting customer. And so we've been invited to take part in a referendum on the Alternative Vote promised as part of the Tory-Lib Dem coalition deal. Under the proposed AV system, voters rank candidates in order of preference and anyone getting more than 50% in the first round is elected. If that doesn't happen then the candidate with the fewest votes is eliminated, voters' second choices are allocated to the remaining candidates and so on until a winner emerges. It's a tried and tested method we're told, though so far only tried and tested in Australia, Fiji and Papua New Guinea and described by Nick Clegg, leader of the Liberal Democrats and long time proponent of proportional representation as "a miserable little compromise."

#### **Unions and Tories Unite**

At least five trade unions have waded in behind the 'No' campaign, leafleting their members to support the existing "first past the post" system. Aslef and the GMB were among those who supported the campaign financially and signed a letter to the Financial Times saying:

Like over a thousand donors, we support this campaign because the Alternative Vote is over-complicated, unfair and an expensive distraction from the more important challenges facing our country.

They've been joined by City billionaire, Peter Cruddas, who gave a hefty donation along with the Conservative peer and motor trader, Lord Edmiston and founder of the TaxPayers' Alliance, Matthew Elliott. The Tories so far have supported the 'No' campaign to the tune of £1.8 million so this should give some idea of the working class nature of it. Unite, Britain's biggest union — with 1.5m members — is also campaigning against the alternative vote although it is not officially part of the alliance.

The 'Yes' side, supported by Labour leader Ed Miliband, has its own problems. It has been accused of corruption as one of its main financial backers could profit commercially from its introduction. The 'Yes' campaign received a £1 million donation from the Electoral Reform Society, coincidentally the exact amount the ERS got from its commercial subsidiary, Electoral Reform Services Ltd, which has an annual turnover of £21 millions and is the leading company in electronic vote counting. If the switch to AV goes ahead, ERS are looking at a potential fortune, with new counting machines alone costing £130 millions. It isn't certain how much the switch would cost in total, but it has been estimated up to £250 million. The referendum itself has cost £82 million with the cost of voter education ahead of it costing £9 million. (At a time when councils are feeling the pinch they're finding themselves with a bill for printing ballot papers and heating stations, with Durham facing a bill of £967,000). Additional bills in the name of democracy sound hollow to a lot of people facing real cuts in their local services but whatever the outcome of the ballot one thing is for certain: fair representation will be as far away as ever.

#### AV or not AV: Who Cares?

At least in the recent referendum in Iceland a real issue was raised when voters were asked to support a proposal to repay £3.5 billion to Britain and the Netherlands for the collapse of the country's banking system. Over 60% of Iceland's voters rejected the plan much to the annoyance of Iceland's Prime Minister who called it the 'worst option'. It probably is for the ruling class, who now face a lower credit rating as a result, but as one worker, Svanhvit Ingibergs, 33, who works at a rest home, said: I had no part in causing those debts, and I don't want our children to risk having to pay them.

It was a clear message that taxpayers (i.e. mostly the working class) would not pay for the losses incurred by a private bank stretching over the next thirty years. Of course Iceland is unusual in allowing its voters to vote on a real issues and its ruling class is working out how to get round the problem (no doubt the legal system will become involved). Iceland's Prime Minister, Johanna Sigurdardottir, was livid that the

plans had been rejected. Even in this tiny bit of choice when voters exercised their rights they were denounced for not choosing the option the bourgeoisie wanted.

The AV referendum, in contrast, won't change anything as far as most people are concerned and the few who stand to gain by it will be very few indeed. There's no doubt that the current system is undemocratic and inefficient, even by capitalist standards. In some parts of the world it's clearly corrupt (just look at the way George W Bush seized power in 2000), but tinkering with the voting system will not alter the fact that this democracy is based on the exploitation of one class by another. However our rulers are voted into Westminster they will represent their own class and not ours, they will vote in whatever laws they need to squeeze as much out of us as they can so their own profits can be made as peacefully and effectively as possible. We have had years of a Labour Government which aimed and succeeded at making a few people in the city very rich at the expense of the rest of us. The wealth of Britain's super-rich quadrupled under Labour and the fortunes of the ultra wealthy shot up to £412.85 billion compared to £98.99 billion in 1997, leaving the rich-poor divide wider than 40 years ago with child poverty figures climbing to 2.9 millions in 2008/9. And we all know life for the poorest of us under the coalition is set to get a whole lot worse, thanks to the cuts. Whatever the outcome of the ballot one thing is for certain: unless class exploitation is dealt with, fair representation will be as far away as ever.

#### **Working Class Democracy**

There is no doubt that democratic governments are the most efficient, stable and safest way for the bourgeoisie to rule. It's always better to have the working class believe they are already free since it reduces the chance of them wanting real freedom. But democracy hides the fact that we live in a bourgeois dictatorship where the bourgeoisie holds the means of material production and controls the state, a state which will suddenly drop all pretence of democratic rights and resort to violence whenever its power is threatened. Democracy under capitalism is an ideology used

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against the working class time and again. Unlike bourgeois democracy, where your choice is limited to putting a cross on a bit of paper to choose which member of the ruling class to send to Westminster, where once they're elected they can do as they like, and where your next chance to have a say is years away, proletarian democracy is based on the fact that unless the working class actively participate in running their own lives, socialism itself cannot function. And real democracy cannot operate without equality i.e. without a society in which there are no owners of everything (including the media) or a state which controls the means of production.

We cannot definitively say what the actual institutions of a socialist future will be but historical experience gives us a good idea. The 1905 Russian Revolution showed us the nature of such bodies, with the historical discovery of the council (or soviet) form. These councils reappeared in the Revolution of 1917 and sprang up from the practical need to unite strike committees until eventually they took control of the running of everything that had previously been the prerogative of the state. They set up commissions to look at specific issues and drew up practical plans of action. Their delegates were recallable; if they didn't represent the views of the workers who voted for them they could be quickly called back and replaced with someone who did. This did not last that long (see our text 1921: Beginning of the Counter-revolution? in International Communist 2 I or at http://www. leftcom.org/en/articles/2001-08-01/1921beginning-of-the-counter-revolution) as the subsequent civil war in Russia destroyed the basis for such democracy but it gave us a sense of what the future has to offer. This is the exact opposite of the systems we currently live under and, needless to say, all mention of it sends the ruling class into a defensive frenzy but the fact remains: unless and until the working class take power and actively start running their own lives, the more our rulers will use their so-called democratic systems to impose ever more misery and exploitation on us.

#### Class War in Wisconsin

On February 14 our US comrades of the Internationalist Workers' Group first reported that the Wisconsin State Governor Scott Walker had "dropped the anvil" on state workers. Like so many other states Wisconsin is bearing the brunt of Federal budget cuts and like so many others it is facing bankruptcy. Cue massive cuts to state workers wages and pensions. The fight in Wisconsin has been watched by both workers and exploiters across the world. Banners of support to the Wisconsin workers have been raised across the globe in many cities, including London and Cairo. Our comrades have reported regularly on the unfolding events and their previous articles can be found on our website at the following links (in chronological order). We print below the latest update on the situation.

http://www.leftcom.org/en/articles/2011-02-14/wisconsin-war-declared-on-state-sectorworkers

http://www.leftcom.org/en/articles/2011-02-21/state-workers-protests-continue-inwisconsin

http://www.leftcom.org/en/articles/2011-03-11/an-update-on-events-in-wisconsin

## Workers Protests Get Stuck in the **Electoral Swamp**

Cince the evening of Wednesday, March 9 the popular protests that erupted in Wisconsin against the austerity measures presented by Governor Walker have slowly diminished, while at the same time the propaganda barrage has intensified. All the energy shown by workers has now been channeled successfully into electoral politics and the Democratic Party. Particularly strong are the campaigns to have recall elections against the governor and members of the state legislature. Currently, however the law has stalled in the courts and is being temporarily held up by Dane County District Court Judge Maryann Sumi until it can be determined whether or not it was passed in violation of the state's open meetings laws.

#### The Unions Show Whose Side They Are On

The unions were committed from the start not to strike. This was the word from the start from the top level of the unions down to the locals themselves. Those teachers who participated in the sickout strike will be docked pay for the time they were out and their union is cooperating with this as well as having called it off in the first place. Without collective bargaining the unions are no longer partners in management. This has become their primary role and many state sector unions will lose funding to the point where they will cease to exist in anything but name only and subject to mandatory regular de-certification votes. Likely what will occur is that locals will get merged and

the unions will be a diminished shell dedicated as they are to aiding the Democratic Party in getting out the vote in the elections and witnessing the firing of workers. There could not be a clearer illustration either of the relationship the unions have to the ruling class, or the nature of electoral politics.

On the evening of March 9, the bill was passed in a special session of the state senate and the State Capitol building was taken over by demonstrators. An open forum was set up in the rotunda of the building and the calls for a statewide general strike were so loud that Democratic Party supporters unsuccessfully floated the idea of having the "socialists" removed from the building. The next day the Mayor, Paul Soglin, wrote an editorial against the idea of having general strike. The calls were strong enough to cause the functionaries to speak against it.

Having successfully absorbed sentiment into support for Democratic Party election politics, the opposition wing of the bourgeoisie has maneuvered to stall the bill in the courts and everything is now up in the air. For the Governor to scrap the bill and reintroduce it would be to admit that he had not legally passed the bill in the first place so the Governor relented and allowed the bill to be stalled out in the courts. Concessions are already being enacted by the municipalities around the state to lock in contracts

continued on p 23 col 2

#### **Sovereign Debt Crisis**

## A Slow Burning Fuse

Portugal has become the latest Eurozone country to be unable to meet its sovereign debt obligations and to be forced into asking the European Union to bail it out. In late March the minority "socialist party" government collapsed after failing to get a further round of austerity measures through parliament. As Portugal's debt is short-term (it has to find €8bn by the end of June!) the ratings agencies dropped its credit rating to A- (a couple of notches up on Greece). Speculation against Portuguese government bonds rapidly escalated and within 10 days the interest rate on 3 year government bonds had risen to 9%. This meant the government simply could not afford to borrow capital on the international markets to meet its scheduled repayments and had to turn to the EU for funds at cheaper rates of interest. By early April the caretaker government was negotiating for an €80bn bail-out (also with the IMF). Portugal follows Greece and Ireland to become the third Euro-zone country to collapse under unsustainable interest payments within a year.

So far only the weaker peripheral countries of the European Union have been affected. Greece, Ireland and Portugal respectively account for 2.6%, 1.7% and 1.9% of the Euro-zone GDP. However, the threat of national bankruptcy is not limited to the weaker peripheral countries. Spain, which is next in the firing line is a much larger economy and accounts for 11.4% of Euro-zone GDP. The position of some of the "supposed" stronger economies is no better than that of Spain. The UK, for example, has both a larger budget deficit and a larger national debt than Spain.

Although these national collapses have occurred in the Euro-zone, the sovereign debt crisis is not limited to Europe. In the US. for example, during the last tax year, states spent \$500bn more than they collected in taxes and have accumulated enormous debts. The prospect of state bankruptcy has produced dramatic effects in states such as in California, where services have been cut back, a 4 day week was imposed and authorities have resorted to paying staff in IOUs. In addition US municipalities are massively in debt and 100 US cities face bankruptcy this year. However, behind the states and municipalities stands the federal government which will, of course, bail them out. However, the US federal government has a national debt of 85% GDP and in its recent "Stability Report" the IMF noted that both the US, and Japan which has a national debt to GDP ratio of 200%, were vulnerable to a rise in interest rates<sup>2</sup>. Jose

Vinals, spokesman for the IMF stated that government bonds are no longer without risk.<sup>3</sup> This is coded language for saying default on the debts of the economically most powerful nations, such as the US and Japan, is now a possibility.

#### A Systemic Crisis of Capitalism

The Portuguese debt crisis, like that of Greece, was caused by the state's inability to finance its borrowing. The reason Portugal could not finance its debts is according to a report by Barclays Capital Growth that it is uncompetitive.

"The core of Portugal's economic troubles lies in its low productivity growth."

This is banker-speak for "you need to

attack your workers more in order to get the capital to repay us". In the face of mass protests, the ruling class has so far failed to find a way to do this. Socrates' austerity programme was rejected and political (as well as economic) paralysis has followed. The sovereign debt crisis has now replaced the banking crisis but both are a symptom of a deeper systemic crisis of the entire capitalist system, namely, the tendency for the average rate of profit to fall. This fall results from capitalism's tendency to increase the value of the means of production, or constant capital, consisting of machinery, buildings, raw materials etc. faster than it increases the variable capital, consisting of the labour power of workers. For capitalism to be healthy part of the surplus produced must be accumulated as fresh capital. The fresh capital will employ new workers whose exploitation produces additional surplus value. The exploitation of workers is the only source of surplus value for the entire capitalist system. However, when the rate of profit falls beyond a certain level, capitalists begin to stop investing in new production. This is simply because they see the returns as being too

low. Accumulation of capital then slows

down and workers are laid off. By excluding

workers from production the generation

of surplus value is further restricted

making the problem of profitability worse.

Capitalism is therefore being thrown into

crisis not by some external disaster but

by its own internal contradictions. The

solution to this problem, if we exclude

the social revolution and the overthrow

of capitalist production, is the restoration

of profit rates. At the present stage of the

accumulation cycle following the Second

The capitalist class, of course, see only their

World War this can only be achieved by a massive devaluation of constant capital.

own short term interests. When the rate of profit falls below a certain level they tend to use surplus value for speculation in such things as property, commodities or in bonds and equities, or they play safe and invest in government bonds. All of these do not generate any additional surplus value since the money invested is not functioning as capital and exploiting workers. For the individual capitalist speculation appears to generate profits, but for the capitalist system as a whole, this is an illusion. Such profits are either the result of losses sustained by other capitalists or are paid out of the nominal increase in overvalued paper assets. This causes a financial bubble, inflating values which eventually — like the sub-prime mortgage market collapse precipitating tremendous losses. Government debt is also part of what Marx described as fictitious capital in that capital lent to the government does not directly exploit workers but commands interest as if it did. The interest paid on this debt is, however, derived from the surplus produced elsewhere in the economy and if this is insufficient, as was the case in Greece and Portugal, this interest cannot be paid. The sovereign debt crisis and the banking crisis are, therefore, expressions of the deeper systemic crisis of profitability of the entire capitalist system.

The weaker and less competitive states are the first to fall, but since they are ultimately supported by the stronger states their problems are being inexorably transferred to the core capitalist countries.

#### **EU Strategy**

Government sovereign debt in the US and Europe has always been considered by the capitalist class, to be "as good as gold." Hence, from the start the EU has regarded default as unthinkable. If an EU country was allowed to default the holders of the debt would suffer immediate losses and this could reignite the banking crisis. Also, they argued, if even a minor country such as Greece, were allowed to default on its debts this would precipitate a tsunami of panic in the sovereign debt market leading to a wave of defaults and a disaster for global capitalism. It would be to the sovereign debt market what the collapse of Lehman Brothers was to the financial markets. The EU has, therefore, tried to contain the crisis through buying government bonds of the states most likely to default, providing bailout loans and imposing austerity and other measures as conditions for these loans. This has slowed the process down but it has not stopped it spreading nor has it solved the debt crisis in the countries which have been

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bailed out.

The strategy can be simply stated as one of paying off the debts by imposing austerity on the working class. In Marxist terms this amounts to increasing the exploitation of the working class. The part of the social product which goes to the workers is to be reduced and the part which goes to the capitalist class is to be increased. The increase will be divided out between the holders of the sovereign debt. Previous texts in Revolutionary Perspectives have listed the outrageous sacrifices the workers of Greece and Ireland have been told to accept.5 The initial talks between the Portuguese government and the EU indicate that similar austerity measures, far worse than those which the parliament rejected in March, will be imposed on the Portuguese workers. The EU is also demanding that all Portuguese parties sign up to the deal before the elections, due in June, so that there will be no possibility of any attempt to renegotiate the deal, as occurred in Ireland after the Irish election. But will the strategy of containment by bail-out together with austerity work? There are now many amongst the capitalist class themselves saying it will not work and the unthinkable, namely default, must be arranged.

If a country, such as Ireland, has a sovereign debt equivalent to 120% of the GDP and the interest rate, as charged by the EU, is 5.8%, this means almost 7% of the GDP is supposed to be used for paying interest of the debt. If the economy is shrinking, and this is generally the effect of the austerity programmes, such payments become impossible. Greece, for example, needs to generate a budget surplus of 5.5% just to keep level with interest payments on its debt. At present Greece has a budget deficit of 12.7%! If Greece cannot generate the required surplus the only recourse is further borrowing. Further borrowing, however, only makes the situation worse and generates a spiral towards economic collapse. The possibility of devaluing the sovereign debt, possibly along the lines of what occurred in South America, seems to be under consideration.

In the 1980s the debts of Mexico, Brazil, Argentina and some South American countries became unsustainable and these countries defaulted. The debts were finally reduced under a scheme called the "Brady plan" which allowed the debts to be converted into "Brady bonds". These bonds were swapped for the debt and either kept the capital constant and reduced the interest or reduced the capital and left the interest at the market rate. In many cases the bonds were sold back to the debtor nations at enormous discounts. This amounted to the creditors accepting losses and the debts being written off. How precisely this could be done in the

EU is not clear but there is talk of allowing creditors to take losses after 2013. What is clear, however, is that the present strategy is not working and this will have to be faced in the near future. Devaluation of sovereign debt will, of course, mean the main European banks, particularly British, French and German banks write off enormous amounts of debt. Writing off of part of the debts amounts to a devaluation of part of the capital which is demanding interest from the profits generated elsewhere in these economies, and will make the situation easier for the debtor nations.

The weakness of the Eurozone, which is being exposed by the sovereign debt crisis, is that a common currency exists without common taxation and economic strategy. The European bourgeoisie is becoming more aware of this and more prepared to undertake changes leading to closer economic union. Changes to EU treaties have already been made to set up new financial instruments such as the European Financial Stability Fund which is used for bail-outs of debt ridden countries. The debt crisis is also enabling the stronger countries to impose economic conditions on those accepting EU loans. Ireland, for example, was told the condition for a renegotiation of its 5.8% rate on the €95bn bail-out loan was that it increase its corporation tax rate, which is at present only 12.5% to the EU average. There is, however, awareness that more drastic action is required. The Spanish Prime Minister Zapatero, for example, called for more integrated fiscal policy in the Euro-zone.

"It is not enough just to have a central bank.....We also need to have a common economic policy."6

While the German chancellor Angela Merkel is demanding common debt limits, common tax rates, common pension ages and standardised education within the Eurozone. Germany, which is emerging as the paymaster of the EU, is setting the conditions for greater economic integration.

While the crisis is exposing the weakness of the European Union it is also exposing the stupidities of capitalism. Once again we are seeing human needs going unsatisfied at the same time as capital is being used for speculation on food, oil, raw materials and other items rather than being used for production of useful commodities. At the same time many millions of workers, who could be producing useful things, remain unemployed. Capitalism's only solution to this situation is the devaluation or destruction of the wealth produced in the period since the Second World War and restarting capital accumulation from a new low level. The only way such devaluation can be achieved is through a generalised imperialist war. The real way out of this crisis is the overthrow of the system which has become completely incompatible with the needs of humanity and the institution of production for need. CP

- I Ouoted in The Guardian 21/12/2010. See also the article on Wisconsin in this issue.
- 2 See The Independent 14/04/2011
- 3 http://blog-imfdirect.imf.org/2011/03/24/ government-bonds-no-longer-a-worldwithout-risk/
- 4 See Financial Times 5/4/2011
- 5 See Revolutionary Perspectives 54 "Financial Crisis in the Eurozone" and Revolutionary Perspectives 56 "Crisis in Ireland: A Warning to the World's Workers."
- 6 See Guardian 3/12/2010

# **Austerity in Iran**

## The Working Class Face the Biggest Attacks Yet

or every Iranian New Year Ayatollah Khamenei designates a motto. Last year, commencing 21st March 2010, he announced a year "Double Endeavour and Double Work" and this year, from 21st March 2011, he pronounced will be a year of "Economic Jihad" (striving in the way of God - Capital?) <sup>2</sup> As always, posters of the motto are displayed everywhere. They herald the dawn of a new era. The era of empty Islamic sermons and the promise of a bright future, like everywhere else, is over. The road to heaven now has to be paved by even harsher economic activity, the very activity that the founder of the Islamic Republic, Ayatollah Khomeini once dismissed with the words, "economics is for donkeys".3

Despite the ridiculous repeated claims by officials that the Islamic Republic is immune from the crisis, the reality indicates something else. These mottos are nothing but to subjugate the working class into accepting the newly legislated cuts. These subsidy cuts have been echoing round the corridors of state since at least 1992 and were presented to the parliament in December 2009. The first trick that they tried was to give the bill an appealing name, something they are never short of. They called it the "targeted subsidies plan".4 Then, for several months rumours of all sorts were spread, some to test the public reaction. Debate in parliament and further consideration in the Council of Guardians and Expediency Discernment Council of the System ... all got involved to give an image of a "carefully considered" bill. For anyone who might still have had doubts about the issue, it was announced by the Council of Guardians that:

> The Council of Guardians did not find this bill contradictory to sharia and the constitution<sup>5</sup>

Finally, the subsidy bill was approved by the parliament on 5 January 2010 and on 13 January 2010 it was endorsed by the Council of Guardians.

While all this was happening, more

efforts by "impartial" academics were made and "scientific" analyses were brought out to show and to prove the rationality, necessity and inevitability of the proposal. Charts of the growth in energy consumption, gasoline prices ... etc. of different countries were arbitrarily picked and comparisons were made in order to prove that the cuts are vital to combat waste! A quick glance at the data used indicates how superficial and arbitrary it is. For instance, IMF Country Report No. 10/76. March 2010 is one of the many which shows that Iran is at the top of the chart for growth in electricity consumption by households. However, all the selected countries that Iran compared with are European, where population growth is very low compared to Iran. In other words, this is juggling with the data in order to prove how wasteful the behaviour of the working class is. Here we do not intend to prove that there is no wastage in using energy, far from it, however we would like to draw our reader's attention to something else, which is that putting a stop to waste or reducing the consumption of energy is not by any means their real intention.

#### Wastage in Capitalist society

So the idea is supposed to be to save energy and reduce wastage. Presumably once the subsidies are cut people will reduce the unnecessary use of energy so it can be used sensibly by others somewhere else? Would it reduce the working hours of millions of Iranians who work two shifts of 8 hours to make ends meet? Would it be used for clothing or sheltering millions of homeless in Pakistan? Would it be used for the education of millions of illiterate in Africa? Would it be used to warm up the cold room of an elderly woman in Europe? None of it. The saved energy will be traded and will generate profit for them, and as far as the capitalists are concerned that will be the end of waste, regardless of where the saved energy is shifted or how it is used. In a capitalist mind and gene everything revolves around profit and waste is no exception. For capital waste means that a particular process does not generate enough profit. That is how they see it: welfare budgets in the UK or in Greece ... to them these are all waste hence you have to cut. Any other explanation for a system which is based and functions on insane production and consumption, would make talk about the environment and waste just a bit too much for anyone to digest. A system that uses the best part of all human resources to produce destructive arms and weapons, a system that day in, day out, encourages consumerism and which has created a shopping culture as a remedy for depression!

The purpose of raising the issue of waste in this context has no other aim than disarming working class resistance. Once the seed of false reasoning are sown in the public's mind, then it will be easier to implement the bill. With or without the subsidy, waste is part and parcel of this system and as long as capitalism continues so will the waste. The purpose for cutting the subsidies lies somewhere else.

# Why the subsidy in the first place?

The paragraph below, which is from an IMF Online Survey, gives a good indication why subsidies were introduced in the first place. When the question was posed to Zytek; why are oil and gas subsidised in the first place? He replied:

The government believed, at one time, that subsidies were the best way to distribute national wealth. The price just had to cover the cost of extraction. This was less of an issue when the international prices were low, and the price differential between the extraction cost and the international price was small. But this is no longer the case. International prices for oil and gas, especially oil, have surged, reaching almost \$150 per barrel in 2008, and the extraction cost is a small fraction of this, at roughly \$5 to \$10 a barrel. So giving away for free something that could be sold for a pile of money is not the best policy.6

So when the price just covers the

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extraction cost, in other word not much room for profit or a lot of room for profit somewhere else, then it was a good idea. Now that the extraction cost is small, so take them away? Something that could be sold ... this clearly touches the essence of the subject and exposes the illusion that leftists have been spreading with their claim that the subsidies were, and are, part of the achievements of the working class. They certainly are not, even the Iranian President Ahmadinejad knows in

"Currently, subsidies are not useful and have the reverse effect (of what was intended)," he said in comments carried by the official newspaper Iran, adding that 70 percent of subsidy spending ended up with the country's richest 30 percent.<sup>7</sup>

If the current subsidies benefit the capitalist system, then why change it? The answer is in the economic sphere, it lies with the ever deepening of capitalism's crisis, the crisis of the fall in the average rate of profit. This pushes capitalism continuously to explore the possibility of combating the tendency for the fall of profit by any means and at any social cost. There is no barrier to this constant adventure. They are forced to revisit some of their own old visited areas for even more and harsher exploitation. And politically? What else could be more effective and useful than subsidies for diverting a working class revolt in a revolutionary period? We will return to this later on.

# Crisis and the Reforms - the Subsidy Bill

Iran spends \$90 to \$100 billion, 30 percent of its GDP, on annual subsidies which mainly include fuel, water, flour, bread, wheat, rice, oil, milk, sugar, as well as postal and transportation subsidies. Some believe the amount is much less.

The bill, with 16 articles and sixteen notes is to be implemented over a five year period to 2015. In the first phase of the reform a \$20 billion cut in subsidies will be carried out.

Articles I and 2 of the approved bill deal with the energy carriers items so that at the end of the 5 year period the domestic price of gasoline has to reach 90% of the FOB<sup>8</sup> price in the Persian Gulf and that of crude oil 95% and natural gas 75% of the FOB price.

The price of electricity for consumers will match the cost price.

Article 3 deals with water supply and sewage disposals. According to this article, these prices will also be set according to the cost of running the services.

Article 4 deals with the subsidies that are made towards wheat, rice, oil, milk, sugar, postal services, aviation services and rail services (passenger). Nothing concrete is proposed in this article except that the government should implement the reform gradually within the 5 years with a note stating that the subsidy payments to agricultural producers in each year should not be less than the previous year.

Articles 5 and 6 are kind of complementary to article number 4 dealing with its regional issues.

Article 7 deals with the handouts. The Government can spend up to 50% of the net income gained through subsidy reform for cash and non-cash payments to households, depending on their level of income, across the country.

Article 8 provides for 30% of the net income to go to various sections of industry.

Articles 9 and 10 deal with issues related to articles 7 & 8, such as prevention of frauds.

Article II The Government is authorised to spend 20% of the net income from the implementation of this law in order to compensate for its effects on credit costs and asset acquisition costs.

Article 12 The Government is required to deposit all the income acquired through this bill into a special subsidies account of the Treasury.

Articles 13, 14, 15 and 16 deal with various details of previous articles such as cash flow, etc. as well as establishing a new governmental department devoted to the subsidies plan.

Generally the FOB price of oil and related items is approximately 6 to 8 times more than the domestic price, so if we take the 85% average that has been recommended in the bill, the price increase will inevitably, sooner or

later, reach a minimum of five fold the existing price.

There is no need for prediction, here is what was reported:

Following the implementation of the subsidy plan on 19 December 2010, the price of (rationed and still subsidized) petrol has risen fourfold; and unsubsidised by 7 fold ... <sup>9</sup>

Also on 10 April 2011, the head of the Energy Commission of the Parliament announced that the average electricity bill will be increased 4 to 5 fold and added that:

... the gas bills issued to the customer have "many ambiguities" and are incompatible with the "current consumption volume with the new pricing, as they are much higher than the figure that the government previously paid as subsidies."

On the same day it was reported by ISNA, the official Islamic Republic Agency, that a consumer in Kermanshah had said to a reporter that:

"Up to now I never had to pay more than \$182 for my gas bill but now I am shocked to see that my bill is increased to \$604"....<sup>10</sup>

Considering the fact that the Islamic Revolution's Guards Corporation is the major economic entity in Iran, then it is clear where the 30 per cent to industry and 20 percent for a social security safety net will end up. For the other 50% per cent hand out, this is what was reported:

State TV said about 820,000 rials (\$80) was deposited for every family member as a lump sum for the first two months of the subsidy cuts, which are expected to take effect by mid-March.

The recipients will not be able to withdraw the money until the cuts begin, and it's unclear whether the payments will continue after that period.<sup>11</sup>

It is noticeable that the bill states "**up to** 50% will be allocated for handouts", leaving room for further manoeuvres. Basically it will leave it up to the government to decide on the amount of the handout, if any, and when and whether someone is eligible to receive

it.

#### The Bill and The Oppositions

The Ministry of Economy and Financial Affairs of the Islamic Republic of Iran, in its special issue of a weekly News publication on subsidies II October 2009, regarding cutting subsidies wrote, "No one opposes anything about the decision". When bourgeois pundits say no one literally 'they' do not include the working class, so in that respect they are absolutely right. From different factions of the current government to oppositions, the Green movement, and the western "enemies", they are all for it

With the removal of subsidies on oil and gas, domestic demand for energy in Iran is expected to decline, leaving more energy resources available for export. If all goes according to plan, the strategy should serve the dual purpose of generating more revenue for the country and curbing the wasteful use of energy', IMF mission chief Dominique Guillaume and Senior Economist Roman Zytek told the IMF survey on line.<sup>12</sup>

And this is what the leaders of the Green Opposition had to say:

Following the meeting between Moussavi and Karoubi, they discussed important issues of the country and the difficulties that people are facing. They expressed their concern over the implementation of the targeted subsides Plan during this economically difficult time and called for the scheme to be implemented with "expertise", involving no panic or hype. 13

#### The Response So Far

Unlike the national and the international media, the opposition's predictions and the Iranian government's expectation, there was no immediate reaction by the public, not in a riotous manner anyway.<sup>14</sup>

As elsewhere, the bill was implemented under a huge cloud of confusion. No one knew when and how it would affect them and the immediate consequences were not clear to anyone, particularly by the way the public was informed on the amount of the hand outs. On top of all this, it was implemented under a very militarised atmosphere, following the crackdown on the previous Green



The banner says: We the workers of Parsilon are starving

movement opposition, as was reported by a member of parliament recently:

Ahmad Tavakoli, Tehran's MP and the head of parliament's research centre said:

The targeted subsidies plan was implemented under the atmosphere created by the security forces and the producers were told that they should not raise the goods' price ...

... for instance one high ranking official gathered all ... and told them that all our political packages are available, as well as prison ... he goes on by saying further that "I do not think such a statement has ever been said in Iranian history...<sup>15</sup>

However, no matter how much they try and whatever tricks they use, the capitalists will never be able to overcome the contradiction that is inherent to their system. Recently Ahmadinejad claimed that Iran is the only country that no one starves in. In a recent state-organised and managed welcome for the president to the province of Khoramabad, one banner says "we the workers of Parsilon, are starving".16 If a "supporter" of the president can, in broad daylight, state on the record that they are starving, then it provides a fair idea of what the rest of the working class may have to

Now when you consider that the official minimum wage is \$300 / month<sup>17</sup> and the official inflation for the last year being 12.4 percent<sup>18</sup> and the unemployment rise of 11.3 percent and the poverty line in Tehran is around \$800 per month for a family of

four then it provides a pretty gloomy picture for the coming year. While we are going to press, there are reports of growing opposition to gas bills. The increase in price of almost all items so far is the tip of the iceberg. The working class have no other choice than to resist the austerity plan, which has been called by the officials the biggest surgery of the Iranian economy.

#### **Comrades workers**

As we mentioned earlier, politically subsidies have been used by the ruling class to divert the working class revolt in a revolutionary period. But what could be the political motivation in the absence of the revolutionary working class combat? It seems that the Iranian government, through controlling the hand-outs, that is who would be eligible to have it or otherwise, is trying to increase its control over the working class. This is more useful during a period of unrest, where part of the working class will be actively mobilised against another part, as it was used during the 2009 disputed election crisis. This phenomena, to some degree has been used in recent Arab revolts in Egypt and Yemen and Syria. It's a peripheral country's crude version of the creation of a labour aristocracy. This could be a serious issue when capitalism could afford to have such manoeuvres. However, during the full blown crisis this will turn out to be as ridiculous as those camel riders who turned on the Egyptian demonstrators. Even so, that will not stop the ruling class trying it, no matter how murderous that might be.

Two years on from the Green movement, we are now in a position

to look back and see what has been achieved! The working class not only has not gained anything from it, on the contrary the growing working class opposition and resistance which was sidelined by the activity of the Green movement has suffered a considerable setback. The pundits who day in and day out were preaching on reforms, either have left the country or are in prisons. They were so adamant that the system can be reformed through voting and parliament that any talk of revolution was sneered at. But now what have they got to say?

The recent revolt in the Arabic-speaking countries manifested the global nature of the crisis and showed mass resistance can overthrow seemingly all-powerful regimes. It also indicated that when resistance simultaneously takes place in several countries, it makes it more difficult for international capitalism to respond, as we witnessed in the case of Egypt.

Capitalism can be pro-apartheid or anti-apartheid, racist or anti-racist, religious or secular, .... depending which best serves its essence, that is making profit, but it is never for the working class, that is in contradiction with its being. The workers, the gravediggers of capitalism are the only force capable of putting an end to its prolonged murderous existence!

The mill of capitalism grinds on through labour and workers' suffering. Whether its political representative has a crown or turban on his head, whether he wears a tie or has a red star on his hat, it makes no difference. They all act in the same way. The working class has no other choice but to dismantle it.

Damoon Saadati

- I <a href="http://english.farsnews.com/newstext.php?nn=8901010096">http://english.farsnews.com/newstext.php?nn=8901010096</a>
- 2 http://www.payvand.com/news/11/mar/1177.html
- 3 http://en.wikipedia.org/wiki/Ruhollah\_ Khomeini#cite\_note-100
- 4 http://www.tahavolateeghtesadi.ir/layehematneghanon-fa.html in Farsi
- 5 http://www.payvand.com/news/10/jan/1124.html
- 6 http://www.imf.org/external/pubs/ft/survey/so/2010/int092810a.htm
- 7 http://www.reuters.com/article/2008/06/25/us-iran-economy-idUSBLA54169320080625

- 8 'Free on Board' an expression used in international commodity markets, according to the US Energy Information Administration, FOB: "Pertains to a transaction whereby the seller makes the product available within an agreed period at a given port at a given price; it is the responsibility of the buyer to arrange for the transportation and insurance."
- 9 http://www.payvand.com/news/10/dec/1177.html
- http://www.radiofarda.com/content/f10\_energy\_high\_expense\_created\_criticise\_among\_people\_and\_some\_officials/3552924.html
- 10 http://finance.yahoo.com/news/lran-compensates-subsidy-cuts-apf-836801969. html?x=0&.v=1
- 11 http://www.imf.org/external/pubs/ft/survey/so/2010/int092810a.htm
- 12 <u>http://www.kaleme.com/1389/10/01/klm-41649</u> in Farsi
- 13 http://www.guardian.co.uk/world/2010/dec/19/iranian-riot-police-subsidies-end?INTCMP=SRCH
- I5http://www.radiofarda.com/content/f3\_tavakoli\_attacking\_ahmadinejad\_

economy\_policy/3538423.html

- 16 <a href="http://www.aftabnews.ir/vgld5x0f5yt0xz6..yy-lmz2l2sya.h.html">http://www.aftabnews.ir/vgld5x0f5yt0xz6..yy-lmz2l2sya.h.html</a> in Farsi
- 17 <a href="http://www.farsnews.com/newstext.">http://www.farsnews.com/newstext.</a> php?nn=8912230665 in Farsi
- 18 http://www.radiofarda.com/content/f3\_inflation\_central\_bank\_iran/3545684.html in Farsi

# CWO Public Meeting

Capitalism threatens us with permanent war, massive reductions in living standards and environmental catastrophe. It has long passed the time when it was progressive or useful for the bulk of humanity.

The big problem though is:

## How Can We Overcome Capitalism?

To discuss this and a whole range of political issues the Communist Workers' Organisation is hosting a meeting on

Saturday 21 May 2011

at

The Lucas Arms 245A Grays Inn Road LONDON WCIX 80Y

Meeting starts at 2.00 pm
All Welcome

# **Nuclear Catastrophe in Japan**

#### Introduction

We print below a translation of a leaflet produced by our German sister organization, the Gruppe Internationaler SozialistInnen, in the wake of the Japanese earthquake and tsunami.

As all the world knows, this natural disaster was compounded by its unleashing of a man-made (or rather, capitalism-made) disaster waiting to happen — not least, the Fukushima reactor problems. After weeks of denial by Tokyo Electric Power (Tepco) which runs Fukushima, the scale of this disaster has now been upgraded to Level 7, the same level as Chernobyl.

It has recently been claimed that nuclear power is the solution to the problems of global warming, and a wave of Green politicians have recanted on their previous opposition to atomic energy generation. By a strange coincidence, such recantation is a necessity for election under a system which behaves as if it thinks that nuclear power is a gamble worth taking. In reality, this behaviour is the reflection of the interests of the capitalist class.

The truth is that nuclear power, however "clean" it is under normal operation, carries with it the risk of enormous disaster when it fails to operate normally. The Japanese earthquake has been categorised as a thousand year event, and the fact that the last earthquake and tsunami in the area happened in 869 supports this idea. For the Japanese capitalist class, the one in a thousand chance that a thousand year event will happen this year, and the roughly one in 250 chance that such an event would happen in the lifetime of the Fukushima plant, was a risk worth taking. As we explained in an earlier article, From Hiroshima to Fukushima (see http://www.leftcom.org/en/articles/2011-03-17/from-hiroshima-to-fukushima) Japanese capitalist needs have always focused on energy security. It was their main reason for taking on the US in the Second World War. When the post-war boom ended and the Arab states raised oil prices to compensate for the US devaluation of the dollar in 1973 Japan turned to nuclear power big style, despite its vulnerable position in relation to earthquakes. Tepco itself has a shoddy history of cover-ups and sloppy safety standards. In 2002 it was found to have routinely lied about safety data relating to cracks in reactors. Now we know it located back-up generators at Fukushima in the basement below the level of what turned out to be a wholly inadequate sea defence wall. There are also suggestions – denied by the company – that it delayed cooling the reactors with sea water to avoid scrapping billions of yen worth of assets.

See David Pilling 'Tepco makes Lehman seem a mere bagatelle' [Financial Times 14 April 2011]

It is clear that the Japanese capitalist class is not unique in its propensity to take risks "on behalf" of the rest of society. 90 of the world's 400 or so nuclear power stations are located in areas of significant seismic activity. And it is just as clear that, even if the dubious proposition that it is possible to operate nuclear power stations safely were true, it is still impossible for this to happen under capitalism. We can only echo our German comrades in saying that we have a world to lose if we don't lose capitalism.

# Decommission All Nuclear Power Stations by Decommissioning the Ruling Class!

Marx said that revolutions are the locomotives of world history. But perhaps they are something quite different. Perhaps revolutions are the hand of the human species travelling in this train pulling the alarm brakes.

Walter Benjamin

25 years after the devastating reactor accident at Chernobyl the world is once again standing on the verge of a nuclear catastrophe. Then, we were told again and again that it was a solely "Soviet" problem. The nuclear power stations in the Western countries with their most modern technologies were safe. Now the land of high tech, Japan, is threatened by a disaster beyond all expectations. Following the huge earthquake there have been incidents at 10 atomic plants. In the damaged plant Fukushima there is still the danger of a melt-down of the core. While the management of its operating firm, Tepco, gushes forth crocodile tears, lies

and half-truths, workers are being sent to a certain death, so as to "avoid the worst". But what could be even worse? In the matter of their policies on information at least, the "democratic" governments are no better than the Stalinist regime after Chernobyl. The news about the real dimensions of the reactor catastrophe is contradictory. Real information only comes out in bits and pieces. The German meteorological office has, in the meantime, received the precautionary advice to stop issuing the results of measurements. At present, the only certain thing is that large amounts of radiation have escaped. It has appeared in drinking water and

the food chain, has contaminated broad areas of the country and threatens the lives and health of thousands of people.

# The Nuclear Delusion — a Dead-certain Business

The Japanese government and atomic power industry are notorious for camouflaging and hushing up nuclear incidents. The firm running the Fukushima power plant has kept quiet about safety failings for years, lying and falsifying reports. The business of atomic delusions is, however, in no way an exclusively "Japanese phenomenon". In the light of the merciless competitive struggle for energy resources, our rulers

are betting ever more on the continued planting of atomic time-bombs. Across the world, 65 new nuclear reactors are under construction. Worldwide, there are at present 212 nuclear power stations with a total of 442 reactors. Many of these nuclear reactors are sited, like Fukushima, in earthquake zones. In itself, nuclear power is not very efficient, very risky and therefore highly subsidized by the state. Radiation exposure in the neighbourhood of nuclear power stations has been proven to lead to a significant increase in cancer. Every atom plant creates dangerous nuclear waste which threatens life and health for thousands of years. However, atomic power is in no way just about energy production.

From the beginning the development of atomic technology was due to military motives. Far from serving exclusively "peaceful energy production", it opened up the option of producing and further developing materials for nuclear weapons. A reactor of the Biblis type produces around 200kg of plutonium per year. Only 5kg is enough to build an atom bomb like that dropped on Hiroshima. The present crisis has led to a worldwide sharpening of interimperialist tensions, new wars and arms races. In these sometimes open, sometimes hidden, conflicts between competing national states over zones of control and influence, the option of atomic weapons has shown itself to be other than the last guarantor of interests. Atomic weapons have, however, an exceptional property. They threaten not just individual groups of people but humanity itself. Not just Japan — the whole world has become an exceedingly dangerous place.

#### If You Want to Really Beat the Atomic Mafia. You Have to **Start with the Greens!**

To believe the pronouncements of politicians and the media, the antinuclear movement has died as a victim of its own success. After last year's extension of the lifetimes of atomic power stations was bulldozed through, the Federal Government is now well and truly wobbling and has announced a so-called "moratorium" for three months, motivated by electoral tactics. All in all, a manoeuvre which will change little for their present "credibility problems". At the same time, the SPD and Greens are on the starting blocks in the race to put themselves forward as

the guarantors of an imminent phasingout of atomic power. Alongside this, it was precisely them who threw billions into the jaws of the energy firms in the so-called "atom compromise". In fact, the Red-Green "exit scenario" foresaw an atomic plant lifetime stretching into 2030. Until then, the "undisturbed running of atomic power stations as well as their waste-disposal will be guaranteed". The Red-Green Federal Government eagerly complied with this commitment and shoved through transports with nuclear containers with the deployment of gigantic numbers of police. Their dirty deal with the atomic lobby was, moreover, so vaguely formulated that it could be adopted by the CDU-Liberal regime with ease. Even today, the SPD and Greens are only demanding the decommissioning of the seven oldest atomic power plants out of a total of 17, which, self-evidently, doesn't stop them from using every rhetorical lever to squeeze capital out of the present anti-nuclear movement. In particular the Greens have perfected the asset-stripping of the anti-nuclear movement and its packing into parliamentary sausage skins, and they have not been marginal in contributing to its domestication. In contrast to some left romantics, we, however, do not see the present actions of the Greens as the betrayal of "old ideals", or even as the renunciation of the one-time Green leitmotiv: "ecological, "Ecological" nonviolent". always means, as the Greens read it, blanking out the capitalist causes of environmental destruction and propagating the reactionary utopia of a "Green capitalism". The concept "social" was always extremely vague in the programmes of the Greens, but was continually defined in a nationalist fashion. In the first place, it stood for their categorical rejection of socialist change, without this the founding of the Greens as a middle-class party would not have been possible. The claim to be "non-violent" means nothing other than the acceptance of the violence of the state and/or the desire to be the co-executors of "government responsibility". Just what the "nonviolent" Greens were capable of in this regard is shown, not least, by the "anti-fascist" conduct of external wars (Yugoslavia, Afghanistan) and the accelerated internal social war against the poor (Agenda 2010, the passing of the Hartz Law<sup>1</sup>, etc.). Just like the SPD and the Linkspartei ["Left Party"], the

Greens are not a lesser evil, but just another one in the colourful range of capitalism's apparent alternatives. Real change is not to be had with, but, on the contrary, only against these parliamentary special units.

#### Deactivate Capitalism! For the **Worldwide Social Revolution!**

The present conception of a planless and irrational nuclear policy, which is propagated by the media and accepted by broad parts of the anti-nuclear movement might be comforting. It sends the message that nuclear policy might be changed without questioning and/or having to fundamentally alter the political and economic conditions for it. If there exists no systematic connection between capitalism and nuclear policy, then one can combat nuclear policy without having to combat capitalism. From this, the illusion grows of bringing our rulers to their senses through parliamentary tricks and public pressure. However, such projects, given the limited room for manoeuvre that this system allows, remain at best socially unrealistic. Neither a phasingout of nuclear power nor an energy turn-around is to be had without the expropriation and disempowering of the nuclear energy companies. Real ecological changes demand a break with the ruling relations of production and ownership, the worldwide overthrow of the capitalist logic of the realization of value. The barbaric dynamic of the capitalist thirst for profit has long since become a fetter on the further development and survival of humanity. Only a socialistically organized society focused on the satisfaction of human need will be able to solve the problem of the further existence of this planet. The struggle for a society which puts an end to the exploitation of people and their environment is a long and difficult process. There are neither certainties nor sure formulae for success. But, in the end, there is no other alternative! The drama of Fukushima has once again shown that we have a world to lose, if we do not organise to put a stop to capitalism.

For the stateless and classless society! GIS

Note

IAttacks by the German state on social security. See "Germany is Nο Exception", Revolutionary Perspectives 31

# Cote d'Ivoire Another Victim of Imperialism

he overthrow of Laurent Gbagbo by French and UN forces assisting the forces of his rival. Alassane Ouattara, is not the end of the agony for the Ivorian population. In the last few months alone thousands have been murdered, burned alive, raped and had their homes destroyed by the militias on both sides. Two million have become refugees either as "internally displaced persons" [IDPs] or by fleeing to Liberia or another of Cote d'Ivoire's neighbours. About half the country don't accept that the new President is anything other than a French stooge. And who can argue with them since it was French forces (the so-called Operation Licorne (Unicorn) force) which basically get rid of Gbagbo. But this is nothing new in Ivorian history which is almost a text book example of Africa's experience with imperialism.

#### Colonialism and Neocolonialism

Lenin argued in "Imperialism – the Highest Stage of Capitalism" that the resistance of colonial peoples against imperialism would spell crisis for the capitalist system. After the Second World War nothing could have been further from the truth. Colonialism was gradually and reluctantly abandoned by powers like Britain and France who had been bankrupted by war but there was no general crisis of capitalism. Indeed the period of decolonisation coincided with the greatest boom in capitalist history.

The old imperialist nations, of course, did not always want to go quietly. The Portuguese fought bitterly to hold on to their African Empire (in wars that brought down a half century old dictatorship in Lisbon) until the 1970s. France was not far behind with its traumatic defeat at Dien Bien Phu in 1953 outmatched only by the horrors of the Algerian War. The British reluctantly abandoned India in 1947 and fought brutally to suppress the Mau Mau in Kenya, but long before the end of the 1950s they realised that the colonial game was up. In the end, however, it turned out to be a blessing for the old imperialist powers. Neocolonialism cut the military cost

of imperialism without losing all of its benefits. By maintaining close ties with the new ruling class, training their elites (particularly their military), the old colonisers could maintain their access to the primary products on which their empires had relied.

Nowhere was this better exemplified than in the Ivory Coast/Cote d'Ivoire. Here Félix Houphouët-Boigny, who had even been a member of French Governments in the 1950s, seamlessly slipped into the role of Cote d'Ivoire's first President with virtually no opposition in 1960. He was to remain in office until his death in 1993. A staunch supporter of France, he halved the size of the security forces to less than 2000, preferring to rely on French troops to keep him in power. And just in case this small army were to mutiny he built an underground tunnel from the Presidential Palace to the French Embassy. Significantly, when his support from France dwindled, Laurent Gbagbo later bricked it up. In his thirty three year rule Houphouët-Boigny faithfully carried out the aims of French (and Western) foreign policy throughout Africa from Senegal to the Congo.

At first Cote d'Ivoire enjoyed a startling economic growth (in double digits in the 1960s) by allowing in foreign capital which could repatriate 90% of its profits. This produced "growth without development" since little was re-invested. Although it has some oil and natural gas as well as gold production, the country largely remained an agricultural exporter of commodities whose prices were set in the markets of Europe and the US. Nevertheless Cote d'Ivoire was the most successful economy in West Africa. In this period Africans from outside Cote d'Ivoire (largely from what is now Burkina Faso) migrated to the coffee and cocoa plantations. But in 1978 world commodity prices tumbled as a result of the impact of the global slowdown in the world economy. The Ivorian economy nosedived and the number living in absolute poverty rose from 11% in 1978 to 31% in 1993. At the same time Houphouët-Boigny had accumulated a personal fortune

calculated to be some \$11 billion. Small wonder that in 1990 riots broke out against "the Sage of Africa", who now became "thief Boigny" and "corrupt Boigny". The army also mutinied twice in the space of two years. With the old USSR gone, African dictators were no longer useful as bulwarks against communism by the West so even a loyal servant like Houphouët-Boigny was forced to dissolve the one party state and begin the process of democratisation. One of those who had made himself conspicuous in the fight for democracy was a university union leader called Laurent Gbagbo. He was the first person to stand, and lose, against Houphouët-Boigny in 1990. And Houphouët-Boigny's Prime Minister at the time of his death in 1993 was Alassane Ouattara ...

#### The Roots of the Crisis

The press make much of the fact that Gbagbo is from the Christian South and Ouattara is from the Muslim north but the real social divide is over the declining economy and, behind that, the question of land ownership. The richest plantations are in the South and in the boom years migrants from the North (as well as Muslims from other states like Burkina Faso, Guinea, Liberia and Mali) have come to work the land, often tending previously uncultivated plots for which they have no legal claim. About a quarter of Cote d'Ivoire's population is made of these recent migrants. This was exploited by the rulers who followed Houphouët-Boigny, like Henri Konan Bédié who deliberately provoked ethnic tensions and proclaimed a policy of "Ivoirité" which prevented the migrants from registering as citizens. Without an identity card you cannot gain access to anything, and are subject to constant harassment by the police. The policy was also used to exclude Ouattara from standing for President on the grounds that his father was a Burkinabé but it also disenfranchised thousands in the north of the country.

In 1999 General Robert Guéi seized power but the following year Gbagbo ousted him after another disputed election. Being a member of the

#### **Imperialism**

Socialist International (just like Hosni Mubarak and Zinedine Ben Ali), and close to Lionel Jospin, he received French support at this point. However the continued ban on Ouattara from standing in the election led to more serious fighting and the country descended into civil war. In the north another rebel force the Forces Nouvelles (FN) took over in 2002 and the country was divided. Gbagbo accepted this in a power-sharing agreement signed in Paris in 2003 but in 2004 he violated it and attacked the north. In the course of this attempted move against the FN he killed 9 French troops. Chirac, the French President, sent in more troops who destroyed the Ivorian air force and called for UN intervention. The UN now deployed 11,000 troops (UNOCI) to halt the massacres. Gbagbo was not only forced to sign a ceasefire (2004) but to accept the leader of the FN, Guillaume Soro, as the Prime Minister. In practice this continued the de facto partition of the country where the FN became totally parasitic on the northern population whilst Gbagbo's Jeunes Patriotes (in reality death squads) terrorised anyone of the wrong ethnicity in the South.

However the economic decline which had started in the 1970s gathered pace. The largest producer of cocoa in the world accounting for 40% of world production and selling to Mars, Kraft and Nestle, etc. found that its production was disrupted by both sides. It has been calculated that \$112 million was extorted by both the FN and Gbagbo during the civil war. Ivory Coast sank from 156th place on the UN Human Development Index in 2002 to 163 in 2004. All this was a disaster for the local population but it was also not in the interests of the Western powers either. They wanted a restoration of a unified and stable country to more easily extract its raw materials particularly from the \$1.2 billion cocoa industry.

#### The Fall of Gbagbo

For five years the French put pressure on Gbabgo to hold fresh elections, five times he postponed them. Only at the end of 2010 and under enormous French pressure did he finally agree to call new ones. He actually garnered the most votes in the first round of the UN-supervised elections but in the run off (and with other northern candidates eliminated) Ouattara took

54% of the vote to his 46%. The subsequent action of the French and the UN has done more than underline the accusation voiced by the Gbagbo camp that the election result had also been rigged. There are no heroes in this tale. Within Cote d'Ivoire this is an inter-bourgeois faction fight with the usual African mixture of religious and ethnic tribal rivalries. The artificial state boundaries (often just lines on a map) created by colonialism have fostered such conflicts across the continent. And, as the state has become the major source of patronage through which to control the country, the battles to seize power have become zero sum games. This has made a nonsense of the schemes of the New Partnership for African Development (NEPAD) set up by the African Union in 2001. The brainchild of South Africa's pro-Western ex-President Thabo Mbeki, the idea is that good governance economic liberalisation along "Washington consensus" solve Africa's economic and social problems. Ouattara, a former IMF top official, married to a French woman in a ceremony attended by Nicholas Sarkozy when he was Mayor of Neuilly, has all the credentials to be the West's man in Cote d'Ivoire.

In order to assist their protégé the French deny that they actually ousted Gbagbo, but as it took place in the middle of the night, and as Sarkozy phoned Ouattara within minutes of the arrest of Gbagbo, you can draw your own conclusions. In truth we are seeing in Africa (both North and West) a greater readiness of Western powers to take military action. This is largely a result of increasing Chinese influence in Africa as they try to secure the same raw materials for their expanding production that previously went to the West. And, as both Libya and Cote d'Ivoire show, they are increasingly using the UN Security Council to legitimise their actions under the bogus cry of "humanitarian intervention". Once they get a resolution from the Security Council (with Russia and China abstaining to keep their own imperialist options open) they interpret it how they like. Whilst UN Security Council resolution 1975 authorised the protection of (primarily the 12,000 French) civilians it did not authorise the placing of UNOCI's heavy weapons alongside those of France to assist Ouattara and the FN

to attack the Presidential palace. But when Ban Ki-moon told them they could use "all necessary means" to stop Gbagbo's troops this gave the go-ahead for an all-out onslaught. During all these months no effort has been made to spare the innocent civilians of Abidjan from the horrifically murderous activities of the militias of both sides. The "peacekeepers" were too busy focusing on their real target the removal of Gbagbo.

#### A Fraught Future

The agony for Ivorians is not over. Even if the IMF comes in with emergency money to pay civil service wages, even if the sanctions against the country are lifted immediately so that it can sell its principal exports (cocoa prices went down as soon as Gbagbo was arrested on the assumption that all will return to normal) the scars of the conflict remain. Politically, Ouattara has to convince the southern tribes that he will not exclude them from the system. Western advice pouring from the opinion columns of the papers tells him to appoint a southerner as Prime Minister. Ouattara has southern allies. However, the issue is not so simple. He arrived in power with the help of the Forces Nouvelles and their leader is the current Prime Minister Guillaume Soro. Their militia is many times the size of the army. To ditch him now could split the alliance that brought him to power.

Worse still is the social mess that the wars of the last decade or so have created. With hundreds of thousands of what the UN calls IDPs the land problem has got worse. Those who fled had their land occupied by new people coming from elsewhere. Returning, they find they have to fight for it. This creates a thousand conflicts at local level amongst desperate people. The Ouattara regime will, like Houphouët-Boigny in 1960, be hoping that the French and the UN remain to help re-establish "order" but Sarkozy has an election coming up. Dare he keep French troops on the ground in what might become another long drawn out conflict? Such are the dilemmas of modern imperialism. Humanity and humanitarianism does not enter into it.

# Marxism or Idealism Our Differences with the ICC

#### Introduction

The Communist Left has a long and honourable history in fighting capitalism in all its forms, as well as the distortions of socialism by both Social Democrats and Stalinists. Our tendency can arguably claim the longest lineage in the Communist Left as the historical part of the article which follows shows. This in itself is no claim to virtue since we look to the future and not the past. Occasionally though we have to defend that past from the innacurate polemics and partinost attacks of others. This document was written in January 2011 by our comrades of the International Socialist Group, German affiliate of the ICT. The comrades were moved to write it after some unfortunate incidents involving the ICC in Germany revealed the sectarian attitude they still maintained towards the rest of the Communist Left.

# A Document from Our German comrades of the Gruppe Internationaler Sozialistinnen

eft communist positions are rarely known in this part of the world. We are often asked what exactly our differences with the ICC (International Communist Current) consist of, as this is an organisation which claims to stand in the tradition of the Communist Left. After long consideration, we have therefore decided to sketch out the most important differences. As our divergences with the ICC are really comprehensive, we have endeavoured to be as brief as possible and to especially select the questions which are of immediate importance for the activity of revolutionaries. Some may consider this to be a petty squabble between revolutionary groups. But such an attitude underestimates the need for debate. Without sharp discussions, that political clarification which enables us to develop a workable programme for the overthrow of capitalism will not be possible. Equally, the following text has emerged against a regrettable background: the sectarian hardening of the ICC, which has sometimes expressed itself in open hysteria<sup>1</sup> and the use of questionable methods against our organisation<sup>2</sup> This has compelled us to give up our previous reserve. Obviously, the ICC is of the opinion that it can utilise the widespread lack of knowledge about the history of the communist left and the revolutionary working class to falsely depict our positions, to lie3 and to bring all sorts of skewed assertions into the world. Such politics on behalf of a supposedly revolutionary organisation is not just shabby, but is built on sand. The ICC's lies won't get far and history's revenge is sometimes more terrible than the horror stories of an "all-knowing" Paris Central.

#### **Historical Roots**

We will start with the historical origins

of the ICC and the ICT. The roots of our Tendency go back to the struggle of the left fraction inside the Italian Socialist Party and the resultant foundation of the Italian Communist Party. When the Communist Party of Italy was founded in 1921, the worldwide wave of class struggles was, however, about to ebb away. This circumstance facilitated the process of Stalinisation, which, in Italy, was pushed forward with Gramsci and Togliatti in the lead. The Party thus progressively became an obedient and loyal tool of Moscow. The Left Fraction tried to resist this. In the wake of the worldwide counter-revolution they were nevertheless pushed out of their Party positions and finally expelled. By 1928 the militants of the Communist Left were in fascist prisons, in illegality or in exile, where they published periodicals like Bilan, Prometeo and Octobre.

In 1943 the activists of the Left working in the underground around Onorato Damen, who had been released from prison, took the initiative and founded, under the pressure of a great strike wave which had gripped Italy, the Partito Comunista Internazionalista (PCInt). From the very beginning the PCInt represented an uncompromising revolutionary defeatism: "Workers! Against the slogan of a national war which arms Italian workers against English and German proletarians, oppose the slogan of the communist revolution, which unites the workers of the world against their common enemy—capitalism."5

The PCInt was the single relevant organisation which defended class autonomy without qualifications and denounced all sides in the Second World War as imperialist. The basic positions of the PCInt are as valid for us now as they were then:

- I) Rosa Luxemburg and not Lenin was right on the national question.
- 2. The old Communist parties (now

fully stalinised) were not centrist but bourgeois.

- 3) The Unions had become irrevocable supports of bourgeois order and could not be reconquered for the proletariat.
- 4) The USSR was a state-capitalist formation, in which the working class was exploited as in every other capitalist country.
- 5) To overthrow capitalism the proletariat needs a political party. Nevertheless, the Communist Party cannot exercise power for the working class as its representative. The proletariat cannot delegate its power to others not even its own Party.

[Theses of the Damen-Tendency at the 1952 Congress of the PCInt]

Through its active intervention in strike campaigns the PCInt won thousands of adherents. After the end of the war, most of the activists returning from exile joined the Communist Left of the PCInt. Finally, even Amadeo Bordiga, the former leader of the Communist Party of Italy, worked with the PCInt, without formally joining it. Bordiga had withdrawn from active political life in 1930 and had refused to meet his former comrades until the end of the war.

Only a small group in Marseilles refused to join the PCInt, on the basis that the time was not ripe for the foundation of an internationalist party. This group was the Gauche Communiste de France (GCF), under the leadership of Marc Chirik, the later founder of the ICC. This Fraction, under the influence of the Korean War, reached the conclusion that a third world war was on the agenda, which would lay Europe waste once again. Their most important cadre, Marc Chirik, therefore betook himself to South America, in order to "rescue the ideas there". Shortly thereafter, the GCF

disappeared from the scene.

The PCInt too saw itself increasingly confronted by problems as the post-war boom established itself and capitalism stabilised. Bordiga now began to argue against the basis for the foundation of the Party. One of these differences of opinion consisted of Bordiga's insistence that the Party represented the class and not just its most conscious part. After three years of discussion, Bordiga split the Party and his adherents took the name International Communist Party. Since then, they have split many times and now there are several Bordigist Parties, all of which claim to be "The Party", that is, the true representative of the working class.

The ICC was founded in 1975 and claims to stand in the tradition of the Italian Left, which does not, however, prevent them from borrowing eclectically from the German and Dutch currents of council communism. In 1977 the PCInt (Battaglia Comunista) called the first series of international conferences, which lasted until 1980. Following these conferences, the British group, the "Communist Workers' Organisation" more and more shared the positions of the PCInt, and it even came to an agreement that these two groups would found the International Bureau for the Revolutionary Party (IBRP, the predecessor of the ICT). Before the constitution of the IBRP, the international conferences had come to a standstill when the ICC refused to accept a new criterion for participation which said that the international conferences should represent part of the work of discussion between revolutionary groups for the co-ordination of their active political intervention in class struggle. From then on, the IBRP and the ICC followed separate paths (even if informal contacts were kept up, and we, for example, sold their press at the "Fête" of Lutte Ouvrière when the ICC were banned from it).

# Questionable Prophets: the ICC and their Concept of the "Historic Course"

We find ourselves in the imperialist epoch of capitalism, the epoch of wars and revolutions. In this, the end of the accumulation cycle brings two distinct but interconnected alternatives with itself: war or revolution. Whether it comes to war or revolution depends on the relation of forces between the bourgeoisie and the proletariat. The precise understanding of this relation of forces is essential for the activity of revolutionaries. This requires thorough-going analysis to avoid falling into black-and-white thinking and schematicism.

In no case can it be a question of a organisation playing revolutionary Nostradamus and building its politics on abstract predictions. But it is precisely this error that the ICC makes with its concept of the "historical course". Here, it is a matter of a borrowed (from the old GCF) either-or schema, according to which the historic period must be stamped either revolutionary or counter-revolutionary on the basis of abstract observations of the conditions of the working class. So, according to the view of the old GCF it was false (and opportunist) to build up the PCInt in Italy in 1943 during the Second World War as the period was counterrevolutionary.6 According to the ICC's views, this period ended in 1968 and a new period opened, in which the "historic course" was going in the direction of a sharpening of class confrontations.7 The ICC deduced from this that, at the time, neither the bourgeoisie nor the proletariat were successful in imposing their solution to the crisis of capitalism (that is, war or revolution). In the eyes of the ICC, the proletariat was still holding the bourgeoisie back from war, as it was undefeated and therefore a "barrier to war". In the face of all reality and the numerous events which spoke against such a way of viewing things, the ICC clung to this view. Since the collapse of the Eastern bloc a wave of wars has broken across the whole world, which the working class has not been able to stop. To the same extent, the ICC does not see the obvious incapacity of the proletariat to react to the bourgeoisie's sharpened attacks in a commensurate fashion. We, on the contrary, take these present weaknesses of the working class very seriously and place great weight on thoroughly analysing the problems of the class. The worsening contradictions of capitalism may smooth the way for the mass of the working class to take up the aims set by communism. This, however, will in no way be an automatic and spontaneous linear process. There is neither an automatic connection between crisis and class struggle, nor between militant struggles and revolution. For this reason, we see the task of the revolutionary organisation as the creation of this link through the active participation in the class struggles. The ICC doesn't see things in this way, and that, in the end, is why the international conferences of the Communist Left collapsed.

#### ... Chaos and Decomposition

After the collapse of the USSR the ICC suddenly declared that this collapse had created a new situation in which capitalism had reached a new stage, which they

called "decomposition". In their lack of understanding of the way capitalism works, for the ICC almost everything that is bad - from religious fundamentalism to the numerous wars which have broken out since the collapse of the Eastern Bloc is simply the expression of Chaos and Decomposition. We think that this is tantamount to the complete abandonment of the terrain of Marxism, as these wars, just like the earlier wars of capitalism's decadent phase, are the result of this imperialist order itself. Most of this way of seeing things rests on the conception of the ICC majority, which sees the closing of noncapitalist markets in 1914 as summoning the decadence of capitalism. However, this analysis cannot explain why, in decadent capitalism there have been cycles of boom and crisis. We, on the other hand, represent the stand point that these wars have all been the outcome of the immanent laws of capitalist production. An overproduction of capital and commodities, which is cyclically called forth by the tendential fall of profit rates, leads to economic crises and to contradictions which, in their turn, engender imperialist war. As soon as enough capital is devalued and means of production are destroyed (through war), then a new cycle of production can begin. Since 1973, we have been in the final phase of such a crisis, and a new cycle of accumulation has not yet begun. Thus, capital flies to state debt and speculation and resorts to this to support production. This cannot, however, end the crisis of accumulation.

#### The Crisis

At the end of the ,60s and the start of the ,70s the post-war boom closed. With this began a period of progressively sharpening (economic) crisis, but the capitalist system did not collapse. The ICC cannot understand why the structural crisis of capitalism sharpened, because they do not recognise that even decadent capitalism runs through cycles of accumulation. The ICC rejects the Marxist recognition that the way in which the law of value operates represents the core explanation for the capitalist crisis. Instead, the ICC takes a Luxembergist position in this question. Rosa Luxemburg's theory misconstrues the way the law of value works. While Marx argued that capitalism's periodic crises were called forth by the law of the tendential fall in the profit rate (for Marx the most important law from an economic viewpoint), Rosa Luxemburg rejected this. According to Luxemburg, capital accumulation could not take place in a closed system. She insisted that the real causes of the capitalist crisis lay outside the system. Her view was that capitalism can no longer continue the accumulation process when there are no longer any non-capitalist markets. This makes no sense in many ways. According to Rosa Luxemburg, capitalism had supplanted all non-capitalist markets. And yet capitalism still grows today (even if at enormous cost to humanity). But how can Luxemburgist analysis explain the cycles of accumulation which have occurred since 1914, for example, the phase of economic boom after the Second World War? The ICC simply ignores this problem, and says that in the 20th century capitalism was not subject to cyclic accumulation. In reality, capitalist production has clearly grown, which, according to Luxemburg is just not possible. Marx regarded the crisis as a result of the growing organic composition of capital, which, at a certain point, becomes so large that there is insufficient profit at hand for reinvestment in the production process. At this point there entered the crisis. This crisis appeared as a crisis of overproduction, but its underlying causes are located in the tendential fall of the profit rate.

#### **Idealism and Conspiracy Theories**

In the ICC's mindset the working class is always tendentially revolutionary and only led into error by bourgeois ideology. The ICC traces the present lack of class struggle back to confusion-sowing and deceptive manoeuvres carried out by the bourgeoisie, instead of the difficult material conditions to which the working class is exposed due to the crisis. The weakness of this analysis is connected to the way of seeing things which says we only have to unmask bourgeois deceptions and then the working class will be on the path to revolution. In the eyes of the ICC, it is the task of revolutionaries to free, through propaganda, the class from the traps of bourgeois ideology and thus to open the road to revolution. This ICC way of seeing things represents pure idealism. We do not accept this perspective and do not think that we should dissociate and isolate ourselves from the practical struggles of the working class. The central task of revolutionaries is to actively participate in all class struggles insofar as our organisation strength allows this. The ICC rejects this active intervention and sees their tasks as pure propaganda. Because of their incapacity to understand the dynamic of struggle and the development of class consciousness, the ICC continually acts as an analytical changling. Either struggles are glorified or are damned on the basis of conspiracy theories. Thus, for example, the ICC came to the conclusion that the 1995 strike wave in France was merely a widely

applied bourgeois manoeuvre aimed at recreating workers' illusions in the unions. This condemnation of concrete class struggle by the ICC was also continued by their position on Argentina. Here the ICC spoke of a futureless, inter-classist revolt, in which the petty bourgeoisie had succeeded in making the working class sacrifice itself for the petty bourgeoisie and yoke itself to the latter's interests. The ICC's view of the suburban riots in France is just as much on the wrong side, as they see them as the senseless revolts of degenerate and criminal youth who have nothing to do with the proletariat. This list could be continued at length. For us, on the other hand, the fact that the capitalists manouevre through the unions to bring strikes under control does not represent an astonishing invention, as the ICC reports. The manoeuvres of the bourgeoisie and the unions (for the ending of strikes, etc.) should never lead us to reject and condemn social struggles. We should criticise these struggles for their weaknesses and imprisonment within in captialist ideology and attempt to take them outside the framework which the state accepts. The ICC, on the contrary, is not in a condition to relate to the real movement of the class struggle, no matter how weak it may be.

## Class Consciousness and the Role of the Party

Marx recocognised that in every epoch the ideas of the ruling class are the ruling ideas. But how can the workers then free themselves from the shackles of capitalist ideology? In the first place, under the conditions of bourgeois domination, it will be a minority of the working class which develops and defends the communist programme. The working class is a propertyless class of collective producers. The economic struggle of the working class certainly poses the problem of exploitation, but does not by itself offer the answer to the question of how exploitation can be overcome. Only through the political organisation of those workers who have recognised the character of capitalism as a historic and surpassable exploitative society, can the ruling ideas, which are always also the ideas of the ruling class, be broken with and fought. The revolutionary party constructs itself out of the most conscious parts of the class. This does not, however, mean that the revolutionary party is separate from the class, as the council communists opine, or that the party is the working class (as the Bordigists would have it). It is the organisation expression of the conscious Marxist minority of the class, whose task is to actively participate in the

struggles of the class. In that it politically generalises the elements of consciousness which emerge from the daily struggle, such an organisation can contribute to communist theory becoming a "material force" and putting an end to the capitalist state and exploitation. As preparation, today we must begin the construction of a revolutionary organisation within the working class. This organisation must actively participate in the struggles of the class, that is, it must be part of the class, and not just represent an intellectual avant garde. In the ICC's way of seeing things, the party, however, receives no practical and organisational significance. It sees its tasks as primarily lying in propaganda. However, revolutionary consciousness does not simply develop through communist propaganda: on the contrary, only through the practical revolutionary movement itself. Thus, Marx emphasised, in his "German Ideology": Both for the production on a mass scale of this communist consciousness, and for the success of the cause itself, the alteration of men on a mass scale is necessary, an alteration which can take place only in a practical movement, a revolution; this revolution is necessary, therefore, not only because the ruling class cannot be overthrown in any other way, but also because the class overthrowing it can only in a revolution succeed in ridding itself of all the muck of ages and become fit to found

Communist consciousness cannot — as the ICC imagines it — be already present in a "subterranean" form in struggles, but must first develop in these class struggles. At the start of all important class struggles and revolutions (The Paris Commune, the February Revolution, etc.), extremely limited demands are put. The class struggle is always part of, and is the point of departure for the movement for communism. Consequently, it is of central importance that revolutionaries actively participate in class struggle, in order to fight for the implementation of the communist programme and revolutionary perspectives.

#### The Transitional Society

The communist mode of production cannot develop within the capitalist system. Its precondition is the political overthrow of the bourgeoisie through the conscious and active struggle of the class. As communism cannot be introduced by decree, it demands the self-activity of the working class. The central lesson that the Communist Left drew from the October Revolution and the counter-revolutionary process is that the proletariat cannot excuse itself from this role and delegate its power and the task of realising communism to others, not even

to its own class party. Just as us, the ICC drew the conclusion that the revolutionary party must never coalesce with the state apparatus. So far, so good. However, simultaneously with this, the ICC cobbled together a simply grotesque picture of the transitional society. In the ICC's view, the state in the transition period should not base itself on the Soviets and their organs (delegates, etc.), but should exist alongside and independently of them. Concretely, the ICC imagines that there will be a threefold division into State, Soviets (as organs of the working class) and party (the embodiment of consciousness). These three things exist, in the conception of the ICC, independently of each other. In the ICC's opinion, the state of the transition period "cannot identify itself with any economically dominant class because there is no such class in the society of the period of transition."8

The ICC way of seeing things results in the following consequences:

- the state in the transition period is not the dictatorship of the proletariat;
- 2) the transitional state should, thanks to the magical power of the Holy Spirit made flesh by the alliance of all non-exploiting classes, all of which stand with equal right on the same level as the remnant of the bourgeoisie, merge into socialism;
- the dicatorship of the proletariat is according to this no such thing, as it exercises force on behalf of no specific class.

What the ICC has delivered here is nothing other than a grotesque re-invention of the Leviathan. For us, this puts them outside the tradition of the Communist Left. Ultimately, it is obvious that this transitional state conceived by the ICC, and standing beyond all classes, will necessarily imply counterrevolutionary developments. A state structure separated and set free from the working class and its Soviet organs would escape all control from below, take a life of its own and, in an instant, would not give a toss about the decisions of the Soviets. If we say that the proletariat must not delegate or transfer its power to anyone in the transition period, obviously this is also and especially valid for the transition state dreamt up by the ICC.

#### **Organisation Self-Image**

The ICC views itself, together with its organisational structure, as the anticipation of a future World Party. In contrast with this, we assume that the future struggles

of the working class will give birth to new lessons and forces, which will make their own positive contribution to the creation of a World Party of the Proletariat. We hope to find the correct ways and means of entering into close contact and discussion with these elements, and thus make substantial steps forward. Of course, we want to play a great role in this process and to win other communists for our positions. At the same time, we stress once again: we are "for the Party", but we are not the Party, the nucleus of the Party and not even the anticipation of the Party. To claim something like that would not only be absurd, given our present weakness, but would also require the assumption that the Party could simply emerge through the will of a handful of people. We conceive of ourselves as an international organisation whose members want to participate in the fight for a centralised Party and to struggle, discuss and work in common for this aim. One of the ICC's favourite accusations against our organisation consists of the (false) claim that we are organised as a federation. This misrepresentation, too, has no basis. It is true, that we consider the centralism argued for by the ICC to be premature in the present stage, and, in the completely particular case of the ICC, an artificial franchise concept. The groups of the ICT work on the basis of a high degree of political homogeneity and the principles of democratic centralism. We are aware that the demands of the class struggle will place us up against new problems, to which we must react in a suitable way. For the sake of our own existence, it has never (in contrast to the ICC) been our aim to create post-boxes or mere distribution agencies, which just parrot the orthodoxies of the most dominant and experienced organisations. We start from the point that our organisational nuclei in each country can only develop into real communist organisations when they are in the position to learn their own lessons and, through this, to enrich the practice of a future Party. As explained above, we count on the class struggle giving birth to new political elements, and we hope to be able to further develop ourselves through a process of discussion and re-groupment. As concerns the position and perspectives of the so-called "proletarian milieu" (that is, the spectrum of groups which relates to Left Communist positions), our evaluation remains sober. Just like the Bordigist case, the ICC's obvious confusions and their internal organisation leads to a series of splits. Some of the splitting groups claim to represent the "true inheritance of the ICC", others return to the council communist

roots of the ICC and yet others brood in a sterile academic existence.

Against this background the so-called proletarian milieu resembles an absurd theatre, in which tiny isolated groups confirm themselves in their respective fantasies through mutual hostility and abstract appeals. The hysterical and simply bizarre reaction of the ICC to its splits has not been unimportant in contributing to this situation. 10 In the light of this situation, the request for a new cycle of conferences of the Communist Left would be a summit of the vanities with extremely limited entertainment value. Even if we sometimes conducted and conduct polemics, we have never had an orientation towards existing political groups no matter how close they might stand to us on paper, but, instead, towards the working class as a whole. We therefore place the pivot of our work in active intervention in the class struggle, in order to further develop ourselves both politically and organisationally. We would be glad to meet the comrades of the ICC in this process. However, we are more than sceptical in this regard. As presently constituted, the ICC is weaker in the theory than it is in practice.

GIS

#### Notes

I In this way, the ICC considers it necessary "to discredit [our organisation] so that it disappears from the political scene". Furthermore, the ICC views as its "most important international priority" to "counteract, especially in Germany" our "negative influence on the milieu" (Resolution on activity of the I6th Congress of the ICC).

2 Here, we only mention the changing of our Wikipedia entry by members of the ICC. (CWO note - we have since discovered this was carried out by a young sympathiser of the ICC who was not then a member).

3 One of the ICC's favourite lies is the claim that our Italian sister organisation, PCInt (Battagla Comunista) is "Bordigist", and that it claims to be the sole nucleus of a future revolutionary Party. In every edition of their paper, our comrades stress: "Noi siamo per il partito, ma non siamo il partito, ne'l'unico suo embrione" ["We are for the party, but we are not the party, nor its sole embryo"].

4 Thus, the ICC claims, for example, that the PCInt worked in the partisan movement, and/or supported it. This is a vile slander. The truth is that comrades of the PCInt were murdered under the orders of the Stalinist leader Togliatti while they tried to push back the Stalinist influence on the working class and (partially successfully) to win workers away from the partisans for an internationalist perspective.

5 Quoted from Prometeo, 1st November 1943.

6 As always, the ICC's argument is knitted together as simply as thinkable: as there was no revolution after the Second World War, the foundation of the PCInt was mistaken and the GCF was correct. This forgets that the PCInt emerged within an important wave of class struggle. To the chagrin of the ICC, the PCInt still exists today and has further developed politically. The GCF, on the other hand, became a victim of its own schematism and disappeared from the scene. The predicted war in Europe hasn't (up until now) happened. Probably that's enough said over the analytical utility of the "historic course". 7 Superficially, that sounds convincing. In some parts of the world there were actually a series of workers' struggles (Italy 1969, Poland, Spain, Argentina, Great Britain 1972-4, etc.), which, now and again, favoured the emergence of new communist groups. Our Italian sister organisation, PCInt (Battaglia Comunista) was also encouraged by the emergence of these struggles to develop new initiatives on the international level. Against the ICC, which, in the light of the "wave of struggle" slipped into near-euphoria, the PCInt, however, stressed that the ideological dominance of capital over the working class was very far from being broken. The end of the counter-revolution and the development of class consciousness would have to also express itself organisationally in the emergence of an international class party. Despite all the myths of the ICC, revolutionary groups were only able to develop in a very modest way. Instead, openly reformist and social democratic organisations grew stronger. In the same way, the pseudorevolutionary Trotskyist movement registered growth and could further play their role as the left defenders of the capitalist system with and even partially within social democracy. Simultaneously, many communist groups collapsed again or were weakened, which should have given the ICC

8 Resolution of the Third Congress of the ICC on the State in the Period of Transition.

cause to think.

9 Trapped in their own fantasy world, the ICC sometimes goes further, and assesses itself with certainty: "only the ICC today is laying the basis for the future Party, which the class must bring forth" (Resolution on Activity of the 16th Congress of the ICC)

10 In this way, the ICC splits and the critics of the ICC have been labelled with the social-racist concept of "parasitism". In the meantime, the ICC's delusion has progressed so far that they claim to have the power of defining who belongs to the "proletarian milieu" and who doesn't. As in the ICC's distorted world picture there is finally almost no-one is left within the milieu, it has needed no miracle for the ICC to begin to suck up to anarchist groups recently. This shows again, how closely opportunism and sectarianism are related in the ICC.

#### Class War in Wisconsin

#### continued from p 8

ahead of the enactment of the austerity measures. The Middleton-Cross Plains school district just west of Madison, has now passed a contract which eliminates "just cause" firing (having to have a reason for firing an employee) and enacts many other harsh measures against workers.

# The Left act as Democratic Party Auxiliaries

The left acted as an auxiliary for the Democratic Party led protests. Often a carnival style of protesting and cleverly worded attacks on the governor took the place of putting forward serious demands or a program of action. For groups like the International Socialist Organization and the Students for a Democratic Society, their support for the Democrats was much more overt. For other leftist organizations their support was much less overt and direct. An organized core of people outside the power structure of the Democrats could've moved forward with working class demands, against the cuts and concessions. If they had been present and organized beforehand they could've put forward class based demands rather than allowing the loyal bourgeois opposition to run the protests into the ground in a bid to elect more Democrats into state office and recall up to 8 Republican state legislators.

Workers have internalized the many of the lies that have been put forward about the necessity of "shared" sacrifice, as though the crisis of capitalism were a natural disaster that required equal sacrifices for the "good" of the country. The capitalists explicitly bankrupted the states to create a budget crisis for the purpose of making the austerity measures appear unavoidable thus allowing the capitalist politicians the ability to avoid being seen as having done this on purpose in order to lower living standards of workers.

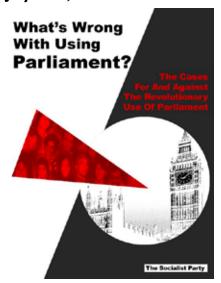
#### The Future?

Whether workers in the US will manage to break free of the Democratic Party and the unions to start organizing themselves to wage their own struggles on their own terrain is the question. This break will not happen as long as workers are too afraid of the consequences to engage in any activity other than electoral politics and empty protests against a regime that will not listen or compromise. It will not happen as long as workers have to show their patriotism by supporting the belief that they are the "citizens" of a state that is somehow neutral or capable of defending their interests. It will not happen as long as they are suckered into the political trap of defending a democracy that exists only for the bourgeoisie. The workers, had they wished, could've taken over the entire Capitol building and kicked out the politicians, they could have declared a strike. Instead they waited patiently and peacefully for the "democratic process" to cut their living standards, and then they went home and waited to vote. Now the hostile propaganda against the state workers in the press has intensified in the wake of the protests. The protests have spread across the country. It is not likely that workers in the U.S. will simply go back to sleep this time.

AS

# What's Wrong with the SPGB?

Review article of "What's Wrong with using Parliament?" by The Socialist Party [of Great Britain], 24pp July 2010, £1.00



In the light of the referendum on a change in the voting system (see article in this issue) we thought we would take another look at the only genuinely socialist organisation which attempts to sell us the parliamentary road to socialism. Over the years we have debated the issue of how we will get to a socialist society several times with the SPGB1 in both meetings and our press. Indeed several people have contacted us after listening to a tape our 1994 debate which you can still buy from the Socialist Party. Last year they brought out a new short pamphlet, What's Wrong with Using Parliament?, to restate their belief that socialism can only come about via parliament. It is that which we are reviewing here.

The reasons for debating with them, and not other parties claiming the title "socialist" is not simply because they have a culture of debate (propaganda and education are their main activities) but because they share with us a

I Although it has since shortened its name to the Socialist Party, the Socialist Party of Great Britain still retains the full title in some circumstances so we will call it the SPGB here. It is not to be confused with its SPGB's splitters, the Socialist Party of Great Britain which produces Socialist Studies [for our debate with them see "The Fairy Story of the Parliamentary Road to Communism" in Revolutionary Perspectives 39] nor the Socialist Party of the former Militant Tendency after it was expelled from the Labour Party.

real understanding of what socialism is. Unlike the Stalinists, Maoists and Trotskyists they do not believe that some form of state ownership of the means of production is socialism, or even a step towards it. Like them we are "an organisation of equals. There is no leader and there are no followers". (Introducing the Socialist Party at the beginning of the pamphlet). differences over how socialism can be achieved have dug a chasm between themselves and revolutionaries. This pamphlet only underlines that distinction.

The pamphlet is neatly laid out and lucidly written. Bizarrely it has a contructivist design (more usually associated with the October Revolution which they reject!) on the cover (with a red wedge flying into Big Ben). The contradiction on the cover however is trivial compared with the contradictions inside. The pamphlet claims to be aimed at "Antiparliamentarians and Anarchists" but only Anarchists are quoted. This is no accident since the SPGB claims Marxist orthodoxy for its views on parliamentarism and to deal with Marxist critiques would be more difficult. It also frees the SPGB from dealing with the really big issue of working class consciousness (a word which does not appear anywhere in the pamphlet). The pamphlet is a tale of two halves with the first being the SPGB's defence of using parliament and the second dealing with five arguments against using parliament taken from Anarchist publications in the second. Here we can only deal with some of

#### **Instrumentalist Arguments**

They set out the premises of the debate accurately enough

what distinguishes us amongst those who want a classless, stateless, wageless, moneyless society based on common ownership and democratic control of the means of life, is our view that parliament can and should be used in the course of establishing such a socialist society. (p.5)

But this quickly leads us to the first contradiction. Although they recognise that parliament is a capitalist institution, that voting atomises ands reduces to passivity the mass of the population who only get to put a cross on a piece of paper every 5 years or so, they still argue that

what better way is there to challenge that "democracy and freedom" than by using the accepted legitimate channels and thereby be able to call [liberal democracy's] bluff.

But who is bluffing? The capitalists, who have instituted a political system that not only does not challenge their rule but is the ideal framework for it, or the SPGB who would legitimise working class impotence by supporting it? The increasingly derisory electoral performance of the SPGB over the last 107 years might be taken as sufficient proof of the point that there is no route to socialism via bourgeois institutions but it is a lesson that the SPGB refuses to learn. Instead the pamphlet is full of straw man type arguments which they dig out (and not always fairly) from the anarchist texts they criticise. One of these is to criticise this argument

Socialism cannot come through the Parliament. If we look at a country like Chile we can see why. In 1973 the people elected a moderate socialist government led by President Allende. This democratically-elected government was toppled by a CIA backed military coup. Repression followed in which the workers movement was smashed and thousands of militants lost their lives. ("What is Anarchism?", www.struggle.ws/pdfs/whatis.pdf).

The essential part of the SPGB reply is that this is because Allende was not a real socialist and did not have "enough" popular support. But in this argument Allende's "authenticity" is not the point. The bourgeoisie do not distinguish between real socialists and state capitalists. All they see is a threat to their property and in Chile there was a mass movement seeking to redress the balance for the working class (however deluded we all agree they were). The fact is, as we noted a long time ago, the SPGB are more devoted to parliament than the "democratic" bourgeoisie! The capitalist class will not shrink from switching to a Mussolini or a Pinochet once they see that the rules of the democratic game do not deliver the desired results. The problem is exactly the opposite one. Most Chilean workers believed, like the SPGB, that the elections had guaranteed their legitimate right to rule when in fact it did not touch the essential organs of the state. This error is underlined earlier in the pamphlet when the SPGB write

Gaining control of the state will at the same time give control of this social organ which can be used to co-ordinate the changeover from capitalism to socialism. Of course, it couldn't be used in the form inherited from capitalism;

Like so many caveats the last line is meaningless if you do not actually say that the first thing the workers will have to do in the course of their revolution will be to smash/dismantle the capitalist state and its organs of repression. This argument is an old one as the founding Declaration of Principles of the SPGB (printed a the back of the pamphlet) also argue that all they will have to do is have the state, the machinery of oppression "converted" and it will guarantee workers' emancipation. For the SPGB winning a majority in parliament is the same as gaining control of the state (p.7) but how different do they think the scenario will be to that in Chile? Allende lasted 3 years because he was slow to move against the old state apparatus. If he had acted faster his government would have not have lasted as long. The point is that the state has to be destroyed in the course of the majority taking over, not via a parliamentary majority after a leisurely debate. Waiting to gain such majority will only allow those who hold all the reins of power to prepare their various contingency plans.

The SPGB are also so desperate to assert the importance of parliament that they attempt to deny that bourgeois state power lies elsewhere. When Class War argue that the real power of the state lies in the organs of repression, the permanent bureaucracy etc they are accused of "conspiracy theory" which then can be called "absurd". But the spontaneous bowing of parliament to the needs of capitalism is plain for all to see and the

SPGB accept this on p. 17. You don't need a conspiracy theory to see that vested interests via lobbying, and think tanks set the agendas and define the limits of policy (one reason why any attempt to reform anything under capitalism sinks in the mire of its own contradictions). Political donations, control of the media, appointments of MPs and ex-Ministers to company boards etc are all part of the way in which capitalism ensures that capital dominates the political agenda. For the SPGB this is irrelevant since for them parliament is the main state organ and thus when they get a majority all these extra-parliamentary organs (including the armed forces and the police) will be so stunned by socialist argument and parliamentary legitimacy that they will be neutered.

There are other ways in which the SPGB don't seem to take on the reality of what they are proposing. If they are for pure socialism (and we believe they are) what are their nonreformist minority MPs going to do whilst awaiting the time when they have 300 plus members in parliament (currently they have none and never have had one) to vote capitalism down? The people who elected them will expect some results in the course of a parliament, unless of course they no longer count on parliament, but then that begs the question as to why did they vote at all. Our new SPGB MPs will arrive in parliament to take the loyal oath to Her Majesty the Queen, and then what? The only concrete activity that the SPGB put forward is that they can use Parliament as a tribune to denounce the system. And after 5 years of doing that they expect to win a majority the next time round? They criticise the anarchists for putting forward "unrealistic alternatives" but nothing seems further from reality than the SPGB's cosy view of the capitalist political system. The Anarchist Federation, for example, are castigated for envisaging the possibility that the capitalist class will actually put up a fight to defend its property (p.20)! It is clear that what the SPGB stands for is social pacifism and what they stand against is genuine class action. Capitalism will be safe for ever with these comrades.

In fact, what characterises genuine class action is beyond the SPGB. On p.19 they quote the Anarchist leaflet

"What is Anarchism?".

The authors of the 'What is Anarchism?' web-page leaflet mentioned above, which claims that "socialism cannot come through parliament", agree with us that the revolution against capitalism must be a majority, participatory revolution:

"Central to our politics is the belief that ordinary people must make the revolution. Every member of the working class (workers, unemployed, housewives, etc.) has a role to play".

The trouble is they don't seem to have thought through the implications of this. If on the eve of the revolution a majority of the population are in favour of it and are organised to participate in it, why should they not demonstrate this by putting up their own candidates to oppose and beat those who do support the continuation of the capitalist system? Naturally, these candidates would stand as mandated delegates not as unaccountable representatives. Being the majority, this would be reflected in a majority of seats in parliament. And if some pro-capitalists in the boardrooms, the armed forces or the police attempted a coup, what, as already pointed out, could they do against a participating majority committed to establishing socialism?

there is an organised, Once determined majority the success of the socialist revolution is assured, one way or the other. It is then a question of the best tactic to pursue to try to ensure that this takes place as rapidly and as smoothly as possible. In our view, the best way to proceed is to start by obtaining a democratic mandate via the ballot box for the changeover to socialism. The tactical advantage of doing this is that, when obtained, it deprives the supporters of capitalism of any legitimacy for the continuation of their rule.

This is the Monty Python path to socialism. The Anarchists talk of "revolution" as a single process (in our view, an error) but at least they see it as starting a process. The SPGB cannot conceive of a "revolution" until 50% plus I of the population is ready. For them "revolution" is a quiet vote, a polite discussion in parliament and the change in ownership of the means of

#### Debate

production by legislative enactment? A splendid "tactic" which does not even actively involve most of the working class!

But here we are entering a Lewis Carroll world where "words mean what we say they mean". Revolutions are certainly about more than change in government. They are fundamental shifts in class relationships and they either change the basic way we produce things or they fail. They are also messy unpredictable things but you would not think so reading this pamphlet.

In fact the pamphlet is entirely devoid of any reference to real struggles of real workers. It is a utopian plea to participate in the arena where the ruling class is strongest in order to defeat it. However the SPGB are absolutely certain that only they hold the key to the future of the working class. Anyone who advocates anything different is "unrealistic".

The pamphlet arrives at this happy conclusion only by leaving out any discussion of how a real revolution can take place. The SPGB has long been an opponent of real class struggle which it equates with violence. In its founding Principles it states:

It is dangerous and futile to follow those who support violence by workers against the armed force of the state. Violent revolution has sometimes meant different faces in the capitalist class, always meant dead workers, and never meant the liberation of the working class. Unless workers organize consciously and politically and take control over the state machinery, including its armed forces, the state will be ensured a bloody victory.

Political democracy is the greatest tool (next to its labour-power) that the working class has at its disposal. When the majority of workers support socialism, so-called "revolutionary" war will not be required. The real revolution is for workers to stop following leaders, to start understanding why society functions as it does and to start thinking for themselves.

Between voting and violence there is nothing for the SPGB. In reality the very nature of capitalism is constantly throwing up class conflict even at times of relative class peace.

They see workers coming to understand the need for socialism only by "thinking for themselves" as individuals. This is the same appeal the capitalist makes in trying to stop workers take class In reality workers always "think for themselves" but they think different things at different times. When capitalism guarantees them a reasonable livelihood they accept it, and its media claims, to be the best of all possible worlds. However when the system begins to fail and enters into one of its periodic crises workers begin to "think for themselves" but not necessarily individually since their common experience begins to teach them more than all the lectures of the SPGB (or anyone else). This does not mean the end of the system but it does lead to collective resistance on an initially economic level. There is no mechanical link between the economic and political struggle (on this we can agree) but the struggles themselves have the potential to plant the germs of conscious opposition to capitalism. In some cases this consciousness takes political direction and this leads to the formation of class political organisations who make it their task to articulate the lessons of past historical achievements of the class. In doing so they help to define the communist programme.

At first is only a minority who tend to coalesce around a political party of the subordinate class. This minority is doomed for long periods to seem isolated and out of touch but the very contradictions of capitalism at certain point create wider class movements in which this minority works for revolution. Massive these movements might be but they still remain a minority of society. It will be a large minority (as in Egypt or Tunisia recently) which will launch the assault on the state. What transforms this minority into something more is the revolutionary act itself:

Both for the production on a mass scale of this communist consciousness, and ... the alteration of men on a mass scale is, necessary, ... a revolution; this revolution is necessary, therefore, not only because the ruling class cannot be overthrown in any other way, but also because the class overthrowing

it can only in a revolution succeed in ridding itself of all the muck of ages and become fitted to found society anew

History suggests that this does not come piecemeal but rapidly. Even those who have been expecting it will be overwhelmed by its force. In the course of it the movement may be peaceful (the bigger and more widespread the more peaceful it is likely to be) but even an overwhelming movement such as in Cairo may have to be extraordinarily courageous in the face of last ditch fight to the death by capitalists defending their property. The collapse of the forces of the state under this mass pressure is the best scenario for the collapse of capitalist order in any one area.

This is, of course, only the beginning of the story. The overthrow of capitalism and the establishment of socialism are not necessarily one and the same thing. People will be anti-capitalist before they understand fully what it means. This will be done via combination of propaganda/education and experience. The very process of revolution will lead people to practically solve the problems of how to organise by setting up assemblies, local committees and even workers' councils based on recallable delegates. In the process people's perceptions will also change. They will be ready to abandon the former mores of capitalism with its greed and selfishness. They will be more ready to listen to those who defend real socialism. Not all at once, but as the research into the behaviour of the mass movements in the French and Russian Revolutions have shown people began to behave differently in the process of mass action. Marx put this graphically in The German Ideology

> .. revolution is necessary, therefore, not only because the ruling class cannot be overthrown in any other way, but also because the class overthrowing it can only in a revolution succeed in ridding itself of all the muck of ages and become fitted to found society anew.

In contrast to the passive role of the voter under capitalism people will become, to use the words of the Anarchist Federation (quoted in the pamphlet), "energised". It is only at this point when the old ruling class is on its

knees that the implementation of a real socialist programme by the immense majority will be possible (provided that active within this movement are those campaigning for it).

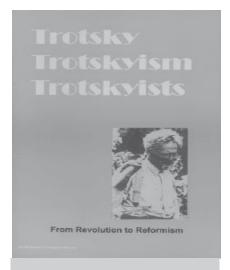
Marx summed this up in the *Theses on Feuerbach* 

The coincidence of the changing of circumstances and of human activity or self-change can be conceived and rationally understood only as **revolutionary practice.** 

We do not know how this revolution will develop, or where it will take us, but we do know it will go beyond the mind-numbing passivity of voting for a capitalist parliament. Perhaps even the "changing of circumstance" will affect the SPGB and they will join the rest of us who

want a classless, stateless, wageless, moneyless society based on common ownership and democratic control of the means of life.





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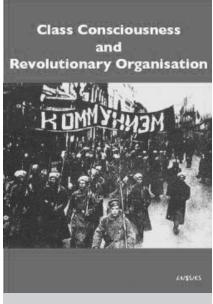
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The Communist Workers' Organisation was founded in 1975 and joined with the Internationalist Communist Party (Italy) to form the International Bureau for the Revolutionary Party in 1983. The Internationalist Communist Party was only significant organisation to emerge in the Second World War (1943) condemning both sides as imperialist. It is the most significant organisation produced by the internationalist communist left which fought the degeneration of the Comintern in the 1920s as well as the process of "bolshevisation" (i.e. Stalinism) imposed on the individual communist parties. In 2009, in recognition of the new elements that had joined the founding groups, the IBRP became the Internationalist Communist Tendency.

We are for the revolutionary party but we are not that Party. Nor are we the only basis for that party which will emerge from the workers' struggles of the future. Our aim is to be part of that process by participating in all the struggles of the class that we can with the aim of linking the immediate struggle of the class with its long term historic programme - communism.

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The Communist Workers' Organisation which produces Revolutionary Perspectives (a quarterly magazine) and Aurora (an agitational paper) BM CWO, London WCIN 3XX

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Groupe Internationaliste Ouvrier / Internationalist Workers' Group which produces Notes Internationalistes/Internationalist Notes (quarterly) R.S. C.P. 173, Succ.C, Montreal, Quebec, Canada H2L 4KI

Write to: us@leftcom.org

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