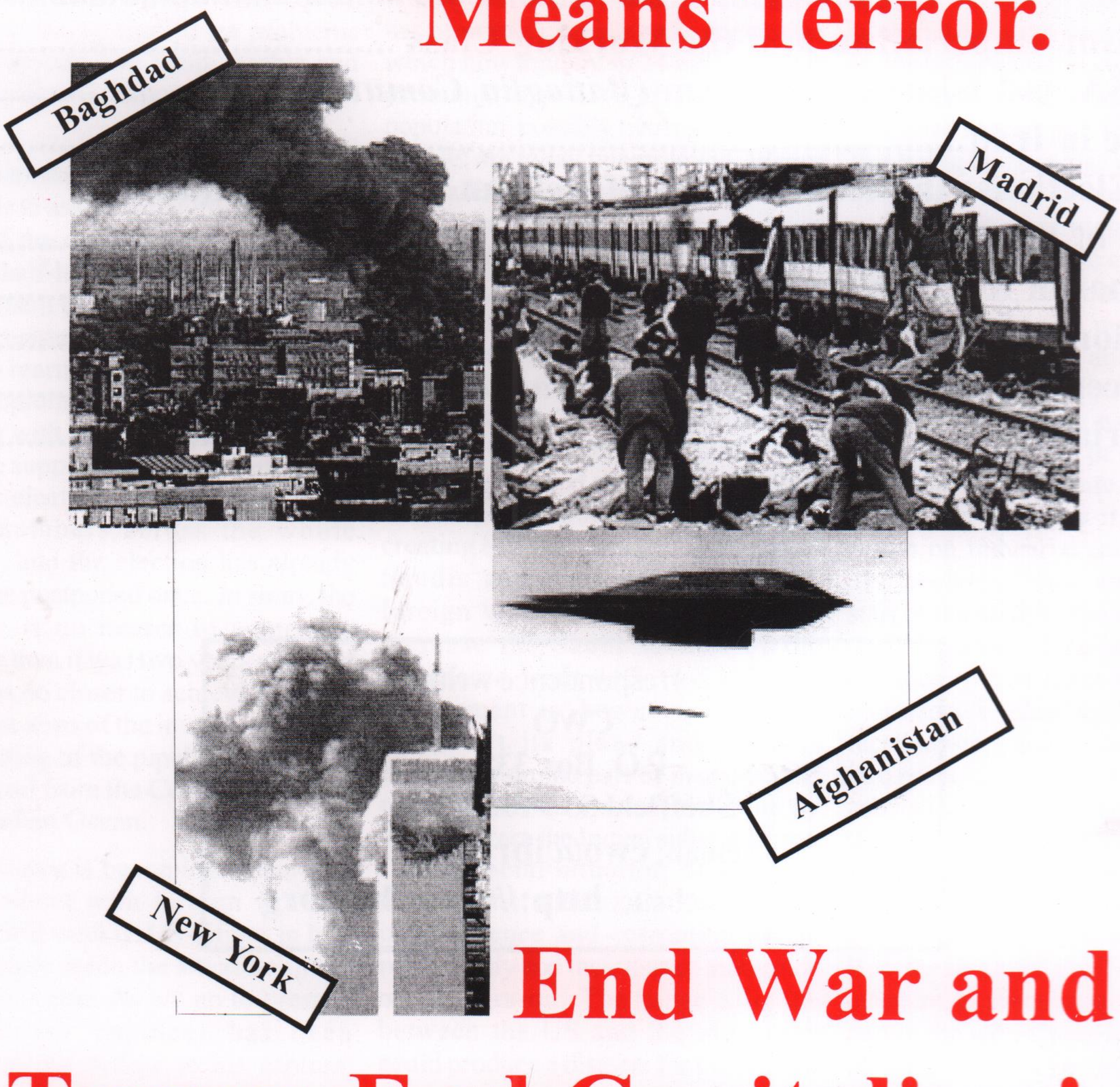
Revolutionary Perspectives 32

Capitalism Means War, War Means Terror.



End War and Terror, End Capitalism!

Contents

Terrorism • Iraq • Iran • Israel
Class Struggle in Britain • Crisis
Decadence • EU Imperialism

Revolutionary Perspectives

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Contents

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Editorial

Oil imperialism

The last three months have seen the grand plans of US imperialism for the Middle East run into increasing difficulty as a result of both the incompetence of the Bush junta and the resistance of the US rivals. The US's problems in Iraq and Palestine have been given much attention in the bourgeois press and are discussed in articles in this edition. The US is, however, facing significant problems in Afghanistan and Saudi Arabia and has also recently imposed sanctions on Syria.

In Afghanistan, the Karzai government is unable to assert its control over much more of the country than the capital, despite half-hearted NATO help. Local government offices are being overrun by the resistance, as warlords and the *Taliban* rearm with the proceeds from record opium production. US soldiers together with aid workers and UN staff, who are supposed to be organising the famous election, are being killed in small numbers across the whole country, and the election has already had to be postponed once. In short, the country is no nearer to achieving stability than it was two years ago, and the US is no closer to achieving one of the prime aims of the invasion, namely the building of the pipelines to get the gas and oil from the Caspian oil fields to the Indian Ocean.

Saudi Arabia is becoming a cauldron of discontent with foreign workers being killed weekly. US actions in Iraq have clearly made the situation in the kingdom worse. As we go to press, a US military engineer has been beheaded. According to his captors, this was in response to US atrocities in Iraq at Abu Graib prison and elsewhere. One of the US objectives of the Iraq war was to get new bases for its forces outside Saudi Arabia which was now considered an unreliable ally. The anticipated instability in the kingdom is now building up before the US has established itself in Iraq thereby obliging the US to support its Saudi client rather than engineer a change in regime from outside the kingdom. The Saudi government is facing problems generated by the growth of capitalism in Saudi Arabia: problems it is fundamentally incapable of dealing with. When the kingdom was established in the '20's the population was largely nomadic and numbered between 1.5 and 2 millions, and could be controlled by a feudal monarchy. Since the kingdom began its rise to the position of the world's principal oil exporter, the population has become settled and engaged in the oil industry or the government. From the '80's there has been an explosion in the population which now amount to 24 millions. It is estimated that 25% of the working population, possibly two million young people, are today unemployed. Wages and salaries have halved since 1980. The kingdom has relied on foreign workers for both skilled and unskilled labour throughout the entire post war period and even today about 50% of the labour force is immigrant labour from the Middle East and the Indian sub-continent. The Saudi government plans to replace part of this labour with Saudi labour, and their five year plan, for the period 2000-2005, envisages creating 817 000 jobs for unemployed Saudis and repatriating 490 000 foreign workers. The plan aims to increase the Saudi section of the workforce from 44% to 53%. The government is, however, failing to carry out its plans and there is reluctance on the part of many Saudis to carry out the menial jobs done by workers from the Indian sub-continent. It is a social situation of massive discontent made worse by the incompetence and corruption of the royal family and their tens of thousands of hangers-on. The close alliance between the US and the monarchy could produce a disaster for the US and provoke massive upheavals in the in the global supply of oil. It is estimated that if the Saudi output were to drop by 10%, the price of oil could double, rising from its present level of $35 per barrel to $70 or $80. This indicates the vulnerability of both US imperialism and the world economy.

Economic instability

The uncertainty of oil supplies from the Middle East, together with the massive debts are two visible risks to the global economy. While such risks are not, of course, the real cause of the problems of the capitalist system, which are considered in the text on the expansion of the EU in this edition, they are certainly effects of these problems. The explosion of debt, in the form of government debt, business debt and consumer debt make the global system very vulnerable to changes in interest rates. US budget and trade deficits each amount to approximately $500bn or together 10% of US GDP. This is matched by corporate and individual indebtedness at levels never seen before. In the UK, consumer borrowing has now soared to £1000bn, 85% of this being on housing. Why should the bourgeois class be so keen to lend money to the working class? At the start of the economic cycle following World War II, this could never have happened. There was initially a shortage of capital and what capital could be accumulated locally, or through loans such as the Marshall plan, was invested in rebuilding the industrial infrastructure of Europe. The reason for this was that the rate of return on industrial capital was high. The decline of this rate signalled the start of the crisis in the early '70's and, despite all the efforts of the past three decades, profit rates have not even returned to levels of the early '70's. The fact that vast sums of capital today flow into speculation in the financial sphere and loans to the working class indicates that rates of return on industrial capital are too low to attract capital and cannot compete the higher rates on mortgages and the usurious rates on credit cards. But these rates are fundamentally insecure, as at some point, and in some part of the world, they must connect to the rate of profit on industrial capital since it is this which generates surplus value by exploiting workers. The whole financial sphere is like a house of cards built on a rickety table. The whole structure could come tumbling down with one sharp knock on the table. An increase in interest rates could cause a failure somewhere in the system which could bring devastation. The housing bubble in the UK is particularly vulnerable to collapse, which could bring negative equity, foreclosures of loans, and a crisis for lending banks and building societies. For the British

Continued on page 3

Class Struggle in Britain

Despite constant Labour propaganda that the working class should shelve its own interests for that of the nation, there has been a spate of strikes, many unofficial, by postal workers in Liverpool and Manchester and firefighters throughout the country as a whole. Their strikes, along with unrest voiced by transport workers, have shown that the working class is still prepared to fight on its own terrain.

Firefighters

One of the most militant sectors of the working class in recent years has been the firefighters. They recently walked out in a series of unofficial strikes starting in Manchester after rows broke out over training on new anti-terrorist equipment during overnight 'stand down' time Firefighters also said that

Salford fire crews were suspended for not taking on extra work before broken promises on pay were made good

the agreement which was reached with their union after last year's strike — staged pay rises to begin in November 2003 — had not been adhered to by employers. There was a strong feeling at the end of the last strike that the FBU had sold out the firefighters and when firefighters in Manchester were suspended for refusing to handle the anti-terrorist equipment an unofficial series of strikes spread across England, parts of Scotland and Northern Ireland. Unrest has been simmering since the union refused to back calls for a 15% pay rise demanded by its members and instead settled for 3.5%. The issue of 'stand down time' has been a major one where the firefighters are determined not to back down. Night shifts are 15 hours long and 'stand down time' allows them to rest between midnight and 7am when they are not dealing with emergencies. Since most fatal fires occur at night the firefighters are resisting attempts to reduce night cover.

There seems little doubt that the firefighters dispute was provoked by management who are desperate to shake up the whole fire service and turn it into an anti-terrorist/cheap ambulance service. They have been aided by the union which did its best to contain last year's militancy. The FBU was as scared as the management that this series of unofficial strikes spread so quickly they desperately stepped in to control the situation. Although they initially wanted to end the dispute the firefighters have rejected the agreement they reached and the dispute rumbles on.

Unrest amongst transport workers...

Meanwhile thousands of signallers, maintenance and station staff on the London Underground have voted to walk out over a pay dispute, rejecting the 2.5% pay rise Metronet imposed on them. They also want a cut in hours to 32 a week. They voted for action by 2614 to 643. The union is, as usual, talking up action whilst preparing for peace. Tube workers want their strike to be co-ordinated with that of rail workers who have voted to take action on pay and pensions. This could spark the biggest bout of industrial action on the railways for over ten years. Network Rail are offering a 3% pay increase and are refusing to offer a final salary pension scheme to new entrants. Some 7000 signal and maintenance workers are set to strike. A date was set for a tube strike the day of the mayoral elections in London but was called off, unsurprisingly, since the RMT is one of Livingstone's most loyal supporters, financially supporting him in the last election and in turn being rewarded by RMT boss Bob Crow being given an appointment to the board of Transport for London. So, despite a resounding ballot to strike, no strike is as yet planned, and just like the firefighters' strikes of last year, a vote to take action generally means the union hurrying into secret talks with management to reach some compromise deal which leaves workers out of pocket and with usually worse working conditions but ensures the profitability of the industry.

And civil servants...

After initial action in April, when civil servants staged the biggest walkout for 13 years which involved 100 000 workers, attacks by the government have continued apace. Many sections of the civil service earning low wages refused to accept a deal forced upon them which involved a rise less the rate of inflation in return for increased performance. Despite the fact the deal was rejected by 94% of union members, the best the union could come up with was two 48 hour strikes, as usual with no strike pay. Even these were organised begrudgingly after the union called off initial planned action 'as an act of good faith' to the bosses. Since then the PCS has allowed 28 staff to be suspended without pay for refusing to co-operate with the performance scheme. In the face of this inactivity the government felt confident enough to attack workers further when Gordon Brown publicly announced 40 000 job cuts in his latest budget. This number is due to be increased to 80 000 when he announces his review of public spending this summer. As usual the union expressed verbal outrage but have held back workers' anger and channelled it into two limited days of action in July, both of which will be organised to cause the minimum amount of disruption both to the government and its day to day operations and to its plans to lower wages, increase productivity and organise mass sackings.

Role of the unions

The main aim of unions is not to protect workers but to protect employers and channel the workers' discontent into something manageable. In all cases they delay action both to wear out workers' resistance and to give the bosses a better fighting chance. When

strikes do go ahead they are limited and isolated and called off as quickly as possible in order to minimise any real hurt to capital. The best chance for any group of workers to win their dispute has always been to link up forces with other sections of their class. This, however, stands against the interests of the unions, which exist to promote only one section of the working class in a particular trade or area usually against other sections of the class. They adhere loyally to capitalism and its struggle for competition and they'll make the case for one area to survive at the expense of another. The call for loyalty to the nation is never far away and while they will help with the loss of jobs by helping manage redundancies or sabotage strikes, whenever jobs move to a section of the working class abroad, as recently with call centres, the unions are the first to stand up and start waving the flag. Meanwhile, they do whatever they can to weaken any resistance to capital's attacks at home. Whenever unofficial action looks as though it might cause any problems the union steps in to take control of it. If unions are not pushed into militancy by their members they act as a tier of management, as workers at Tesco recently found out when their union helped promote a new sick pay regime which naturally led to cuts in wages. The logic is that everything must be done to protect the industry or business and to protect the union and both are generally done at the expense of the working class.

If the transport workers, civil servants, firefighters and others are to win their disputes they will have to fight outside the control of the union, set up open and genuinely democratic mass meetings with other workers to decide what steps to take. Every strike that has failed has done so because workers trusted their unions and the unions left them isolated. The only successful recent strikes, such as that at BA last year, were carried out against the unions' advice and were unofficial and organised by the workers themselves. Leaving any kind of organisation to the unions is to give away any power or hope of success. Solidarity with other sections of our class is the only way forward, otherwise we'll see more class activity being nipped in the bud by the unions and their apologists.

RT

Editorial

Continued from page 1

working class this will also be a shock. The UK housing boom is a continuation of the policy of trying to promote the working class into the ranks of the petit bourgeoisie started by the Thatcher regime in the '80's. By selling off council houses and providing workers with loans to start their own businesses the bourgeoisie hoped to solve the problems of capitalism and bring the class struggle to an end. Today 67% of all UK housing is privately owned. A collapse in the housing market will see much of this revert to the bourgeoisie and an increase of rented accommodation. It will also produce a major challenge to the illusion which the ruling class has promoted from the Thatcher period on, namely that the working class has a stake in capitalism and should not therefore struggle for its own interests.

Working class needs unity

Since the outset of the crisis, there has been a steady decline in the share of the GDP contributed by industry in all the core countries of the capitalist system. At the start of the '70's, 30% of the UK economic activity was in industry which employed 8.5 million workers. Today, the percentage is 17% in industry and only 3.5 million workers are employed there. On 22nd May, the Transport and General Workers Union (TGWU) organised a march in Birmingham to call on the government to institute a massive programme of state investment in industry. The TGWU estimate that 126 000 jobs in industry are still being lost annually. There is, of course, no chance of the British bourgeoisie reversing the policies of the last two decades. Britain is now a low-wage, low-skill, economy and attracts capital investment on this basis and because it is inside EU tariff barriers. The parasitic activities such as the recycling of surplus value produced by workers in other parts of the world *via* financial services are more important to the British bourgeoisie than manufacturing. There are now, for example, 5.7 million workers in financial services in the UK. The call by the TGWU does, however, indicate the dangerous divisions in the British working class, divisions in which workers are separated into sectors who fight for their own sectional interests. It is the unions who police these divisions. Any collapse of the global financial structure will hit all sections of the working class, and although it may shatter a lot of lies which workers have swallowed from the '70's onward, this itself will not be enough for a fight back. There is a vital need for class unity, and not just in a second-rate power like Britain, but with workers in the EU and in the periphery.

We reproduce below the statement of the International Bureau for the Revolutionary Party on terrorism, adopted as an immediate response to the anti-proletarian Madrid bombings.

On subsequent pages, we examine the issue further, analysing the relations between the working class, imperialism and terror, and re-publishing an article from our comrades in the Italian section of the IBRP, Battaglia Comunista.

IBRP Statement

Terrorism is a Weapon of Imperialist War

The Madrid events — both the horrendous barbaric massacre caused by the bombs and the ignoble spectacle provided by the bourgeois political world immediately afterwards — and the assassination of the *Hamas* "spiritual leader", Ahmad Yassim, are absolutely indicative of what capitalism is preparing for us.

Starting from the 11th of September 2001, which set the scene for a war against the Afghanistan of the *Taliban* which had, by that time, already been planned for two years, and up to the latest events in Madrid, which obviously shifted the axis of the Spanish government's political orientation with regard to the war in Iraq, terrorism seems to have risen to be the Enemy in a new world war. But it is not so.

Terrorism is a pawn — we can't know how directly it is manipulated or is autonomous, but it is certainly unleashed and utilised — in a much bigger game between the imperialist powers. In this sense terrorism has now become one of the weapons of the war underway between the imperialist powers, either already in action, or in formation.

The USA entered into first Afghanistan and now Iraq to defend its role as the world controller of oil, its routes and the financial revenue derived from it. Against Saddam? Him too, because he had already made agreements to sell petrol for euros, but above all, against the euro and the danger that it represents.

On the other hand, the euro is for the moment nothing other than a currency behind which there is not yet even the appearance of political unity. While the French and German bourgeoisies, throughout their governing and opposition political line-ups, were adversaries of the Anglo-American war in the UN and through diplomacy, the Italian and Spanish bourgeoisies showed themselves substantially divided — and therefore politically unstable — and with a momentary philo-American prevalence in their seats of government.

It is a given that the Madrid bombs shifted, in an extremely brutal and anything but political fashion, the orientation of the Spanish government. Obviously, in this way the Europeanist front (for the autonomy of Europe against America), a just before the ten new countries enter the European Union, through a part of which there runs a philo-American tendency.

The other thing which emerged from the Spanish events was the lie as a new political instrument of great efficacy. It is not a very new phenomenon: even the recent wars (from Afghanistan to Iraq) have been fought in the name of... tall stories: the struggle against *Taleban*-protected terrorism in Afghanistan, the weapons of mass destruction of Saddam in Iraq. On the other hand, did the European states go to bombard and occupy ex-Yugoslavia in the name of... human rights?

The assassination of Yassim was also a great falsehood, either as a measure of retaliation or for protection from Palestinian terrorism. The reality is that now *Hamas* terrorism will spread beyond the boundaries of the Middle East itself. If — as is very likely — there were no links between *Hamas* and *Al Qa'eda*, now Sharon has encouraged their emergence. The action against *Hamas* aids Sharon in undermining even the minimum possibility of the risible negotiations on the so-called "Road Map", and resolves itself in fact in a strengthening of terrorism in the world. This will serve to justify more warlike undertakings.

This is why we stress that terrorism is a weapon of bourgeois war.

In the face of capitalism's march to war and barbarism, the only force which can put the brakes on is that of the working class. Class struggle is the only weapon with which the world proletariat can obstruct and slow the bourgeoisie's course to war.

Workers must return to self-defence against the bourgeoisie's brutal attacks on wages, employment and welfare.These genuine defensive struggles (which are therefore outside and against the union logic of co-management and its corresponding diversionary structures), will also be the condition for the rebirth of an historic alternative to capitalism, to its exploitation of man by man, to its wars.

This alternative has a name, which has been muddied by the Stalinist counter-revolution and Russian state capitalism, but which will return to inspire the proletarian masses: it is communism.

International Bureau for the Revolutionary Party

Terrorism, Imperialism and the Working Class

"The war on terror" has now become the complete rationale for all adventures by the USA and its allies throughout the planet. The uncompromising attitude of the Bush regime that "you are either for us or against us" is an attempt to crush any debate or dissent, both between and within, the leading capitalist nations on the planet. Even in the immediate aftermath of the horrific attack of September 11th 2001 the notion that a state could declare war on an ill-defined means of war ("terror") rather than on any organisation, or any state, seemed a nonsense to some bourgeois commentators, and a way of getting a blank cheque for any type of aggression in any part of the world. And so it has turned out. Whilst the refusal of the *Taliban* to turn over the *Al Qa'eda* leadership to their former paymasters may have had some logic in *realpolitik*, the attack on Iraq, whose leader was a sworn opponent of Islamic fundamentalism certainly was not. As we have re-iterated time and time again, the US-led attack on Iraq was for more material reasons connected to the maintenance of the dollar as the international medium of exchange (particularly in the strategically important commodity, oil), and therefore the dominant economic and military position of the USA in the world imperialist *nexus*. From the beginning, this was aimed not only at old rivals but also at former friends and supposed allies, particularly those European powers like France and Germany, who no longer felt they had to follow US orders unquestioningly. To this end any "weakening" of the fight against terror by any state is interpreted as a hostile act by a US regime which immediately threatens some form of economic or political sanction.

The US's most-favoured allies, those who have supported the Iraq adventure without question, such as Britain, Australia, Spain and Italy, have had to take on the vocabulary of the Bush regime in order to sell to their citizens that the whole idea that "a war on terror" was, and is, real. The paradox is that every aggressive action by the USA and its allies in the Middle East makes the likelihood of further terrorist attacks by "Islamic fundamentalists" on the citizens of those countries more likely. Even before the revelations of torture and humiliation from the Abu Ghraib prison an objective observer would have had to conclude that there is a certain commonality of barbarity in the actions of the USA and "the Coalition" in Iraq, and those of the non-state terrorists. In the last few years the USA has killed thousands of Afghanis and Iraqis simply for living under the wrong regime. This massacre of the exploited and oppressed was passed off as mere "collateral damage". But their opponents in the non-state terrorist networks have no better record. Was the attack on the World Trade Center an attack on a strategic target of the US imperialist order? As we ask in our statement on the Madrid bombings, who were the victims? It was ordinary workers, for the most part, who were the injured and dead in New York, Madrid and even, to go back some time, Omagh.

Terrorism and the state

Here we should pause to think exactly what "terrorism" is. The governments of all states ultimately define themselves through the monopoly of terror they wield inside their own territory. In other words state terror is "legitimate" and other forms of violent resistance to that monopoly are simply "terrorism". From the point of view of working class revolutionary movements there is not much to choose between the state and the terrorists. The kind of terrorism that flourishes in resistance to imperialism is not anti-imperialist as such but simply against one type of imperialism. Most of the terrorist movements which flourished in the Cold War were nationalist in ideology but supported by one or other of the two super-powers. Today's *Al Qa'eda* and *Taliban* organisations were all financed, armed and supported as bulwarks against the Soviet Union by the USA in the 1980's. It was only the end of the Cold War and the subsequent extension of US military activity which turned their former clients against them. Initially, *Al Qa'eda*'s Saudi agents targeted the US military base at Dharram where 18 soldiers were killed in a bomb blast a decade ago but as the US Army woke up to the threat they have turned to softer targets, such as the foreign workers (largely from India, Pakistan and other Asian countries) killed in the raid on the Al-Khodar oil complex at the end of May. Attacks on people for simply being "foreign" are the stock in trade of the nationalist terrorist organisations. It is one way they can whip up atavistic nationalist sentiment from which only they can benefit. Thus the IRA and the various Protestant paramilitaries in Northern Ireland could dig a trench through which rivers of blood can flow to divide workers in Ulster. The process of "ethnic cleansing" as the genocide in the Balkans was so decorously called was a similar form of terrorism. The aim here was not only to create undying hatred between peoples who spoke the same language but also to terrorise the population to move out of the area coveted by the dominant group. Here the Croats, at least, took direct lessons from the Israelis, who, in re-occupying Palestine in 1948, became masters of this terror tactic.

Nowhere is the line between state terror and terrorism so narrow as in the history of the modern state of Israel. Although the state of Israel largely came into existence as a result of a favourable moment in imperialist rivalry (so that both the USA and the USSR supported its creation), the British mandate in Palestine largely collapsed in the face of a sustained campaign of Jewish terrorism. Three Israeli organisations, the *Haganah*, the *Irgun* and the Stern gang all carried out acts of terror against Palestinians, British troops and UN observers. Nearly every Israeli Prime Minister since 1948 was involved in these acts of terror. In his memoirs, Yitzak Rabin (assassinated by a right wing Israeli for setting up the Oslo accords) recalled how the *Haganah* found that the news of the massacres of Palestinians by the

Irgun at Deir Yassin had such an effect on the local population that it fled at the very approach of Jewish troops. This was the first post-war "ethnic cleansing" and the start of the Palestinian Diaspora. An ironic beginning for a state which owed its case for existence to a huge act of genocide committed in the Second World War. Menachem Begin, later winner of the Nobel Peace Prize (with Egypt's Anwar Sadat) was involved in the bombing of the King David Hotel in Jerusalem as well as the hanging in cold blood of two captured British sergeants. Itzhak Shamir who succeeded him as leader of the *Likud* Party went to the Madrid conference in 1990 with the clear aim of wrecking it by making a prepared denunciation of the "state terrorism" of Syria. The Syrians replied by simply holding up a wanted poster issued by the UN for Shamir's arrest in connection with the murder of UN peacekeepers. Today, the Israeli government is headed by Ariel Sharon, himself responsible for the massacre in the refugee camps of Chatilla and Sabra in Beirut in 1982. Under Sharon, the Israeli government has launched unprecedented campaigns of individual assassination and reprisal against the Palestinians in response to the latest suicide bombings. The suicide bombings themselves are the ultimate terror tactic. A product of the desperation of the dispossessed who have no hope, they create martyrs on two sides at the same time. They are anathema to any who believe that the aim of political change is to create a worthwhile existence for all who live on the planet.

For working class revolutionaries we have to reject both the state terrorism of the leading imperialist powers and the nationalist or religious terrorism of their opponents. The so-called democratic credentials of the first are no licence for the massacre of minorities and the methods of the latter are totally repugnant to internationalists whose aim is to unite the world working class to overthrow all class rule and all states. Only once we have achieved the latter will we be in a position to say that we have completely banished terror from human affairs.

The big question is one of method. Revolutionaries not only reject the pseudo-democracy of the West but also the nationalist and religious ideologies of the current terrorists. Our aim is to abolish class rule and establish a system of direct democracy *via* workers councils everywhere. This means the decentralisation of the power historically wielded by a state power and ensures that everyone will have a direct part to play in the decisions that affect all our lives. There would still be debate but this would not take the antagonistic and bloody form of those based on interests of class or nation which lead ultimately to violence. To reach such a situation, however, requires a revolution and this also means that there will have to be a settling of accounts with those who currently own and control the planet. And this is where the difference in method comes in. It is axiomatic for communists that communism can only be established by the mass movement of a self-conscious working class. We reject utterly nineteenth century notions such as the Blanquist idea that a self-styled revolutionary elite are destined to "make the revolution" for the masses. For us this idea sits alongside nineteenth century anarchist notions that terrorist acts, so-called "propaganda by the deed", can stimulate a mass movement. As Marx noted in a letter to Engels, such terrorist acts are not only counter-productive but actually anti-working class.

> *...the last exploit of the Fenians in Clerkenwell was a very stupid thing ... One cannot expect the London proletarians to allow themselves to be blown up in honour of the Fenian emissaries.*
>
> Letter from Marx to Engels, December 4th, 1867 in *Ireland and the Irish Question* [Lawrence and Wishart] p.149

As Marxists we understand that the class struggle is the motive force of history and the revolutionary consciousness of the proletariat is forged only via mass action. The more widespread and the more conscious the communist movement is amongst the mass of the world's workers who make up the vast majority of the planet's population the less violence that will be required to overcome the old order. In the face of widespread mass resistance they cannot rule, however overwhelming their control of the monopoly of violence appears. However, as a mass movement on a global level will not arise overnight, our masters will try everything they can to disrupt it. When the propaganda of a tame press fails to undermine the basic class consciousness of the exploited then the ruling class will, as history has demonstrated on many occasions, turn to that violence which characterises their rule.

Revolutionary terror

As no ruling class in history has ever given up power without a fight it would be suicidal on our part if we assumed that the present capitalist order will be so gracious as to vanish from the scene without the most barbaric struggle to hold on to its privileges and power. Revolution presupposes a fight. As Engels put it when criticising the childishness of those anti-authoritarian anarchists who thought that the state would immediately disappear with the onset of revolution:

> *A revolution is certainly the most authoritarian thing there is; it is the act whereby one part of the population imposes its will on the other part by means of rifles, bayonets and cannons – authoritarian means if such there be at all; and if the victorious party does not wish to have fought in vain, it must maintain this rule by means of the terror which its arms inspire in the reactionaries.*
>
> *On Authority* in Marx and Engels *Selected Works* Vol.1

These same anarchists, who were the ones who formed the small elitist groups to indulge in individual acts of terror, were horrified at the possibility of the organised terror of the working class in the class war. But history has demonstrated that the working class will have little choice when confronting the exploiting class. In the Paris Commune of 1871 the workers took hostages from amongst the rich and powerful of Paris. However, apart from the shooting of the two generals who attempted to seize the cannons from Montmartre they did not injure their captives. Contrast that with the behaviour of the Versailles government of Thiers. Not only did it shoot prisoners but also emissaries sent to negotiate with it. With the backing of the entire bourgeoisie of Europe (the German Chancellor, Bismarck released French soldiers taken as prisoners of war in order to make the task easier) the massacre was prepared. In May 1871, the *Versaillais* re-took Paris murdering everyone in their path. At least 20 000 were killed in this "*Semaine Sanglante*" (Bloody Week) but it was the murder of the 84 hostages, including the Archbishop of Paris which made the international

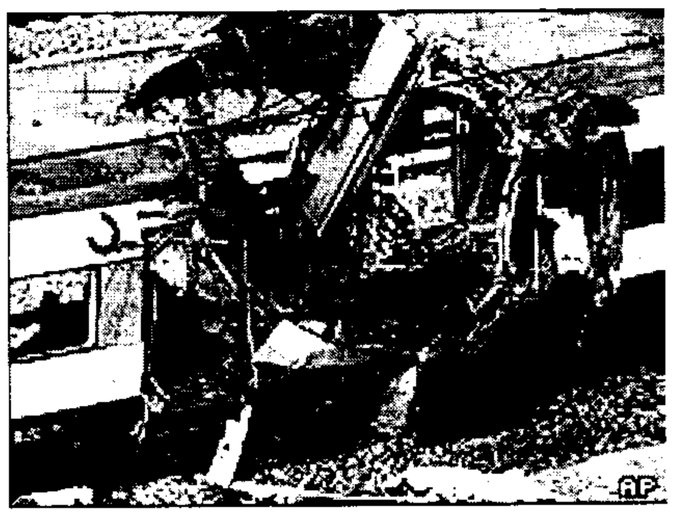
headlines. Engels commented in the same article already mentioned;

> *Would the Paris Commune have lasted a single day if it had not made use of the authority of the armed people against the bourgeoisie? Should we not, on the contrary, reproach it for not using it enough?*
>
> *op. cit.* p639

This was a lesson which the proletariat is always slow to learn. In theory the Bolsheviks understood the lesson of the Paris Commune of the need to use terror against the bourgeoisie but in practice they were reluctant to carry this out. The Bolsheviks had always condemned the individualistic actions of the anarchists and Social Revolutionaries against Tsarism as futile gestures detached from the real class movement but had recognised that collective action would be necessary. Lenin was regarded as realistically ruthless when he wrote that individual terror actions would take place as individual proletarians took matters into their own hands in settling accounts with the class enemy What, he argued, was essential, was that the "dictatorship of the proletariat" i.e. the workers representative bodies took control of this as much as possible. This proved true in reality. In January 1918, revolutionary sailors broke into hospital where the monarchist politician Shingarev and a colleague were recovering and killed them both. Up until this point the proletarian dictatorship had been characterised by the absence of such actions despite the wailings of the international press of the indignities forced upon the former bourgeoisie. Once again it was not the working class which was the first to use the weapon of terror. Ten days after the Bolsheviks had led the proletariat to victory in Russia Lenin was writing;

> *We are reproached with using terror. But such terror as was used by the French revolutionaries who guillotined unarmed people we do not use and, I hope shall not use ... When we have made arrests we have said "we will let you go if you will sign a paper promising not to commit acts of sabotage". And such signatures are given.*
>
> Quoted in E.H.Carr *The Bolshevik Revolution* Vol. 1 p.161

However the word of honour of "an officer and gentleman" from a declining social order cannot to be trusted. Those who were released, like General Krasnov, immediately went to Southern Russia to organise White Armies (financed by the British and French) to do more than sabotage the Revolution. The proletariat tried to maintain principled opposition to the death penalty but from the very beginning their opponents went in for outright slaughter. In the takeover of Moscow the Whites massacred workers in the Arsenal and in the Kremlin and very soon the policy on the White side was to kill, sometimes by brutal torture (crucifixion included) every Communist that fell into their hands. According to Carr, though, on the Red side



The Madrid bombings were a bourgeois attack aimed at mainly proletarian commuters

> *... no regular executions either by summary judgement or by normal judicial process appear to have taken place in the first three months of the regime.*
>
> *op. cit.* p162

In December 1917 the Extraordinary Commission for Struggle Against Sabotage and Counter-revolution (the *Vee-Cheka*, later just *Cheka*) was established. For some this development was a nail in the coffin of the idea of a revolution to liberate humanity. However an examination of the *Cheka*'s activities underlines the fact that the degree of violence of its "Red Terror" was determined by the degree of violence used by the opposition to the October Revolution, both within and without Russia. To begin with the *Cheka* was also under the political control of the Council of Peoples' Commissars who were in turn responsible to the Soviets. This meant that the *Cheka*'s members were not just drawn from the Bolshevik Party. This pluralism nearly had disastrous consequences in March 1918, when the signing of the Treaty of Brest-Litovsk caused the Left Social Revolutionaries who had been in coalition with the Bolsheviks to abandon the alliance. Had they done so *via* a debate in the Soviets or even *Sovnarkom* (Council of People's Commissars), then this would have been a debate inside the proletariat, but, in fact, the Left SRs decided that individual terror would replace class terror. Left SR members of the *Cheka* assassinated the German Ambassador Count Mirbach in an attempt to restart the war and there were then several assassination attempts on leading Bolsheviks (Uritsky and Volodarsky were killed, Lenin and Bukharin were wounded). The Left SR actions led to an expansion of the *Cheka*, and the start of the open civil war with the Whites in the same month, led to a process where the *Cheka* began to become a state within a state, outside of the control of the by-now withering soviets. But this is to run a little ahead of the story since the *Cheka* were still only responding to the direct threats to the revolution. Its main force was actually deployed against food speculators who, in a situation of increasing food shortages were far more dangerous than all the White armies put together. However, as the Civil War spread and as the atrocities of the Whites against workers and communists increased, the attitude of the Russian proletarian power shifted from one of reluctance to use the death penalty, or even to imprison known opponents, to one of ensuring that no-one would assume they were weaker in their resolve than the Whites. The *Cheka* rose as the proletariat declined. As the Soviets gradually lost their ability to operate (by 1920, most were empty shells), the *Cheka* took on more and more power. By 1921 "the dictatorship of the proletariat", the semi-state of the working class designed to suppress its enemies, had not withered away but, under the isolated condition of Russia, had been transformed into a new form of state apparatus. The tragedy for the working class was that the Revolution failed, and we have been left with the Stalinist consequences ever since, but this should not be confused with the fact that terror had to be used in the course of overthrowing the ruling class. Whilst we can all agree with sentiment behind the Programme of the German Communist Party as drafted by Rosa Luxemburg that

> *In bourgeois revolutions the shedding of blood, terror and political murder were the indispensable weapons of the rising classes. The proletarian revolution needs for its purposes no*

terror, it hates and abominates murder;

we also have to recognise that this choice will not be a free one for us. The Bolsheviks, as we have shown here, did not make a virtue out of necessity as Rosa Luxemburg suggested in her pamphlet, *The Russian Revolution*, but only did what the circumstances forced upon them. And events in Germany were to prove this even more decisively. The *Spartakus* Revolt of 1919 was drowned in blood when hundreds of workers were shot after capture. Luxemburg and Leibknecht themselves were murdered by the same *Freikorps* who were called into action by the German Social Democratic Party of Ebert, Schiedemann and Noske. Later, when the Munich Soviet was defeated the White Terror, absolutely sure that they faced no reprisals from their opponents, murdered 1000 workers in less than a week.

Terror is part of class politics, and until we succeed in abolishing the exploiting classes, the proletariat will have to use it. Any future revolutionary class will need a special commission to fight all the spies, economic saboteurs and assassins which the counter-revolution will prepare for us. We do not revel in this task and we will need to ensure that any special bodies are under the control of the bodies which represent all workers so that they wither away as the state withers away. However, until the suppression of the old ruling class, we have to recognise the same reality as Marx wrote

> *There is only one way of shortening and simplifying the murderous death pangs of the old society, the bloody birth pangs of the new – only* ***one way, revolutionary terrorism****.*
>
> Marx *The Victory of the Counter-revolution in Vienna* November 6th, 1848

The more conscious, the more organised, the greater the movement the less need there will be for the weapon of terror to be deployed but we cannot avoid finding some means to deal with opponents who start off with enormous advantages in terms of the resources they control. As it is the current war on terror has allowed our rulers to suspend many of the legal rights (such as the right to a trial) we currently "enjoy" under capitalist democracy. This, our rulers tell us is so that we can go on "living in a democracy". Democracy is however only for the rich. Lets not forget that the US democratic system imprisons more of its poor citizens than any other rich nation. It is not surprising, therefore, that the individual responsible for the Abu Ghraib torture regime was a disgraced former private penitentiary boss who had been sacked for ill-treatment of prisoners but was then appointed by John Ashcroft, the Attorney General in the Bush regime, to run Abu Ghraib. Our rulers do not need a war on terror to implement repression, but it certainly helps them to justify their increasingly reactionary rule.

Jock

An enemy raised at home. In Washington.

The USA and Islamic Terrorism (from *Battaglia Comunista*)

American imperialism's arrogance and that of its self-interested allies fed the ferocity of Islamic terrorism. A terrorism which has in its time been widely used, politically hidden, economically financed and armed in all the strategic situations where it aided American penetration or presence in the four corners of the world. *Al Qa'eda* itself, whose traces are seen throughout the Islamic world, was born and developed in Afghanistan in the '80's under the Washington government's protective umbrella to help install the anti-Soviet *Mujaheddin* in power. Between 1994 and 1996 the Mujaheddin government, which was allied to the US, proved incapable of guaranteeing social peace in Afghanistan. Social peace was required by the US since it was the indispensable condition for construction and operating oil pipelines from the Caspian Sea to the Indian Ocean. In these circumstances the USA invented the Taliban as a political and military instrument to complete the project which the *Mujaheddin* was failing to do. It is the same story in Chechnya where Chechen fundamentalism has been stirred up against the Soviets, and again in the Middle East where the birth and thriving of terrorist organisations with a fundamentalist imprint is due to the repression and actions of ethnic cleansing carried out by their principal ally, the state of Israel.

Today, this selfsame fundamentalist terrorism is revolting against the USA by directly striking against the symbols of its power, and, on the edge of its empire, against the soft belly of its allies. The tragic events in Madrid are evidence of this. Apart from the now systematic use of the lie as a means for conditioning internal and international public opinion, which was attempted to credit the horrible massacre, with almost 200 dead and 1400 injured, to ETA, the tracks of *Al Qa'eda* were immediately apparent. The most visible reactions to this outrage were consternation, horror and indignation in the Western world and among moderate Arabs, but there was also satisfaction and political demands from the international fundamentalist forces and a part of Europe's so-called revolutionaries. Two things are worth saying about the positions assumed by those who sing the praises of the attacks as an example of anti-imperialism which needs to be imitated and who see in the Arab masses under the control of fundamentalists the movement to follow.

In the case of the Madrid attacks, the so-called sensitive targets of philo-American power were not hit, neither

It is to be hoped that Al Qa'eda are mourning along with the American bourgeoisie. For, without the Reagan government's support, where would their organisation be?

was society struck indiscriminately to achieve the punitive objective. None of the seats of the Spanish government and no military structure was touched. It was the Spanish proletarian who was physically and psychologically hit. More than a thousand commuting workers and students, many of the latter children of workers, were the targets of *Al Qa'eda*.

No political tactic, not even the most ideologically corrupt and strategically perverse, could give any credit, even critically, to such an act of barbarism. An act which did not randomly target the civil population that would have been bad enough, but instead deliberately struck at a part, the commuting workers, their families and offspring.

Is this just proletarian rhetoric? No!! It is the just political denunciation of those, who, under any title, simultaneously claim to belong to the revolutionary communist camp and support fundamentalist terrorism in the name of a concept of anti-imperialism which is as false as it is hypocritical.

The other thing to be considered is precisely this supposed anti-imperialism. Above all, for the *n*th time, we stress that to combat imperialism, irrespective of its nature or political colour, means to make anti-capitalist politics: every other approach ends up falling into the abyss of bourgeois barbarity. This irredeemably separates vile terrorist action against the proletariat from class struggle. Of *Al Qa'eda*, one cannot deny that its political content and economic plans are inspired by ironclad capitalism, linked to the exploitation of oil and parasitic financial revenue, which sees in US imperialism an enemy to fear and a competitor to combat. Few things are well-known about *Al Qa'eda*, amongst these are that its founder, Osama bin Laden, is one of the most powerful Saudi exploiters of oil, that his declared objective was and is to remove and punish American arrogance, guilty of violating *sacred* Islamic soil, and, simultaneously, to extend his political management of Arab oil and the Caspian Sea oil in a kind of struggle between the oil lobbies of the West and East This is a struggle which does not rule out any kind of action using the weapons that the two sides have at their disposition; the largest army in the world on the one side, and terrorism on the other. And it is also well-known that among the financers of *Al Qa'eda* there are about 400 Arab oil exploiters active in the broad territories which run from Saudi Arabia to the Emirates, who have a conflict of interest with their governments, thanks to Osama's *Jihad* which promises them political and economic power in exchange for their support and finances. Osama's holding has no interests outside of those linked to oil, in the name, moreover, of the most obtuse and reactionary theocracy that Islamic fundamentalism has ever given birth to.

If today the Arab masses, exploited, insulted and humiliated by Western imperialism, believe that through *Al Qa'eda*, or through any of the many fundamentalist organisations which operate in the Islamic world, there runs the road to their emancipation, then they are completely mistaken. Fundamentalism today is the tragic trap which is closing around the Arab masses' desperation and lack of other political solutions, the means it uses is once more the banner of religious nationalism, its instrument is, as always, the availability of human flesh to butcher, in this case *hallal* (as it pleases God), and the objective, as for all the bourgeoisie of this world, political and economic power. The task of revolutionary communists is to take from Islamic terrorism and the theocratic bourgeoisie the proletarian social basis and to turn their rage towards the re-acquisition of their own goals, and not that of pushing them towards the class enemy by applauding the massacre of workers as in the Madrid attacks.

Who, in the name of class struggle praises, or merely ideologically supports such strategies, is fit only to belong to the camp of bourgeois abominations, as they fight it in words but support and justify it in deeds.

fd

Iraq quagmire

US Imperialism Flounders — No Support for the Coalition!

No Support for the Bourgeois Resistance!

It is now over a year since Bush arrogantly announced that the mission of US imperialism was "accomplished." As the so-called handover of sovereignty approaches it is clear that the mission is far from accomplished, on the contrary, US policy is in complete disarray and sectors of the US ruling class are now considering the possibility of "failure." The last three months have brought a succession of disasters for the US which make the ultimate break-up of Iraq and regional war in the Middle East a more likely outcome of the present crisis than the neo-conservative vision of swathe of prosperous US client states stretching from the Red Sea to the Caspian. It is becoming clear that the US has destroyed a secular state in Iraq and is, despite its intentions, empowering the political forces of radical Islam and Kurdish nationalism.

The much-trumpeted and wholly fictitious transfer of power will now occur with the country in a state of chaos and with some cities, and even sections of the capital, not even under the control of the occupying forces. The independence of the famous "Interim Authority" can be judged by the fact that it is to be headed by an exile who has, for years, worked with British Intelligence and the CIA, and the famous UN role in its selection consisted of that of spectator in a process whereby the US-appointed Iraqi Governing Council (IGC) reconstituted itself as the new body. While this supposed handover of sovereignty is clearly a charade, and its timing determined by the needs of the Bush re-election campaign, it is still a dangerous move for the US. Either the new authority will emerge as a US puppet and the guerrilla war will become more general, or it will tie the US's hands politically and militarily and lead to a situation which US rivals, such as the EU, Russia and China will be able to exploit. It is clear that US imperialism, despite its overwhelming military and economic might, has made a series of spectacular blunders in Iraq which have weakened its position to the point where it is unable to impose its will on the country and its regional ambitions are threatened. Once again, the US has had to go back to the UN to get a resolution to give some legitimacy to its crimes and some camouflage to its intentions. This is a recognition of weakness which its rivals, together with sections of the Arab bourgeoisie, are busily trying to exploit, as well as, of course, obstructing US plans at the UN.

However, the slogan of the Pentagon is

failure is not an option

and this is the position of the US ruling class as a whole. Failure could lead to the unravelling of the whole US position in the Middle East and the US is certainly not about to allow this to happen. The US's real intentions can be clearly seen in the movement of military reinforcements to Iraq from South Korea and, in future, from the UK, together with the expansion of its Baghdad embassy to allow it to continue the political and administrative tasks of the Occupation Authority which is to be dissolved at the end of June.

Blunders and setbacks

The famous coalition of the willing is showing signs of falling apart. The most serious setback was the defection of Spain. Not only were Spanish troops withdrawn but the new Spanish prime minister denounced the war as based on lies and deception. Other minor members of the coalition have followed Spain's lead and withdrawn their troops, while the more important members such as Poland and Italy are increasingly unhappy.

The exposure of torture and abuse by coalition forces, particularly the US, has dealt a devastating blow to the propaganda of the occupation and is likely to precipitate more defections. Torture of prisoners is a routine practice of all imperialist powers but it is clear that, in the case of this war, the decision to abandon the norms of warfare such as the Geneva Conventions was taken at the highest levels of US government. It has now been revealed that the Pentagon produced a legal document in March 2003 detailing the reasons why the President was not bound to obey the US or international law on torture[1]. As a result, the US has set up a gulag of prisons in Afghanistan, Iraq and Guantànamo Bay where a sophisticated system of torture is used to extract information from those detained. The technique involved taking photographs of the torture and abuse and showing them to the prisoners to break them down before the CIA got their teeth into them. Public disclosure of these photographs has been a tremendous blunder. Apart from showing the hideous reality of how imperialism goes about its filthy work, it totally undermined another of the famous reasons for the war given by the Bush/Blair propaganda machine. When it was proved that the famous Weapons of Mass Destruction (WMD) were an invention of the US & British propaganda, we were told that the war was really to establish democracy and restore human rights. This reason was an even more improbable one than the WMD. No country in the history of the world has ever gone to war for such altruistic reasons, and needless to say it was rapidly undermined. The US has no interest in democracy if it is likely to bring the political forces of radical Islam to power and consequently proved this when it refused to allow the transitional authority to be elected and failed to take any steps whatsoever towards creating an electoral register. The claim that the coalition countries could not contain their outrage at Saddam's violation of the human rights of Iraqis and started a war to restore them was utterly ridiculous anyway, but it has been torpedoed by the torture revelations. The photographs of US soldiers gloating over the corpses of prisoners, whom they have tortured to death, show the coalition has no more concern for human rights than Saddam.

The argument by coalition apologists, such as foreign secretary Jack Straw, that coalition torture cannot be compared to that of Saddam because less people have been killed exposes the intellectual bankruptcy of the bourgeois class. Torture was, as we have shown above, authorised at the highest levels of the Bush Junta and was extremely widespread. The latter is shown by the statistic that 43 000 people have been thrown into the coalition's gaols but only 600, or 1.4%, have ever been charged with anything[2].

Collapse of the political strategy

The political strategy of the administration is now in tatters. The chaos which led to the Interim Government illustrates this. Initially the US intended to rule Iraq itself until 2007. After experiencing the pressure of the guerrilla war and realising the opportunities being given to its rivals, this date was brought forward to June 2004. The US was still determined, however, to install the government it wanted and decreed that the government was to be chosen from regional caucuses which it would nominate. When this created an outcry, particularly from the Shias who form the majority of the population, the US proposed the conversion of its appointed Interim Governing Council into the new interim government. When this, in turn, produced further protest it was proposed to let the UN choose the body. In the event this has turned out to be a camouflage with the IGC, who are of course reluctant to lose the power they have so conveniently acquired, appointing themselves to the new authority. Although the new authority will necessarily try and create the impression of autonomy from the US this will be a fiction. Through a tortuous sequence of blunders the US has produced a puppet government with little credibility.

In all these changes of direction the only constant factor is the US desire to ensure that the new authority guarantees US interests. The interim government will clearly not have sovereignty or autonomy since the US will retain its monopoly of military power, namely it will control the means of government violence. However, through its incompetence, the US has ensured that the three main divisions of Iraqi society each retain militias or fledgling armies and the interim regime will not be able to assert control of the country without crushing these forces. While the Kurds have two armies corresponding to the two main Kurdish parties, which the US has never tried to disband, the Sunni and Shia sections of the population were told to disarm, and the US tried to do this by force. However, following the disasters at Falluja and Najaf, the US has given up on attempts to disarm these groups and hopes that somehow these enemies of the US can be cobbled together into a national Iraqi force. All this sets the stage for future struggles and possibly the break-up of the unitary state – the very outcome the US and its allies have been trying to avoid.

The astonishing reversals of strategy in the battles of Falluja and Najaf indicate the lack of direction of the occupation authority. The operation in Falluja started with the aim of disarming the insurgents and arresting those responsible for killing four US mercenaries, and the US forces engaged in this task with customary brutality and lack of concern for Iraqi lives, only to find the political limitations of their military power cruelly exposed by two events. Firstly, its auxiliary forces, the Iraqi army, which it had trained during the year of occupation, refused to fight. As admitted by the US army, half the troops mutinied and some 20% joined the insurgents. Secondly, members of the IGC started to resign in protest at the carnage and it appeared as if the IGC could collapse. Such a collapse would have exposed the true role of the US forces in Iraq and the administration panicked and totally reversed its strategy. US forces were withdrawn although no weaponry was surrendered, nor were any culprits for the killings of the US mercenaries handed over. Instead a Ba'athist general from Saddam's republican guard was brought in to take control of the town. This particular general, Jassim Saleh, was involved in the massacre of Shias after the uprising following the first gulf war. This act has provoked enormous suspicion of US intentions amongst the Shia majority.

In Najaf a similar fiasco has been acted out. The coalition decided to provoke a conflict with the cleric Moqtada al Sadr and his militia, the Mehdi army. His paper was closed down and a warrant for his arrest, for murder, issued. The US announced he would be brought to Baghdad dead or alive and his militia would be disbanded or crushed. The militia occupied the towns of Najaf and Karbala which contain sacred shia mosques and relics which the US was reluctant to destroy after the experiences in Falluja. After a number of skirmishes the US proved unable to inflict a decisive defeat on the militia and once again reversed strategy. The mutinous Iraqi forces were given control of the town and the Mehdi army withdrawn but not disbanded and the charges against Sadr are to be "reviewed" in the future. In effect this compromise means an independent military force remains in the Shia heartland, which detests the US, and could become the nucleus of a larger fighting organisation in future.

These political setbacks have led to a falling out of the coalition with its favourite exile, Chalabi, whom the Pentagon had been grooming for power. This is an indication of deteriorating relations between the US occupation and their appointees in the IGC. Chalabi, we are now told was always an Iranian agent who fed the US lies concocted by Iran. The fact that the US administration was obviously fully aware of Chalabi's past indicates that this rift is a symptom of divisions in the Bush junta itself, particularly those between the Pentagon and the CIA and State department. The fact that these divisions are coming into the open at this crucial time indicate disarray at the highest levels of the US bourgeoisie. Could the US be facing failure in Iraq? To answer this question we need to step back from the details of recent events and look again at the US objectives in this war.

US war objectives

As we have argued in previous texts[3], this war is qualitatively different from the previous wars which US imperialism conducted in the period since World War II, such as those in Korea, Vietnam, or even the first Iraq war. In the earlier wars, the US acted as the champion of Western imperialism in general and its own interests in particular. The present war is an expression of the period following the collapse of the Russian bloc in which the US finds itself as the sole superpower. The war is essentially part of a new division of the world in which the US is asserting the primacy of its interests against all other powers. The ideological backing for this new doctrine is to be found in the pronouncements of the US think tank "Project for the New American Century" (PNAC). A summary of the

ambitions of US imperialism is provided by the demand of this body that

> *No advanced industrial nation challenges US leadership or even aspires to a larger regional or global role.*[4]

For the Middle East in particular the US grand plan envisages a region of US client states stretching from the Red Sea to the Caspian which would enable the US to exercise control of the oil resources of the region and police this control from military bases throughout the region. The wars in Afghanistan and Iraq were the first steps in this grand strategy[5]. In these moves, the US has been acting to secure by military force what it could not achieve by its economic power alone.

This new imperialist thrust by the US, of course, finds its motive in the economic crisis of US capitalism. With the decline in US industrial production, which is indicated by the fact that today 55% of all manufactured goods it consumes are imported, the surplus value generated in the US is declining. As this occurs it is necessary for the US to siphon in surplus value produced abroad. Increasingly this is being done through control of parasitic activities such as financial services, control of commodities, particularly oil, and ensuring the dollar remains the unit of international trade, especially the oil trade. Maintaining the dollar as the currency of international trade allows the US to gain massive amounts of additional surplus value by printing dollars to cover growth in world trade[6]. All these sources of surplus value can only be tapped in a world policed by the US military in what we have called *Pax Americana*.

As the pronouncements of the PNAC make quite clear the losers in all this will be the US's economic and imperialist rivals, specifically the EU, Russia, China and Japan. The EU, in particular, is in the line of fire as its currency the Euro is asserting itself as a rival to the dollar and there is the continual threat that oil producers could start to price oil in Euros. This is, as we have pointed out, exactly what Saddam did in November 2000, though, of course, after the occupation Iraqi oil was again priced in dollars. It therefore comes as no surprise that it was the principal nations of the Euro currency bloc, France and Germany, together with Russia who have from the start attempted to disrupt the grand plans of the US.

The price of failure for the US

For the US, a failure in Iraq would be a disaster. Not only would it mean Iraqi oil would not be available for the US and the billions spent on the war, occupation and reconstruction would be lost, it would also rapidly lead to the challenge of US oil and military interests elsewhere in the Middle East, particularly Saudi Arabia, Kuwait and the Gulf states. Other US client states such as Egypt and Jordan could be shaken and could fall. In short failure in Iraq would represent a collapse of the new phase of US imperialism on which the US is embarking and a sharp reverse of its regional influence. It is for these reasons that voices of dissent and alarm are being raised amongst the US bourgeoisie about the course the Iraq occupation is taking. An example of this is the open letter to Bush from the 50 ex-ambassadors warning him that he was jeopardising the interests of US imperialism. Although outright failure, as the Pentagon tells us, "is not an option", the reason for this is that none of the US rivals will at present dare to oppose the US openly. US rivals will, however, oppose US plans indirectly and "partial failure" may, indeed, be an option. It is precisely this which the US's rivals hope to bring about.

The US's imperialist rivals

The US's rivals wish to exploit present US difficulties to bring about withdrawal of the coalition forces, but to avoid a collapse of the region into Balkanisation and war. France, Russia and China all have extensive oil concessions in Iraq amounting to approximately $38bn which were acquired under the Saddam regime. In addition France, Germany and Russia are owed approximately $15bn by Iraq for equipment, mainly arms, delivered in the 80s. All these issues lie behind the manoeuvring at the UN for the fresh resolution. The US's rivals do not wish to see a US puppet regime emerge which will cancel their oil concessions, transfer them to US and British companies, abrogate the debts and exclude them from the reconstruction contracts. What these powers want is to see their interests restored, if not increased, at the expense of the US. The interests of these powers, therefore, are just as imperialist as those of the US even if they are somewhat less ambitious.

The war itself is an expression of capitalism's economic crisis in general and the problems of the US in particular. We have argued this in previous texts and refer the reader to them[7]. The present period is characterised by increasingly frequent wars which find their origins in capitalism's difficulties in the valorisation of capital. This, in turn, is an expression of the tendency of the global rate of profit to fall. This problem is like a cancer infecting one part of the system after another and producing political effects such as this war[8]. Ultimately, all the costs of imperialism's wars will be paid by the working class. The quarrels amongst the major powers are over which section of the bourgeoisie will profit from this working-class sacrifice.

Interests of the working class and the Iraqi resistance

Today all sections of the capitalist class are equally reactionary and consequently the only effective way workers can defend themselves is by fighting for their own interests against all sections of the bourgeois class. This means an international struggle to turn wars such as that in Iraq from imperialist wars into class wars, that is to say civil wars between the capitalist class and the working class. This is the only orientation which can lead to the overthrow of the capitalist system which remains the only way in which the problems of capitalism, which lead to these wars, can be overcome and a more socially advanced form of production can be established. To bring this about requires unity of both Iraqi workers and the workers in the powers which have invaded the country. For the workers in the aggressor countries this means no support for their own bourgeoisie, refusal to make sacrifices for the war, continuation of the class struggle, strikes in war industries and obstruction of the war effort through measures such as refusal to transport war materials. For Iraqi workers a similar strategy is required. No support should be given to their own bourgeoisie, either those who are either working with the occupation or those struggling to replace it. The struggle for employment and living conditions, particularly water and electricity should be stepped up. There should be no cooperation with the occupation forces and attempts to bring about fraternisation on a class basis with

the coalition soldiers should be undertaken.

Although the Iraqi resistance movement is divided into nationalist and Islamic factions, all these factions represent movements of the Iraqi capitalist class. This is particularly true of the Islamic movement which has gained strength as the Arab nationalist movements declined. Many people have been drawn into the ranks of political Islam as a consequence of the failure of Arab nationalism to prevent the complete domination and occupation of the Middle East by the forces of imperialism. The movement is, however, fiercely anti-working class. It sets itself the task of establishing an Islamic imperialism in the Middle East once the US has been ejected. The millionaires and clerics who put themselves at the head of the movement have no scruple in using those workers they recruit as cannon fodder. The Mehdi army of Muqtada al Sadr is an example of this. Desperate unemployed workers from Baghdad slums are recruited to be sent against US tanks and helicopter gun ships armed only with rifles, grenades and promises of heaven. All this slaughter is to enable the likes of Sadr to get a share of the spoils of Iraqi capitalism by control of the state. Nationalists and Ba'athists are fighting for precisely the same goals, control of the state and the spoils of power. There is no way the coming to power of any particular faction of the Iraqi bourgeoisie will bring benefits to the working class. We have already seen how little the Ba'athists under Saddam cared for the interests of the workers and how the Islamic government of Iran treats workers who dare to raise their own class interests. An example of the Islamic Government's love of the working class is provided by the regime's response to workers in the Islam Shahr district of Tehran. These workers have protested about unemployment and demanded clean water supplies in 1992, 1995 and 2000, and, in response, have had their housed demolished, been branded as "thugs and hooligans" and have been shot by the security forces. No faction of the Iraqi bourgeoisie is worth a drop of workers blood.

The movements of the capitalist left in Britain, Italy and elsewhere in Europe are beginning to support the Iraqi resistance movements. The Trotskyist SWP, for example, has classified the resistance as a "national liberation movement" and characterised those fighting the US as fighting a war of national liberation[9]. This is the political basis for encouraging Iraqi workers to support their local bourgeoisie in the resistance movement. This is also the position of the Stalinists and elements of the anarchist movement. The slogan being put forward is "long live the Iraqi resistance!" The more sophisticated version of this support for the national bourgeoisie is the evolutionary schema whereby the anti-coalition struggle is the first step in the struggle which will lead to the liberation of the Iraqi working class. Initially a united front is required between the Iraqi bourgeoisie and the Iraqi workers. Once the invaders are thrown out, the national bourgeoisie takes power and the class struggle against them and the Islamic priesthood can resume. These are the well-oiled politics of the counter-revolution and a sure recipe for defeat. Once the Iraqi bourgeoisie had been restored to power it would, without doubt, proceed to crush any workers who dared to challenge it. As we have seen time and again, the support for the national bourgeoisie completely confuses and disarms workers when their previous allies turn against them and attack them. The policy of support for national liberation struggles has been opposed by the Italian left communists since it was first introduced as Comintern policy in 1922. The history of such struggles from the '20's to today provides numerous examples, from China 1927 to South Africa in 1994, where consolidation of the national bourgeois movement has brought demoralisation and defeat for the workers movement[10].

A successful anti-capitalist struggle can only begin with a complete rupture with bourgeois politics and all factions of the bourgeois class. The reactionary nature of the evolutionary schema put forward by the Trotskyists is ridiculed by our sister organisation *Battaglia Comunista*, which contrasts it with the real needs of the workers movement which is for independent action by the working class,

> *The reality for those who recognise the essential dynamics of the class struggle, has nothing to do with this evolutionary vision of social conflict. Once the class dominant in Iraq has completely re-established its control of the country, what motive would it have for not crushing those anti-capitalist minorities, who, up until the day before, had been so ready to line up without reserve with the bourgeois leadership of the resistance? Is it not, instead, just when the ruling class is weakened and fragmented that the proletariat, if it is organised autonomously on a class terrain against the violence of the occupier and against all factions of the home bourgeoisie, can begin to make some steps forwards on the international and internationalist road to its own liberation*[11].

Certain sections of the working class in Iraq are acting on their own terrain. In particular there have been demonstrations against unemployment in Baghdad and in Basra where workers clashed violently with British troops in March. Such struggles, rather than the nationalist struggle, point the way to a working class response to the barbaric situation in Iraq. Workers should make their slogans,

- Resist the Coalition
- No support for the Iraqi capitalist class
- Continue the class struggle
- For international class unity
- For destruction of capitalism and the building of a communist world.
- No war but the class war!

CP

Notes

1 See report in *The Financial Times* "New form of warfare drives Pentagon to legal niceties" 8th June 2004

2 See *The FinancialTtimes* 12th May 2004

3 See RP 30. "US Imperialism Bogged down on the Road to Eldorado"

4 See PNAC document by Wolfowitz. US deputy defence secretary, and Libby.

5 The fact that the US again raised this at the June G8 summit in the coded form of establishing democracy in the Greater Middle East shows that these ambitions have not been abandoned.

6 It is estimated that the US gains $500bn annually through its control of the dollar while it has the role of the world currency and remains backed by nothing whatsoever. See text "Control over the Oil Market in the Epoch where Finance Dominates", in *Internationalist Communist* No. 18

7 See RP 27 "Countdown to War with Iraq", RP 28 "War and Imperialist Occupation" and RP 29 "Occupation and Exploitation."

8 See the text "For a definition of the Concept of Decadence" in this edition.

9 See *Internationalist Socialist Review* www.Isreview.org/35

10 See RP 14 "National liberation in Africa – half a century against the working class."

11 See "*Con la borghesia sense se e senza ma*" ("With the bourgeoisie no ifs or buts") in *Battaglia Comunista*, May 2004

Iranian Elections

The Hopelessness of Reform and the Capitalist Nature of the Islamic Republic

The conservative Guardians' Council, which vets election candidates in Iran, barred more than 2500 reformist candidates from running in the 20th February parliamentary elections. Amongst those disqualified were about 80 members of the parliament including President Khatami's brother, Reza Khatami who heads the largest pro-reform party in Iran, the Islamic Participation Front.

This ban produced a protest by about 80 MP's, who staged a sit-in in parliament for 26 days, as well as a protest by President Khatami, who announced that his government would not hold an "unlawful" election. Instead, they suggested that election should be postponed. Later supreme leader *Ayatollah* Ali Khamenei intervened and commanded that the election should not be delayed but should be held as scheduled. He urged Iranians to turn out in force for the elections. This, he said this would deliver a "slap in the face" to Iran's enemy. The command was obeyed and the Islamic Republic of Iran held its 7th parliamentary election on 19th February 2004.

The reformist-dominated ministry put the nationwide turnout at just over 50%, the lowest in any general election since the 1979 Islamic revolution. Independent observers reported a turnout in Tehran and other big cities as low as 10%.

The last two elections produced nationwide turnouts of 78%, but this time the ruling class tactic, in a sense, failed to mobilise mass support for the election. We say in a sense because, the following days, the reformists claimed that the disqualifying of the reformist candidates was the reason for the low turn out. This was far from the truth and should be seen as spin by the ruling class and nothing else.

> *The world's media seemed to expect drama and confrontation when Iran's clerical regime banned more than 2000 candidates from standing in parliamentary elections in February. However, that drama never materialised. A sit-in held by blacklisted MP's came to nothing. Reformist cabinet ministers threatened to resign, but ended up staying in office. Without a single street protest, the conservative establishment took back control of parliament in an orchestrated election.*
> (*The Guardian*, April 5th 2004)

The futility of democracy and the parliamentary process in Iran, as elsewhere, is becoming more apparent for the working class. Workers have witnessed 8 years when the parliament was fully controlled by the reformists and in which there was a reformist president, and yet these 8 years have brought them absolutely nothing. They have experienced a reduction in living standards on a daily basis and unemployment has reached its highest point since the Islamic revolution. During these years, while parliament was busy discussing this or that legislation, and Guardian Council was busily rejecting it and returning back for amendment, etcc and giving long tedious sermons about the civil society, democracy and so on... the cost of living rocketed sky high. A worker in Tehran now has to pay all his income derived from working two shifts daily (16 hours work) just to cover the rent of a two bedroom flat.

On the political scene, workers have witnessed how student protests, which were used in bringing about the landslide victory for the reformists over the conservatives in the 1997 election, have had even their minimal demands for political freedom betrayed. The student activists were either murdered by official or unofficial state sponsored thugs, or are still in jail. 8 years of sermons about law and order, have done nothing, and the known thugs who have murdered students are free to go about their business as usual.

> *Since then students have sacrificed their lives in demonstrations supporting Mr Khatami's ideas of a "civil society", only to find that the president condemning their protests in order to avoid a showdown with conservatives.*
> *The Guardian*, 21st November 2000

Yes indeed, there was not a single street protest. Why should they protest and about what? This is a hard learned experience.

> *President Mohammad Khatami formally withdrew two key reform bills yesterday, while a man reviled by reformers as a killer of press freedom was publicly honoured as the "best manager" in the Iranian judiciary - small signs of the waning strength of the reform movement.*
> Double blow for reform movement in Tehran, *The Independent*, 14th April 2004

The interests of the working class have not been served by the reformist movement and never have been. The propagators of the reforms in Iran were well aware of the political structure since they took part in the foundation this State, and they did not take office in order to ease the conditions of the working class, or to bring justice for people in general. They took office in order to divert the growing working class unrest into futile reformist channels. It comes as no surprise that, following the landslide victory of the reformists in 1997, the number of strikes and protests in working class areas dropped dramatically and remained low for the first few years.

Reformism did not bring anything for the working class; on the contrary, it benefited the capitalist regime in Iran

just as the Iran-Iraq war benefited the regime. On the international scene, in particular in the EU and the Middle East, Khatami's regular state visits helped the Islamic Republic of Iran to portray a better image of itself and improve its trading relations by signing of massive oil contracts and so on. More importantly, they managed to engage a majority of the Iranian people, including a large portion of the working class, in a futile 8 years parliamentary process over such things as the "Rule of Law". This gave the Iranian capitalist class a breathing space of 8 years which, in today's political scene, is a long time.

That is precisely why, now even the conservatives in Iran are in favour of reforms, and why after 8 years "reform and only reform" is still the opposition's slogan. They have all seen the benefit of it, "reform at any price", but that price is clearly the gradual destitution, loss of livelihood and unemployment of millions of workers.

After eight years of preaching about "Rule of Law", civil society, human rights, great Persian civilisation and all that nonsense, this is what Khatami had to say:

> *in a 47-page "letter for the future", Mr Khatami said his government had stood for noble principles but had made mistakes and faced obstruction by hard-line elements in the clerical establishment.*
>
> *The Guardian*, May 4th 2004

The noble principles for which this gentleman stands are a mixture of Islamic principles and nationalism. The Iranian working class have experienced with their skin and bones the reality of the principles of Islam since 1979, while the nationalism of the "Great Persian Civilisation" is just a diversion from present suffering. As the effectiveness of religion as a tool for fooling and controlling the working class is gradually weakening, nationalism is appealing more and more to reformists, conservatives and, of course, all of the opposition. Capitalist ideology moves from one reactionary idea to the next.

The failure of the reformist movement in Iran is not due to the theocratic nature of the Islamic Republic, or the revival of feudalism which halts capitalism's progress, as some of the Leftists would have us believe. It is not because of the short comings of this or that policy, or this or that party, and has little to do even with the specific economic structure of a peripheral country. On the contrary it has all to do with the capitalism in the era of imperialism, which is incapable of making any meaningful reform whatsoever, either in the heartland of capitalist states or in the peripheral countries. Whether it is the Islamic rule of *Ayatollah*'s in Iran, or yesterday's *Taliban* in Afghanistan and tomorrow's "US puppets" in Iraq, they all are part and parcel of today's political apparatus of the world capitalist system. At the best these regimes can manage the extent of the crisis by constantly attacking the living condition of the working class. That is all this system is capable of. Everywhere, from Argentina to Iran, from South Africa to Italy, the story is more or less the same. Capitalism has nothing to offer except war, famine, unemployment etc. and deserves only to be overthrown.

We can only reiterate what we wrote in *Internationalist Communist* No. 19, Autumn 1999, in the article entitled "The Working Class and the Election in Iran:

> *Whether or not the 'Iran of the Ayatollahs' will give way to something approaching parliamentary democracy will not alter the situation of the working class which, as everywhere else, is facing mounting attacks by capitalism..., the task of communists today is to point the way forward to independent organisation and struggle, not to act as cheerleaders for one faction of capital against another.*

Democracy and revolution

All that you hear from the Iranian opposition groups and parties these days is praise for democracy. They appeal to different International organisations for help in establishing "democracy" in Iran. Depending on their ideology, they choose different institutions. While reformist and nationalist seek assistance from the Amnesty International and Human Rights type institutions, Leftists look to the World Labour Organisation, the International Confederation of Free Trade Unions (ICFTU) and so on. Writing letters and collecting petitions and inviting officials to visit Iran is the fashion these days, and in return it is equally fashionable for these institutions to recognise this, by offering the Nobel Price, best Film and best Director and so on to Iranians.

All trends of opposition from left to right have now "matured"; they speak of the benefit of democracy, reforms as opposed to revolution. We are warned of how damaging the revolution can be. Yesterday's "revolutionaries" who had used revolutionary phrases in order to divert mass movement and save capitalism, now are all in favour of the parliamentary process. "Reform at any price" this is now their strategy and

their tactic. At first it seems a bit odd that, the very people who are in power or in official opposition because of the 1979 "revolution" now condemn any idea that might suggest anything but reform. The same people who introduced the most barbaric violence towards any opposition and were in charge and responsible for the execution of thousands and thousands of militants are now in favour of the "Rule of law". Of course it is law and order which will safeguard their capital and properties, their position, the luxurious lifestyles that 1979 "revolution" has brought for them, lifestyles which put the Shah's luxurious life style to shame. In a word it is the rule of capital which is safeguarded.

Like every capitalist state, their propaganda is based on attaching all the violence that they themselves have had introduced to the idea of workers revolution in order to undermine it. They are deliberately mixing capitalist barbaric violence of their "revolution" with that of any workers revolution. It was beneficial then, to praise the "revolution" so to give to it their own meaning and attach to it, their class violence. Under anti-imperialism, Islamic Law, national, democratic, and other bourgeois ideology they introduced the most barbaric violence against anyone who opposed their views. They executed thousands and thousands mercilessly and even today hanging and execution are still lawful acts.

> *Capital punishment could not be justified in any society calling itself civilized.*
>
> Karl Marx, *New York Tribune*

This is what the workers' revolution bases itself on and the Russian October Revolution was its manifestation that inspires us, that is why we the internationalists always have spoken of their revolution and our revolution.

Only class struggle

In 1979, just before Ayatollah Khomeini assumed power and before the formation of Islamic Republic of Iran, he promised to deliver the oil money to the doorstep of every Iranian! The Islamic Republic claimed, and this claim was also made by the first President, Banisadar, that a new economic system was being introduced, an economic system that was non-capitalist and non-socialist, a so-called third way Islamic economic system. At the height of the "revolution", any suggestion of the irrationality of this claim was answered with the iron fist of these "revolutionaries". The idea of class struggle was missed out all together and any one who dared to speak of different class interests was labelled as foreign agent or corrupt western-educated intellectual and the enemy of the unity of the Iranian Moslem people. They claimed that every one was Moslem and promised a harmonious society. They claimed that they would educate a new generation on Islamic principles. In schools, colleges and universities, in factories and farmhouses, in cities and villages throughout the country, the Islamic doctrine was forced in, one way or the other. The slightest opposition to it was met harshly. A bloody Cultural Revolution was imposed mercilessly. The promise of a new society, the harmonious Islamic society, was broadcast day and night by the mass media. They claimed specifically that there would be no sign of poverty, prostitution, drug addiction and political repression. The Western-paid media intellectuals spoke of "their culture" while those on the capitalist left supported this idea on anti-imperialist basis. Of course no such economic system and no such society have appeared.

In the early years, following the revolution, lack of even a poverty living standard was blamed on the war as well as remnants of the counter-revolution and remnants of the old regime's corrupt education system. Every working class strike was put down at its birth on the basis of war and workers were asked to work longer and harder. However, since the end of the war in 1989, gradually the class struggle started to manifest itself again in various ways, through strikes in many factories, mass protests and riots in poor areas and shanty towns, etc.... The class struggle has its own material logic and cannot be done away with in any way in the capitalist system. Neither Islamic doctrine together with sermons about the Moslem unity nor the doctrine of democracy is capable of stopping it.

The new generation of Iranian workers, who incidentally have lived their all lives under the Islamic government and have been subject to Islamic education and propaganda from the nursery and school right through to university (religious doctrine is compulsory all the way from nursery to University) end up seeing a totally different society to what they had been promised. They see that the Moslem brotherhood means nothing when the preachers of the Islamic brotherhood live in a luxurious style, not even seen during the Shah's time, while millions of workers can hardly afford one proper meal in a week. While they have to work two shifts just to survive, the Moslem brothers spent their holidays in the lands of "non-believers", the very lands that they never stopped warning workers about.

The famous new society that these workers see today is one where prostitution has not only not been rooted out, but one where it has increased 10 fold from the time of the Shah. The official figure is that there are over 200 000 prostitutes in Tehran alone. Similarly, drug addiction has not been rooted out but has, on the contrary, increased enormously from the '70's. The official figure suggests that there are between 5 to 6 million addicts in Iran. Not only has political oppression not ended, on the contrary, any one with slightly different ideas is eliminated at will. The murder of independent writers and journalists and students has become the hallmark of this regime.

Workers have seen that while they were asked to make sacrifices of their lives and send their children to the front in Iran-Iraq war, where nearly one million of them died, the new ruling class were busy building luxurious houses for themselves and busy manipulating the housing market for their benefit. Today, they can see the suburbs of Basra and Baghdad on their television screens, and they can see how poor their Iraqi class brother are, they can see the very people that they were asked to kill as enemy during that war. At the same time they see how the capitalists in Iran and Arab Gulf states are busy investing, buying and selling in countries which, not a long time ago, they were branding as the enemy of God. And those who managed to survive the Iran/Iraq war are now struggling to find jobs and finding that there is another war going

are now struggling to find jobs and finding that there is another war going on and that is the class war. This is a war that belongs to them. The national war where they have been used only for cannon-fodder is the war of the capitalist class.

Workers see how their Afghan worker brothers, who lived for nearly 20 years in Iran and were subject to most horrendous level of exploitation, are now told to leave and they must wonder about the meaning of "Moslem brotherhood".

All these things show that the emancipation of the working class will not come from supporting this or that faction of ruling class. Workers' emancipation can only come from intensifying their class struggle through their independent organisations based on their class interest. Workers should only intervene in any action or movement that is based on their class interest. All the bourgeois faction fights should be left to the bourgeoisie themselves. Workers should seek support and give solidarity to their class brothers regardless of their race or nationality.

Internationalism

25 years ago at the peak of the Cold War, a mass movement in Iran was halted and crushed by the formation of Islamic Republic of Iran. Since then, a new reactionary political Islam has dominated the political arena of Middle East and South Asia and has influenced many workers worldwide. Today the working class in Iran has seen and has felt the reality of Islamic law, years of war, execution, torture, harsh poverty and the denial the basic human rights. Communists in Iran have the task of passing these experiences to the other workers, in particular to those countries where the reactionary political Islam is active.

The wars in Iraq and Afghanistan have also shown the nature of democracy. Despite the opposition by millions in Europe and USA, the war went ahead and clearly demonstrated that capitalist democracy does not really exist. It is another lie used to control the working class. The necessity for an independent working class movement never has been so desperate.

An independent working class movement can only become a reality once all shades of capitalist political ideology, those of the right and of the left are exposed. State capitalism, nationalism, terrorism all have to be exposed and rejected in whatever shape or form.

The working class in Iran and Iraq have been suffering under the double weight of capitalist exploitation and the direct consequences of war and the reactionary political Islam. Could they give a body blow to political Islam in the near future and start the collapse of this ideology? Could it herald a new wave of internationalist movement worldwide? There is no other way forward and we must start from where we are today and work for this! The choice before us is:

Socialism or Barbarism!

The proletarians have nothing to lose but their chains. They have a world to win.

SD

Sharon Rips Up Road Map

The decision by Israeli Prime Minister Sharon to unilaterally withdraw from Gaza, which has been endorsed by the Bush junta, marks a new and dangerous turn of events in the Middle East. This declaration of unilateralism heralds the end of the so-called "two state solution" as represented by the Oslo accords and more recently the Bush "road map". Instead, the fate of the Palestinians now seems to rest with the vicious agenda of Israeli expansionism which is the driving force behind the Sharon plan.

On the face of it, an Israeli withdrawal from Gaza may appear to be a relatively welcome development which at least goes some way to meeting the demands for Palestinian autonomy. Indeed, the proposal to dismantle the few Jewish settlements in Gaza which has caused such a furore amongst the quasi-Nazi religious right, who could still sideline the Sharon plan, may at first suggest that Sharon has become a reformed character, seeking a rapprochement with his Palestinian neighbours. Not a bit of it: the Sharon plan is every bit as brutal in its intent as the massacres of the Sabra and Chatilla refugee camps in Lebanon which he sanctioned whilst defence minister in the 1980's. The fact is that Gaza is a desperately impoverished living hell, which it is in the interests of the Israeli state to get rid of. Earlier this year a delegation of the UK all party Commons International Development Committee found that as a consequence of savage Israeli policies involved in the occupation of Palestinian territories, policies which include closures of the borders, prevention of movement, bulldozing of homes and farms, blowing up factories, and, of course, the apartheid wall, "rates of malnutrition in Gaza and parts of the West Bank are as bad as anything one would find in sub-Saharan Africa". The report goes on to say that "the Palestinian economy has all but collapsed. Unemployment rates are in the region of 60 to 70 per cent." Also, unlike the West Bank, Gaza has no significant water or agricultural resources for the Israelis to loot so the Israelis have no economic incentive to remain. The plan will effectively turn Gaza into a massive open air prison whose wretched inmates will only allowed out when the Israeli bourgeoisie want to use their cheap labour. Hence, the recent house demolitions and consequent massacres at the Raffah refugee camp where Palestinian homes were destroyed in order to widen the buffer zone between Gaza and the Egyptian border which the Israelis will continue to police even after the so called withdrawal takes place.

Not content with a win situation Sharon is going for the "win, win" option. As compensation for the dismantling of the Gaza Jewish settlements with their tiny population of about 7500, Sharon has made a unilateral declaration of annexation of approximately half of the West Bank including Arab East Jerusalem. If the Israelis can get away with this it will clearly destroy any possibility whatsoever for a Palestinian state. At best the Palestinian areas amount to wretched "Bantustans" surrounded by Israel where poverty and desperation will prevail. Instead of the return of Palestinian refugees — a central demand of Palestinian nationalism — the Sharon vision is more likely to create a new wave of refugees. The brutality meted out to the residents of Raffah is perhaps a foretaste of things to come for Palestinians in the newly annexed zones. This brutality amounts to a "Deir Yassin" policy for the 21st century, terrorising Palestinians out of the new Greater Israel in order to preserve a Jewish majority in the newly enlarged Israeli state. The creation of a greater Israel by annexations and further ethnic cleansing is clearly the goal which Sharon hopes to reach. The danger for the Israeli bourgeoisie is that 2004 is not 1948, and another mass expulsion of Palestinians might provoke a situation in which the US had to go along with some sort of external intervention under the UN. This in turn could lead to a one-state solution in which the Palestinian right of return could not be prevented. Hence Sharon proceeds with his plans extremely slowly and cautiously.

The fact that the Israeli government is even able to posit a unilateral "settlement" is a reflection of America's lack of will to intervene. The US has become bogged down in its war to promote terror in Iraq, fighting the new militias and terrorist cells it has created by virtue of its invasion. Whilst the Sharon declaration is clearly a

rebuff to Bush's Road Map, the US currently has bigger fish to fry. Although the Americans are not happy, they are not going to oppose Sharon's plans both because of domestic political considerations in an election year, and because in spite of current differences, Israel still remains the most steadfast US ally in the region. The Iraq invasion clearly demonstrated US indifference to Arab sensibilities so concern about further Arab disapprobation over the Palestine question is hardly likely to be a top priority in Washington.

The situation is as bleak as it has ever been and is likely to get worse particularly for the mass of dispossessed Palestinian workers. Further unilateral annexations by the Israeli ruling class will provoke further nationalist resistance. The Israel/ Palestine conflict is the clearest possible example of the total bankruptcy of nationalist solutions.

Israeli workers, too, are suffering as a consequence of the economic crisis. Their living standards have fallen by approximately 25% in the 3 ½ years of intifada. The January budget, for example, imposed huge spending cuts in social security and government spending amounting to $2.2bn, raised the retirement age 2 years for both men and women so that it now stands at 67 and 62 years respectively, and introduced massive restructuring and privatisation together with campaigns for efficiency and flexibility of labour. All of this, which is what has already happened to European workers, provoked a series of strikes, including a general strike, earlier in the year. The strikes have been broken by the Israeli state using court orders and the help of the *Histradut* trade union. The barbarity of the Israeli treatment of the Palestinians, which even members of Sharon's cabinet recognise as similar to Nazi treatment of the Jews, has provoked the stirrings of resistance in Israeli society. The biggest anti-war rally since the start of the intifada was held in Tel Aviv in mid-May and sections of the Israeli intelligentsia have met their Palestinian equivalents to agree an alternative unofficial peace plan in Geneva. It is a sign of the crumbling class unity of Israeli society that groups of Israeli army reservists are now refusing to kill and humiliate their class brothers in the Palestinian territories, and groups of pilots are refusing to fly missions in which civilians are assassinated. Even though this movement is weak and without a clear class perspective it is a concrete act of solidarity with the Palestinian working class which we salute.

The need for Israeli and Palestinian workers to raise the banner of class against class and to identify their common interests and unite against the capitalist system that exploits them both has never been more urgent. This is the only way the stranglehold of bourgeois nationalism which divides workers into arbitrary nation states and sets them at each others throats can be broken. This remains the only way that the cycle of barbarism in this region, as elsewhere in the world, can be broken. This is nothing new for internationalists. The ancestors of our tendency the Internationalist Communist Left wrote in their Journal *Bilan* in 1936

> *For a true revolutionary there is, of course, no "Palestinian question". There can only be a struggle of all the exploited of the Middle East, Arabs and Jewish workers included, and this struggle is part of the general struggle of all the exploited of the whole world for communist revolution.*

This is even more true today. Today the continuation of the process of centralisation and concentration of capital which Marx identified in the nineteenth century and which Lenin and others noted before and during the First World War has continued in the last century of capitalist decline. This means that materially we have a global proletariat confronting global capitalism everywhere. Millions of proletarians around the planet, whatever their immediate situations are, stand in the same relationship of exploitation to an ever more impersonal capitalist regime. This increasing commonality of experience is, of course, noted and feared by our bosses. This is why they expend a great deal of effort in whipping up religious, nationalist and ethnic rivalries which often end up in the bloody warfare. The Arab-Israeli conflict is a model of this situation. Ultimately the solution will not lie in what the proletariat of this or that country or region does but on what we as a class achieve together across all the divisions that capitalism tries to create amongst us. "We have world to win" (Marx)

PBD

Consumption is stagnating? Cut the taxes on the rich...

No Solution for the Crisis in 2004 (from *Battaglia Comunista*)

Failing forecasts

The forecasts by bourgeois economists that there would be a robust revival in the economic situation in 2004 have all failed miserably. On the basis of the projections based on the figures for the first annual quarter, the experts are now unanimously convinced that it would already take a miracle for GDP growth in Europe to reach 1.3-1.5%, and for Italy it will be a miracle if it avoids actually shrinking. This is very significant especially if we take into account that the US revival, which has registered more consistent growth figures, does so without creating new jobs. In fact, since last September, though the Bush administration claimed that it would create 250 000 new jobs, it has only created 61 000 and, since last February, it has created only 21 000 instead of 135 000.

These figures confirm for the *n*th time that the reality of the US growth in the last year is directly linked to that of the military expenditure on the occupation of Iraq. Moreover, we are really talking about a recovery based on the injection by the Federal Reserve of the drug of liquidity into the system and, for this reason, it is inevitably destined to be a short-term fix. In short: the economy languishes in the jaws of a vice, trapped between asphyxiated demand, and a chronic stagnation of investment.

Taxing issues for capitalism

The danger that this might become a full and real depression as would happen in Italy, for example, if the figures for the first quarter's output in industrial production are confirmed throughout the year, is so great that even the most convinced monetarists can only call for state intervention as their salvation. Thus there are those who demand the reduction of fiscal pressure on capitalist income in order to favour new investment and those who call for an increase in wages, pensions and salaries in order to revive consumption. This is a debate which springs from the crisis. It has led the president of the *Confcommercio Bille* (Italian Chamber of Commerce) to reckon that Italy runs the risk of an Argentinian-style outcome and, more recently, Luca di Montezemolo, the newly-elected president of *Confindustria* (the bosses' organisation, Italian equivalent of the Confederation of British Industry [ed.]), has drawn parallels of a return to the crisis of the immediate post-war period. It depends on differing points of view stemming from the adoption of different tax policies. Now, fiscal policy does, without a shadow of doubt, have an effect on the economy, and in particular on the formation of demand, but, to draw from this, that this is the cause of the crisis in which the world economy is currently tossing and turning is, to say the least, a little misleading.

It forgets, for example, that this crisis has been going on for more than thirty years, through highs and lows, and that in the passage of that time we have had fiscal policies favouring both supply and demand. The latest ones were adopted when the Keynesian policies, which up until thirty years ago had been the best antidotes to the return of the economic cycle, had shown themselves not only to be inadequate to deal with the new crisis but were even accused of causing it because they had led to a high level of taxation (so-called "fiscal pressure"). With the help of the Laffer Curve, named after the young American economist who claimed to have discovered it in the early '70's but who had, in reality invented it since he never gave any scientific proof for it, it was claimed that the crisis was caused by the extreme fiscal pressure (i.e. high taxes) on capitalist returns (i.e. profits) which discouraged the employment of that profit in new productive investment. The reduction of the tax level on the part of the medium-high tax bands thus became the battle cry of Reagan's electoral campaign in the United States. Once elected he acted upon it — with disastrous results. The expected multiplier effect, which should have brought about the total revival of the economy, did not take place, and neither did the expected increase in state tax revenues based on increased economic activity, which would thus have compensated for the reduction of the overall tax threshold. After eight years of the Reagan presidency the state debt had tripled from $789.4 billons to $2190.7 billions, then reaching $3244.8 billions in the four years of the Bush (Senior) presidency despite the fact that social spending was literally mown down. Three million jobs were destroyed and rather than the growth of the productive base

we had the limitless expansion of the financial sphere. It should be said that, alongside Keynesian policies, the structure of the labour market also ended in the dock, accused of being too rigid, and thus law after law has legalised every sort of crime so that the social state has been all but wiped out and real wages have been stuck at the levels of 1973.

Social Security ... for the rich

The fact is that capital goes where the capitalists can see the possibility of realising an adequate profit and for thirty years or more manufacturing profits have tended to become ever lower. For which reason, and in very special way, recent capital formation has deserted productive investment favouring instead financial speculation.

Demand languishes because wages, pensions and salaries are low and employment declines as the necessary investment to create jobs is insufficient or totally missing. What is also missing is a greater part of the productive sector which is represented by the same technologically backward, if not downright obsolete, firms who mainly invest in speculation though they receive state aid worth something like €30 billion a year for investment.

It is obvious, therefore, that capital is not taking the road of productive investment because it is not profitable enough. On the other hand, not a single day goes by without the revelation that some enterprise or other has developed, alongside its industrial business, speculative activities of dubious legality, if they are not downright criminal. In the light of this, a minor reduction in the tax regime is a bit like trying to cure appendicitis with an aspirin, especially since no-one knows how to achieve this without further cuts in public expenditure, above all those which finance social services, cuts which have the greatest impact on incomes, pensions and wages. But that is probably the real aim. A further increase in the transfer of wealth to the capitalist class because it is a well-known fact that the rich, not being used to going without, would suffer a lot more than the poor who, on the other hand, are used to that and can do so happily.

GP

We are publishing below a text from one of the comrades of Battaglia Comunista *which is a contribution to the debate on capitalist decadence.*

The notion of decadence is a part of Marx's analysis of modes of production. The clearest expression of this is given in the famous preface to "A Critique of Political Economy" in which Marx states.

> At a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production or – what is but a legal expression of the same thing – with the property relations within which they have been at work hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution.

At the time of the formation of the Comintern in 1919, it appeared that the epoch of revolution had been reached and its founding conference declared this. 85 years later this at least appears questionable. Within the 20th century capitalist property relations have, despite the unprecedented destruction and suffering caused by two world wars, enabled the productive forces to develop to levels never previously seen, and have brought hundreds and hundreds of millions of new workers into the ranks of the proletariat. Can it be argued that under these circumstances these relations have been are a fetter to the productive forces in the general sense outlined by Marx? The CWO has previously argued that it was not the absence of growth of the productive forces, but the overheads associated with such growth which needed to be considered, when assessing decadence. Such an argument, while recognising massive growth of the productive forces, opens the door to a subjective assessment of the overheads which have allowed such growth to occur. The text below argues for a scientific approach to the question namely an economic definition of decadence. We hope to publish further texts on this issue in future.

For a Definition of the Concept of Decadence

The term decadence as relating to bourgeois society, considered as being inherent to and in the form of the relations of production and of this society, presents both valid and ambiguous aspects. The ambiguity lies in the fact that the idea of decadence, or the progressive decline of the capitalist form of production, proceeds from a kind of ineluctable process of self-destruction whose causes are traceable to the essential aspect of its own being. This auto-destructive decline is exemplified by the role that a neutron plays in the meeting of atoms, in a kind of obligatory course where two forces, which are mutually contradictory, progressively approach one another to the point where they produce their reciprocal destruction. The atomic encounter matches the teleological one. Here, the disappearance and destruction of the capitalist economic form is an historically given event, economically ineluctable and socially predetermined. This, as well as being an infantile and idealistic approach, ends up by having negative repercussions politically, creating the hypothesis that, to see the death of capitalism, it is sufficient to sit on the banks of the river, or, at most, in crisis situations (and only then), it is enough to create the subjective instruments of the class struggle as the last impulse to a process which is otherwise irreversible. Nothing is more false. The contradictory aspect of capitalist production, the crises which are derived from this, the repetition of the process of accumulation which is momentarily interrupted but which receives new blood through the destruction of excess capital and means of production, do not automatically lead to its destruction. Either the subjective factor intervenes, which has in the class struggle its material fulcrum and in the crises its economically determinant premise, or the economic system reproduces itself, posing, once more and at a higher level, all of its contradictions, without creating in this way the conditions for its own self-destruction. Nor is the evolutionary theory valid, according to which capitalism is historically characterised by a progressive phase and a decadent one, if no coherent economic explanation for it is given. To this end, it is absolutely insufficient to refer to the fact that, in the decadent phase, economic crises and wars, like the attacks on the world of labour-power, occur with a constant and devastating rhythm. Even in the progressive phase (if by this is meant that long historical period in which the capitalist productive form overcame all the forms of economic organisation preceding it and created the conditions for an enormous development of the productive forces), crises and wars arrived punctually, just like the attacks on the conditions of labour-power. An explicit example of this is given by the wars between the great colonial powers at the end of the 18th century and over the whole of the 19th century, up to the outbreak of the First World War. The example could be extended by listing the social attacks and the frequent military attacks on class revolts and insurrections, which played themselves out in the same period. And when, according to this mode of posing the question, did the transition from the progressive to the decadent phase occur? At the end of the 19th century? After the First World War? After the Second? As if the problem could be the chronological identification of the cusp without examining the economic factors which have produced decadence itself, at least if effects are not confounded with causes. Nor is it valid to appeal to Marx when the definition of capitalism as a transitory economic form, like all the other forms which have preceded it, is taken up. It is true that, from this point of view, capitalism does not differ from other economic systems which have been expressed historically, but it is also true that it is necessary to make the outlines precise and to distinguish the causes, otherwise one will continue to remain within the ambit of ideological definitions, valid for all times, without concrete analytical content.

The use in support of this thesis of Marx's other phrase, according to which, at a certain point the productive forces come into conflict with the relations of production, thus generating decadence, is of the same tenor. Apart from the fact that the expression in question pertains to the phenomenon of crises in general and to the rupture of the relationship between the economic structure and the ideological

superstructure which could generate class events in a revolutionary sense, and not to the question being considered here, it is still necessary to enter into the merit of the question by individuating the reasons for this passage. Marx limited himself to giving a definition of capitalism as progressive only in the historical phase in which it eliminated the economic world of feudalism, proposing itself as a powerful means of development of the productive forces inhibited by the preceding economic form, but he never went beyond this in the definition of decadence except for the famous introduction to *A Contribution to the Critique of Political Economy* stating precisely that "No social order ever perishes before all the productive forces for which there is room in it have developed". Then research has to be brought about in the sense of verifying whether capitalism has exhausted its pressure for the development of the productive forces and if so, when, to what extent and above all why. In other words, paraphrasing Marx, reciting that capitalism has lived through a progressive phase and is today decadent, that it is a transitory economic form like all those that have preceded it, and that it enters the decadent phase when it is no longer able to develop the material productive forces which come into conflict with the existing relations of production, is absolutely not sufficient, neither from a political nor an analytical point of view.

On the contrary, the value of the term decadence lies in the identification of those factors which, in the process of the accumulation of capital and in the determining of cyclical crises, as in every other form of expression of the economic and social contradictions of capitalist society, render all these phenomena more acute and less adminstrable to the point of putting the very mechanisms which rule over the process of valorisation and accumulation of capital into ever greater difficulty. That capitalism is a contradictory economic form and that it expresses itself through accumulation cycles, crises and new accumulation is a given fact deduced from the materiality of events. In their turn, economic crises bring with them a series of devastating consequences from the growing poverty of the many to the concentration of wealth in the hands of the few. Crises produce wars which regularly present themselves as opportunities for plunder on the various international markets, whether commercial, financial or for raw materials, but also as moments for the destruction of capital and means of production as a condition for a new process of accumulation. It is absolutely not possible to see the presumed process of decadence within these categories of social economy, and even less to attribute to them a necessary course leading to the self-destruction of the system. The investigation of decadence either individuates these mechanisms which regulate the deceleration of the valorisation process of capital, with all the consequences which that brings with it, or it remains within a false perspective, which prophecises in vain, or, worse still, is teleological, lacking any objective confirmation. In simple terms, the concept of decadence solely concerns the progressive difficulties which the valorisation process of capital encounters stemming from the principal contradiction expressed in the relation between capital and labour-power, between dead and living capital, or, in the last instance, between constant and variable capital. The ever growing difficulties in the valorisation process of capital have as their presupposition the tendential fall in the average rate of profit. The phenomenon of the fall of the average rate of profit is a kind of economic cancer whose metastases spread into all the sectors of the productive form making the process of accumulation, which is at the basis of capitalism's life and mode of expression, more and more difficult. It goes without saying that the fall of the average rate of profit, springing from the modification of the relation between capital and labour-power, or, in other words, from the fact that the ever greater investments in constant capital in relation to those in variable capital, reduce the base of the exploitation of labour-power despite intensifying it, is a constant expression of capitalist relations and has operated in a temporal progression from the birth of these relations. Despite ever greater investments, and even in the presence of growing masses of profit, the average rate of profit diminishes because of the changing organic relation of capital, and the more the acculumation process advances, the more the law of this fall finds room to express itself. Moreover, it is becoming clear that, although they have always operated, it is only in the past few decades that the profit crisis has made itself felt so heavily, unleashing a vicious cycle which world capitalism has shown itself unable to escape. Even at the end of the '60's, according to statistics released by international economic organisations like the IMF, the World Bank and even the Massachussets Institute of Technology, and present in the research of economists of the Marxist area like Ochoa and Mosley, profit rates in the USA were 35% lower than they were in the '50's and the same phenomenon, although with different rapidity and intensity, struck all the capitalistically developed countries.

Taking into consideration the tendential fall in the average rate of profit from the moment when its consequences for all the factors which regulate the normal mechanisms of capital accumulation are extending and deepening, and evaluating when the policies for counter-tendencies become less efficacious, means pointing out how much more difficult the valorisation process of capital, which is the point of departure and aim of capitalism, of its existence as a productive form, of its still progressive or decadent existence, has become. This cannot mean that capitalism, as soon as it has entered this phase, will no longer succeed in being a growing productive force, it only means that the rhythms of economic expansion are greatly slowed, economic crises become more frequent and deeper, wars assume the characteristics of permanancy in the regulation of relations between the sections of international capital, and the clashes on all the vital markets for survival of the relations of production are without quarter. Attacks on the social and economic conditions of labour-power become more intense, and we witness the totally capitalistic contradiction in which, in the alongside the possibility for the creation of greater social wealth, bourgeois society creates more poverty.

But the listing of these economic and social phenomena, once they have been identified and described, cannot, by itself, be considered as a demonstration of the decadent phase of capitalism. These are only the symptoms, and the primary cause which brings them into existence is to be identified in the law of the profit crisis. In this sense, and with this perspective, the factors which render capitalism decadent should be read, not because it no longer produces, but because it is constrained to slow its rhythms of growth, not because it continues to make wars, but because wars have become a permanent mode of its existence, not because it produces crises, but because economic

disequilibrium has become a constant, a kind of permanent crisis, and, finally, not because it exploits the working class more or less intensively, but because the assault without precedent on direct and indirect wages, its constant work to progressively dismantle the social state, the use of labour-power on the basis of flexibility, that is, its temporary usage in conformity with the companies' productive needs of the moment and no more, have become priorities which capitalism cannot renounce, on pain of the risk of collapse.

Between the '70's and '80's, low rates of profit favoured and accelerated, the intervention of the state in the economy. The objective was to sustain the national productive sectors which were most affected by these rates, and the means to attain this was public debt, the issuing that is of government bonds at a fixed rate of return, until this manouevre became unsustainable. Credits were provided at easy rates, the failing management by the state itself of entire sectors of the economy had as their result the abnormal expansion of the public debt to the point where there was a risk that state finances would collapse. At the end of the '80's, there was no industrialised country, from the USA to the biggest European countries and Japan, which had a financial deficit less that 60% of GNP, and, in some cases, this reached 110-120% of GNP. Only at this point did international capital find it necessary to enter the neo-liberal road, under the false hypothesis that the state was the cause of economic crisis and that the return of the free market was the right recipe to regain the lost profits and to set the valorisation and accumulation processes back in motion. Fifteen years of neo-liberalism and of globalisation of the economy again produced, for the *n*th time, the crisis and once more made evident all those problems which it was intended to resolve by abandoning a state which was no longer able to fully unfold its politics for the salvation of capitalist relations of production because it was on the threshold of bankrupcy.This goes to show two things: the first is that capitalism cannot overcome its own contradictions by changing its forms of management and ownership of the means of production, and the second is that the tendential fall in the average rate of profit continues to operate as regards the inevitable changes between constant and variable capital, and that the operation of counter-tendencies is more and more difficult to realise. Despite this, the state continues to be envoked at particularly acute moments of recession, and to subsidise sectors with lower rates of profit, like agriculture, to sustain and protect internal markets from the dangers of international competition, all in the face of the laws of the free market to which one adheres and makes reference. In a parallel course, but with twice the acceleration, the state has started to dismantle social assistance, social insurance and health services, and even education and research. The pairing of indebtedness and low profits (and therefore less tax stemming from the productive sectors and less chance of self-financing), has made the weight of welfare insupportable, and it had to be progressively reduced, a process which threatens the heaviest of consequences but which has no end in sight. The paradox that present capitalist society is living through is that, unknown in previous decades, and, in the face of a technological potential which has no precedent in human history, more is always produced but at lower rates of increase, and an ever smaller part of this wealth finds its way into the social state.

A further consequence of low profit rates are their contribution to the slowing of the production of wealth in the form of goods and services. The GNP of the highly industrialised countries grew, on average, by 5-7% in the years immediately following the Second World War, falling to about 3-4% in the '70's and '80's and then falling back to 2.5% in the last decade. The system is still able to produce wealth, but more slowly and with difficulty. Productive investments grew less than speculative ones, factories produce, on average, 75-80% of their potential, while capital destined for research falls by percentage points. The reason resides as always in the diminished profitability of the capitalist system which, despite the increase in productivity, pushes capital to prefer the road of speculative investment to the costs of productive investment, constraining it to the spasmodic recourse to easy profits in the short term rather than in the long term. At a given stage of the development of the relationship between constant and variable capital there is created a relative shortage of capital which negatively influences the process of accumulation. While the minimum necessary quantity of capital which is the basis for investments for the phase of enlarged reproduction grows, the rate of profit falls and the conditions for a slowing in the increment of the mass of profit are created, more and more increasing the sphere of production on credit, and thus, of debt. This imposes on the system a trajectory towards the control of financial markets, towards the introduction of new stock market structures aimed at enrolling savings and speculative capital, towards the creation of more sophisticated forms of the concentration of capitals with the end of covering the needs for investment. Parasitism, repeated stock market bubbles and the consequent financial crises are on the most evident effects of this.

The paradox of the attacks on direct wages and the proletariat's living conditions is analogous. The more the factory's productivity increases, the more technology pushes down the costs of production, the more unemployment, precariousness and poverty is created in the world of labour. The fall of the rate of profit that the introduction of technology imposes, once brief moments of recovery in the process of capital valorisation have been made, determines the necessity to further cut into the contents of wages as the principal component of costs of production. While social wealth increases, albeit more slowly and with greater difficulty, the rate of profit diminishes and capital is constrained to attack the world of work, augmenting exploitation and rendering it fit for the necessities of production when they express themselves and no more. The whole range of the new fixed-term contracts: on demand, temporary, disposable, to use a term which scarcely captures the idea, and the attempt to shrink wages to the lowest possible level, are the instruments that capital is using to withstand a difficult valorisation situation without precedent. The aggression against direct wages, preceded by the progressive erosion of indirect wages, which is happening at a rapid and increasing tempo never previously seen and which is being proposed in all the capitalistically advanced countries with only brief and very brief interruptions, cannot be imputed to a presumed sudden ferocity of international capital but to an objective factor which has imposed a common necessity for a similar economic policy.

Regular and devastating wars like those that economic crises generate, have become a permanent state for capitalism. Low profit rates have created a situation of permanent crisis

Continued on facing page

European Union Expansion

Another Step Towards a European Imperialist Bloc?

On the 1st May, 10 new countries joined the EU bringing a further 74 million people into the union. This is the 5th expansion in the organisation's history and means the EU now contains 25 nations and 450 million people. The boundaries of the union have now moved eastwards to the borders of Russia and incorporate 7 former Russian bloc states thereby producing a reshaping of Europe that few people could have imagined possible two decades ago. The collapse of Russian imperialism has made this possible and allowed, first German reunification, and now, this dramatic extension of the EU. This strengthening of the EU has economic and political implications that will undoubtedly shape the history of the coming period.

Although the EU's economy is now larger than that of the US, its political weight is hardly more than that of its largest member. This lack of political power is preventing the EU protecting its interests on the world stage. Unless the EU develops more political weight its rivals, particularly the US, will be able to divide it into groups of nation states and enforce their interests against those of the EU. The Iraq war represented a crossroads for the EU. The EU faced a choice of either accepting the dictates of the US, and thereby allowing it to control Middle East oil and threaten the EU economies, or fighting the US plans with all the consequences which this might bring. The union took the latter path and so a corner was turned. The EU has taken the first step on a road leading to the rupture of the post-war European order, an order dominated and controlled by the US for the last half century. In taking this choice the weakness of the EU was cruelly exposed. The US was able to divide the EU states and, although the core countries of the union used what power they had to frustrate the US plans at the UN and in NATO, they were unable to prevent the US invading as it wished. There can be little doubt that the weakness of the EU shown in this confrontation has sounded alarm bells in the major European capitals. The Europeans face the problem of how to move from a largely economic union to a political one.

The new constitution of the EU is obviously a step in this direction. The process is, however, fraught with problems as the uproar in Britain over the new constitution and the rise of the "Independence Party" show. On the one hand, there is clearly a need to integrate the EU economies to produce larger masses of capital to compete globally, to produce larger markets and eliminate the petty national organisations which constitute unnecessary overheads and a drain on profitability, on the other, there is an ideological resistance amongst the bourgeois class to see a decline of the national state which has served as the form for the development of national capitalist economies for the past two centuries. The tensions generated by this conflict affect all European countries to a certain degree, but in Britain, which not so long ago ruled a mighty empire, they are becoming explosive. It is this which has led Blair to call a referendum over the new constitution.

Before examining the political implications of the enlargement and present position of the EU it is necessary to briefly review the economic reasons for enlargement. The economic case for enlargement was, of course, supported by all the EU states, even those resisting further political integration.

Economic reasons for enlargement

As we have argued in other texts, capitalism suffers from internal problems derived from the tendency of the rate of profit to fall. To offset this problem it is necessary for the capitalist class to continually cheapen the elements making up its constant capital, namely, machines, raw materials, buildings etc., and reduce the variable capital, or wages, paid to the working

The Concept of Decadence

Continued from facing page

where the distinction between recession and economic recovery is unstable and ephemeral, and where the solution of war seems to be the most important way of resolving the problems of capital valorisation. The use of both preventative and other violence, systematic aggression over all the markets of strategic interest, the assumption of force as the institutional model for the expression of international competition between the various segments of imperialism, have become normal expressions of the relations of capitalist production and of the power structures of reference. In just twelve years, from the disappearance of Soviet imperialism to today, there have been at least five wars without lasting solutions, from the Balkans to the Middle and Far East. The selfsame bourgeois analysts, who theorised that, after the collapse of the USSR, there would be for humanity a scenario of peace and economic prosperity, have not drawn up an account of their own incapacity for analysis and the tendential fall in the average rate of profit. They mistook the victory over the Soviet Union to be the defeat of communism, not imagining that it was a question of the collapse of a very particular capitalism, and they did not even touch upon the idea that the problems of Western capitalism had survived and greatly grown, exasperated by its ever bigger and uncontrollable contradiction.

Fabio Damen

class in exchange for its labour power. Since the collapse of the post-war boom, which was signalled by the breakdown of the Bretton Woods system in 1971, this has been achieved in a number of ways. To reduce the mass of constant capital, existing capital has been devalued by writing off massive amounts through privatisations, capital has been restructured to make its operation more efficient and reduce overheads, capital equipment has been cheapened through applications of new technology such as the microchip, and international mobilisation of capital has been made easier by freeing up the international capital markets. At the same time the costs of labour power have been reduced in all the core capitalist countries. This has been achieved by increasing productivity, increasing flexibility of labour, part-time working, reducing indirect benefits such as health, social security and pensions, and direct lowering of wages. In addition, the two tendencies which predominated in the period before World War I have again become prominent. The first is the export of capital to areas of cheap labour power and the second is the importation of cheap labour power to core capitalist countries to be exploited by capital located there. This has meant that for the working class in the core countries the real median wage has not risen since the mid-'70's. These measures have arrested the decline in profitability and thereby provided the system with the oxygen it needed to survive for the last three decades. However, these measures are unable to solve the fundamental economic problems of the system and the tendency for profitability to decline is again asserting itself. There is therefore, a continual need for the capitalist class to further reduce the value of constant capital and overheads, to further increase productivity and to lower real wages. These are the economic imperatives which drive forward the enlargement and strengthening of the EU.

For Western capitalism the collapse of the Russian bloc represented a heaven sent opportunity which they did not hesitate to exploit. Firstly, the privatisations of the Russian bloc amounted to a further massive devaluation of capital values allowing Western and local capitalists to acquire assets for a fraction of their value. The takeover of Skoda car factory in the Czech republic by Volkswagen is an example of this. German capital, in particular, has benefited from this, but US and Japanese capital have not been far behind. Secondly, capital has been exported to the countries of the former Russian bloc to take advantage of the skilled but cheap labour power available there. Examples of this, again from the car industry, are Toyota, Peugeot, Audi, Volkswagen and even Korea's Kia who have all built plants in Eastern Europe. An analysis from Deutsche Bank states that, because of the low labour rates, Eastern Europe is as competitive as Mexico! Since the collapse of the Russian bloc in 1991, $120bn of capital has been exported to the countries joining the EU[1]. During the four years to 2003, the rate of capital export was approximately $20bn annually. The rate fell in 2003 to $8bn, partly because most privatisations in these countries were completed, and partly because of the European recession. However, despite this temporary decline in foreign direct investment, there has been an increase in portfolio investment and the overall inflow of capital in 2003 amounted, according to the European Bank for Reconstruction and Development, a total of $25bn. In addition, European and US finance capital has taken over most of the banking in these countries which is now 75% foreign owned[2]. With these countries joining the EU, the movement of goods will become easier and cheaper as border taxes disappear and many other conditions of trade will become easier. Most of the accession countries are committed to joining the euro as soon as they meet the required conditions which will further facilitate trade and reduce overheads.

In the countries joining the EU, labour costs are one fifth of those in the EU heartlands, and this is already having an effect on wages in the main EU countries in an indirect way. Not only is capital exported to the areas of cheaper labour power, creating unemployment in the core countries of the EU such as Germany, but the bourgeoisie is using the threat of transferring production as a means of breaking the class struggle in the countries where labour is more expensive. A typical example of this type of action was provided by Volkswagen, who threatened to close their Spanish plant and move production to the Czech Republic unless Spanish workers reduced wage demands. The export of capital is therefore indirectly lowering wages. The migration of workers from Eastern Europe will, of course, have a direct effect on wages.

Migration of workers

The free movement of labour from Eastern Europe will allow cheaper labour power to move to the centres of European capital. This will produce a general lowering of wages throughout the EU and provide a pool of workers for capital to choose from, and will consequently tend to increase profit rates. There can be little doubt that the majority of the capitalist class would like to see unrestricted immigration from Eastern Europe. The European Employers Federation, Unice, for example, calls openly for free migration, arguing that this would increase growth rates in both Western and Eastern Europe and solve the problems of the aging population in the European heartlands. The movement of labour to the centres of European capital is a process which has been going on since the birth of capitalism, but it has accelerated in the last two decades. Over the last five years, an average of 700 000 people have moved legally into the EU each year. In addition, there are those entering illegally, and it is estimated that between 300 000 and 500 000 come to the EU illegally each year[3]. Those coming from Eastern Europe and the countries of ex-Yugoslavia during the '90's amounted to 2.5 million[4]. There are now estimated to be 13 million non-EU people living and working in the union[5]. There is no way that such a number could be working in the EU if European capital did not want them here. The truth of the matter is that the numbers are not enough for the needs of capital. By the extension of the EU, some of this flow of workers will be increased, more of it will be made legal and hence better controlled by the states involved.

A study sponsored by the European commission forecasts that 335 000 migrants would move to the EU heartlands from the 10 new states each year. This figure is relatively modest when compared with the combined figure of 1.2 million mentioned above. Many countries in the EU, however, are placing restrictions on the flow of migrants, either through quota systems or, as in the case of Sweden, scrapping the open door policy altogether. In the most industrially developed countries of the EU, restrictions are being placed on numbers of migrants for a two year period, with a possible extension of this for five further years. The reason for

this is to be found in the anticipation that a further lowering of costs of labour power will produce more unemployment of the national workers, thereby pushing up the costs of unemployment benefit and other social security payments. The ruling class needs a period of time to reduce the social benefits to which native workers are entitled, before introducing cheaper migrant labour, otherwise the benefits will be consumed in larger taxation. It is the countries which have been exporting capital and outsourcing production, such as Germany and France, who have the highest unemployment and who are imposing restrictions on migration even though this is in flagrant contradiction with the ideals of the EU.

The needs of the bourgeoisie are, in fact, contradictory. On the one hand, it needs immigrant workers to provide cheap labour power to raise profit rates, on the other, it needs to limit state expenditures on unemployment which are a drain on profitability. Throughout Europe the bourgeoisie is, as we have reported many times in RP, demolishing the social settlement made following World War II which provided such things as pensions, unemployment benefit, healthcare, etc. It is worth noting that, in all the 15 states who were EU members before 1st May, migrants from Eastern Europe will be unable to claim social benefits for at least a two year period. As is well known, migrants, who represent the most productive and dynamic sections of the working class are not themselves a drain on the welfare systems of the host countries since, as studies by bourgeois economists have shown, they contribute more to social welfare than they take out[6]. However, native workers made unemployed will claim benefits and the bourgeoisie wants to reduce the amount they can claim as much as possible. To do this it is useful for the bourgeoisie to divide the working class.

Having a section of the working class who are immigrant, and a section of these who are illegal immigrants, divides the working class into three sections and makes it easier for the capitalist class to reduce wages and control the class struggle. It allows the bosses to present the problems which workers face as being caused by other groups of workers and to set one group of workers against another by encouraging racism and xenophobia. This is a task performed by the main stream political parties such as the British Labour Party and the German Social Democratic Party through the use of legislation and the police. In this, they are helped by sections of the nationalist press and their political auxiliaries such as the BNP and the neo-Nazis. However, massive immigration imposes a material unity on the working class which the bourgeoisie is unable to disguise. In the 19th century when capitalism destroyed cottage industry and artisan production and brought the new proletarians together in large scale new factories and mills, this process imposed a unity of conditions and interests on the class of wage labourers. Today, the migration of workers on a national and continental scale has the potential to impose a trans-national unity on the working class. Today's migrations are again showing that workers really "have no country". This process is therefore dangerous for the ruling class since, however they try to divide workers ideologically their actions are materially uniting them. We will return to this point below.

It is clear from the above that the extension of the EU represents a significant achievement for the European bourgeoisie economically and is a consolidation of the gains made when the Russian bloc collapsed. What does this extension imply politically?

Whither the EU?

The more the economies of the EU integrate, the more they need strong political and military forces to fight for their interests. The nearest historical parallel to the EU is the German *Zollverein*, or Customs Union, established in 1834. At that time, what is today Germany was a patchwork of statelets, each with their own customs and local taxes. There were three different currency regions and a host of different sets of measures and standards. The Union abolished all internal customs and the customs levied at the frontiers were centrally controlled. Initially, six states were in the Union, but later more states joined, a common currency was established together with uniform standards and measures. However, the Union, which was initially a response to the economic needs of German capitalism, lacked central institutions and political power. The economic demands for the Union to protect the needs of German capitalism politically and militarily drove the it forward until, within four decades, it had achieved the political unity of Germany. This was achieved despite the resistance of the other major European powers through the application of economic and a series of wars, the famous "blood and iron." Although the start of the 21st century is not the mid-19th century, and history cannot repeat itself, the parallels are notable. First, there was a customs union which was enlarged, then a common currency, central bank, common standards, a region without borders, etc., but profound political weakness. How can the European bourgeoisie solve this problem?

The core countries around the Franco-German axis are clearly intent on overcoming this weakness and it is in this sense that the new constitution, presidency, common foreign policy and common defence force must be understood. The Franco-German axis is moving in the direction demanded by European capitalism, namely the construction of an imperialist bloc to fight for the interests of European capital globally. As we have mentioned above, the British bourgeoisie, together with several other national bourgeoisies, is ambivalent about this ambition. They refused the offer to join the forerunner of the EU, the European Coal and Steel Community, in 1951, on the grounds that it would undermine their national sovereignty. But with the collapse of empire and economic decline, they applied again to join in 1961, and finally joined 12 years later. There remains, however, a profound fear of turning away from the post-war alliance with the US. This has been illustrated once again in the servile support offered to the US in Iraq. The British bourgeoisie see their interests in an economic union only and have opposed the moves towards political integration. The doctrine of successive British governments was that, if the Union could be enlarged sufficiently, then political integration would become impossible because the Union would become ungovernable and would simply become a free trade area, hence they have consistently supported enlargement and opposed political deepening. However, with each enlargement political integration of some sort has followed. The new constitution is the Franco-German axis's answer to the ungovernability of the EU and, as has been said, it represents a significant deepening of the EU. Despite the failure to agree the constitution in December, it is likely that a version of the constitution will be agreed at the end of June. The speed at which the process is going forward is,

however, highly frustrating to the Franco-German axis. Chirac, the French president, has openly called for the new constitution to contain a clause requiring states to ratify it or quit the Union. In addition, the prospect of an inner core of countries proceeding with political integration at a faster rate, the group of so-called pioneer countries, is now likely to become a reality. In fact, to some extent it is already a reality and significant political integration has taken place without the participation of the British. The prominent examples of this are the single currency, the European Central Bank together with the border-free zone created under the Schengen agreement.

The actions of US imperialism, particularly the war in Iraq, have actually strengthened the forces pushing for European integration while the pro-US forces in Europe and even in Britain have been sharply weakened. For Britain, the Iraq war has shaken up the ruling class and this may be the jolt which knocks Britain off its mid-Atlantic perch. The political evolution of the EU will, in the last resort, be determined by the needs of European capital and the space which the US gives the Union. The direction in which the Union is heading can, however, be recognised and this direction is towards an alternative imperialist bloc one opposed to the US.

The working class, the EU and immigration

The EU is an organisation of the capitalist class designed to advance the needs of capital. These needs, of course, mean holding down the costs of labour power through movement of capital and immigration. These needs equate to the need to attack the working class. Workers should not participate in any of the mobilisations, elections or whatever else the capitalist class demands in regard to the construction of a greater Europe. None of this can benefit workers and like all the structures of the bourgeois class it needs to be destroyed along with the capitalist system on which it is built. However, as has been mentioned above, the project does represent opportunities for the workers since it provides the material foundations for greater unity of our class. As the operations of capital become ever more global, this unity is becoming more vital for the winning of even elementary struggles for wages and conditions, let alone the greater struggle for the overthrow of the system. The struggle of workers at the Volkswagen factory in Spain, mentioned above, could have been won if there had been common cause between the Spanish and the Czech workers. If there had been unity, it would have been impossible for the bosses to play one group off against the other. The process which is proceeding can, therefore, benefit the working class in the longer term provided that their political understanding of their situation is a class one and not a nationalist and xenophobic one. Communists need to point out to fellow workers that, as we wrote in RP 26,

> *The working class is, in reality, a class of migrants who own nothing but their labour power. They are the dispossessed of history who have no alternative but to find a means and a place to sell their labour power. The alternative is starvation. Workers who travel between countries and continents are simply expressing the essence of the working class, namely that "workers have no country." The countries and nations to which workers are told they belong are, in fact, countries of the bourgeois class*[7].

Communists support free movement of the working class since this will bring greater unity and consciousness of the conditions and interests of the working class on a world scale. Historically, migrant workers have carried revolutionary ideas with them or assimilated them from workers in the countries where they worked. Migration gave the 19th century workers' movement its international character. German migrant workers working in France brought socialist ideas back to Germany. Later, German migrants who had been working in England were the initiators of fraternisation between German and British troops in the First World War, partly out of fellow feeling for the English workers and because they knew the language. Free movement of workers today can only assist integration, organisation and international consciousness. It will, as we said in RP26,

> *Bring nearer the day when this international class throws off its chains and undertakes the tasks of building a communist world."*

Charlie

Notes

1 Figures listed in *The Financial Times* supplement 27th April 2004
2 See report by Bank of Austria reported in *FT*, 27th April 2004
3 See *Managing Migration*, Ginal Gosh, Oxford University Press. It is interesting to note that the equivalent numbers for the US are lower, between 250 000 and 300 000.
4 *FT*, 27th April 2004
5 See *FT*, 2nd June 2004
6 See the study by the German Ifo Economic Institute, quoted in *FT*, 27th April 2004
7 See RP26, "Immigration"

The CWO's 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!

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