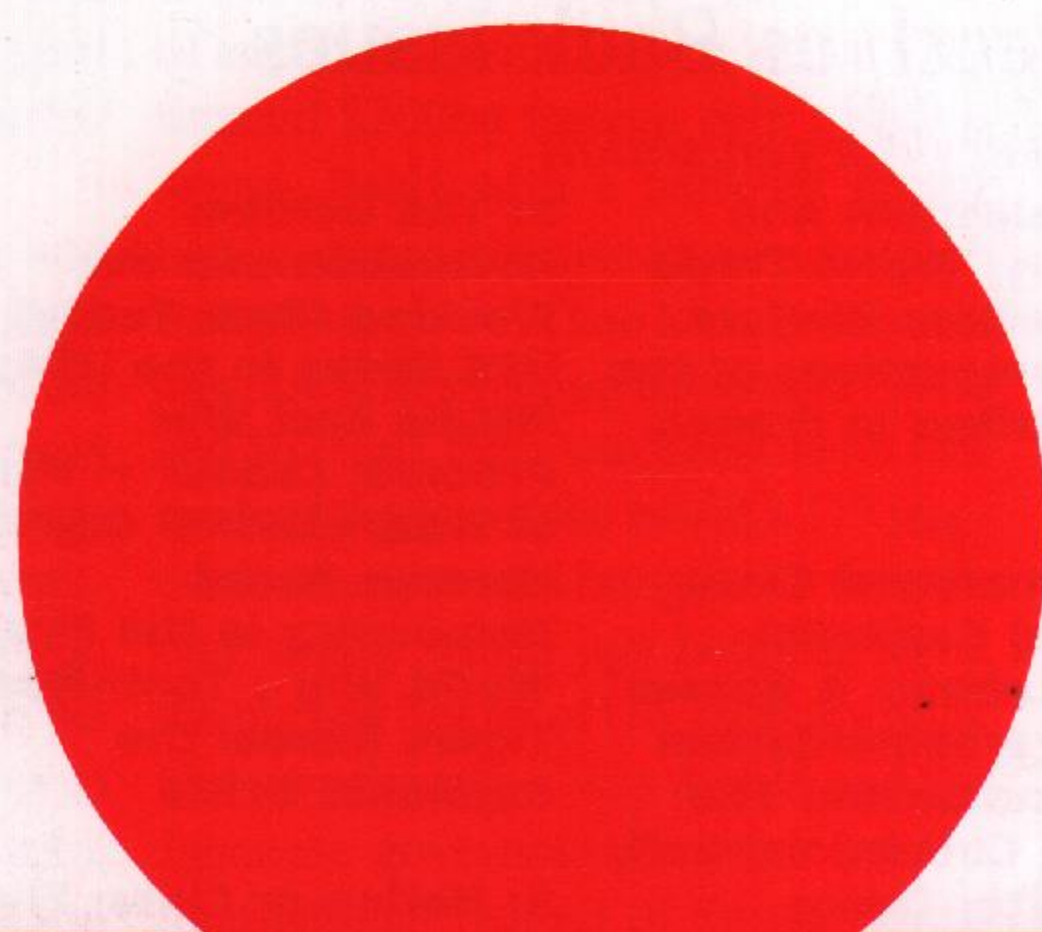


# *Revolutionary Perspectives 11*

Quarterly Magazine of the Communist Workers' Organisation

## *Japan — Land of Global Capitalism's Setting Sun*



**New Deal — New Attacks on Workers**

**Indonesia**

**Ireland — A Settlement for Global Capital**

**Kosovo, A Graveyard for Workers**

**In the Firing Line**

**Israel, Protégé of America**

**Russia, from Bad to Worse**



# Revolutionary Perspectives

Series 3, No. 11 Summer 1998

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# World Economic Crisis Update: From South East Asia to Russia...

## Cracks Widen in Capitalism's Global Economy

*Mini-crises are occurring with increasing frequency and intensity and expanding on an international scale. At the same time their effects are more and more socially devastating. The upturns are weak and short lived, a kind of brief interlude in a situation of growing and permanent crisis.*

(From "The Current State of Capitalism", document presented at the VIth Congress of Battaglia Comunista, April 1997, published in *Internationalist Communist* 16.)

Recent media reports of looting and arson by angry and desperate people in Indonesia were just one reminder of the sort of social devastation that runs in the wake of every capitalist "mini-crisis". On top of the thousands of workers who suddenly found themselves on the street without a job and where the cost of living was soaring daily due to the collapse of the currency (the rupiah), IMF conditions attached to its \$43bn bailout package — that the government reduce subsidies on food and fuel — only exacerbated the situation. In truth the IMF is not worried about the situation of the human beings whose labour power produces capitalism's wealth. Its job is to try to ensure the survival of the capitalist system as it has matured since the last world war. More precisely, the IMF's main concern today is to safeguard the interests of the international bankers and finance houses who less than a year ago were competing with each other to offer loans to firms and governments in the high growth "tiger economies" of South East Asia. It is testimony to the volatility and basic uncontrollability of present-day capitalism that the annual report of the IMF at the end of 1997 was full of praise for these Asian tigers. Indonesia for example was applauded "for its prudent mac-

roeconomic policy, its high investment and savings ratios and the reforms it had undertaken to open up its markets". No mention there of crony capitalism and economic mismanagement. Similarly, South Korea was commended "for its continued impressive macroeconomic performance" and "the authorities for their enviable fiscal record<sup>1</sup>".

When we last wrote about the crisis in south east Asia a couple of issues ago it was South Korea that was the focus of attention<sup>2</sup>. With 35% of Korea's estimated \$200bn foreign debt owed to Japan, itself with a banking sector barely able to disguise its own massive and growing pile of bad loans (variously calculated at anything between \$159bn and \$621bn), there was a real threat that the bankruptcy of the world's 11<sup>th</sup> largest economy would bring down the second largest which just happens to be the biggest holder of US Treasury bills. Not surprisingly it was the US and the Japanese governments which led the international bailout of South Korea. (At \$57bn, the biggest yet.) Since then, of course, what began as a currency crisis in the region has developed into an increasingly serious crisis for the "real economies", with business shutdowns and bankruptcies, layoffs, unaffordable prices for imported goods, and runs on banks. Indonesia has shown us something of what this means for the bulk of the populations in the region. For the international finance capitalists, however, the crisis is a means to get their hands on both value-producing industrial companies and lucrative financial businesses at knock-down prices. As Marx said, during an economic crisis "one capitalist kills many" and in today's increasingly globalised economy this law is not confined by national boundaries. Without exception the ailing tigers have been obliged to allow greater direct involvement of foreign

capital in both the industrial and financial sectors as well as submit to political and economic supervision from mainly US "advisers". (For example, Paul Volcker former US Federal Reserve chairman was busy advising the Indonesian government about economic transparency and which banks to close down before Suharto thought it best to resign.) Whatever happens the biggest financial companies cannot lose.

*While, during periods of industrial boom, the profits of finance capital are disproportionately large, during periods of depression, small and unsound businesses go out of existence, while the big banks take "holdings" in their shares, which are bought up cheaply or in profitable schemes for their "reconstruction" and "reorganisation".*

(Lenin, *Imperialism, the Highest Stage of Capitalism*)

Today the IMF is overseeing the tearing down of national state barriers. This promotes the tendency towards concentration of capital in the hands of the most powerful international finance capitalists. Once these parasites on global production have reorganised the economies of south east Asia — having secured the repayment of previous loans and placing themselves ready to offer new ones at the same time as taking a direct share in the surplus value generated by those sectors restored to profitability — then the way is open for a further set of finance capitalists, the "people who live by 'clipping coupons', who take no part whatever in production, whose profession is idleness" (Lenin again), to buy up the cheap shares. No matter to them that a return to profitability is based on increased human misery and heightened exploitation of the reduced number of workers producing the wealth: even lower

pay than previously, no job security, greater "flexibility" .... If this is what is necessary to conserve the income of the world's richest and powerful then so be it. This inexorable capitalist logic applies whether it is private capital or public funds which form the bulk of a "rescue package". (At the end of 1994 the US Treasury contributed \$12bn to the international "rescue package" for Mexican capitalism. Mexico has now repaid that debt plus an additional \$500m of interest. The US state has profited but the wages of Mexico's workers have been cut by half and the official poverty rate has risen from 30 to 50%.)

With a revealing piece of cynicism Barry Riley, the *Financial Times*' regular financial and stock market analyst, spelt out what a bit of social devastation means for the canny stock market investor. Whilst recognising "the alarming depth — and likely extended duration — of the Asian crisis" he ponders,

*Will upheaval lead to opportunity? Looting and arson are contrarion (sic) signals, of a kind, just like the outbreak of the Gulf War in January 1991: buy on the sound of gunfire.*

He goes on:

*At some stage, a shift from the booming western equity markets to the desperate Asian stock exchanges will be signalled; remember that the Indonesian index has collapsed by 90 per cent relative to Wall Street in less than a year. The conclusion: the moment has not yet come, but stay close to the telephone.*

(16/17<sup>th</sup> May 1998)

Nowadays the person at the end of the telephone is more likely to be a manager of a corporate investment portfolio than an individual coupon clipper speculating on his own account. However, this doesn't alter the fact that at the end of the twentieth century world capitalism is still dominated by finance capitalism, by those "whose profession is idleness" just as it was at the beginning of the century, albeit in a more complicated way. And as this quotation shows, if evidence were needed, finance capital holds no national allegiance. Economic history over the last twenty years has been dominated by the increasing ease and speed of transnational movement of capital. The "opening up"

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of local economies in south east Asia to more direct penetration by largely Western bankers and conglomerates is only the latest aspect of this. On the other side of the coin, as the bourgeoisie's economic pundits recognise, it is only a matter of time before the prospect of a more or less violent "readjustment" of Western stock markets (including Wall Street, whose equities are 20% "overpriced" ) becomes reality. Ironically, one of the knock-on effects of the South-East Asia crisis is to postpone a second Wall St crash as the financial speculators who have got their fingers burnt pile into what they hope will be the safe havens of Wall Street and European stock markets (the so-called "flight to quality"! ). But given the present stage of the world economic crisis and the interlocking of every corner of the global economy there are no safe havens. Already there are other spin-offs from the crisis in South-East Asia which are contributing to a general slowdown in world economic growth, i.e. exacerbating capitalism's global profitability crisis which is more and more taking on classical form: falling raw material prices, sudden loss of markets, business failures, dearth of profitable investment outlets, falling currencies.

*The economic collapse in the region is so extensive that it is bound to have a knock-on effect on the global economy.*

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It is not only the currency markets that have been affected by the "Asian contagion". Whether it be a "depressing impact" on primary product prices, such as base metals and oil, a loss of export markets or a sudden drying-up of component supplies, there is no doubt that the crisis in South-East Asia has had a world wide impact on the "real economy". A selection from just one issue of the *Financial Times* in (June 11<sup>th</sup>) shows that the consequences extend well beyond the Pacific rim:

*Metra, the Finnish engineering, ceramics and steel group which is demerging, slid into deficit in the first four months as diesel engine sales to Indonesia — its largest single market — were all but obliterated.*

*Oil exporters are failing to stop falling prices despite commitments to production cuts ... "The basic*

*problem is that there was a sudden stop in demand in Asia but no sudden stop in supply" ...*

*Boeing will reduce monthly output of its 747 jumbo series of airlines by 30 per cent next year, because of slow traffic growth in Asia, and cut more commercial aircraft jobs than previously planned.*

For Intel, "the world's largest chipmaker"

*Asia's economic problems have taken their toll. PC markets in Japan, South Korea and other Asian countries, which together represent about 15 per cent of the world market, have been severely depressed ...*

For the UK economy as a whole the loss of over £1bn in export orders to South-East Asia in the first quarter of this year has helped to widen the trade deficit. Likewise,

*The US's February trade deficit was \$12bn, the highest since 1992, with the deficit with Japan rising by over 21 per cent.*

(*Financial Times*, 9.5.98)

At the time of writing that deficit has increased to \$13bn.

## Japan: Engine of Economic Growth or Motor of Depression?

Accounting for 70% of the area's GDP, Japan is South-East Asia's dominant imperialist power. With industry at home experiencing falling profits, the Japanese economy was already heading towards recession when the region's crisis first broke out. Arguably it was the US decision to let the dollar rise against the yen as a way of easing Japan's crisis (by boosting exports) that led to the currency crisis in the first place. (Since the currencies of the Asian "tigers" were pegged to the dollar.) Even so, what was in effect an attempt by Japan to off load some of the burden of its own economic crisis onto its neighbours backfired when currency crisis became "economic meltdown". The prospect of massive defaulting on loans not only ensured that Japan took a key part in the international bail-out package, it also highlighted how much the Japanese economy itself rests on fictitious capi-



tal and of course, exacerbated that plight.

Nominally Japan's national debt is remarkably small — just over 18% of GDP — but this ignores the astronomical debts of the banks and other financial institutions which are also a source of government finance. On top of this, there are the uncovered liabilities of "the second budget" — basically post office savings and state pension funds. The IMF reckons that if post office liabilities are included the true national debt is 150% of GDP — bigger than that of Italy, the EU's financially disreputable state. A further American study estimates that the "total obligations of the public sector towards its debtors and pensioners probably exceed

250 per cent of GDP". (*Financial Times* 11.6.98) Undoubtedly including pension liabilities would greatly up the debt to income ratio of most of the major capitalist states (by 60% on average). Nevertheless the point remains that Japan, the world's "largest creditor" is also up to its eyes in debt like the rest of the world. Even with some of the lowest interest rates in the world this mounting pile of dead capital represents a drain on the surplus value available to Japanese capital as a whole. As profits decline and order books shrink pressure is on the Japanese government to allow at least some of the weakest banks to go to the wall. The collapse of Yamaichi Securities last November was a foretaste of this but so far the govern-

ment is not prepared for major bankruptcies and has made its "recapitalisation fund" available to all the major banks. However, it is not only in the realm of financial capital that the Japanese economy is in crisis. The lost trade with its neighbours has helped precipitate a full-blown industrial recession. Production is being scaled down and unemployment is soaring. Between April and the end of May the official rate went up from a post-war high of 3.7% to 4.1%. Wages are down, partly due to declining overtime (down by almost 10%). Retail prices are starting to fall. To try and reverse this trend, and in contrast with prevailing monetarist orthodoxy, the Japanese government is implementing a remarkably Keynesian-looking ¥16,500bn (£75bn)

reflation programme which includes:

- ¥4,000bn (£75bn) of tax cuts in two stages, half from June this year and half in 1999. (This is on top of ¥2,000bn tax cuts last December and following an earlier cut in 1995 of ¥14,000bn.)

- ¥7,700bn public works programme, mainly in rural areas "already littered with construction works from previous stimulus packages", as the *FT* put it in its issue of 11<sup>th</sup> April.

- The rest is allocated for low cost loans to business and industry.

Far from condemning this outright case of deficit financing, Washington and the financial pundits who normally look for balanced budgets are criticising the measures for not being enough to "kick start" the economy. And as usual the working class is being blamed — again, in peculiarly Keynesian language — for not spending enough, or rather for its too powerful "propensity to save". With pensions from a "blue-chip employer" now worth about the same as a teenager's earnings from a fast food outlet; wages falling and the threat of unemployment looming, who can blame Japanese workers from not rushing out to spend their tax bonanzas?

Nor has the Japanese government been able to prevent the decline of the yen against the dollar. Despite massive interventions on the foreign exchange markets the yen has fallen almost 50% against the green back in the last three years. The fear now is of spiralling competitive devaluations in the region as the stricken tigers compete directly with Japan in such fields as steel, cars and consumer electronics. The Hong Kong dollar and the Chinese export currency, the renminbi, are particularly threatened since they are pegged to the US dollar and face increasingly uncompetitive export prices as regional currencies are devalued. Yet, despite the resemblance to the competitive devaluations that accompanied the international trade wars of the '30's, a deliberate policy of "beggar my neighbour" is not really an option in the region, not least because of the interdependence of the economies concerned and their need to trade with each other. Moreover, Japan does not want to see the yen decline to the level of the likes of the rupiah or succumb to an invasion of Western asset-strippers as the rest of the region is having to do. Even so, for the first time this notoriously closed economy for foreign

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finance capital is having to tolerate incursions from US and European asset strippers. Once again that fount of information on the wheelings and dealings of international capital, the *Financial Times*, tells us that:

*Merrill Lynch, the US securities giant has picked over the carcass of Yamaichi Securities, hiring the best employees of what was once the country's fourth-largest broker. More recently Travelers, the US financial conglomerate, which is merging with Citicorp, has forged links with Nikko Securities. ... In the manufacturing sector, Daimler-Benz of Germany is to acquire the truck interests of Nissan ...*

(13.6.98)

There are even incursions into Japanese real estate, despite the added problem of the traditionally accepted gangsters' rake-off. In a financial sector with ¥77,000bn of "problem loans" (twice the size of Australia's annual GDP), those whose business is idleness could not resist the possibility of rich pickings.

*So foreign institutions, mostly US and some European, are queuing to get a piece of the action by buying loans and restructuring them as bonds, or reclaiming the property, either to sell or manage it themselves. Morgan Stanley, Deutsche Morgan Grenfell, Goldman Sachs, AIG, Secured Capital, Bankers Trust and Cargill are some of the bigger names either in or planning to join.*

Clearly the process of globalisation is not dead. However, as we said in *RP9*, the South-East Asia crisis has highlighted strains between the US and Japan. If anything the currency devaluations in the region presage a move towards a yen currency bloc as a collective means of defence against the dollar. Meanwhile, the global capitalist crisis descends from one mini-crisis to another on its miserable way towards full-scale barbarism. All over the world the proletariat, the international class of wage workers, is being forced to pay. Increasing numbers are being reduced to absolute poverty and deprived of any human dignity. Anyone who thinks that this crisis-wracked system whose only *raison d'être* is the maximisation of profits can be turned into a benign so-

cial order dedicated to the welfare of the majority of its citizens is sorely mistaken. Back in 1995 Tony Blair was eager to show the finance capitalists that he understands this when he told the *Financial Times* (who else?),

*The determining context of economic policy is the new global market. That imposes huge limitations of a practical nature — quite apart from reasons of principle— on macro-economic policies.*

Even in the capitalist heartlands the good times of the post-war boom are long gone. Capitalism can only afford to have humanitarian principles when profit rates are high. When the whole process of accumulation is under threat, as it is today, then "morality" and "principles" are indeed limited by capital's overriding need to increase the rate of surplus value and do whatever is required to accomplish that.

Like feudal monarchs and their entourage wreaking havoc on local economies as they moved from place to place, "post modern" finance capital shifts round the world looking for new ways of extorting surplus value from the working class: robbing their pension funds, cutting their wages, increasing their working day, cutting their welfare benefits. It is ably aided and abetted by govern-

ments falling over backwards to create the conditions for capital's survival. It is no underestimation to say that humanity's future rests with those who more than ever have nothing to lose but their chains. Like capitalism itself we have to organise to fight it on a global basis. We have a world to win.

ER

## Notes

1. Quotes from "Muddled Measures by the IMF" in *Le Monde Diplomatique*, February 1998.
2. "Financial Meltdown in South-East Asia, Harbinger of Things to Come", in *Revolutionary Perspectives* 9.

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# Indonesia — An Open Case of the Global Crisis

**M**ore than eighty years ago Lenin wrote that capitalism had entered its final stage, imperialism. Dominated by financial monopolies it demonstrated that capitalism had now entered the era of its "parasitism and decay". Lenin was, of course writing in the middle of the butchery of the First World War. Today capitalism may have moved on but it has in all its essentials not changed. Finance capital may now longer be just a national monopoly but its modern globalised version is even more parasitic on the real economy than it was in 1914. Now finance capital does not simply influence the imperial policy of this or that state but dictates the economic health of whole continents. Capitalism is daily decaying before our eyes. whole areas of the world which were perfectly self-sufficient for hundreds of years have now succumbed to disaster since capitalism became the planet's dominant mode of production. There are no shortage of examples to demonstrate this growing decadence. Despite the stockpiling of milk and butter in Europe or the US government dumping surplus grain in the Atlantic to maintain US farm prices, famine today stalks the Sudan. This is, like all the famines before it in recent times, a doubly man-made disaster since the Sudanese war that has compounded the failed harvests is only maintained because rival imperialist powers supply arms to both the Khartoum government and the Southern secessionists.

But nowhere gives a better picture of the current state of global capitalism than Indonesia. Ecological disaster in the shape of the fires which began in the forests of Sumatra and Kalimantan became a continent-wide disaster when the forest peat caught fire and turned day into night not only in Indonesia but also in its neighbours like Malaysia. This was a result both of the drought but also of overlogging by Japanese companies given profitable contracts by the Suharto Government.

## The Myth of the Economic Miracle

**I**f that was not enough the collapse of the South East Asian so-called "economic miracle" (see accompanying article in this issue and our earlier text South East Asia, Harbinger of the Future in RP9) has brought down the Indonesian economy with it. Indonesia, a state of 17,000 islands has the fourth largest population in the world. Strategically placed on the Asian shipping lanes, a quarter of all world shipping passes its coasts. It had officially recorded economic growth rates of 7% a year for two decades (since the fall of Suharto we are now being told that these figures bore little relation to reality). In any event the real truth of the South East Asian "miracle" was that it was only sustained on the basis of the financial speculation of the big global investors. When they saw that the Japanese economy was stagnant in the face of a mountain of unrecoverable debt they turned their attentions to those economies which had grown under Japanese investment. The wholesale selling of their currencies was the result. After Thailand, Korea and Malaysia it was Indonesia's turn. Last summer the rupiah plunged. At one point it lost 80% of its value and stood at 17,000 to the dollar before recovering to 8000. The consequences were described by a French academic

*Indonesia has been having a hard time of it. Even the price of oil, of which it is an exporter has fallen. The whole economy has seized up. Companies are finding themselves running into debt and unable to pay wages, and many have gone bankrupt. Private debt has risen to 74 billion dollars, of which half is short-term debt [The country's total debt is 120 billion dollars. Personal debts accounted for by about 50 people, all part of the President's personal entourage] Everything is in short supply, and especially things which need to be imported — spare parts for machinery, basic foodstuffs such as*

*rice, cooking oil and powdered milk, medicines and even the contraceptives required for the country's birth control programme. Inflation is likely to run at more than 50% in 1998. Negative growth is expected this year...*

Francoise Cayrac-Blanchard, "Between the finance markets and the army", *Le Monde Diplomatique* (June, 1998)

This "negative growth rate" is calculated by economists to be -20%. In this context those already in desperate situations found themselves totally devoid of income. Unemployment, already swollen because countries like Malaysia were sending migrants back (after brutally murdering some of them) has risen from 5 millions to 12 millions. It is expected to reach 30 millions next years. And this is only the official figure. Add to that the desperate situation of the underemployed. This desperate poverty also has increased the disease count. On any one day there are 6,000 to 8,000 people combing the Jakarta rubbish dumps for up to 12 hours each to collect anything that is recyclable (it is the only "green" action the country has!) Not surprisingly malaria and dengue fever are prevalent. Currently 16,000 have been affected by an outbreak of dengue fever of which nearly 500 have died.

## Suharto and the IMF

**E**nter the IMF. As usual its priorities are not to help the victims of capitalist chaos but to compensate the speculators, the financiers, for the losses they sustained in pulling out of the economy. The usual remedy they always pose is to cut any subsidies on the basic necessities of life (in Indonesia's case these are rice, soya, fuel oil and electricity). This of course means price rises.

This posed immediate problems for the 76 year old dictator, Suharto. Whilst his regime has long been the most openly corrupt and nepotistic in the world it has always tried to ensure that basic foodstuffs were relatively accessible.



Indeed his value to the US during the Cold War and to international financial capitalists was that he did precisely that. Now they were asking him to abandon the lynchpin of his system. It is not surprising that Suharto twice rejected IMF "rescue" plans for Indonesia.

Add to that the not inconsiderable fact that agreeing to the IMF's terms would also have seen the break-up of his family's control of the economy. All of Suharto's six children have either monopolies given by Dad or are ministers with control over vast swathes of the economy. Various estimates of the family wealth hover around \$68-80 billion. This is roughly the same as the Indonesian corporate debt owed mainly to Japanese banks. It is a rip-off shared by other members of a small ruling elite which includes the leader of the official opposition led by Megawathi Sukarnoputri. Sukarnoputri was not allowed to stand in the elections last year so many see her as a hope of the future. She has however been notable for her silence in the last few weeks (although the IMF started negotiations with her too in the week after the "fall" of Suharto. Megawathi, daughter of the previous President (Sukarno) overthrown by Suharto in 1966, is in fact also mega-rich. The ruling class will only turn to her as a last resort. And they are a long way from the last resort.

## Why Suharto Resigned

### i. Splits in the Ruling Class

Suharto resigned on May 21st. He did not do so because of the riots which it is claimed took the lives of 500 of Indonesia's most poverty-stricken people. The shooting of 6 children of the official classes in the city of Medan however split the ruling elite. Whilst Suharto tried to clamp down and hold on it was clear that various parts of the army were also manoeuvring for power. Some Suharto supporters called for him to go. The Speaker of the Parliament (an old friend) told him to resign. In the face of the Medan riots the Commander-in-Chief of the Army (ABRI), General Wiranto made the astonishing statement that

*ABRI wants to prove it does not want to keep the status quo.*

Within this infighting in the ruling class there was also no shortage of solutions. According to the Independent (10.5.98) one of the first to call for change was a long-time spokesman of the military Lieutenant General Syarwan Hamid. He stated that if the riots continue "it will lead to our destruction". This was the same General who had a fortnight earlier incited attacks on the Chinese shopkeepers. He

*told the faithful at one of Jakarta's main mosques: "These rats took away the fruits of our national development and work for their own self-interest. Don't think that the people do not know who these rats are. It's time to eliminate these rats." [The Observer 26.4.98]*

In short, at least some sections of the ruling class were already planning to play the nationalist and racist card as the crisis deepened. Indonesian-Chinese who make up 4% of Indonesia's nearly 200 million people own 70% of all businesses have mostly been in Indonesia for generations, if not centuries. They mostly do not even speak Chinese. But they do visibly own property and they have been allied with Suharto (who has installed the main Chinese businessmen like Bob Hasan in the Government). The "Chinese" were an obvious scapegoat. The so-called "mob" however did not only target Chinese-owned property but all the symbols of the wealth from which they had been deprived. Timor cars imported by Suharto's son were all burned and 120 branches of the BCA bank, owned by Suharto's children, were burned down in the rioting. Nor were those who did the attacking simply a "mob". TV pictures showed the inhabitants of the shanty towns asking the students to leave the university to join them in overthrowing the regime. The students were more horrified to see the "mob" on the streets than the Army leaders. For the students the ordinary unemployed had no right to spoil their "democratic revolution" and tried to get them to return to their shacks. But by now this was a revolt of the despairing and the desperate. With the Western media there (to cover the students peaceful demonstrations) they took a chance. It was not surprising to hear how quickly the tone of the BBC et al. changed. Whilst they had given support to the "democratic" students in the coverage of their pro-

tests they could not give us the pictures of people burning supermarkets after seizing their contents without warning us of the desperate consequences of the actions of the "mob". They told us that 500 had died in the burning buildings and wept crocodile tears that the real sufferers were those who had worked in the supermarkets who were now unemployed!

### ii. The Role of the International Bankers

Suharto therefore did not resign because of the riots nor because of the death toll but because Indonesia's financial situation was so desperate that it was the only way that IMF loan conditions could be imposed. The prices of basic commodities, particularly rice have more than quadrupled and yet as a condition of their loan of \$43 billion the IMF and the World Bank are demanding that further price rises take place. As in every other country the working class will pay for the "recovery plan" which will bail out the capitalist financial classes. And indeed all the big banks beholden to the West are worried about is the fact that Indonesia has 120 billion of private bank debt. If it defaulted the whole Asian banking system headed by Japan would collapse. The consequences for the world economy would be catastrophic. And because Suharto was a barrier to further selling the conditions for the bail-out he had to go.

But he has not gone far. The choice of his own Vice-president Habibie as his successor (Suharto presided over his swearing-in ceremony) means that there is not even the semblance of change. The ruling elite has bought itself time by proclaiming elections — in a year's time. The students at first insisted that the fall of Suharto was not enough and proclaimed that they were going to continue to demonstrate in Jakarta's main square. However on the night of May 21st this was called off by Amien Rais, the leader of a Moslem party who had spoken up in defence of the students. As he was the only opposition leader to speak out against Suharto, he is currently the "democratic" face of Indonesia. Currently he is manoeuvring with the existing ruling elite to open up the system as the Aquino clan did in the Philippines when the dictator Marcos



was overthrown. The installation of democracy will simply allow the bourgeoisie to pretend that everyone is an equal citizen when in fact by virtue of their control of the state apparatus and the national wealth they will continue to rule. The fact that the students called off their demonstration when Rais told them that the army had demanded it reveals two things. Not only are student movements always linked to the existing propertied classes but they cannot be relied on in any real revolutionary sense. Now the Indonesian ruling elite is still trying to stitch up a deal amongst themselves and with the IMF and the old imperialist backers of Suharto in order to maintain their rule.

### iii. The Role of Western Imperialism

The final factor in the fall of Suharto was the withdrawal of US support. It is probably no accident that US Secretary of State, Madeleine Albright called for Suharto to resign and pave the way for "a democratic transition" only hours before Suharto handed over to his Vice-president, J.B. Habibie. US, and indeed Western (including British, support has been crucial to sustaining the Suharto regime for the last thirty years. It is amazing how quickly US-backed dictators can be ditched. It is only months since Clinton evaded Congressional restrictions on military aid and training to Indonesia (as Carter did in 1978 and Clinton earlier did in 1993). It was only last year that Clinton suspended a review of Indonesia's barbaric treatment of its working class and praised the Suharto regime for bringing the country "into closer conformity with international standards". All this goes back to the Cold War. In the late 1950s the US became particularly alarmed that the Indonesian Communist Party (PKI) was growing in numbers (particularly amongst the poorest peasants) and influence under the rule of President Sukarno. The US Embassy concluded that the PKI could not be eliminated "by ordinary democratic means" so support for an Army coup was prepared. Suharto led it and the result was the massacre of 500,000 supporters of the PKI. The New York Times described this both as "a staggering mass slaughter" as well as "a gleam of light in Asia". It did not

tell its readers that the US government had been plotting the coup for seven years. Now the world was told that Suharto was a "moderate" who was "at heart benign" (The Economist)! Western capital flooded in.

And when Indonesia invaded East Timor in 1975 it did so with the approval of the US and Australian governments. This perhaps explains the almost universal international silence over the 60,000 Timorese (10% of its population) killed in the first few months of the invasion. The Australian Government signed a deal with Indonesia to exploit the oil reserves of "the Indonesian province of East Timor". By this time Britain, France and other European states had long sanctioned Suharto's bloody actions by selling him arms and giving military training to officers in the Indonesian Army. The usual prize for hypocrisy went to the new British Labour Government which sold further machine guns, armoured personnel carriers and water cannons to Suharto after last May's election.

### The Indonesian "Revolution" — From Myth to Reality

From everything we have written so far it is obvious that, despite the dire social and economic condition of the Indonesian working classes, there has been no revolution, even of the most minimal kind in Jakarta. All we have had is an internationally-sanctioned change of leader. The ruling elite has not even altered in composition. It is a cruel deception to try to maintain otherwise. This is what the so-called revolutionary Socialist Workers' Party does when they put out posters advertising their "Marxism 98" week proclaiming the events in Indonesia as a "revolution". It confirms just how social democratic and reformist an outfit like the SWP is. They have not been alone amongst Trotskyist groups who cannot even minimally identify what a real revolution is. The capitalists call almost any change of government "a revolution" with nauseating regularity but this makes the term meaningless for working class revolutionaries. For us a revolution means a shift in who owns and controls the wealth that should belong to the whole of society. The proletarian revolution will abolish all prop-

erty. Everything will be held in common, not by a state apparatus but a series of freely associated collective bodies run by those who work in them. Such a revolution cannot come about unless it is consciously created by the international working class. And this is the difficulty since the level of awareness of what the solution to famine war and grinding poverty are does not strike workers at the same time. This is why we are part of what we call the International Bureau for the Revolutionary Party. We are for an international class party, not to win power in this or that country but to create an instrument which the working class can use to win power on a world scale. What we look for at present are signs that the working class recognises that the conditions that it lives under will only worsen under decaying capitalism. In Indonesia people know the system stinks but, as yet, do not have an independent solution of their own. This is why the small Indonesian working class supported demands for "democracy" in the current crisis. At the moment it seems the only practical programme on offer.

It will be particularly difficult for Indonesian workers to evolve their own programme given the history of the country. When Suharto came to power at the behest of the US in 1965 he overthrew the neutralist Sukarno. The Sukarno regime was, incidentally, just as corrupt, as that of today. We have already referred to the 500,000 people who were massacred. The vast majority of these were neither the dispossessed of the shanty towns nor middle class students but members of the Indonesian working class. Although most were members of either trades unions or the Indonesian Communist Party (PKI) (and therefore hostile to a real communist programme — even the US Government recognised the PKI was not really communist!)) they would have furnished a generation which could have re-examined the anti-working class nature of social democracy and Stalinism. As it is this is a generation which has been wiped out. This means that Indonesian workers start with greater disadvantages than workers elsewhere. But all is not lost.

What is clear is that, as with everywhere else, the current crisis in Indonesia is

*continued on page 12*

# Kosovo: A Hunting Ground for Nationalism and Imperialism, A Graveyard for the Working Class

Sixteen years ago we wrote

*With a collapsing economy, increasing regionalist pressures, and in the background the sensitive issue of border disputes with all its six neighbours, the independence of Yugoslavia is becoming increasingly untenable. And as the Red Bourgeoisie ponders its options in their luxurious Adriatic villas, the cities of Yugoslavia abound with a floating mass of bootblacks, beggars and cripples selling Tito memorabilia. But behind all this lurks the great imponderable factor which holds the key to the situation of the Yugoslav working class. Only by rejecting the false option of the nationalist groups within the ruling class can the Yugoslav working class prepare for a unified response to the crisis. Thus any support for Albanian nationalism, under whatever guise plays into the hands of the various sectors of the ruling class.*

"Yugoslavia: The Cracks Appear" in *Workers Voice* 7 (March 1982)

This was written just after the show trials of Kosovan members of the Yugoslav Communist Party for not suppressing a demonstration of Albanian-speakers. The year before they had demanded full republican status for Kosovo within Yugoslavia. It was in fact the first evidence of the break-up of Yugoslavia after the death of Josip Tito in 1980.

## Origins of the Conflict in Kosovo

Yugoslavia was an internationally-created artificial state. It had come into being in 1918 as a sop to Slav nationalism and a reward to the Serbian monarchy for being on the winning side at the end of the First World War. It had always had deep divisions particularly from Croat Catholic nationalists who assassinated

King Alexander in 1934. Following the Nazi invasion of Yugoslavia in 1941 a puppet Croat state under the Ustashe of Ante Pavic carried out atrocities against Serbs whilst Serb monarchists (or Chetniks) did the same against Croats. Tito's partisans were the only all-Yugoslav force and received the support, not only of Stalin, but even more decisively of the British who concluded he had the only effective anti-German force. Tito, a Croat, realised after victory that only a decentralised, federal structure would be viable. His federal Stalinism created six republics with two autonomous regions within Serbia, the largest republic. These were Vojvodina, for the Hungarian speaking minority and Kosovo, for the Albanian-speaking

card and remain in power to smash the resistance of the British working class. Although we predicted the break-up of Yugoslavia we did not predict the manner in which it would come about. Kosovo was the first place to resist Greater Serb nationalism but it is now the last (along with neighbouring Montenegro) to actually break with Serbia. Our hope that the Yugoslav working class as a whole would put class before nation was not entirely misplaced optimism. In 1989 and 1990 there were mass strikes involving more than 500,000 workers against the Yugoslav state and its economic crisis. The response of the various regional ruling classes was to play the nationalist card and split up the old People's Federal



minority. By 1982 the working class everywhere was at

a sort of cross-roads. As the crisis in both East and West deepened there were all kinds of manoeuvres amongst the ruling class to try to get the workers onto the nationalist terrain, the better to stop them fighting to defend their living standards. This was the year when we first predicted the collapse of the Soviet Union (see "Theories of State Capitalism" in *Revolutionary Perspectives* [First Series]). It was also one month before the Falklands War permitted Thatcher to play her nationalist

Republic of Yugoslavia which Tito had created after 1945. The story of Slovenia, Bosnia, Croatia and the rump of Yugoslavia we have told elsewhere (see *Yugoslavia: Titoism to Barbarism* in *Internationalist Communist* 11). What we have still to explain is why Kosovo, which was the first place in which the local bourgeoisie resisted Greater Serb pretensions still has not been resolved.

The answer is two-fold. Fundamentally the US told the Kosovan leaders that they should be patient and wait until



the Bosnian conflict was resolved and then they would get autonomy (which was their original demand). However the Dayton Agreement was only signed by Milosevic because the US "forgot" to include the Kosovo question. In the meantime any hope of solidarity by Serb and Albanian workers in Kosovo to resist the bloody manoeuvres of the local ruling classes has all but vanished.

Milosevic, in the process of converting from Stalinist apparatchnik to nationalist demagogue first played the Kosovo card in 1988. He had organised a demonstration in Belgrade under the slogan that "Kosovo belongs to us". This began a process of protests in Kosovo to which Belgrade responded by taking away all the rights and prerogatives the autonomous region had held under Tito in July 1990. The police and bureaucracy were overhauled and all the leading posts given to Serbs. Milosevic went down to Pristina (the capital of Kosovo) to tell the Serb minority (who make up 10% of the population of Kosovo) that "No-one should dare to beat you".

In response the Kosovans held a secret referendum in 1991 to declare Kosovo a "republic" (which was recognised immediately by Albania). Ibrahim Rugova of the Democratic Alliance of Kosovo was elected President the following year. Since then Kosovo has effectively had two governments. Rugova continues to try to negotiate with Milosevic for self-government. However the Dayton accords on the one hand and Milosevic's need to avoid being outflanked by even more lunatic Serb nationalists has allowed the Kosovo Liberation Army to emerge. It first began only two months after Dayton and was initially a bit of a joke. However the revolt against the regime of President Sali Berisha in Albania proper last year led to the looting of several military arsenals and many of these weapons now seem to have arrived in Kosovo. Hence the current attempt by the Serb-controlled Yugoslav Army to destroy their base before they become more firmly established.

By any rational measure this is a stupid calculation. With 90% of the population Albanian-speaking there can be no question of exemplary genocide (so-called "ethnic cleansing") to then occupy the region with Serbo-Croat

speakers. On top of that further military action have already resulted in the renewal of sanctions against Serbia by all the leading powers (except Russia who are hardly in a great position economically to bale out Serbia). However we are not in the realm of reason but living in a nightmare world of a decaying social system. In Milosevic's twisted logic sanctions might be useful to once again (as they did over Bosnia) divert the blame for Serbia's crisis on to a foreign enemy who have frozen Serbian assets and banned any new investment in the country. It will certainly boost the flagging campaign of his party's candidate in the Montenegrin Presidential elections.



*Albanians demonstrate for peace. But imperialism has no peace to offer.*

### Imperialist Manoeuvres

Meanwhile the question posed by the bourgeois press is "what is the international community doing"? The answer so far is nothing. This is because there is no such thing as the "international community" but a series of imperialist rivals each looking for its own small advantage in every crisis whilst spouting high-sounding nostrums about "an ethical foreign policy" or "keeping the peace". There has been a NATO force in next door Macedonia for nearly a decade and yet so far only threats of the use of force have been made. The British have hitherto taken the lead in organising a potential bombing force (sending six more Jaguar jets to Italy) but as yet without any clear policy objective. Cook, the Foreign Minister has talked of a UN peacekeeping force but this would only follow an agreement be-

tween the Serb and Kosovan leadership. Meanwhile all kinds of manoeuvres including NATO exercises in Albania are going on.

There is not even agreement amongst the EU countries. Greece (which did very nicely out of sanctions-busting in Serbia during the Bosnian crisis supports Milosevic (for example, it now has a controlling interest in Srpska Telecom). The last thing that Greece wants is a military action which spreads to Macedonia and Albania itself. This could revive Bulgarian claims (since it lost Macedonia to Serbia in the Second Balkan War of 1913). Germany and Italy both want a speedy settlement in the area. German assets in Croatia have tumbled in value since the crisis began

so Kohl has asked Yeltsin to try to end the Serbian attacks. For Italy the main worry is also that the Balkan powder keg once again explodes uncontrollably. With 500 businesses already operating in Albania exploiting the lowest wage rates in Europe the Italians don't want to see a lot of refugees spilling into the country (since this could also lead to additions to the 300,000 Albanian refugees already in Italy). Italy has also tremendous economic and political influence in Montenegro which has just elected an anti-Milosevic President. Prodi's Italy seems to be quietly achieving in the Adriatic

what Mussolini loudly failed to do in 1939.

Only Russia (and to a certain extent France) is as pro-Milosevic and it is having to toe the US line by trying to persuade Milosevic to do a deal with Rugova to grant Kosovo self-rule within Serbia (a policy which might be too late anyway given the 250 or more deaths that have already occurred). But the Russians are insisting that any military action should be sanctioned by the UN Security Council (where they can, if need be use their veto). In all likelihood the Russian need for Western investment given the depth of the crisis there will probably make the bow to NATO demands.

The key power is as usual the USA. Madeleine Albright, normally so blunt in her warnings to America's perceived foes, has limited herself to saying only

that "the threat of the use of force does work". So far the US has not pushed too hard possibly because, like other NATO powers, it is counting on Russia to make Milosevic end the attacks. In the meantime it is clear that the US is also arming some Albanians. The discredited former Albanian President Sali Berisha has turned his farm on the border with Kosovo into an armed training camp where according to the Guardian (13.6.98) "the American Embassy's defence attaché" was to be found "standing in combat fatigues". He refused to tell them what he was doing there. In short the US seems to have two policies. One is to work with its erstwhile allies to keep the conflict under control. The other, if that fails is to promote the dismemberment of the Milosevic state. It is a dangerous game which will bring only more death and misery.

### The Poison of Nationalism

What the current situation shows is just how easy it is for a capitalism in its most acute phase of crisis to divert the issue

from the economic failure of the system to a nationalist struggle for a bigger share of dwindling resources. When the crisis in Yugoslavia first erupted the local bourgeois leaders found that the workers in all the former republics were reluctant to follow nationalist demagoguery. This is why they had to lead so many of the early "ethnic cleansing" attacks themselves. Once however the bodies start piling up it is a lot easier to convince people that the "other side" intends to kill them. Now the nationalist poison is one which pervades the whole political and social arena in places like Yugoslavia. Internationalists have an absolute duty to reveal nationalism for what it is — a bourgeois ideology designed to get workers to murder one another to preserve a rotting system.

And the nationalism we oppose is not just the obvious racist variety of the likes of Le Pen or Halder in Austria. We have to oppose too the "national liberation" visions of the leftists. They disguise this as "anti-imperialism" but in the era of imperialism all nationalisms are predatory. Defenders of national liberation will argue that Marx,

Engels, Lenin supported national liberation. We have two replies to this. The first is that Marx and Engels (and, for most of his life, Lenin) lived at a time when capitalism was still forming itself into nation-states. The founders of scientific socialism supported national movements at that time only if they thought they would lead to a development of capitalism and therefore of the working class. Today, in the era of imperialism there is no such thing as a progressive nationalism. This can be proved by looking at the fate of all the national liberation struggles which "succeeded" in the post-war period. Today all remain under the control of international finance capital and the workers in these states live in greater exploitation and poverty than ever. In this period the only solution for the working class is to destroy all existing nation states. As Marx said 150 years ago "The workers have no country" but they do have "a world to win".

Jock

## Letter to Class War

*continued from page 28*

Democratic movement which only had a minority of revolutionaries and a mountain of class collaborationists, racists and imperialists in its leadership. Today Social Democracy (which we would say also includes the Trots and ex-Stalinists) has metamorphosed into the left of the ruling class while anarchism has lost all coherence. Some anarchists think that trades unions are still the only genuine working class organisations left. Some members of CW (see their letters to Subversion) supported IRA gangsters as "progressive". This is unbelievable. Nationalism is the ideology of the bourgeoisie in this epoch and we have nothing to gain from supporting their demands, whether they have their own state or not. Supporting 300 or so terrorists stands in stark contrast to CW's other positions that the revolution can only be made by the mass of the working class itself.

The Communist Left agree that a new society can only come about through the actions of millions of 'ordinary' men and women. But this will also require that at least some of these ordinary men and women campaign amongst all those still conned by capitalism to make them realise what we really could do. This campaign-

ing is not about games like Reclaiming the Streets, it is not about gigs, however political. Nor is it about campaigning simply to fight the JSA. It is not even about an isolated militant strike in one section of the workforce. The fight against capitalism has to be wider than any of these and each of these fights has to be part of a broader struggle to consciously get rid of the system. This is why we object to the sad idea (still touted in the Manchester Class War broadsheet) that "politics is fun". Our aim is to get rid of capitalism and to overthrow exploitation because it kills and maims. It starves hundreds of millions and destroys the creative capacity of millions more. Try telling to the workers in a Central American maquila, working to death for a pittance that politics is "fun". Such an idea reflects the self-indulgence of the author. It is not "serious" about revolution. First we have to destroy the capitalist state on a global basis and then "politics", or whatever decision making process the future brings, can be called "fun".

If we are serious about revolution we will recognise the new historical reality. Capitalism, unlike 150 years ago when Marx wrote the *Communist Manifesto*, is now in

decay. It cannot survive except by the biggest butchery in history. War is the continuation of its further accumulation. Today the old narrow definition of the working class has been exposed for what it always was. The working class was never predominantly white, male and over 40 (they were the trades union and Stalinist bureaucrats). Today they are gone and we have to rebuild a workers movement. But not in the old way. Now we have to build up consciously communist groups based on each locality. But not to simply fight on local issues. This is useless. Capitalism as it has declined first became monopolised and now it is thoroughly globalised. The conditions for working class struggle throughout the world have never been so uniform as they are today. To a global capitalism we have to oppose a united global class. The Russian Revolution failed because socialism cannot be built in one country. Internationalism has to be co-ordinated and that is why we support the attempt to build a new International organisation whose members get involved in the class struggle wherever they find themselves. You may disagree with this perspective but you have to address the issues raised here.

CWO



## New Labour, New Deal, New Attacks on the Working Class

### The New Deal and Unemployment

New Labour's New Deal was launched on a national scale on April 6th, amidst a campaign of stigmatising those on benefits through the reactionary media apparatus. The TV and papers gave us a picture of fraud and idleness and an out of control social security budget to justify the use of compulsion to force now the youth, later wider sections of the unemployed workforce, into low paid unemployment or training/working schemes.

That a large number of claimants will be pushed into unattractive, unrewarding jobs or schemes is not the only aspect of this new development of the crisis. The government's cure-all of topping up low wages to a £180 per week minimum for a family unit revealed in Brown's recent budget sends out a message to employers that low wages are acceptable and the squeeze on claimants will no doubt provide the fodder for the low-wage economy which the globalised market demands. And if our bosses can get their hands on a supply of cheap labour-power, why should they pay out higher wages to those already in work?

Of course the problem of "substitution" — the employer taking on a recruit to receive the £60 per week subsidy for taking on an under 24 year old, and up to £75 per week for an older long-term employed person when the scheme eventually extends to the full age-range, rather than maintaining existing workers on rather higher wage levels — is dismissed by the intellectual founders of the scheme. Richard Layard, Director of the Centre for Economic Performance at the London School of Economics states that the "substitutionist" view rests on what he describes as the "lump of labour fallacy"... "the notion that there are only so many jobs and that if we enable Mr X to get one of them, some other person goes without work."... "He argues that research has

proved that labour markets expand to meet the numbers of people who are employable. Job creation is possible as long as there are people to fill vacancies." (*The Times*, April 6<sup>th</sup>, 1998). But this is the fallacy of assuming that the laws which govern capitalism's accumulation process lead naturally to full employment. They do not, especially during an economic crisis like today.

### Increased Exploitation

The New Deal is not the only ruling class response to unemployment, or more precisely the use of unemployment, to step up exploitation. Vauxhall, the U.S. car giant, has put together a deal offering a mere 2.5% wage rise for this year to its British workers, plus a scheme whereby new recruits will be offered 20% less pay than other workers. The alternative is job losses. All this has been blessed by the unions, and as Nick Reilly, Vauxhall chairman stated "we have to be assured that our costs remain competitive and we can compete with the best in the world". This is the reality of globalisation. As competing capitals engage in a spiral of cost cutting to maintain competitiveness and profitability workers find the constant threat of closure and relocation hanging over their heads and are forced to accept lousy pay deals and increased exploitation.

The unemployed are not, as the media onslaught would have us believe, a minority group who due to idleness, lack of ability or moral fibre, pollute an otherwise smoothly functioning economic machine, they are the result of an economic crisis which is forcing capital to find ways of making living labour more productive whilst casting away a portion of the workforce to the scrap heap of welfare or part-time employment and family credit. The threat of unemployment is the stick used to step up the rate of exploitation, which in fact allows the enterprises to reduce the workforce, with fewer workers produc-

ing more commodities at prices permitting an acceptable rate of profit...until the competition catches up and further hikes in the rate and duration of exploitation are necessary, alongside the growth of joblessness.

### A Global Attack

No part of the global workforce has escaped this facet of the crisis, unemployment has begun to produce defensive struggles in Europe, with the occupations of government offices by the unemployed in France being the most visible so far, but recently there were attempts by the German jobless to connect with the movement of their French counterparts. China, the most important remnant of the Stalinist school of false communism, is set to add tens of millions of unemployed to the 100 million workers from rural areas travelling around the country in the search for work, due to the failure of the 40% of state-run industries. And perhaps most ominously of all, from the perspective of its importance as the world's second largest economy and first creditor, unemployment is beginning to raise its unfamiliar head in an economy which for decades regarded it as a phenomenon belonging to "sick" western economies.

In a country where social peace and an almost complete absence of proletarian combativity has been obtained through a prosperity which allowed for the jobs for life system to be maintained for 40% of the total labour force, the current official 4.3% unemployment rate is already at record levels. A spectacular illustration of the situation is provided by the fact that of the 9300 employees laid off by Yamaichi securities last November, many of them highly qualified financial technicians, less than 50% of them have found jobs. So much for the above-mentioned theory that "labour markets expand to meet the numbers of people who are employable."

### Solutions

Thus, unemployment is the universal plague of the proletariat for which, in the final analysis, capitalism has no cure. Its crisis, rooted in the tendency for the rate of profit to fall, constrains enterprises — in order

to avoid extinction — to extract an ever increasing amount of surplus value (unpaid labour) from those in employment, and to implement those technological improvements which make a diminished work force more productive. Thus labour costs are driven down by sending workers to the scrap heap, to the extent that today only 0.75% of the global labour force (less than 19 million workers) are responsible for 30% of world production. In the end unemployment has the function of aiding the capitalist drive to increase the exploitation of those in work.

Even the introduction of the minimum wage will not change the situation a great deal... In the first place the Labour Government admits that it will only affect a few workers (2 millions at most) and in the second the exclusion of the under-21s (why 21?) from the full rate of £3.60 an hour means that low pay, in particular in services, will remain. If a minimum wage had been a real threat to capitalist profitability it would never have been introduced. Not only will it be widely ignored because many workers in the current climate will agree to worse conditions, it will also act as a depressant on the general level of wages. This is just what British capitalism wants.

To return to the New Deal, like Blair, we agree that the *status quo* is neither sustainable nor desirable. Unlike Blair we do not see a solution in low-wage labour or the dismantling of benefits whilst delivering cheap labour to subsidised employers. The capitalist mode of production which generates unemployment globally, which cannot afford to look after those workers expelled from the productive process, which cannot integrate many members of society in the first place, has no future to offer humanity except for a worsening set of social conditions.

Our solution is needless to say, not Blair's solution. The bestial appetites of capitalist exploitation cannot be satiated through minimum wage schemes nor through artificial job creation. The answer lies in our own development of anti-capitalist organisations. The social democratic idea that capitalism can be reformed and tamed has been proved as big a myth as the idea that the USSR was ever communist. However the leap from recognising the self-evident fact of increasing exploitation and increasing social barbarism is a huge one. All we can do at present, in the absence of wider class movement is to encourage those unwilling to accept the progressive deterioration of living standards,

whether employed or not, to organise around the programme to put an end to the capitalist system on a world scale. This means the communist programme. It means joining those organisations which stand for the future world party of the proletariat, assisting in the task of spreading the communist programme to the most advanced layers of the working class. Capitalism is a mode of production in historical decline. Only the international working class, the people whose labour power produces capitalism's wealth, can prevent this decline from becoming a full-scale collapse of civilisation: by overthrowing the capitalist state leviathan and taking political power into their own hands. This is the indispensable pre-condition for creating a rational system of production and distribution, where all able to work will do so and none will be subjected to excessive work patterns, nor will a tiny minority reap the benefit of the work carried out by the workforce. Outside of the perspective for the revolutionary overcoming of the capitalist crisis, all solutions offering an improvement in working class conditions are utopian.

The historical alternative is stark: Socialism or Barbarism. There is no third road.

AM

## Indonesia and the Global Crisis

*continued from page 7*

not over. Riots in which the army has continued to shoot people (9 in Sumatra at the end of May) continue against price rises weeks after the fall of Suharto. The ruling class will eventually settle on a strategy which they hope will contain both those who demand "democracy" and those who have nothing left to lose. The continuing crisis creates the possibility for genuine working class action. The Indonesian working class have spontaneously gone on strike against rising prices and falling wages (including in January and February of this year). Once it is clear that "peoples' power" means bourgeois power then we would expect workers to recognise that they have nothing in common with the assorted populist, religious fundamentalists and nationalists which will try to sell the myth that they should continue to sacrifice themselves

for "the nation". In the meantime it is the task of internationalists to do all they can to make contact with any genuine revolutionary elements which must inevitably emerge in the region. Naturally this will have to be done circumspectly, even clandestinely, since any "democratic" regime that might get set up will almost certainly still be backed by "death squads" to wipe out any attempt at autonomous organisation.

The main task of real revolutionaries in Indonesia is to fight against the democratic and nationalist illusions with which the capitalist will try to direct any discontent on to safe terrain. Here, Indonesian workers can learn from the experience of the Philippines. What did workers in the Philippines gain from the so-called "people's power" of Aquino? The same economic misery that they got under Marcos. Even some of the same

Generals remained in the government. Marcos' Chief of Staff, General Ramos eventually succeeded Aquino as President of the Philippines. In the time since the fall of Marcos there has been a continued concentration of wealth in the hands of few. All that has changed is that the ruling class have now agreed on rules to change the leader of the country every few years. What is needed in South East Asia, as in the rest of the world is real revolution and this has to be prepared. The main task is to fight for a communist organisation which unites all workers behind a programme based on the lessons of their own past. This will take some time but it is the only way to begin a response which will end a system which more and more creates misery for the many and wealth for a few.

AD



# Ireland: A Settlement For Global Capital

**T**he overwhelming endorsement of the Good Friday Peace Agreement in the two Irish referendums on 22 May means that the British ruling class has taken the first step in extricating itself from the mire of Ulster. This is something it has been trying to do without success for the last 25 years. Blair has succeeded where Heath, Wilson, Thatcher and Major all failed. This is not because he is any smarter than his predecessors. A deal has been struck primarily due to changed economic circumstances and a new imperialist alignment of forces.

The acceptance of this deal shows that in practice Irish Nationalism and Ulster Unionism have been superseded. Both the British and Irish bourgeoisies see their interests as being better served by prostrating themselves at the feet of international capital. Their aim is primarily to create the best conditions for attracting international capital to both the Northern and Southern parts of the island. The godfather of this deal and the main beneficiary will be US imperialism.

The deal illustrates once again that capitalism can solve conflicts between sections of the bourgeoisie when it is in the interests of the major imperialist powers to do so. Realignment of imperialist forces can cause conflicts previously thought insoluble to be resolved. The settlement in South Africa is another example of this. What capitalism cannot resolve are its economic problems and these inevitably lead to renewed imperialist conflicts. Periods of peace and brotherly love are simply periods in which new imperialist conflicts are brewing. Under capitalism there can be no lasting peace. However, the end of the Cold War left the IRA totally dependent on the USA. The US Government therefore became the arbiter in Ireland. It threatened the IRA that it would cut off its funds if it did not call a cease-fire on the one hand whilst offering both the British and Irish governments the economic incentives to drop their preconditions for talks (disarming of the IRA, no revisions to the Irish Constitution). The new situation

in Northern Ireland has been slow to arrive and has involved all kinds of political manoeuvres but we begin by looking at the economic basis for "peace".

## Foundations Of Nationalism and Unionism Destroyed

*Consciousness can never be anything else than conscious existence, and human existence is its actual life process.*

Marx, German Ideology.

It is fundamental to Marxism that the ideologies which men create are based on material conditions of production. Consciousness is determined by life and



*Split by the British, now they march in different directions*

not the other way round. Nationalism and similarly Unionism find their basis in economics not in religion or race, as claimed by the capitalist media.

The evolution of capitalism in Ireland proceeded on different paths in the South and the North of the island. This different development of the economies led finally to the adoption of the ideologies of Nationalism in the South and Unionism in the North. This itself was an evolution determined by economic conditions which it is worth summarising briefly to set subsequent developments in their correct perspective. Nationalism in Ireland was initially a reaction of capitalists and landlords to over-taxation and trade restrictions by Britain. This movement, the United Irishmen, aimed to achieve an independ-

ent bourgeois Ireland and launched an insurrection to achieve this in the 1790's. It incorporated capitalists from both the North and the South and aimed to unite all Irishmen against the British. It was, contrary to today's mythology, predominantly Protestant, as was the Young Ireland movement of the 1840's. It was the different material evolution of the economies of the South and the North from 1850 onwards which was to reverse the position of the Ulster bourgeoisie.

In Ulster, a strong capitalist manufacturing industry developed. This depended on the union with Britain for access to the markets of Britain itself and the empire. The ideological expression of these interests adopted by the Ulster bourgeoisie was Unionism. This ideology was a complete reversal of the ideology of the United Irishmen 100 years earlier, but it mirrored the changed economic conditions.

In the South, on the contrary, there was economic stagnation. For the first part of the 19th century up to the famine, the control of the countryside by English landlords (who raised rents of tenants who improved the land) prevented agricultural improvement and led predominantly to subsistence farming. With the eradication of the English landlords small-scale farming developed. However, capital which accumulated migrated to Ulster or Britain where the rate of profit was higher. Capital accumulation was therefore prevented by the backwardness of the South and the union with Britain. The demands of the rising Southern Irish bourgeoisie could only be protectionism and the ending of the Union. This was the economic basis of Irish Nationalism. The logic of these different developments was partition. It was a logic which perfectly suited British imperialism.

After the partition in 1921 the economic policies favoured by Nationalism and Unionism were implemented in the South and North respectively. Economic evolution in the North was linked to that of Britain. In the South protective tariffs were erected and attempts made to stimulate native Irish capital

through state action and independence of Britain. This was largely a failure. Small scale inefficient Irish capitalism did not develop because the protective measures which shielded it prevented it becoming internationally competitive. Massive unemployment was only offset by the export of workers to Britain. Despite the Nationalist programme, Britain still accounted for 90% of the Free State's exports immediately before World War Two. The South, which had become a republic in 1949, persisted with these policies after the war until 1958 when free trade links were again established with Britain. British capital began, almost immediately, to dominate the Southern economy once more. A further opening up of the economy took place in 1965. This time the economy was opened up to world capital and tax exemptions and grants were offered. These two moves were an admission of the bankruptcy of Nationalism and the failure of its attempts to free Ireland from foreign domination and to develop indigenous Irish capital.

On the British side there were also problems. Although the First World War had made the position of British colonial domination of all of Ireland untenable the British capitalist class made the best of a bad job. Whilst informally dominating the Irish economy as a whole, they regarded Ulster as a continuing colony in which its Unionist settlers treated the Nationalist minority as second class citizens. Little fresh investment flowed into the North but in the post-war boom of the 1950's this went largely unremarked. Also during this period of economic growth the discrimination in jobs, housing and political rights against Catholics did not provoke widespread resistance. However once the post-war boom ended unemployment hit the Catholic communities hardest and this fuelled the fire for the revival of a previously discredited Irish Nationalism in Ulster. The "Troubles" found the British caught on the horns of a dilemma of their own construction. By the start of the civil rights movement in 1968, the Irish Republic was more important to British capital than Ulster. But, having allowed the blatant discrimination of the Orange bourgeoisie to create the political crisis all they could do was remove the Orange bourgeoisie's right to run the

province. By this time the economic crisis made Ulster's heavily subsidised industries like shipbuilding unprofitable. With the accession of both Britain and the Republic to the EEC in 1973 the economic rationale for Britain's support for Ulster completely vanished. It is from this date that the first serious attempts to get rid of the North started. These attempts were frustrated by the Unionists who feared incorporation with the clerically-dominated Republic, feared they would lose the privileges their domination of the province gave them and still looked to the Union as their best hope of reversing their decline. The British would dearly have liked to let Ulster go as the costs of holding it were unjustifiable. However the problem was political. The British could not abandon "a part of the United Kingdom" with a pro-British majority without bringing the whole integrity of the UK state into question. Further, despite the fact that the Republic's constitution lays claim to the 6 counties the majority of the Republic's ruling class were not prepared to risk the bloodshed involved and a possible new civil war. It was against this background that the Sunningdale agreement collapsed in 1974. Despite the bankruptcy of both Nationalist and Unionist ideologies political stalemate ensued.

### Globalisation and the Economic Roots of the Cease-fire

It was further economic development in the Republic, coupled with stagnation in the North, which slowly created the basis for breaking this impasse. Joining the EEC brought grants to the Republic, new markets for its exports and inflows of European capital. However, development was very slow since the '70's brought the end of

massive debts, which, when calculated on a per capita basis, were higher than Brazil's, and taxation was extremely high. With the increasing globalisation in the '80's the Republican bourgeoisie made the decision to open the country further to global capital by a series of tax concessions and grants. These were modelled on the tiger economies of South East Asia and began to take effect in 1987.

In 1986 the Industrial Development Authority (IDA) was set up to channel international investment into the country. It opened offices in all the major cities in the US, in Europe and Japan. A corporate tax rate of 10%, as against the standard rate of 40% was offered to all investment coming from abroad, and this rate of 10% has been guaranteed until the year 2010. In addition grants are available to investors for capital equipment, land, buildings, training, research and development, etc. In addition a free trade zone was created around Shannon airport where manufacturing and services are exempt from VAT and all duties when exports are destined for non EU countries. A duty free port has been established at Cork where tax-free import is permitted. Restrictions on repatriation of profits have been abolished and subsequently, in 1992, all exchange controls were abolished. The IDA, in its literature, also boasts of skilled labour with wage rates only 2/3 of the European average.

These measures represented, not simply the abandonment of nationalism which occurred in the '60's, but the opposite of nationalism, the promotion of world capital against a local capital which cannot begin to compete. All pretence at national self-determination has gone. The objective is primarily to create the best conditions to attract multinational capital.

Needless to say these measures brought dramatic results. The Republic is now the fastest growing economy in the EU. It grew 8.5% in 1997 and the gross domestic product (GDP) grew 36% in the period 1990 to 1996. The GDP per head of population overtook that of Northern Ireland in 1993 and is predicted to exceed that of Britain by the year 2000. Inward investment is estimated at \$25 billion in 1997 and is increasing each year. (In 1994, it was only \$19bn.)

**Table 1**

Principal Exports	% of total
Electronics and software	40
Chemicals and related	23
Food and live animals	15

the period of global reconstruction after the Second World War and the start of the period of long global crisis. During the '70's the Republic accumulated



Further important changes in both the principal exports and export destinations have occurred.

Whereas at the time of joining the EU in 1973 approximately 75% of the Republic's exports were agricultural and approximately 85% of its exports were destined for the UK, today the situation is as depicted in Table 1.

Agriculture is now the third most important export with

electronics and software being almost three times greater. This indicates a change in the economy from predominantly agricultural to light industrial, the two principal exports being the same as those of Singapore.

The dramatic decline in the importance of the UK as an export market to the Republic is shown by the fact that the rest of the EU now takes almost double that taken by the UK (See Table 2). An increasing volume of the trade with the UK is accounted for by the cross border trade with the North. This was 500 million in 1995 and is estimated to have grown by 10% since.

Comparable figures from Northern Ireland speak for themselves. Growth in the period 1990-95 was 2.4%, or 1/15 of that in the Republic, and foreign investment in 1994 was 490 million, or 1/25 of that in the Republic. This last figure is despite the fact that Britain provides 1 grant for every 3 invested in Northern Ireland.

For Britain itself the cost of maintaining Northern Ireland is £3.2 billion every year. It is this cost that the settlement hopes to cut and ultimately defray altogether.

## Political Forces Behind The Deal

**T**he economic motives for Britain to cut itself free of the burden of Northern Ireland are obvious and far outweigh any benefits she might derive from holding onto the province<sup>1</sup>. There have been two problems. The first is that the British state could not be seen to be abandoning Ulster simply because of terrorist action. This would have put in question the territorial integrity of the UK. This is why when the state was most threatened (in the 1970's) the only policy the Brit-

ish state had was repression (suspension of habeas corpus, internment, no

Table 2	
Main export Destination	% of total
EU excluding UK	45.1
UK	24.6
NAFTA*	10.9
Rest of world	19.4
*North American Free Trade Area. (Principally the US)	

jury trials). However the entry into the EU (with the Irish Republic), the end of the Cold War and the granting of devolution to Scotland and an Assembly in Wales has defused the question of the centralised state so central to a little Englander like Thatcher. Regionalism is the other side of the globalised economy coin.

The second problem has been forcing the Unionist bourgeoisie to accept the weakening of the Union. The Sunningdale agreement of 1973 collapsed because of open rebellion by the forces of Unionism to the setting up of a council of Ireland which would have linked Belfast and Dublin. Only by splitting Unionism could Britain's aims be achieved. The economic growth in the Republic outlined above, coupled by the stagnation in the North and in Britain itself, have produced the basis for such a split. The Blair government has been able to exert pressure on the Unionists in a way which the previous Tory government, which relied on Unionist votes to remain in office, was unable to do. With the demographic logic of a growing Catholic minority and an continuously emigrating Protestant majority the Paisley ideas of "majority rule" will not favour Unionism in the long-run. The more far-sighted leaders of Unionism can see this and the majority of their supporters have now concluded that greater co-operation and greater integration with the South is in their best interests. They hope that some of the benefits enjoyed by the Republic's bourgeoisie will be extended North of the border.

The question of the reunion of Ireland, which is implied in the present agreement, no longer holds the terrors it held in 1974. With both the North and South as part of the EU they share much European legislation already. The ques-

tions of protectionism and access to markets no longer have any meaning. The prospect of an escape from economic crisis based on international investment on the scale of the Republic far outweighs any disadvantages a different taxation and grants regime might bring. In short the majority of the Unionist bourgeoisie see their future as part of a prosperous European bourgeoisie. The union with Britain is therefore less significant than it was thirty years ago.

Of course, the Neanderthal rump of Unionism around Paisley will not accept this. The most popular single politician in Ulster, Paisley has been increasingly marginalised. This has involved some breath-taking machinations and manoeuvres by the British state. The most obvious of these was bringing the UDA and other Unionist terrorist gangs previously sponsored by the British state into the talks process. By creating "respectable" constitutional parties like the Progressive Unionist Party and the Ulster Democratic Party the British Government are attempting to undermine support amongst the Protestant working class for the Paisleyite Democratic Unionist Party. Even if this only fragments that vote they will aid the process of weakening the opposition of the die-hard Unionists. The extremists meanwhile will achieve a degree of social mobility and wealth which they could not have expected thirty years ago.

The agreement is one between the government of Britain and the government of the Republic, but of course it requires consent of the Nationalist movement in the North as well as the Unionists if a power sharing executive is to be created. As we have outlined above, economic development in the South coupled with British pressure and concessions by Dublin such as a readiness to renounce its constitutional claim to the North have brought the Unionists to agreement. Pressure has similarly been applied to the Northern Nationalists by both the Republic's government and the US. The US has been able to threaten cutting off the funds from North America, Noraid, which have become essential for the IRA with the ending of the cold war and the drying up of aid from Russia and its satellites such as Libya. However, the deal itself is sufficiently tempting to Republicans in the

North since it offers the petty bourgeois forces like the IRA the chance of elevating themselves to the position where they will be able to enjoy the spoils of the capitalist exploitation of the working class.

The US has been broker to the deal for its own interests. With the ending of the cold war the strategic value of having the North available to NATO has vanished. The division has become an anachronism. Instead it wishes to see the entire island available as a theatre for US investment; from where the European market can be penetrated. It wants an Ireland dominated by US capital controlled by a weak and subservient Irish bourgeoisie. The Irish economy is one of the smallest in the EU, only 1/25 of the size of the UK's, and the scale of US investment will give it considerable leverage as in the economies of South East Asia. At present half of all the foreign investment into the Republic is from the US.

The British, of course, continue to aim to dominate an Ireland within the EU. The other two major investors in the Republic are the UK and Germany. But Britain's weakness in comparison with 1973 is shown by its decline as a market for Irish exports. Its share has dropped to approximately 1/3 of what it was 25 years ago. It is unlikely, therefore that Britain will be able to challenge US ambitions. In the longer term, of course, these will be challenged by the EU itself led by Germany. In this sense the present peace is a prelude to other struggles on a wider scale.

## Prospects For The Working Class

Since 1916 the developments in Ireland and their tragic consequences for the working class illustrate the truth of the position on the national question which has been defended by the communist left. For the last 80 years we have taken our stand on the position that in the period following World War One these struggles are without exception of no interest to the working class. There is now no circumstance where the working class can benefit by allying itself with the national bourgeoisie. On the contrary workers must fight for their own interests which are now everywhere opposed to those of the bourgeoisie.

The fiasco of nationalism in Ireland shows this. The national bourgeoisie has not developed indigenous capital and has not improved the prospects for the future of the working class in Ireland. Virtually all the development which has occurred, particularly that of the last 25 years, has been in the interests of international capital. Three quarters of a century after the treaty of 1921 which established the so called Irish Free State the question is simply whether the country is to be dominated by US capital or European capital. And as for the usual argument that support for national liberation is a precursor of working class revolution, the programme of Irish national liberation has not helped to unify the working class round its own revolutionary programme one iota. On the contrary, thousands of deaths and civil war have sown sectarian divisions, confusion and demoralisation.

In the North the divisions in the working class created by the ideologies of Nationalism and Unionism have been perpetuated and policed by the state and the petty bourgeois gangs like the IRA and the UVF. This is unlikely to change. Because the deal involves power-sharing it will formalise sectarian divisions in the short term at least. All members of the new assembly will be required to declare their sectarian alliance to enable the mechanism of power-sharing to work. The only way to weaken sectarian divisions in the working class is to fight for the only programme which can unite it — the communist programme. The real divisions in society are those between the working class and those who exploit it — the bourgeoisie. To us it is irrelevant where national frontier lines are drawn by the bourgeoisie since the international revolution will abolish them all. Equally irrelevant are the constitutional forms which the bourgeois state adopts. Apart from the tactical question of whether the work of the communist minority has to be clandestine or open all bourgeois political forms are ultimately anti-working class. The task of the working class today is to form its own international party which puts forward a communist programme. Without this the occasional passages of peace which capitalism allows us here or there will become less fre-

quent. Ultimately capitalism offers us ideologies like nationalism which lead to the barbarism of war. The only real alternative is international revolution. In this Ireland's workers will form an important detachment of a united world working class in the inevitable battles which lie ahead.

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## Note

1. Some groups of the communist left, e.g. the International Communist Current, see the settlement as a defeat for the British bourgeoisie. The ICC argues that holding onto territory is still essential for imperialism today and that Britain could not possibly want to give up Ulster. The deal thus becomes a massive set-back for Britain. On this basis bizarre explanations of events are concocted. (See *World Revolution* 214 & 215) The IRA for instance which we were previously informed was part of the British state (sic) is now in alliance with US imperialism. In fact, Britain was willing to move to informal domination of Ireland before the first world war and would have granted home rule, at the cost of abandoning the North, had the war not intervened. During the last 25 years it has been trying to cut itself free of the burden of Ulster and the universal rejoicing in the bourgeois media at the deal and the referenda indicates their attitude.

## Meetings

The CWO meets at 8.00 p.m. on the first Tuesday of every month at Cortonwood Miners' Club, Brampton and the third Tuesday of each month in Sheffield. For details of venue as well as contact with other sections throughout the country write to the CWO address.



## Introduction

*We are continuing from Revolutionary Perspectives 10 a translation of an account which was sent to our Italian comrades Battaglia Comunista. The author is unknown to us but his story is moving and tragic. It also epitomises the history of the working class in the last twenty or so years. The style of writing is poignant and ironic so we hope we have retained something of its force in our translation. We*

*are publishing it, not just because it demonstrates the horrors of capitalist exploitation but also because the author gives "unwitting testimony" to support our criticisms of trades unions and the left political parties as integrated into the system today. The account is in two parts. That in italics gives the author's personal history whilst the normal script deals with the general situation at the time.*

# In the Firing Line

## The story of the workers at the shaft-making shop of Breda Forge

**N**one of Breda's workers has so far attained the status of a pensioned worker. None of the relatives of the dead have been given a pension. On July 12th the committee of the sick and their families put up a headstone for the 31 workers who had died from tumours by then. But this is only part of the total. Many workers came from outside the area and returned home, and it is impossible to know how they are. An official from the USSL in Sesto is trying to find out. By law he can request all medical reports from throughout Italy, but he needs to know names, surnames and addresses. He would need the whole list, but Breda is not releasing the recruitment books and now the process is floundering: trying to remember where a worker who stood next to you at a lathe twenty years ago went so as to find his family, how the devil to find out his surname or if anyone is still in touch with him. The magistrate Signora Vigna, has a prosecution in her hands. The managers of the ex-Breda have been accused of multiple murder, the same managers who received the report from the SMAL, but did nothing about it. Efim, the owner has been accused of complicity in multiple murder. The Union leaders who knew the deadly effects of this productive technique and did not do what they should have, are accused of multiple murder due to negligence. Italian law states that anyone doing a dangerous job contributes 50% less to their pension. It is a statistical rule, not a class principal. Where there is such a risk to life, half of the contribution suffices because some of the workers will never reach pensionable age. It is the INPS' responsibility to approve of demands for recognition, which are up to individual workers to compile. If the first requests on this matter at Breda's shaft

department had been accepted, today we would have hundreds of approvals from Sesto, thousands from Monfalcone, Taranto and Torino. And that's not all. If the danger of those practices was already understood (and today the welding is done in a completely different way), and given that already by 1978 those workshops had been officially declared a danger to health, what should we say today to those who decided to keep them open all the same?

*It is difficult to reconstruct the story. Generally someone dies who has hidden his illness; it is never seen as a socially important event. A common voice is necessary, an organisation so that people can come forward and tell what they have suffered. We have only been able to begin counting the dead when family or friends were somehow aware of the committee and came to find us. I was born in Noicattaro, a native of the region of Bari. There were eleven of us at home, my father was a municipal caretaker, my mother a housewife. I liked to work, I was willing; I did bricklaying, I helped fishermen, I also worked the land because Noicattaro produced eating grapes, the "queen" grape; but I preferred to emigrate to find work. I took the train, on my own, at a time when you actually travelled with a cardboard suitcase, and at first I lodged with a fellow countryman, called Spagnolo. I arrived at Cologno and I remember very well that when I saw the Metro I said: they are crazy, a train that runs underground. Nevertheless they were good times. I won't deny it. I gave to Breda, but I also received; they gave houses to employees. After I married I had a Breda house, I paid low rent, and when the factory closed down they sold us the house, and we still*

*live there. They wanted people who worked, who were willing to work. When I arrived in Milan I didn't even know what pliers were, when they took me to the forge I had to learn everything. Milan was what America once was, and I wanted to see it, so I stayed. I didn't feel bad, I only discovered my illness in '92, nevertheless I was surprised by the work methods. I wondered, do they really work like this in Milan? I thought that it shouldn't be the same it is down in the South of Italy, in Sicily, with the bosses standing behind you, but the factory disappointed me. I had to choose a girl there because I felt alone. I soon got married and we raised a family; the work was there, I had a house and a purpose, to have a family.*

In Milan in 1969, the secret services, put a bomb in the Agricultural Bank in the Fontana square, they accused Valpreda, killed Pinelli. There were harsh strikes to renew contracts. Every year between 1967 and 1974, one hundred thousand southerners came to the factories in the north and six and a half million workers joined the Union. Technicians from IBM in Milan joined up with employees of Sit-Siemens and the workers from Pirelli to form *The Metropolitan Political Collective*, the first formation of the New Left. Luigi Longo was the secretary of the Communist Party. Amongst the chemists of Castellanza the nucleus of *Democratic Medicine* was born with Luigi Mara and Giulio Maccacaro. The Red Brigades carried out their first activities and students from the *Jurisprudence Collective* formed Red Aid. De Gaulle in France said that reconstruction was over and that there were no more good times. In Vietnam, after the Tet offensive, the United States continued to lose the war

whilst transforming the countryside into a desert of fire and iron. In the People's Republic of China the Cultural Revolution was at its peak. Giambattista Tagarelli arrived in Milan.

*They were years of possibility. Breda Forge was a factory where things were possible. Once the Brigatisti took a boss and tied him to a tree. It was frightening for me, from the countryside, to see those things, to read their communiqués on the notice board. The Union was still strong and I was always a member. Only when my work mates and I found ourselves sick and dying did I stop subscribing but I kept the membership cards with the little stamps. My union only engaged in politics, nothing for the workers. I could not stay in such a Union, with its policy of compatibility. But what sort of compatibility? If the factories are not compatible with society, that is the bosses' problem, not ours. We organised our own committee so as to have the courage to defend ourselves. We had the right to defend ourselves, the right to be compensated, all of us.*

There are more than three million square metres of undeveloped land around Sesto. There is a mixed consortium and an agency for the development of the area to the north of Milan which has the responsibility for managing that real estate. But Tagarelli and the families of victims met in the little room of a publishing co-operative. They have created a society of services for the express purpose of supporting business people who would like to set up their enterprise within the undeveloped area, but their idea of a future stops there. Until a short time ago Tagarelli's committee was housed in an old dairy farm occupied by those on sick pay from Breda and Marelli. There was immediate solidarity with it, and more meetings in rooms with seating and heating were no problem. Then the progressive Council of Sesto had urgent need of that dairy farm to redevelop it as a centre for the recuperation of psychiatric patients and they threw everyone out, those on sick pay, the committee, families and all. Now next to the underground line there is a dairy farm, hundreds of years old, demolished by the bulldozers of the forces of order and surrounded by a fence with the writings of the old occu-

pants on it, and all who pass shake their head. The Cooperative credit bank of Sesto is preparing another book of photographs of the old workers' city. They have rebuilt the urban landscape with several squares, taken away half the dairies and warehouses and erected palaces in the style of the barren geometric pretentiousness of post-modern architecture, bearing the names of Daewoo, Brembo, Oracle. Modern enterprises, an automobile trade mark from East Asia, a company which provides brake parts even for the Ferrari racing team, and a Software giant. The people of Sesto are right to shake their head.

*In the factory, the PCI cell had authority, not the bosses. I thought the PCI was the workers' party, so I became a member, a member of the Ho Chi Min section. There was also a New Left organisation, perhaps Lotta Continua, I can't remember, but in the factory it was the PCI. Hardly had I arrived from the countryside, I felt I was a great worker. Imagine how I felt after a year. I also wanted to be part of the party, I was proud. And I got excited, I tried to convince my work mates to stop work when someone became ill, when we coughed and vomited. But they told us it was the same everywhere, that we would get used to it, that we did not need respirators or anything. We knew nothing about asbestos. I also went to the discussion meetings. During Berlinguer's time, there were advances, but only outside the factory. Inside I sometimes had to fight with delegates, they had power but they used it for the bosses not the workers. Perhaps that was why they had so much power. They only reacted when they saw the dead, and only wanted to remove the welding machine when there were ten dead.*

Asbestos is a mineral, or rather it is a family comprised of six different minerals, all harmful to differing extents. It ranges from white asbestos, which is relatively less dangerous, to the most deadly, blue asbestos. Approximately 80% of asbestos is extracted in Canada and the United States. Until the '80's, Italy was the principal European producer, producing almost 150,000 tons per year at the Piedmontese mining works at Balangero. It is simple to demonstrate the harm which asbestos does

to the body. When it is broken or burnt it is reduced to tiny particles, when it is inhaled it sticks to the pleura, forming plaque which almost covers it completely. Traces of asbestos can also be found in the lungs, in fact the organism defends itself by wrapping the minute particles which gather in the lungs, in a little cover of fat, and a simple medical examination can reveal their presence. The effect of asbestos is to provoke the enlargement of the network of arteries in the lungs which stop working. In some deaths caused by *mesotelioma* — a specific tumour linked to asbestos, up to ten million particles of asbestos per gram of pulmonary tissue have been counted. To inhale asbestos means to die from suffocation of the pulmonary arteries or through *mesotelioma* — a tumour which results in such an enlargement of the pleura that the lungs are crushed until they are inoperable. The damage manifests itself, on average, some twenty years later, and much later in some cases. Deaths from either cause are extremely rare: without exposure to asbestos, there occurs approximately one case per million inhabitants. In statistical terms, what should be made of the 19 deaths and 4 sick out of 26 that occurred at Breda Forge's shaft workshop?

*After the first chemotherapy my infirmity disappeared. I made an application and came two weeks later. It is tragic that I only now know what the technicians from the SMAL came to do in our section. We worried about the dust, the noise and the acid. However, the problem was asbestos and tumours. We knew something was wrong, we did not know that we were exposed to work that would kill us all. The doctors' report was sent to the managers, to union leaders, and to the local authority. Nobody told us anything. That's how it was: one day I felt really sick and they made me go to the office of the USSL for a visit. There the doctor Bodini had to see me, but when she saw me she asked me if, perhaps, she had already seen me in the workshop where they had done an inspection. I answered yes, that I am Tagarelli and that I work in the shaft department. And now she had to explain to me what they expected, what they had said, written and read. Meanwhile more than ten*



years had past. Breda had to be sold, which meant breaking it up into smaller segments, then replacing the labour force and finally finding a buyer. The owners were concerned by all that, rightfully so, but I do not understand why the union leaders were also concerned. But one thing bothered me, they told us that there were no more jobs at Breda, that it had to close down once and for all. Now private owners have bought it, or at least part of it, and Breda is working. I do not want praise the owners because private owners exploit you worse than the others, but if they had not bought Breda Energy, according to EFIM I would now be very badly off, without work and without a pension, with seven hundred thousand lire a month invalidity pay for a wife and two children, the same as happened to Franchino Camporeale, who died aged forty six and whose wife and children did not receive a penny. They found lymphomas in my blood and they cured it with cortisone. But because leukaemia usually affects children they carried out further examinations, found a cancer in my spleen, and they removed it. However several months later, at the examination, things did not go well. They lay you down and make insertions to inject a liquid; you become blue all over and where there is no blue it means that you have a cancer. They operated on me again to cut out part of my throat. And now I have another cancer but so far it is all right.

The Preventative Medicine Service for the Work Environment came three times to carry out inspections at Breda Forge. In different reports they pointed out the harm inflicted on workers' health by asbestos, chrome and nickel; they criticised the lack of ventilators, noise levels beyond the maximum allowed, the absence of preventative medicine, the inadequacy of the "half litre of milk". Nothing happened. Ten years later the sickness and deaths began. They closed down the section because they are closing Breda down, but they emphasised there are no toxic substances in our factory. Luckily the managers are not always intelligent. All of the documentation concerning the "slaughter house department" disappeared, but one of the

workers from that department got hold of them and the medical reports, the lists of materials purchased and everything else which up to then had been firmly denied, were revealed. With those photocopies the committee is making progress. In June they prepared a head stone for their comrades and they took it in a procession through Sesto. During a brief rally the last to arrive spoke out — a man from Bari with a strong accent. They had also found a tumour in him. But in his uneducated dialect the Latin translated itself into the real experience and tumour became "fear". I also had fear — he shouted out — but because we are all here fighting I no longer have that fear. Does any teacher want to come forward to correct him?

*After the first letters, several managers even called at my home. I remember that the Engineer Pattarini had received a letter from the magistrate of Milan and telephoned me. He said to me: "How dare they, what does she mean? When you came to Milan, you even got a Breda house!" And I said to him that she was an imbecile, that if she had received a letter from the lawyer, then she should speak with the lawyer, instead of trying to frighten me, because someone in my condition has very little fear left. They don't want to admit that there was asbestos in that department. How they can do it, I don't know, they should at least be ashamed. But that's not the case. Will I die? O.K., but even if I lose my hair, even if I become an ugly monster, I won't give Breda that satisfaction. I will die like the others, at work, and I will pass on the struggle to my son, they must continue. I remember when Franco Camporeale died, I was really afraid, because he worked next to me. In Breda there was an agreement that, after twenty years of work, they award you ten million. Franchino had three months to go*

*when he died and they didn't award him a crumb. So we had a collection and we gave her the ten million. They have no respect for us. Franchino left behind a wife and children and he only ever worked in Breda and died of asbestos poisoning, so it's certain that they murdered him there. But because he had two months to go, EFIM gave him nothing, neither pension nor award.*

Michele Michelino, who is the most forgotten CGIL delegate in the Union's history, often repeats a textbook phrase: if a man causes the death of another, this is homicide, and when a man is conscious of the effects of his action, then it is called murder, and when many men are murdered this is mass murder. And based on this logic, there exists a committee to find the truth about the dead of Breda, a committee which demonstrates the difference between death at work and death through work, and is against closing this chapter of the workers' story. The Gabionetta funeral still needs to be arranged, between Via Gramsci and the Avenue of the Casiraghi brothers, the partisan martyrs, to finish in front of the road bridge where the entrance to Breda Forge used to be situated. There is the new Breda Energy, with two hundred employees and sheds for pattern work, the units for waste and off cuts. Lists in no particular order which do not guarantee Sesto a productive present at all, yet the story is not over. The recent past has deaths on its hands which demand justice, and the families require immediate compensation. And above all there are those who are struggling to eliminate exploitation from any possible future, even if this means that class conflict has once again to put in an appearance.

**Ezio Partesana**

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# Israel: US Imperialism's Protégé

## Reaches Fifty

On 14th May 1948 the birth of the State of Israel was proclaimed by its first Prime Minister, the Zionist leader David Ben-Gurion. The proclamation came only hours before the expiry of the British mandate over Palestine which had been in existence since the victors of the First World War divided the spoils of the defeated Ottoman Empire. But, the creation of the Zionist state which emerged from the ruins of British colonialism was not an anti-imperialist act, rather the beginning of a new phase of imperialism in the Middle East.

### A Brief History of Zionism

Contrary to the rantings of Zionist fanatics and Jewish ultra-religious maniacs, the founding of the state of Israel was not the culmination of a two thousand year old aspiration of the Jews to return to their "homeland." In the early 19th century, the idea of a Jewish state in Palestine was as ridiculous as the notion of the population of Wales aspiring to re-conquer England from the Anglo-Saxons. However from the mid-nineteenth century Zionist ideas began to appear as a reflection of the development of other nationalist ideologies and movements in Europe. One of the earliest Zionists Moses Hess, a German Jew, wrote a book in 1862 called *Rome and Jerusalem* which argued that the Jews should follow the example of the Italian *Risorgimento* by creating a national state in Palestine.

Figures such as Hess found no real echo for their views. The western European Jews had no use for Zionism as in most western countries the process of emancipation of the Jew which had started with the French revolution was all but complete. Even in tsarist Russia, the bastion of all things reactionary including rabid anti-Semitism, there was a relaxation of various civil restrictions on the Jews in the reign of Alexander II.

In the last decades of the nineteenth century, things were to change significantly. In March 1881 the relatively liberal Tsar Alexander II was assassinated by the People's Will, a petty bourgeois populist group. Determined to halt the spread of liberalism with which the Jews were associated — it was also falsely put out that Jews were implicated in the killing of the tsar — the new regime of Alexander III instigated a wave of pogroms against the Jews throughout the Russian Empire. These continued right up until the Revolution of 1917. The resurgence of anti-Semitism in the East was also reflected on a smaller scale in the West as illustrated by the vehement anti-Semitic writings of Wagner in Germany. Even in France, where Jews had enjoyed civil freedoms for a century, anti-Semitism re-emerged as evidenced by the Dreyfus case, where Dreyfus, a Jewish French army captain, was court-martialled and found guilty on trumped up charges of treason. As in Russia anti-Semitism was championed by right wing elements who feared the development of liberalism. Moreover it was at this time that the European colonial phase of imperialism was at its height and nationalism elevated to a revered status in bourgeois ideology. The corollary was a rise in proto-Nazi type theories of racial supremacy (aided by a touch of social Darwinism) in which the Jew was seen as outside of the nation and an inferior being. In this climate Zionism began to gain ground mainly in eastern Europe but also in the West. It was at this time that Zionists such as Chaim Weizman and David Ben-Gurion, who would later play major roles in the founding of the State of Israel, first came to prominence. So Zionism emerged as a mirror image of the ideology of late nineteenth century European imperialism. The conception of the Jews as a race and the need for a national homeland reflect the bourgeois concerns of the period. Zionism also contained the worst aspects of European colonial thinking about the peoples they subjugated. Thus the Zionist theorist Theodore Herzl could talk about "a people without a land" look-

ing for "a land without a people". His first suggestion was Uganda (since it was only occupied by blacks) but the religious fanatics of Zionism demanded a return to Israel. The indigenous Arab population of Palestine was considered to be so irrelevant as to be invisible to Zionist eyes. Furthermore, the Zionists explicitly saw themselves as European colonisers of Palestine. In order to ingratiate himself with the Western powers Herzl also said:

*We should there [in Palestine] form a portion of the rampart of Europe against Asia, an outpost of civilisation as opposed to barbarism.*

European nationalism as well as anti-Semitism were entirely consistent with Zionism. To the anti-Semite sending the Jews to Palestine was a highly agreeable prospect. The whole history of the Jewish take-over of Palestine is bound up in the machinations of the imperialist powers. The British Prime Minister Balfour who in 1917 pledged British support for a Jewish state in Palestine was not exactly noted for his affection for Jews in the UK. Nor did he worry too much that the Sykes-Picot Agreement of 1915 had promised the Arabs the same rights in Palestine in return for support in the war against Turkey. Later the Nazis would consider deporting the Jews to the German colony of Madagascar before they decided that the Final Solution would be more practical. Zionism also played a part in diverting Jews from the revolutionary socialist movement. It is significant that in Russia the Zionists were tolerated for that very reason. Revolutionaries of Jewish origins such as Luxemburg and Trotsky argued vigorously against the Zionist project as a diversion from the class struggle which contained the potential for the emancipation of the whole of humanity.

Even at the height of the pogroms of the late nineteenth and early twentieth century Zionism had little appeal. The USA was the primary destination for the Jews fleeing persecution in eastern Europe. Until 1924 only 50,000 out of 2,400,000 Jewish emigrants chose to go



to Palestine. However in 1924 the USA closed its doors to Jewish immigration. This fact together with the rise of the Nazis saw the Jewish population of Palestine increase from a mere 84,000 in 1922 to 400,000 in 1937.

The shameful treatment of the death camp survivors after World War II enabled the Zionists to make big political capital from bringing desperate holocaust survivors to Palestine. The post-war balance of power also favoured the Zionist enterprise. By this time the Irgun, the Stern Gang and the Haganah had created enough problems to show that the days of the British mandate were numbered. The actual creation of the state of Israel was a foregone conclusion since it was initially favoured by the new world superpowers, the USA and the USSR. Both had an interest in finally pushing the British out of the Middle East and gaining a foothold for themselves. The UN Declaration setting up the partition of Palestine thus awarded 54% of the territory to the Jewish population who made up just over 30% of the population of Palestine. But the Israelis left nothing to chance by seizing 80% of the country even before the British had withdrawn.

### The Palestinian Question

In the lead up to independence, the Jewish Haganah — the soon to be Israeli army, together with the more extreme Irgun and Stern Gang terrorists had fought not only against the British but also against the Arabs who not surprisingly were opposed to the creation of a Jewish state on their territory. In the last months of the mandate British policy was not to intervene in conflict between Jew and Arab. As in the case of their withdrawal from the Indian sub-continent the British were happy to sit back and watch the massacres going on. On April 9th 1948, with less than a month of the mandate to run, the Irgun attacked the Arab village of Deir Yassin and massacred 250 civilians. In the aftermath 750,000 people, about half of the Palestinian Arab population fled into neighbouring Arab countries. 350,000 of them are today crowded in the Gaza Strip. Fifty years on the Palestinian question remains unresolved.

### A New Imperialist Order

On 15th July 1948, only 11 minutes after the expiry of the British mandate, the State of Israel was recognised by the USA. Recognition by the Soviet Union came 3 days later.

It soon became apparent that the USA with its superior resources and proactive Zionist lobby would be a more useful imperialist patron than Russia. Russia thus dropped Israel and sought to find its toehold through other client states like Egypt, Syria and Iraq. In this way the ongoing Arab-Israeli conflict, which has included a series of wars, represented a superpower conflict by proxy with each superpower vying with the other for supremacy in the region. The Israelis benefited from superior US technology and its greater wealth as well as a united command to benefit from the wars that did take place. The territory of Israel, especially after the Six Day War in 1967 has expanded into the Golan Heights in Syria, into Lebanon and the West Bank and Gaza. This system remained intact until the 1978 Camp David peace agreement between Israel and Egypt which came about as a consequence of the Egyptians changing imperialist masters by expelling the Russians (and reneging on their enormous debts) and defecting to the American camp. Today Egypt is the second largest beneficiary of American aid. The largest beneficiary remains Israel.

Following the collapse of the Russian Empire in 1989 the Arab-Israeli conflict lost its *raison d'être* from the perspective of the "new world order" dominated by the USA. The Americans have attempted unsuccessfully to resolve the outstanding dispute between Israel and the Palestinians and Israel and Syria. The so called "peace process" has been thwarted mainly by Israeli intransigence particularly since the election of the right wing Likud party in 1996. The Palestinians have been completely marginalised and will be forced to accept whatever crumbs the US and Israel supported by the pro-US Arab states of Egypt and Jordan deign to offer.

After 50 years the remnants of the Middle East conflict remain unresolved and no permanent effective solution will be found within the framework of the bour-

geois nation state. On the contrary the manipulations of the major imperialist states to gain advantages in this oil-rich and strategically important area make the entire Middle East region a continuing source of global conflict. Capitalism in our epoch means war and the only force which can prevent this is the international working class.

The working class in the Middle East are subject to the same exploitation as workers throughout the world. The Palestinian workers also have to put up with additional constant harassment and humiliation from the Israeli state. This does not make the Palestinian question a special issue for revolutionaries. There is no "national solution" to the problems of the Palestinian working class (as some so-called revolutionaries of a Trotskyist persuasion deceitfully maintain). The corrupt and exploitative nature of the Palestinian Authority shows just how little there is to be gained from supporting their own bourgeoisie. Arafat and his PLO cronies have milked the little wealth of the statelet for their own benefit. (See "The Sordid Reality of Nationalism Today" in *Revolutionary Perspectives* 8). In today's imperialist epoch national liberation struggles — as the histories of Vietnam or Algeria show — only create a new ruling elite to exploit the local working class on behalf of international capitalism. Decolonisation over the last 50 years has simply cut the costs of policing for the dominant imperialism. Today the whole planet is controlled by the international financial institutions of the capitalist core states (Europe, Japan and USA).

Nor is there a solution for the Palestinian workers in supporting the militant nationalism of the Islamicists. They simply have a more coherent and authoritarian agenda of control and do not act any more independently of imperialism than the PLO.

Notwithstanding the fact that Palestinian workers are more oppressed, the Palestinian and Israeli workers objectively have more in common with each other than they have with their "own" bosses. National borders are only designed to give a framework for the organisation of bourgeois property. They do not interest workers since the working class has no land or property to defend. Only when workers reject all the political solutions will they be able to

# The Crisis in Russia: From Bad to Worse

It is now close on a decade since the collapse of the Russian bloc and the speech of the then President of the USA, George Bush, heralding a "new world order" based on free market capitalism. Unlike "socialism", he triumphantly declared, "Free markets work." It depends what he had in mind of course. Today a small minority of the population — mainly ex-Communist Party higher-ups — are wealthier than they would have been under the old self-enclosed state capitalist bloc. Where once higher managers in the "military-industrial complex" would have enjoyed exclusive access to Western consumer goods and the privilege of holidays in country dachas, nowadays the heads of Russia's newly privatised energy groups rank amongst the world's leading business tycoons. For example ex-prime minister, Viktor Chernomyrdin, still heads Gazprom, now one of the world's largest industrial groups. Former deputy PM, Anatoly Chubais runs Lukoil, one of Russia's richest oil companies. Boris Berezovsky owns an oil and media conglomerate estimated to be worth \$3bn. Most of these tycoons run their businesses as personal fiefdoms and use their importance to the economy as a means of maintaining political influence and vice versa. Collectively they owe hundreds of millions of roubles to the state treasury from unpaid taxes. For these nouveau mega-rich and the likes

## Israel

*continued from previous page*

gain real freedom and equality. This is not a step that will be taken easily or quickly but the continued crisis of capitalism leaves a space in which the real solution to the Israel-Palestinian question can be posed. The development of an internationalist class consciousness is therefore a prerequisite for creating that proletarian unity which is the only force potentially capable of challenging capitalist exploitation and war in the Middle East. We hope that all the workers of the Middle East will not have to wait another 50 years before they have their own victory celebrations.

**Revolutionary Perspectives 22 PBD**

of the financiers who wheel and deal on the international exchange and capital markets or the flourishing mafia engaged in protection rackets, free market Russia is certainly working. It is just not true that the managers of Russian capital are slow to adapt to Western-style capitalism. They are surviving very well. So well that, as a comrade from *Internationalist Notes*<sup>1</sup> reported:

*... a small number of ex-Stalinists and the group of bosses centered around Yeltsin have managed to take for themselves the majority of the Gross Domestic Product.*

*According to the Financial Times these "new Russians" took 75% of the total Gross Domestic Product for the year of 1992, mostly from selling off state enterprises.*

Things haven't changed since 1992. On the contrary Russian society is following the same trend as the rest of the capitalist globe: the rich are getting richer while ... [Officially] one in five of the population earns less than the [official] minimum level of subsistence. Hundreds of thousands of workers — from teachers and doctors to miners — are regularly left without any pay at all for months on end. The old state pension is practically worthless — old people begging or selling garden vegetables and their household possessions are a common sight on city streets. Many workers are paid in kind because the factory they work for is reduced to exchange by barter. It is up to the workers themselves to find the means to exchange or sell the dozens of bars of soap or whatever bizarre commodity they receive for a wage. From a worm's eye view free market capitalism isn't working at all.

... Which explains why the monetary gyrations during Russia's latest crisis on the international market — a stock market crash followed by a massive flight away from the rouble by the international speculators only reversed when the government temporarily put up interest rates to 150% [and back down to 50% shortly afterward] — didn't mean a great deal to workers and pensioners. As Alexandra Mayorova,

an ex-railway worker, now an impoverished pensioner after 39 years work, struggling to keep an invalid husband and an unemployed son by selling home-grown vegetables, told a *Financial Times* reporter,

*It is just a noise above our heads. They can say there is a crisis or there is not a crisis. It is all the same to me. It is impossible to live this way any more ...*

[10.6.98]

It is precisely this fact which is driving Russian workers to fight back. Despite the political confusion and demoralisation that surely reigns amongst workers who are still being told that Stalinism was really socialism, their desperate material circumstances are forcing them to continue the class struggle. The ruling class may tell us as long as they like that communism and Marxism are dead but the reality of the capitalist crisis ensures that the class struggle continues. As the same *Internationalist Notes* says about workers' strikes and protests [including hunger strikes by miners] in Russia last autumn, "it is not an offensive struggle that is being waged, rather it is a defensive struggle that marks all workers' struggles today". So far this year workers in Russia have hardly let up on that defence. In May strikes and protests against unpaid wages spread throughout the country, culminating — in the week of the rouble crisis — with a declaration of a state of emergency in the Kemerovo region as angry miners blocked the passage of the Trans-Siberian railway. Nowadays the government admits no responsibility for unpaid wages, especially in privatised industries such as the coal mines. However, workers' protests could no longer be ignored and Yeltsin gave his new prime minister, Sergei Kiriyenko, the job of finding a solution to a problem which runs into billions of dollars. Given the parlous state of the Russian treasury this was well nigh impossible and all Kiriyenko could do was send his deputies to placate striking miners with a promise of wages to come some time in June. Strangely enough this was when the IMF was due to release \$670 million to Russia — the latest slice of a \$9.2bn loan that is being paid in installments according to how well Boris is doing with his so-called reform programme.



## IMF Tightens Screws

The Yeltsin government has been used to using IMF money as a palliative to prevent the long-running wage arrears crisis from turning into disaster. This time, however, the IMF has delayed payment until there is some concrete evidence that the government is serious about managing the national capital in such a way that it remains an attractive proposition to international capital. So the government has cut spending by 15% and embarked on a more vigorous tax campaign to collect 5 billion roubles [\$812m] in unpaid taxes from the top twenty companies by the end of June. So far the markets have been "reassured" and it looks like the loan tranche will be released. However, Russia's request for a further \$10-15bn "stabilisation fund" is likely to be refused, not least because the IMF itself is facing a shortage of funds after its rescue packages in south-east Asia. In June Stanley Fischer, the IMF official dealing with Moscow said "\$10bn is a lot of money, more than the IMF can give to one economy." [*Financial Times* 20/21 June.] He was not lying. Without a boost to depleted IMF funds from the USA the organisation had no more than \$10-15bn left in the kitty. Instead the Russian government is being encouraged to borrow from the international commercial banks. With an existing foreign currency debt of \$140bn and only \$14.5bn in foreign currency reserves this will only further increase the pressure to maintain the value of the rouble. [Every time the rouble loses value on the international markets the cost of servicing foreign debt goes up.]

## The Outlook for the Working Class

If it is true that stock market crashes and phenomenal interest rate hikes "go over the heads" of the working population in Russia. [since there are hardly any mortgages and no elaborate pensions and savings schemes linked to stock market values] it is also the case that the working class will continue to suffer from the crisis of the "real economy". That crisis is not a peculiarly Russian problem caused by the "shift to a market economy", but part

of the global capitalist crisis which in recent months has deteriorated sharply. The after shocks of the crisis in south-east Asia have not just reached Russia in the shape of a lack of confidence in the rouble, they are having an impact at the heart of the productive sector of the economy. Russia has always been very dependent on the export of primary products for foreign exchange earnings: oil and petroleum products, metals such as aluminium. Historically the real price of such commodities has been falling ever since the outbreak of the world economic crisis in the early Seventies but the latest bout of factory closures and production slowdowns has led to



Russian miners being "unreasonable" (Yeltsin's word) and striking for unpaid wages!

an acceleration of this trend. Last year Russia exported \$22bn of oil and petroleum products but this year the fall in the price of oil will reduce this and make it even more difficult for the government to reap its tax harvest. More significantly, falling profits and a glut on the market will deter the oil companies from further investment. Workers, of course, will be asked to tighten their belts and suffer for the plight of their national capital. There is undoubtedly more class struggle on the horizon.

As everywhere, the working class in Russia does not have a fully-fledged political organisation for the mass of workers to rally behind. Some workers are being seduced by Zyuganov's revamped "Communist Party" into thinking that a solution can be found within the system — by Yeltsin resigning and elections for a new government. But Zyuganov's party has nothing to offer the working class since it too is a capitalist party, intent on defending Russian capital [though it hasn't got a clear idea how]. It will be a sign that the workers' movement in Russia is moving on to the offensive when the

working class once again creates its own mass organs of struggle — organs that can potentially become means for the working class to run the economy for themselves — real, living soviets instead of organs for rubber stamping state decisions that Stalin turned them into. Above all in Russia — as everywhere — the working class have to overcome both political disillusion and the idea that a solution can be found for their problems within the terms of the national economy. In short, there is a crying need for an internationalist political organisation to permeate the working class in Russia, to take up the struggle to form a global communist party which is as far removed from Zyuganov as Stalinist Russia was from Marx's vision of a "society of freely associated producers".

Such an organisation cannot come into being overnight. However there are now signs that out of the political confusion and chaos which accompanied the collapse of what was supposed to be "really existing socialism" there are political elements who recognise not only that the USSR was not socialist but that the struggle to end wage slavery has to go on.

Some of these political elements are already active in Russia. For the last two years they have been organising conferences in Moscow to which Stalinists, Trotskyists, anarchists and representatives of the Communist left have been invited to debate<sup>2</sup>. These conferences show that not everyone in Russia is politically paralysed by the collapse of Stalinism. Some of the more revolutionary participants in these conferences have launched an appeal to finance a new publication which is intended to act as a forum for further discussion. Whilst not fully endorsing the politics of this project we do support the appeal and are publishing it on the next page. We urge readers to send their support.

## Notes

1. Issue number 12. *Internationalist Notes* is available free from P.O. Box 2044, Madison, WI53703, USA.
2. For a report on these conferences see the International Communist Current's *International Review* 92, £2 from BM Box 869, London, WC1N 3XX

# Appeal for a Revolutionary Publishing Project in Russia

Decades of totalitarian dictatorship, practice in the name of "socialism" and "communism", has deeply discredited the idea of social liberation. In mass consciousness, socialism is identified with authoritarianism, bureaucratic hierarchy, belief in a great state power and totalitarian ideological control. The discrediting of socialism goes on even today, when the revolting mutant of "red-brown" ideology crawls onto the political stage under the banner of "Russian" or "national" communism.

Socialism will be rehabilitated in the eyes of the masses only by returning to its authentic libertarian and egalitarian meaning. For decades the iron curtain prevented the penetration into the USSR of the ideas of the non-Stalinist left, and their working out in practice. And as soon as the curtain fell, the vacuum began rapidly to be filled with theories and teachings of every reactionary tendency

imaginable, from the Jehovah's Witnesses to the post-modernists. The only ideas which remain practically unknown are those developed by the Western left from the 1920's to the 1990's. This situation is intolerable.

The socialist intellectual tradition in the countries of the former USSR, whose gradual rebirth began at the end of the

1980's, will attain real value only if it is enriched by the lessons and achievements of radical thought in other countries and the experience of the international workers' movement.

Stalinism not only cut off the present generation of Russian socialists from the course of development of international socialist thought, but also from the experience accumulated in the past by socialists in Russia itself. Every tendency which fell outside the boundaries of official state ideology either fell silent or suffered distortion to the point of unrecognisability. Even today, therefore, the history of various socialist tendencies in Russia and in the Russian emigration, and their contribution to the development of revolutionary and socialist theory, remain to a great extent *terra incognita*.

It is vital to appropriate for today the rich tradition of Russian socialism.

Revolutionary, emancipatory thought will be developed only by means of dialogue between various tendencies. Sectarianism and the psychology of the chosen few can lead only to a dead end. Discussion, comparison of different attitudes to the basic problems of socialism, study of the history of the arguments for and against one or other theory or programme — all this is a

necessary precondition for the creation, not superficially but seriously — of a genuine scientific left-wing world view.

To create the conditions for a dialogue, to provide for it a platform, is our aim today.

We, adherents of free, anti-bureaucratic and international socialism, Marxists and anarchists of various tendencies who see the situation in the manner outlined above, call for the formation of a united editorial collective of the proposed historical-theoretical journal, consisting of:

A.V. Gusev, doctor of history (Moscow State University); V.V. Dam'e, doctor of history (Institute of World History, Russian Academy of Sciences); A.A. Tarasov, senior researcher at the Phoenix centre for the study of modern sociology and practical politics; Iu.V. Guseva, translator and librarian at the Victor Serge Free Public Library Moscow; V.A. Efstratov, research student (Institute of Economics, Russian Academy of Sciences)

The journal needs your support!

Our address: 113639 Moscow, Balaklavskii Prospekt 4-6, Kv. 365, RUSSIA;

Fax: +7-095-292-6511. Mark fax clearly: "Box 8020—STRUGGLE".

Donations (in cheques or dollar bills) can also be sent via the CWO address.

## Correspondence with Kammunist Kranti

### Introduction

The following is an exchange of correspondence which took place between ourselves and Kammunist Kranti. We have not received a reply from KK nor has it been published by the Discussion Bulletin where we first read his letter (despite the fact they were sent it in January). We are republishing the KK letter here for ease of reference and so readers can follow our reply. We think that there are a growing number of groups which claim to be revolutionary but which reject much of the history of the revolutionary working class and KK is one of them. The aim of the correspondence is

try to prevent KK's degeneration into more and more anti-organisational politics. This only serves the ruling class.

### KK's Letter

From : Kammunist Kranti

Date : May 24, 1997

Dear friends,

Thanks for your e-mail dated May 16, 1997. We were taken by surprise by such an avalanche of dramatic condemnation. It seems that we are always deviating from some expressway of revolutionary ought to dos. It feels as if some barometer is thrust upon us and unfortunately we seem to have always failed in giving sufficiently illuminating results.

Anyway, to try to answer some of your accusations.

1) "ballad" concerns itself with the concrete history of the work regime that has evolved over the last two hundred years. We call this period the emergence and dominance of wage-labour based production for the market. Now, may be you disagree with our contention in "ballad" that this period has led to the following :

- a) intensification of work & other aspects of everyday living
- b) lengthening of the working day
- c) intensive and extensive expansion in the disciplinary apparatus
- d) lowering in the standard of living
- e) increase in the extraction of produce

It seems you have disagreements on these points. Had they been expressed more concretely, we could have understood our analytical inadequacies better.



2) Another basis of your perturbation could be:

- a) wage-workers face a very different reality than what has been portrayed in "ballad" or
- b) more damagingly, we have deliberately erased & suppressed very effective methods of struggles or
- c) the instances of struggle & analysis in "ballad" motivatedly disarm wage-workers in their resistance to the apparatus of extraction, control & discipline. Again, had your contentions been clearer, we would have been able to evaluate our own experiences differently.

3) We are not very clear as to how you understand the perceptions of wage-workers. Our interactions and conversations with a large cross section of wage-workers have led us to recognize a few important things: There is a strong anti-leader, anti-militants (not militancy) feeling amongst wage-workers because of a realisation born of repeated bitter and painful experiences. Militants or leaders are now & then crushed and often capitulate and are co-opted by managements.

This realisation forces a recognition of the terrain of everyday struggles that each & every wage-worker wages, without leaders — representatives — middlepersons, individually or collectively in small groups. These are the very struggles that managements & leaders make all out efforts to erase so that representation can survive and sustain hierarchies. We are at present attempting to give these small steps some confidence and erase the guilt that is associated with being against work, against discipline and against productivity. These struggles have their particular dynamics and momentum which have to be recognized and disseminated. It is out of these seemingly small struggles that new forms of organised activity and resistance could emerge that will not allow the collective strength of wage-workers to get abducted by different unities. How some people in the name of the proletariat can and do organise is fundamentally different from how wage-workers can do organised activity on a global scale. If you think otherwise, you need to give us concrete examples to the contrary. Not merely homilies on class-conscious workers and political organisations.

4) That the future should be the product of the imagining of a few, and that others will follow and act on the basis of that imagination is not acceptable to us. What we envisage, instead, is the emergence of a practice that takes into account every wage-workers participation in order to imaginatively invent a non-hierarchical global community. Your statements make it look like that the path is already there, all one has to do is to steadfastly follow it. Is this a naturally ordained path or a historically derived one? If this is an historically derived one, then it is based on a specific set of experiences and conceptions and can be critically evaluated. Then, at least we presume, it should be open to dialogue with other experiences and conceptions.

If, however, the path is a naturally ordained one, a revealed category of faith and belief, then why fight over it. Your belief is yours.

5) As regards marxism, it is best for us to hold our comments until the publication of our next text "Reflections on Marx's Critique of Political Economy". We will send you a copy as soon as it is out, and then pick up the debate about marxism in detail.

6) Some minor details :

- a) as regards *aufgebehen*. A small word which apparently means a lot. Our presumption in using it stems from the confidence that if in the 19th century workers were willing to read *Capital*, a book which deployed categories of Hegelian philosophy, as well as footnotes in Latin, Greek, Italian and French languages, then it is surely possible that in 1997 one word will not be such an impediment.
- b) as for the glossy cover, ours is a dusty landscape and the gloss makes for a good dustcover. It is perhaps a question of geo-cultural perception.

Looking forward to hearing from you in more detail.

With greetings,

Sher Singh, for KK

## Our Reply

Dear Comrades

You've missed the main point of our criticism which is that your *Ballad* has nothing political to say.

To take the most important point first, the question of revolutionary organisation for the emancipation of the working class. We entirely agree that the fu-

ture communist society will not "be the product of the imagining of a few" with the rest of the working class ("others") following and acting on the "basis of that imagining". However, you say that this is unacceptable to you. We say that this is unacceptable because it is **impossible**. It is idealist utopianism. The world is not changed by the dreams of intellectuals being taken up by the masses. Nor will it be changed by every wage worker "imaginatively inventing" his/her own utopia. We who are living under capitalism today can't possibly predict what the future global community will be like precisely because it will be shaped by the human "collectivity" as it responds to material and practical problems. Unlike our pre-Marxian forebears, we are not concerned with drawing up more or less imaginative blueprints for the future. That is not what we meant when we said that your document lacks a vision of communism.

To our mind it's confusing to speak of communism simply in terms of a "non-hierarchical" society and to present the struggle for communism as a struggle against hierarchies and leaders. [In a strict sense it is also wrong, since exceptionally talented or skilled individuals in particular fields will always be recognised and admired by their fellow creatures, albeit that in a communist world **different** talents will be appreciated.] But to return to the point. You know, and we know, that communism means a stateless, classless society where wage labour, commodity production and money do not exist and where everyone who is physically and mentally able contributes to the communal effort of producing society's needs and to the equally communal process of deciding what those needs are. [Although it doesn't mean the abolition of work altogether as your *Ballad* implies.] How do we know this? Is it because each of us has responded to our own experience of wage labour and happened to have "imaginatively invented" a similar "non-hierarchical global community"? Or is it because we, in our own political "collectivities", have (even indirectly) absorbed, read, discussed and criticised the ideas in key political texts — notably, in this case, *The Communist Manifesto*? When it comes to **how** wage workers can transform their implicit resistance to capitalism into an

outright revolutionary struggle for its overthrow and replacement with communism we entirely agree that this is a "historically derived" path; i.e. it is not a path which is naturally revealed by the continuous workplace skirmishes which occur daily under capitalism but rather requires an appreciation of the historical lessons of previous struggles of our class, an understanding of the nature of capitalist society and the capitalist state, and in fact a [historically conditioned] vision of a communist alternative to existing society. In other words, communist consciousness does not arise directly from the immediate struggle of "wage workers" but is the collective product of theoretical analysis, historical experience and reflection on that experience. Now, at least the CWO and the International Bureau make no bones about the lessons we draw from past experience and apart from our regular press these are summed up in the *IBRP Platform* and the CWO's *Socialism or Barbarism*. Despite our long relationship KK has never "critically evaluated" either of these texts. However, this is not our current preoccupation. Our concern is that KK currently says less and less about what it has derived from history about the path to communism and that the *Ballad Against Work* doesn't say anything at all, at least not clearly and explicitly. Your letter, however, is more revealing and confirms that KK is becoming more and more subject to what you yourselves once termed the "fetishising of spontaneity" (as opposed to the "fetish of the party"). [In a KK text ...for discussion on "Challenges before the communist movement" at Nagpur, 15-16 Feb 1992] Five years or so ago KK could state that "Between these two extreme views, there is the possibility of an approach which synthesises both the objective and subjective factors. There is an urgent need for Marxists to join on a broad international platform." With this we could only concur, but we did take issue with your view of the Russian Revolution, summed up in the sentence that followed: "With all its limitations the Bolshevik practice between February 1917 and October 1917 provides a direction to a productive relationship between a Marxist organisation and the working class." Without going into the details, we argued that this revealed an essentially anarchistic

view of October as a Bolshevik *coup d'état*, the start of an attempt to establish a party dictatorship over the working class. You didn't accept this and evidently saw no need to re-examine the strange conclusion you had drawn that the party which had raised the watchwords which best articulated the immediate aspirations and way forward for the working class [Down with the War and All Power to the Soviets], which had encouraged the Russian proletariat to see their revolution as the first step in the world revolution, which had organised and led the insurrection, that on the morning afterwards should no longer have "a productive relationship" with the working class. This is an untenable position. Either you have to recognise that the most class conscious workers, those most clear and active in the revolutionary struggle, were Bolsheviks (hence the Party's enormous following and influence over the working class as a whole) and that this didn't change the morning after the insurrection; or you have to conclude that somehow the working class was duped into allowing soviet power to be substituted by a vicious party dictatorship. In the latter case, you have to immediately imply a separation between the party and the working class and downplay the significance of the political leadership accorded by the Bolsheviks [particularly Lenin with the *April Theses*] in the initial success of the revolution. Moreover, as you found, it is difficult to explain how "the writer of State and Revolution came as you put it, to "actively participate(s) in the formation of a standing army and secret police ..." only 3 or 4 months after October if you see the road to communism in idealist terms, simply as acting in consonance with communist philosophy, and ignore the fact that before the proletariat in Russia could get on with enjoying life in the transitional "semi-state" they had to confront the armed reaction of their own bourgeoisie backed up by the military might of over a dozen imperialist powers. If the formation of the political police and the Red Army were mistakes they were mistakes forced on the proletariat by the exigencies of the situation. Granted, the Bolshevik Party ended up as the executor of a brutal state capitalist dictatorship in a society where the word "Soviet" was emptied of all meaningful content but this was after

more than 2 years of absolutely devastating civil war and famine, not to mention the failure of the revolution in Germany and Europe. Literally hundreds of thousands of workers, particularly the most class conscious, **Bolshevik**, workers, died. Many more were forced by starvation to "drift back to the countryside". The rest of the working class in Russia was on its knees. The influx of new members into the party in 1921 at the same time as factions were officially banned is, we think, symptomatic of what had happened to the Bolshevik Party: from the guiding light of the revolution to conservator of the Russian state. Excuse us dwelling on what you probably know very well but what we are trying to emphasise is that essentially the Bolshevik Party became what it did as a result of the process of defeat of the revolution. It was not the cause of that defeat. On the contrary, the initial victory of the proletariat in Russia would have been impossible without the Bolshevik Party. Don't you agree? And don't you agree that this is the crucial lesson we have to learn today in the face of the bourgeois version of history which tells us that all revolutions end up with reactionary terror and dictatorship, that all power corrupts and that political parties *per se* are "anti-democratic" and bureaucratic (the "iron law of oligarchy"). In other words, any attempt at revolutionary political organisation will end up as a reactionary force. This scenario is of course echoed by the anarchists and in the case of the Russian Revolution by the heirs of Hermann Gorter and the German Left, the council communists. (And the so-called libertarian communists who may not even be aware of their historical precursors.) The CWO began its political existence by thinking it could follow in Gorter's footsteps and build a "party of a new type" "hard as steel and clear as glass" and without hierarchies. However, we had to break from this legacy, not only in order to have a consistent analysis of the Russian Revolution (whose defeat the German Left explained essentially in terms of the hierarchical Bolshevik Party) but in order to explain our own existence as an organised, class conscious minority. Most importantly, we had to accept the necessity of the existence of such a "precocious" minority of the class in the development of a wider class conscious-



ness and the practical building of a revolutionary movement. Once we did that (and again, this was a process shaped by practical experience not an instantaneous intellectual conversion) the difficult responsibility of building a clear political nucleus capable of influencing and politicising the daily class struggle has remained our central aim. Without, we hope, having a grossly exaggerated sense of our own importance, we accept that without a two-way relationship between revolutionary organisations and the wider class movement any sparks of class consciousness generated from day to day clashes between capital and labour will be dampened down by the unions and the capitalist left or simply burn themselves out through lack of political oxygen.

Our task, surely, is to encourage those sparks of consciousness to become revolutionary flames by drawing them together in the political organisation, or collectivity if you like, where they can develop into something more permanent that is fired by the process of political education. What worries us frankly, is that KK does not accept this responsibility out of a misguided fear that political leadership would disarm workers in struggle, would undermine their self-reliance and ability to organise independently and so on. In other words your trajectory is the self-contradictory path of "libertarianism": a political organisation which rejects the need to organise politically because all supposedly proletarian organisations are hierarchical rackets designed to "abduct" the struggle (like Jacques Camatte and his heirs, several of whom you claim to "have gained immensely from") and undermine the self-confidence of workers. If this is the case, then what becomes of Kammunist Kranti? Answer — you limit your rôle to recognising and disseminating news of small independent struggles from which "new forms of organised activity and resistance could emerge". Laudable as this is, disseminating news of struggles is not the be all and end all of revolutionary work. Moreover, although we readily accept that there is a distinction between the organisational forms workers create for themselves when they begin to struggle outside the unions and a political organisation or "collectivity", we certainly don't accept that this means political organisation is irrel-

evant to the class struggle. (If this is what you mean by the obtuse reference to "How some people in the name of the proletariat can and do organise is fundamentally different from how wage workers can do organised activity on a global scale.") The potentially class-wide bodies which emerge during struggles are in general temporary organs which disintegrate or are diluted and co-opted by management as the struggle dies down. The proletarian political organisation, on the other hand, is a permanent acquisition **of the working class** (not a set of usurpers ready to act in the name of and against the class) which not only disseminates news of struggles and wherever possible is actively involved in them, but which also aims to generate political consciousness by putting local struggles in the context of the broader, long term struggle for communism. And the best gauge of how successful we have been in developing class consciousness is how far we are able to strengthen the revolutionary political organisation. A revolutionary organisation which does not try to win over worker militants or, even worse, which pretends that it is not really interested in doing so and when it does pretends that it has nothing to teach them out of fear of being seen as just another political racket is really leaving potential communists in the dark [and arguably is one of the most dishonest of all].

This is not a question of elitist intellectuals thinking they have all the answers but of recognising that the struggle for communism is more than a question of organisational forms. By all means encourage workers to fight their battles collectively without any illusions that the unions will do it for them but we are in a better position to do this when we have communists in the workplace — as we know KK has in Faridabad. Now, are you saying that when workers struggle autonomously there are no leaders? This would be a complete fantasy. Of course the leaders are **different** leaders and are trusted by the rest of their workmates because they haven't been part of previous union sell-outs, management stooges or whatever. It is the most clear-sighted people, with ideas about how to organise and the precise aims of the struggle who emerge as leaders and who are delegated by their fellow workers to the strike com-

mittee or whatever other collective body is created. Naturally this is an entirely different kind of leadership from the trade union official, with a permanent job paid to act in the service of capital. A genuine collective struggle demands regular mass meetings and the participation of everyone involved with worker delegates subject to recall. As the strikes in France in the winter of 1995/96 showed, the steps towards such a struggle are not necessarily going to be entirely outside the union mentality and framework. (They are more likely to be if genuine communists are involved.) Unfortunately, despite the undoubted widespread cynicism and mistrust of the trades unions that exists today, it is not our experience at present that workers are itching to break out on their own: they are either apathetic or still following the union methods although with little expectation of success. Evidently the situation is different in India. In any case this does not alter our basic disagreement that the anti-capitalist struggle is not about getting rid of leaders and hierarchies as such. On the contrary, communists have to be ready to put forward alternative ways of organising and be prepared to take on the responsibility of leadership. Simply focusing on "anti-hierarchical" forms of struggle is doing a disservice to the working class and it is another fantasy to think that these cannot also be co-opted by capital. [We are reminded of the plethora of "self-management" struggles in the '70's which ended up with workers taking over bankrupt factories and self-managing their own, more intense, exploitation and redundancies. Today, for example, Japanese-style management techniques are based on the concept of anti-hierarchy: apparently workers are more ready to up productivity if they eat in the same canteens and think they are in the same boat as management.] In short, we think that "anti-hierarchy" is not the core focus for communists. Moreover, we think you are up a gum tree if you think that the struggle is against work as such. Against capitalist exploitation and wage labour, certainly but communism will not mean the abolition of the necessity to produce. It **will** mean that everyone becomes a producer and an end to the alienation of the majority of members of society from control over the means to determine how and what is produced.

As for the details of the *Ballad* itself, it doesn't seem to us to be a very concrete history. If you are talking about the history of the conditions of exploitation over the last 200 years it's not true, at least here in Europe, that things have steadily got worse since the inception of capitalism. Certainly wages and living standards have been reduced since the onset of the crisis in the early Seventies but conditions are still not the same as in the early days of the industrial revolution. The boom that followed the 2nd World War gave workers in the metropolises an unprecedentedly high standard of living: probably higher than the "lucrative middle class market" that is currently emerging in India, according to *Financial Times* reports. The picture is a much more complex one than you make out. In our view it would have been much more useful if you'd written a systematic article on the evolution of wage labour in India with more conclusive evidence that living standards are worse than under feudalism.

We'd also like to know to what extent globalisation [notably the transfer of jobs from the metropolises] is affecting the structure and conditions of the working class in India. Is a relatively better-off "workers aristocracy" being created? More generally, we'd like to see you link the worsening conditions of the working class to the capitalist crisis. Is it really simply that conditions have declined for 200 years?

However this is not the main criticism we would like you to address. Our more fundamental concern is that KK seems to have forgotten that to reach communism both the soviets [workers councils] and the party [the organised expression of communist consciousness] are necessary. We are sorry to see how far you have travelled down the spontaneist trajectory. To our mind it means that the efforts of KK will be increasingly wasted and irrelevant to the working class.

Internationalist greetings

ER

pp CWO/IBRP

## Our Basic Positions

1. We aim to become part of the future world working class party which will guide the class struggle towards the establishment of a stateless, classless, moneyless society without exploitation, national frontiers or standing armies and in which the free development of each is the condition for the free development of all (Marx): Communism.
2. Such a society will need a revolutionary state for its introduction. This state will be run by workers' councils, consisting of instantly recallable delegates from every section of the working class. Their rule is called the dictatorship of the proletariat because it cannot exist without the forcible overthrow and keeping down of the capitalist class worldwide.
3. The first stage in this is the political organisation of class-conscious workers and their eventual union into an international political party for the promotion of world revolution.
4. The Russian October Revolution of 1917 remains a brilliant inspiration for us. It showed that workers could overthrow the capitalist class. Only the isolation and decimation of the Russian working class destroyed their revolutionary vision of 1917. What was set up in Russia in the 1920's and after was not communism but centrally planned state capitalism. There have as yet been no communist societies anywhere in the world.
5. The International Bureau for the Revolutionary Party was founded by the heirs of the Italian Left who tried to fight the political degeneration of the Russian Revolution and the Comintern in the 1920's. We are continuing the task which the Russian Revolution promised but failed to achieve — the freeing of the workers of the world and the establishment of communism. Join us!

## What are "revolutionary politics"? A Contribution to May Day 1998

### Introduction

The following is a letter which the CWO sent to the May Day Conference organised by (ex-)Class War. At the present time we have received no reply.

### Our Letter

At the demise of Class War all revolutionaries were invited to contribute to the conference which is now to be held in Bradford. The claim in the blurb is that it will not be "scared to confront new ideas". We wonder whether it will have the courage to understand old ones. In the final issue of Class War there was a reference to the "ultra-left" which was praised (faintly) for its good class insights but damned for its "sectarianism". This is the contribution of one of those "ultra-left" groups.

First let's get the nominalist bit out of the way. We don't use the name "ultra-left" since we have absolutely no connection with the so-called Left (perhaps this desire to separate ourselves is why CW thought we were sectarian?). It is true that, like the

Trots, we arose in the fight against the Third International's decay. Unlike Trotsky, though, our current always opposed doing deals with Labour-party type social democrats who had supported imperialist war in 1914 and then murdered thousands of workers to defend the likes of German "democracy" in 1919-23 (some of whom later received pensions from the Nazis). It is also true that the Communist Left (as we are accurately called) were expelled from the Comintern at about the same time as Trotsky and his followers. But thereafter our courses diverge. Whilst Trotsky led his followers back into Social Democracy (the so-called French turn) in 1935, we stuck with the revolutionary principles of 1917-21. Today the likes of Tony Cliff and the SWP have as much in common with the working class as the Labour Party they urged people to vote for in 1997.

The recognition that the SWP et. al. are "crap" (see Mayday 98 leaflet) is not enough. The important reason why we reject them is that they are **capitalist**. They want to replace private ownership of the means of production with "nationalisation". In other words they are state capitalist. We do not oppose them because their activity

consists of "paper sales, recruitment drives and one dead-end campaign after another". We oppose them because they stand as an obstacle to the liberation of our class. They oppose us because we expose the way they manoeuvre in the trades unions rather than fight for real class struggle. Today the unions (whatever they once were) only exist to corral the workers struggles (the support of the TGWU for the scabs in Liverpool helped undermine the dockers - but this was no isolated case). If CW meant that we were sectarian because of our refusal to see unions as bodies that can defend the working class then we plead guilty. But this brings us to the weaknesses of Class War.

It is strange that Class War used to boast about the size of its paper sales when in fact it condemned this in the capitalist Left. And yet Class War collapsed. Why? In our view this was because it had no politics. Populist posing is not class politics. This is a general problem of anarchism today. A hundred years ago many anarchists shared some of the positions we are arguing for today but refused to be part of a Social

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## ***Review of the International Bureau for the Revolutionary Party***

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