

Revolutionary

Perspectives **33**

Another World IS

Possible

2004
europaean social forum

**– But How Do We
Destroy Capitalism?**

Contents

**ESF • Beslan Massacre • Housing • Sudan
Class Struggle in Britain, South Africa and
Germany • IBRP in Germany • Iraq
Saudi Arabia • Matteotti and Oil
Review: Michael Moore's Fahrenheit 9/11**

Revolutionary Perspectives

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British Affiliate of the International Bureau for the Revolutionary Party*

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Contents

Editorial.....	1
European Social Forum — How do we Fight Capitalism?	2
Sudan: Genocide Today, Oil Tomorrow.....	4
Iraq: US Strategy in Tatters	8
Saudi Arabia about to Explode (<i>Battaglia Comunista</i>)	10
Beslan: another Episode of the Great Game	12
Class Struggle	
Britain	16
South Africa	18
Germany	21
Towards a German Section of the IBRP	23
A Built-in Failure: Capitalism and the Housing Question	24
The Matteotti Murder and Oil	28
Review: Fahrenheit 9/11.....	30

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Editorial

Capitalist elections

The approaching elections in the US are once again exposing both the bankruptcy of bourgeois politics and the real purpose for which our rulers use democracy in the present period. On the one hand we see the utter farce of a process in which:

- candidates have to be millionaires to start with;
- the candidate with the biggest bribes from corporations wins;
- there is not even any real debate;
- the outcome is irrelevant.

On the other hand the ritual of choosing the leader is used to:

- camouflage the real dictatorship of the capitalist class over society and
- present the outcome as the people's choice.

We need to remember that democracy is only one of many vehicles for organising the rule of the bourgeois class over society. The US was, to start with, a democracy of the property-owning classes only, and saw this as quite compatible with slavery which existed until the end of the Civil War. In Europe, the bourgeois class fought against the franchise throughout the 19th century and only conceded it when they realised they would be able to control the way the working class voted. Up to the end of the Cold War, the bourgeoisie were perfectly happy to control society by other forms of rule such as limited democracy or military dictatorships, which the US supported throughout the world wherever they favoured its imperialist interests. It has, however, become clear since the collapse of the Russian bloc in 1989, that "democracy" is now the preferred system of political administration for the bourgeoisie worldwide. Elections are shortly to be held in Afghanistan and, in January, in Iraq and we are now being told that the imperialist wars against these two countries were aimed at bringing them democracy. That such astounding lies can become common currency is an indication of how secure the ruling class feels in its position today.

In reality there can be no democracy in a society with such tremendous inequalities of property as exists in capitalism. Although, in theory, universal franchise exists in capitalist society, the democracy is class democracy, or more precisely bourgeois democracy. It is the process whereby the bourgeoisie picks the political team to protect national capitalist interests and project them internationally by means of imperialism. The inequality in US society is illustrated by the fact that in the last year 1.3 million more people have, according to the US Census bureau, sunk into poverty. There are now 35.9 million, or 12.5% of the population, living in poverty. At the other end of the scale the Bush junta has created hundreds of new millionaires with its tax cuts for the rich. Those in poverty have quite simply no chance of influencing the political outcomes in the US. On the contrary, it is the millionaires and the large capitalist corporations, like Halliburton, who can mobilise television, newspapers, radio to form opinion and to influence election results. As Marx wrote in the 1840's,

The ideas of the ruling class are in every epoch the ruling ideas. ... The class which is the ruling material force of society is at the same time its ruling intellectual force.

The bourgeois class is thus able to determine the results of elections and produce, in a general sense, the administrative team it wants. This process is a source of great confusion for the working class who, on the one hand are urged to vote, but on the other see it makes no difference who they vote for. An instinctive understanding of this lies behind the low turn out figures in elections, which in the US presidential elections seldom rise above 50%. We urge workers to abstain in all bourgeois elections and to expose them as hypocritical charades. Ultimately the intellectual hold of the bourgeois class over the working class needs to be challenged, and when this happens bourgeois elections will appear as the gigantic fraud they are.

Bush and Kerry

The present US contest illustrates how little there is to choose between the two

representatives of the US capitalist class. This is simply an expression of the essential similarity of the Democratic and Republican Parties. Kerry's supposed differences with Bush over foreign policy actually amount to very little. Even on the burning issue of Iraq, Kerry voted for the war, says he would still have voted for it even had he known there were no WMD's and intends to keep the troops in Iraq. Under the Democrats, the US invaded Bosnia and Kosovo, under the Republicans it invaded Afghanistan and Iraq. There is a general agreement on the needs of US imperialism and the policies required to put it into effect. Kerry's criticism of Bush is merely that the latter's strategy for carrying out the policy was poor and its execution was incompetent, not that the policy was wrong. It is therefore a great mistake to think that the Bush administration is an aberration and that US pursuit of its imperialist interests would become any less vicious with a Democrat victory. Since the collapse of the Russian bloc, the US has become more assertive in the pursuit of its interests, and these no longer coincide with those of its former European partners.

The Atlantic Divide

There can be no doubt that the more aggressive prosecution of US imperialism's aims has driven wedges into the Atlantic alliance, pushing the Europeans and the US apart. The war in Iraq was the most dramatic of these wedges but other disputes such as those over trade and the Kyoto agreement preceded this. Real differences have, however, opened up over Iraq and the US attempts to control the Middle East's oil which even bourgeois commentators describe as seismic. These are putting increasing strain on the NATO alliance. The redeployment of US troops in Europe, announced in August, shows the US has started to plan for a post NATO world. At the same time the Europeans are moving towards the constitution of an alternative imperialist bloc in opposition to that of the US. This will, in the long term, lead to a more dangerous world and to war. All these developments, and the future they are leading to, are an outcome of the economic problems of the capitalist system of production. The only way of avoiding such a future is the destruction of the capitalism itself and its replacement by a more advanced system of production which produces for human needs – communism.

The European Social Forum, London, October 2004

So How Do We Fight Capitalism?

The Social Forum movement which began in Porto Alegre has now moved via Florence and Paris to London. Partially encouraged by the massive global opposition to the US-UK-led attacks on Iraq the event promises to attract thousands from across Europe and the world. Working class revolutionaries can only watch the assembled causes and super-stars with some bemusement. Liberal journalists like John Pilger and George Monbiot will sit alongside Labour stalwarts like Ken Livingstone and Tony Benn whilst a whole host of myriad pressure groups from Muslims to pacifists will all bring their causes to the gathering. The organisers have called for a celebration of this "diversity" of resistance to the global capitalist system. What it reveals to us is how far we as a class have to go in order to build real resistance to the world-wide system of exploitation. It is all very well to celebrate "diversity" but much of this "diversity" only wants to change an aspect of the system, it does not aim to overthrow it. And amongst those who claim to be against the system as whole the question still remains as to how to actually overthrow capitalism.

For working class revolutionaries it won't be the speeches and workshops of the European Social Forum which will make capitalism tremble. The overthrow of the system can only be achieved when there is a world-wide working class party which has a clear political programme and goal. To create this we need two things. The first is a greater struggle of the working class

collectively against the system. The recent, or current, strikes in China, Assam, South Africa, Italy etc. underline the nature of the system – one based on class contradictions and, after all the retreats in the 1980's and 1990's, they are a good sign but they are as yet initial indications of that revival. The second factor is a recognition of the need for a political instrument which exists permanently and consciously to organise and hold together all the elements of consciousness from these struggles. Many today believe that parties are authoritarian, hierarchical, inherently capitalist. This is partly capitalist propaganda and partly a response to our last defeat as a class in the early 1920's (in which case it is a mistaken conclusion that can only reassure capital that it is under no threat). The lessons we draw are different; not that a revolutionary party is unnecessary, but that it must be:

- *International (i.e. not based in any one territory)*
- *Made up of workers who still work or relate to the workplace (not professional revolutionaries)*
- *Internally "democratic" with the right of recall as part of its organising principles*
- *i.e., literally, "a party of a new type".*

The short article that follows is taken from our agitational paper Aurora which will be distributed in Farsi and English at the ESF. Copies can be obtained (for the cost of a first class stamp) from our address.

Another World is Possible – But How?

Approximately 30 000 people, young, and not-so-young, have pledged support to the European Social Forum taking place in London on the weekend of October 14th-17th. Its slogan is "Another World is Possible". We would argue that another world is probable. When liberals writing in *The Guardian* newspaper say that capitalism is a system in decline, we know we are in a system which is decaying. In the richest country in the world, 35 million people live below the poverty line. One third of the world earns less than a dollar a day, half the world earns less than a pound a day. 80 000 people will die from poor

sanitation in the space of the next few weeks. Child mortality is at frightening levels. We could go on. The response of the system is the victimisation of asylum seekers, the incarceration of millions in penal systems which discriminate against Black people, and the driving down of global wages to subsistence level. These are facts (and as Aldous Huxley once stated) though they are ignored they still exist.

Will the European Social Forum solve these problems? We all know that only a child could think so. If the Labour Mayor of London is supporting the event we know that the major players

in the City of London will be sleeping safely in their beds. If Tony Benn (Lord Sandgate — declined) is lecturing on democracy we know he is the last man on the planet who believes that this can change anything.

What is the European Social Forum?

In fact behind the European Social Forum stands the usual combination of the Labour Left, social democrats of all types, Trotskyists who cannot

declare their real agenda and a whole series of environmentalists, and religious interest groups all making for one big confused circus. Enthusiasm and great discussion may be talked about as the outcomes of the ESF but the one thing that will be missing will be any agreed scheme on how our activists plan to create "another world".

Never mind. If you are fed up with all this hot air you can go over to the fringe meeting "Beyond ESF". Here you can be stimulated by the anti-authoritarian version of reformism where the rhetoric will be very radical, very non-hierarchical and inflated and you can get vegan food. Everybody will get to talk of their own struggles but the real enemy will get further and further away.

Anti-capitalism means ... anti- capitalism

What gets lost in all the workshops is the big picture. All the struggles that we have are the consequences of the

capitalist mode of production. This is a system in which we create the wealth which is then used against us in wars and other forms of oppression so that an increasingly rich minority have even greater wealth in their hands to control the planet. Forget the "weapons of mass destruction" the weapons of mass deception which our class enemies deploy are far more important for their continued rule over us. Whilst the *Sun* or *The Mail* have been blaring out massive publicity by the millions for years your alternative message is contained in derisory little sheets like the one you are holding now. But we have one strength as an exploited class – our collective capacity on a global basis to resist. This collective capacity is meaningless unless we organise. We do not mean like the capitalists organise but where we bend all our activities, not to altering this or that in just of the system but to wiping the system of injustice out altogether. To do this we have to create a party which doesn't have permanent professional politicians but of constantly changing revocable leaders. It would literally be a party of new type – a working class

party. It would not be a government of a new state in waiting but a revolutionary body to abolish all states. Its tasks would be international to spread the liberation of the working class from wherever the first breach in the capitalist system broke out.

The working class

But one thing the European Social Forum (and its crypto-anarchist shadow) talks little of is class. It is as if the capitalists' have managed to wipe the word from the dictionary. Many of today's young people have been brought up in a period of working class retreat. It is not therefore surprising that they are attracted to ideas that suggest that women, gays, antifascists or anti-racists are the subject the world revolution. However, this view is based only on a short-term perspective. The working class has been written off many times before (by Bernstein in the 1890's, by Marcuse in the 1950's and by Gorz in the 1980's but in every epoch it has suddenly reasserted its existence and its power). The Social Forum movement has at least paid testimony to the vast number of struggles existing around the world and to the fact that the working class is the most globally numerous class on the planet. Our task is to turn this fact into a revolutionary force. Join with us in the debate about organising our collective resistance.

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Sudan

Genocide Today – Oil Tomorrow

Since July the capitalist media has attempted to focus our attention on the new conflict in the Darfur region of Sudan. It has spared no effort in presenting it in its full horror and shedding crocodile tears over the victims. Over 1.4 million people have been driven from their homes. Murder and rape are committed everywhere. Villages have been razed to the ground and livestock plundered or killed. What we are witnessing, we are told, is ethnic cleansing, or, as the US Secretary of State Powell put it, "genocide." Sudan has been referred to the UN and given deadlines and has been threatened with sanctions. The US has raised the spectre of "no fly zones" over Darfur and raised the possibility of military intervention. Both Britain and Australia have been quick to volunteer forces for such an invasion with Britain promising 5000 men. While communists cannot but condemn the barbaric events in Darfur, we repeat what we have said many times before, namely that these events are an expression of the true nature of capitalism today. The real criminals are the imperialist powers themselves. These powers, particularly the US and UK, who are today shedding buckets of tears for the refugees in Darfur have another agenda, namely getting their blood-stained hands on the oil wealth of Sudan, and the Darfur butcheries are being used to set the stage for them to achieve this.

While it previously appeared that the US was trying to muscle in on the Sudanese oil fields by forcing the Khartoum regime to compromise with the rebels as a prelude to lifting sanctions and allowing investment, the US has now raised the possibility of "regime change" with the threat of military intervention. Peace talks between the rebel groups operating in Darfur, the Sudan Liberation Army (SLA) and the Justice and Equality Movement (JEM), both of which are sponsored by the US, have broken down and further confrontation lies ahead. The Darfur crisis has thrown the main peace process between the southern rebel movement, the Sudanese Peoples Liberation Army

(SPLA) and the Khartoum regime into crisis.

As we noted in RP31, the peace moves in Africa which we have seen in recent years are largely illusory. The metropolitan, or core capitalist, countries have pushed the burden of the crisis onto the peripheral counties causing massive hardship and creating a situation where peripheral countries such as those in Africa are exporting capital to the core capitalist countries through repayment of capital, interest on loans and repatriation of profits on direct investments. Economic policies have become controlled from the imperialist centres by means of the IMF and the World Bank. Today half of Africa's population, or 340 million people, live on less than \$1 per day¹. This position has led to massive social crises and explosive tensions which express themselves through wars, breakdown of central authority, warlordism, massacres and genocide. In general, the policy of the major imperialist centres has been to contain this crisis so as to stop it spreading from Africa to the core countries themselves. The exception to this policy has, of course, been the oil producing countries where the core countries have an interest in creating conditions of peace so that they can take the oil, but as often occurs in capitalist society, creating peace means first creating war to expel imperialist rivals from the areas in question. The countries which have oil deposits, therefore, find themselves becoming battlegrounds on which the imperialist centres struggle for oil. During the last five years, Sudan has moved from a negligible oil exporter to becoming sub-Saharan Africa's third largest. (see graph of Sudanese oil production below). There are now estimated to be greater reserves in Sudan than in the entire Gulf of Guinea and, as in the case of Iraq, most of the reserves have not yet been tapped. It is the lust for Sudan's oil, rather than the self-proclaimed anguish about ethnic cleansing or genocide, which is the real motive force behind the unfolding spectacle in the

country. A glance at the recent history of Sudan provides ample illustration of this.

Background to the present crisis

Sudan, which was previously a British colony, was given independence in 1955. After independence the US fairly rapidly replaced the British as the dominant power in the country and maintained this position until the early '80's, after which they put their weight behind the rebel movements of the south of the country. The south of the country had long resented the rule of the north since it gained little benefit from the taxes paid to the Khartoum government and secessionist movements had been active from the early '60's. The US oil giant Chevron, which had been drilling in the country from the '60's, made significant oil finds in the south of the country in the late '70's. These discoveries gave the secessionist state a realistic economic basis and emboldened the rebels. When the Khartoum government tried in 1983 to limit the previously agreed autonomy agreement for the southern provinces and also to introduce Sharia law, the rebels started the civil war which has raged to the present day. The main rebel group, the SPLA, was supported by the US from the start. It has been trained by Israel and supplied with US arms via Uganda and Ethiopia while its leader, Garang, was given officer training in the US. Chevron pulled out of its Sudanese operations in 1985, since the war, which was largely about control of the oil, was being fought in the oilfields and made operations there too dangerous. Although the US supported the SPLA and also the eastern rebels of the National Democratic Alliance (NDA), neither the rebels nor the government, which was receiving Russian arms, proved strong enough to win the war. The war dragged on becoming increasingly bloody and has now claimed the lives of two million people, most of them civilians.

The Khartoum regime, however, persisted with the development of the southern oilfields and distributed Chevron's concessions to Chinese, Malaysian and other international oil companies. To enable exploitation of oil to proceed without sabotage, brutal clearing of inhabitants from the areas of the oilfields was carried out, resulting in tremendous suffering, death and destruction. Relations with the US which had been bad since the early '80's deteriorated further with the coming to power of the regime of Hassan Al Bashir. This regime, based on the National Islamic Front (NIF) movement, came to power in a coup in 1989 and instituted a more fundamentalist Islamic government. The enemies of the US and US clients such as Israel, were given bases in Sudan, e.g., Palestinian groups and, of course, *Al Qaeda*. The US responded by branding Sudan as a state supporting terrorism and in 1997 imposed sanctions on it. A measure of the US hypocrisy and cynicism in regard to terrorism can be gauged by the fact that when the sanctions were imposed, the US had been supporting the rebels for a decade and a half in a terror campaign which had already killed 1.5 million people. After the bombing of the US embassies in Kenya and Tanzania in August 1998, relations deteriorated further and the Clinton administration bombarded Khartoum with cruise missiles.

In an attempt to bring the civil war to an end the regime proposed a new constitution, which was adopted in a referendum in 1999, and led to elections in 2000, elections which were, of course, rigged and returned

the NIF to power. This constitution made the country a federal republic with decentralisation of powers and a coordination council for the southern 10 states which form the secessionist group. Some of the rebel factions accepted this arrangement, producing a split in the rebel movement, though the rump of the SPLA did not. This partial peace, however, removed the immediate threat to the regime and facilitated further development of the oil resources. US sanctions prevented US oil companies operating in Sudan, and US pressure excluded most European oil companies. Hence in 1996 Sudan set up an umbrella company of Asian and Canadian² oil companies, the Greater Nile Petroleum Operating Company (GNPOC), which was dominated by the Chinese National Petroleum Company (CNPC), but in which Petronas of Malaysia had a 30% stake. By 1999, this company had constructed a pipeline from the southern oilfields to the Red Sea (see map below), and oil exports increased dramatically, as is shown in the graph. The state revenues from this oil amount to approximately \$2bn annually. With the rebel movement split, the large revenue from the oil and a generous supply of Chinese arms, the regime's position with regard to the rebels was greatly strengthened. These developments made the US realise that its chances of overthrowing the regime had diminished and its best hope of getting its hands on the oil were through lifting of sanctions. In 2002 the US, with the assistance of its faithful British ally, engineered a peace deal between the SPLA and the Khartoum government. The government agreed to give the South half the oil revenues

from fields within the ten secessionist states, while the SPLA dropped its demand for secession for a period of six years after which there would be a referendum. This was to intended to lead to the lifting of sanctions and the access of US and UK companies to oil concessions. The details of the agreement have produced a host of problems, but the US has continued to push the agreement forward and in May this year the final protocols were signed. This agreement has now been put in jeopardy by the fighting in Darfur and the SPLA had declared that the present situation is now one of "no war, no peace."

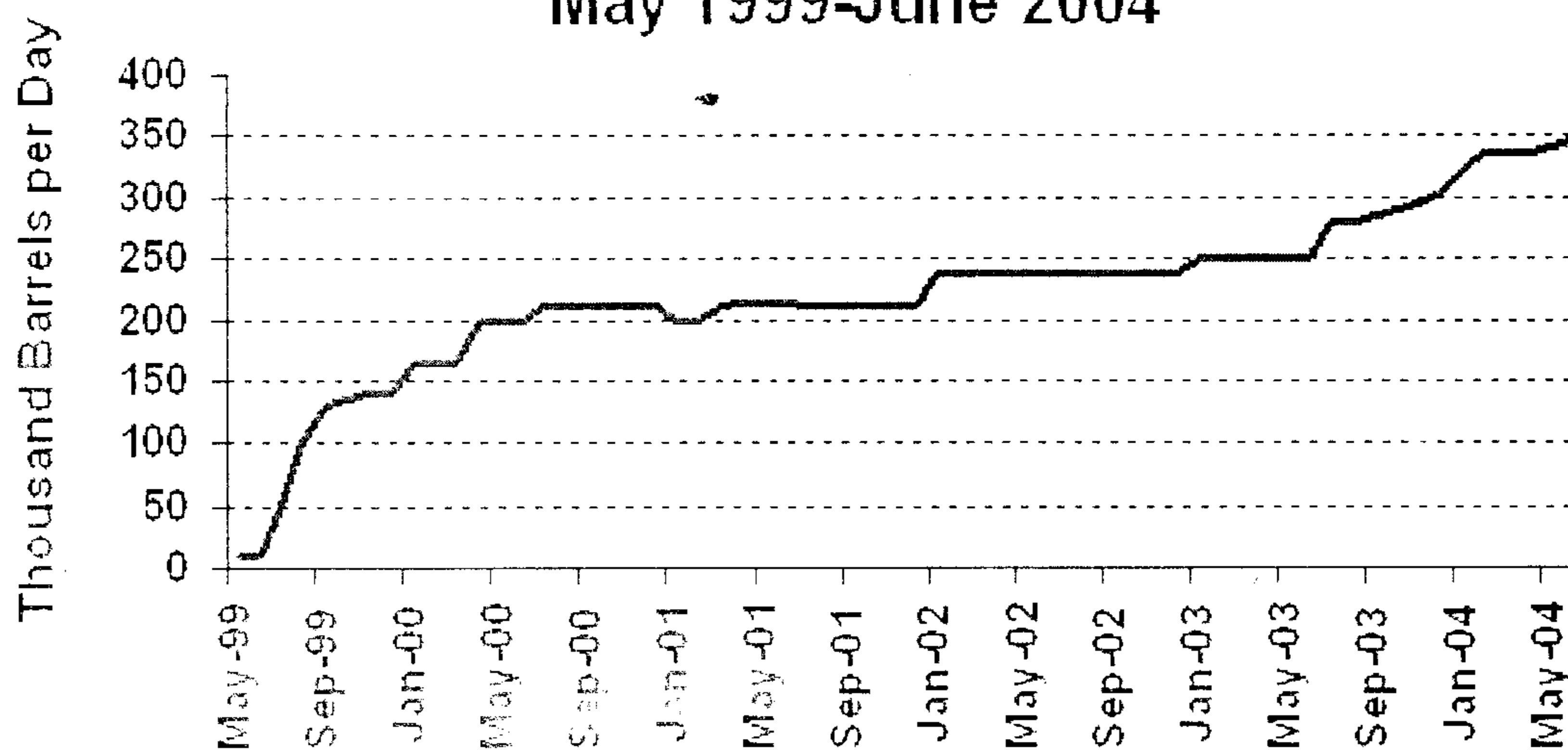
Darfur

The position in Darfur is in many respects a mirror of what has occurred in the South. Those living in the area consider they have been neglected by the central government and would like a share in the oil wealth as is being offered to the southern rebels. As has been mentioned above, the two rebel groups operating in the Darfur region, the SLA and the JEM, are both supported and armed by the US through its local clients. The rebels base themselves amongst the Fur people who are a majority in the region³, and are settled peasant farmers. The region also contains nomadic pastoralists, the Janjaweed, who are in constant competition with the settled farmers for grazing and water. The fighting in Darfur started in February 2003 with several devastating attacks on army and air force bases. The Khartoum regime responded by arming the Janjaweed and launching them against the settled farmers who formed

the base for the SLA and JEM. It is this which lighted the flames of the present inferno.

Although the violence in Darfur started 19 months ago, it was only in June of this year when it appeared that it could torpedo the peace agreement between the SPLA and the Khartoum

Sudan's Crude Oil Production, May 1999-June 2004



regime, and thereby jeopardise the US and UK's access to Sudan's oil, that Colin Powell and Jack Straw started to visit the country and issue threats and the rivers of tears for the refugees began to flow. In reality, the major capitalist powers have no concern whatsoever for ethnic cleansing or genocide where it furthers their imperialist ambitions. History has illustrated this time again, but we wish to mention four instances, ranging from the Second World War to the present, which dramatically show this. During the Second World War, the Allies made no attempt to stop the Nazi butchery of the Jews and when offered the chance of saving a million Jews from extermination turned it down⁴. After the war, when the US wanted to eject Britain and France from the Middle East and gain a larger share of the region's oil, it supported the creation of Israel as the means to this end. It did not hesitate to support the ethnic cleansing of hundreds of thousands of Palestinians. Today it gives Israel billions of dollars each year to continue clearing Palestinians from the conquered territories and rejects as, "out of the question", any suggestion that Palestinian refugees be allowed to return to their homes from which the Israelis have driven them. More recently, we have seen how the guardians of morality and human rights watched with indifference while 800 000 Tutsis were butchered in Rwanda since the country had no oil and no strategic importance. Another recent illustration of indifference to ethnic cleansing is provided by what

occurred in Kosovo. Here, the war was supposedly launched to prevent ethnic cleansing, but once the war was won and NATO troops were in control of the province they watched with indifference as the Serb population, together with Roma and Jews were driven from their homes and had to flee. Kosovo now contains one of the biggest US military bases in Europe. What these illustrations show is that ethnic cleansing and genocide are nothing more than smoke screens behind which imperialist interests are pursued. As we have stated above, the interest in Sudan is an interest in oil.

Oil and imperialist conflict

The US aims to make itself less dependent on Middle Eastern oil. In the medium term, it plans to increase its importation of African oil from the present volume, which amounts to 16% of its imports, to 25% by 2015. The UK, whose production from its North Sea fields is in decline is similarly looking for new oil sources. China, for its part, is now having to import oil and estimates that by 2010 it will need 50 million tonnes annually or 1 million barrels daily. Sudan is now estimated to have oil and gas reserves of 3 billion barrels and 99 billion cubic metres respectively. Although these reserves are not comparable to a country such as Iraq, for which the equivalent figures are 115bn barrels and 3115bn cubic metres, they are still enough to set mouths watering in Washington and

London. The increase in exports from virtually nothing in 1999 to 345 000 barrels/day, and the predicted rise of these exports to 500 000 barrels/day by the end of 2005 show that the oil can be got out of the country and that massive profits can be made.

What US imperialism wants

As we have said above the US wants to get its hands on Sudan's oil, but it wants much more than that. The US wishes to dominate all major oil producing regions of the world, not simply to secure its own supplies but in order to control the supplies to its rivals, the EU, Japan and China. It also wishes to ensure that oil trading continues to be dollars so that the revenue which the US derives from the use of its currency can continue to flow into the US treasury. Within the scope of these broad objectives the battle for Sudan's oil is only the latest episode. The question for Sudan is whether the supplies are considered important enough to warrant military invasion or whether other means will suffice.

Two recent examples of the US implementing its oil policies are Iraq and Libya. In the first, military intervention and occupation was used, in the second threats of intervention coupled with promises of rewards, the carrot and stick. For the US the advantage of military intervention is that the oil slate can be wiped clean. All existing oil contracts can be annulled and US companies given first pickings. The problem is that the process is a messy one as we are seeing in Iraq. However, there can be little doubt that the US would like to handle Sudan differently and try to proceed via UN resolutions, etc. However, the problem is always likely to be that US rivals, in this case China, understand exactly what is being planned and attempt to frustrate the US. China stands to lose a great deal in Sudan and has already let it be known that it will veto any US resolution it considers as against its interests. This may be why the US is now raising the issue of genocide which could serve as a way of avoiding a veto on military intervention and carrying out an invasion camouflaged as a mercy mission to save human rights. The carrot and stick approach is a possible option for the US. It is obviously less costly but would not serve to remove the Chinese from Sudan's oilfields, and US companies would only get a share of the pickings. The US is certainly keen to frustrate Chinese ambitions in Sudan as they have done elsewhere.

China, despite being the world's fifth largest producer of oil, does not have



enough and, as has been mentioned above will need to import a million barrels per day by 2010. It is therefore desperate to find sources of oil which free it from dependence on US oil companies. It has attempted to gain oil supplies from Asia and the Caspian basin by means of new pipelines. This initiative has been launched under the Shanghai cooperation organisation (SCO), which grew from the earlier Shanghai Five to include, China, Russia, Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan. Although one pipeline has been built from Kazakhstan to northern China, Chinese ambitions in the Caspian, where an agreement had been struck with Turkmenistan to buy 30 billion cubic metres of gas annually, have been frustrated by the US. The US achieved this invading Afghanistan and installing military bases in both Turkmenistan and Uzbekistan and blocking the pipeline projects. In a similar way, China's contracts to exploit Iraqi oil have been blocked by a US invasion of Iraq. To do the same in Sudan is clearly something the US would like to do.

While it is not possible to predict the particular strategy of US imperialism in Sudan, it is clear that the Chinese will attempt to frustrate US plans. The motive forces of the emerging conflict in Sudan are to be found in capitalism's struggle for raw materials, in this case oil. It is a struggle which is an expression of the struggle for profit, a struggle which intensifies as the rate of profit reduces and which is inherent in the nature of capitalism itself.

How can this savagery be ended?

In what we have written above we have been describing the actions of imperialism and have shown its utter disregard for the lives of those caught up in its drive for profit. Its use of the notion of human rights is nothing but hypocrisy, and the great imperialist powers are just as guilty as the Khartoum regime for what has happened in Sudan. Still, even by the standards of capitalism, it is difficult to comprehend the scale of killing which has been carried out in order to exploit the oil. On average of 260 people have been killed every single day for the last 21 years! Most of these people have been civilians driven from their homes and livelihood to die of starvation or disease. Why has this

happened? It happened because these people lived in the oil fields. Under capitalism ownership of valuable resources by the weak brings death and destruction at the hands of the strong who take the resources for themselves. The workers brought into Sudan to extract the oil have also been treated like animals. Here is what an official of the Chinese oil company, CNOC, had to say about the 10 000 Chinese workers brought in to build the pipeline to the Red Sea,

Our workers are used to eating bitterness they work 13 to 14 hours a day for very little⁵.

All this is a fair picture of capitalism today. These disasters are the results of the normal operation of the system. The capitalist system of production cannot, however, be reformed. It needs to be replaced by a more advanced system where production is for human need, not profit, and where society's development can be planned. The only social force able to bring about this change is the working class. The Chinese workers doing 14 hour days and their Sudanese counterparts are just a section of the exploited workers of the world, a class which owns nothing but its ability to labour and has to sell this every day to survive. This class is not simply a victim of capitalism, like the wretched Sudanese peasants whom the capitalists can kill in their thousands without concern; it is the class which

produces capitalism's profits. If this class stops work the entire system will collapse. It therefore has the means to overthrow the system through collective action. The urgent task today is to bring about unity of workers brutalised by exploitation and divided between continents and nations, and develop the political consciousness required for the overthrow of capitalism. A first step is the regroupment of revolutionaries who understand the necessity for this enormous change and forge an international political organisation to provide a coherent political framework for the tasks ahead. The International Bureau for the International Party, of which the CWO is a part, is attempting to carry out this task. We call on those who agree with us to join us in this task.

CP

Notes

1 See US committee on refugees www.refugees.org

2 The Canadians were subsequently forced to quit Sudan and sold their interests to an Indian oil company, ONGC Videsh

3 Darfur means simply "home of the Fur."

4 See "Auschwitz ou le grand alibi" Programme Communiste www.marxists.org/francais/bordiga/works/1960/00/bordiga_auschwitz.htm

5 Quoted in "China's involvement in Sudan, arms and oil" www.hrw.org/reports/2003/Sudan1103/26.htm

Internationalist Communist 22

contents

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US Strategy in Tatters – Balkanisation Looms

Chaos

The last three months have not gone well for the invaders of Iraq. The interim government, which the US hurried into office two days early at the end of June, has failed to establish itself as a legitimate administration. Instead, as we predicted in RP32¹, the government and its chief minister, Allawi, who previously worked for the CIA, are widely viewed as illegitimate US puppets. This government has absolutely failed to end the insurrection; on the contrary, the insurrection has got worse. The bloody month-long battle in Najaf is only one example of this failure. Despite all its threats and bluster, the Interim Government was irrelevant in ending the Najaf siege. Instead it was the Shia cleric, Sistani, who brought it to an inconclusive end, an end which, however, left the Shia rebellion undefeated and showed the weakness of the Allawi regime. Elsewhere, bombings and attacks have risen to new levels and certain key cities are no longer controlled by the Interim Administration or the US forces. In a single week in September 300 civilians and 16 coalition soldiers were killed, while insurgents captured 17 hostages and beheaded a further three. The interim government has failed to quell the resistance and so failed to perform the task for which the US set it up. This failure has led, once again, to a lack of direction in US policy. The initial US tactic, which was for troops to sit out the situation behind their fortifications and use their air power to rain death and destruction wherever they pleased, resulted in the loss of control of parts of the country and a number of cities. When it was realised that this lack of control would prevent the famous January election from taking place this policy was reversed. Instead, a tactic of retaking the lost cities has been implemented. As we go to press, the US has just retaken Samarra after two days of bloody fighting which left at

least 150 people, mostly civilians, dead and large areas of the city destroyed. That the US should need to recapture a city in a country it has been occupying for 18 months is a measure of its military difficulties and its unpopularity. This change in policy can only make this unpopularity of the US and its puppets worse.

War and Balkanisation

The announcement in September that the US was diverting \$3.5 billion from the funding of electricity and water projects to military projects is another admission of the catastrophic misjudgements the US has made. These funds are being diverted to training the Iraqi army and so represent an admission that the war cannot be won without Iraqi help. The insurrection is preventing the reconstruction work and so far only \$1.2bn of the \$18.4bn allocated for the 2004 reconstruction programme has been spent, and most of this has been spent outside the country. The US is belatedly attempting to build up the Iraqi army into a useful ally in an application of the famous policy adopted in Vietnam with regard to building up the South Vietnamese forces.

US control of the political developments also appears to be weakening. The body which was supposed to bring about an election result favourable to US interests, the National Council, which was established in August by appointment from tribal and religious groups, has elected enemies of the US to three of its four key posts. Only one of the elected functionaries supports the Allawi regime. It is, therefore, unlikely that this organisation will be much use to the US if the elections are held. The elections themselves, however, appear increasingly unlikely to take place, a fact acknowledged by top US officials,

such as the defence secretary Rumsfeld.

For the invaders, however, one of the most worrying developments must be the announcement that Iraq's three southern provinces, where 80% of the country's known oil reserves lie, are considering a plan to set up an autonomous region similar to Kurdistan². This could lead, as we predicted in RP32, to the splitting up of Iraq and its end as a unitary state. This in turn could precipitate wars involving its neighbours Turkey and Iran and bring greater instability in the whole region. This proposal for autonomy is a step which could lead towards civil and regional war. The Allawi government was quick to announce that it knew that the hand of Iran was behind it.

All these developments mean stabilisation of Iraq is a long way off and enormous problems still need to be solved before the US can get its hands on Iraqi oil in any significant quantities. Meanwhile the death toll has passed the 1000 mark and the cost has risen to over \$140 billion.

EU imperialism continues to oppose the US

On the international front the last three months have brought little improvement. The illegitimacy of the war was again underlined by the UN Secretary General who has now himself pronounced it as illegal. The European powers continue to refuse to aid the US while pointing out that the present chaos is precisely what they advised would happen before the invasion. France, with Belgium, initially blocked a plan for NATO to train Iraqi military officers in Iraq and only allowed the plan to go ahead after it was agreed that the mission would be financed by the countries involved in the training

themselves rather than coming from NATO funds, and that the training would only be for defensive measures. It is clear the Europeans intend to resist any US attempts to drag NATO into Iraq through a back entrance. As we have explained in previous texts, the Europeans understood the US invasion was directed against their interests and are prepared to frustrate US strategy wherever possible.

The US is not, however, about to give up its ambitions in Iraq. This can be seen by its building of permanent bases for its forces in the country. Even if the situation gets a good deal worse and the country fragments the US will stay. This is because it came to gain control of the country's oil and achieve strategic positions for its forces from

which it could extend its control to the entire Middle East and its oilfields. In August, the first step in bringing US oil companies into the Iraqi oilfields occurred when the Interim Authority invited certain oil companies to tender for the job of advising it on development of the two biggest oilfields, those of Kirkuk and Rumail. It comes as no surprise to learn that US and UK companies were invited to tender. The significance of this development, and indeed the significance of all the legislation the US has itself passed in Iraq through its Interim Governing Council (IGC) and its viceroy Bremmer, depends on the survival of a US puppet regime. It is the soldiers of US imperialism which hold the regime in power and they simply cannot be withdrawn without a

general reversal of US interests in the entire Middle East region. The fact that Kerry, who is challenging Bush for the US presidency and is mounting a sustained attack on the Bush regime's handling of the war, does not propose to withdraw US forces, shows that the Iraqi invasion represents a policy of the US ruling class as a whole.

The dismal events in Iraq are an expression of imperialist struggle between rival capitalist groups in the present period. They express the reality of capitalism which needs to slaughter thousands of people to get hold of strategic raw materials such as oil. The US's rivals, such as the European powers, Russia and China, also have

Continued on page 32

Revolutionary Perspectives Back Issues

Magazine of the Communist Workers' Organisation

- | | | |
|---|---|---|
| <p>1: Spain '36; Engels; Islam; French Strikes; Dayton; US Domination; Israel After Rabin</p> <p>2: Communist Manifesto; From Capitalism to Communism; Ireland; SLP; JSA</p> <p>3: M.East; Spanish War, '36; Class Struggle; German Crisis; Russia; Elections</p> <p>4: Labour; Crisis, Welfare State; Unemployed; M.East; Ireland; Leninism; Racism, Sexism, Communism</p> <p>5: Globalisation; WTO; Welfare Cut; Perspectives; French Strikes; Ireland</p> <p>6: Intern'l Class Struggle; Cap'list Crisis; Labour; Parl'tarism; German Communist Left; Deng; Imp'lism in Africa; Racism and Communism</p> <p>7: Labour; US Welfare Cut; US in Asia; Palestinians; Italian Imp'lism in Albania; Against Wage Labour</p> <p>8: October Revolution Today; UPS; ME War Process; Labour — Party of Intern'l Capital; SPD in WWI; Toothless Tigers</p> <p>9: Nation or Class; Hard Labour; Asian Tigers; ME War Process; The October Revolution Today; Letters; Indian Workers Appeal</p> <p>10: Akers McNulty; Student Struggle; 150 Years of Struggle; KAPD and Nat'l Bolshevism; The Firing Line (1); The Gulf; The Great Game</p> <p>11: Japan; New Deal; Indonesia; The Firing Line (2); Israel and US; Russia</p> <p>12: Multin'ls; Imp'lism in Africa; Labour's Lost Jobs; US Social Sec'ty; Russian texts; Parliament; May '68</p> <p>13: New Labour; Pinochet; Cuba; Brazil; Globalis'n; US and Iraq; 20 years after the Shah</p> <p>14: Yugoslavia; Asylum Bill; London Bombings; Food Crises; Trade Wars; Colombia; Nat'l Lib'n in Africa; Debt Crisis</p> | <p>15: Ford Strikes; Capit'm's Disasters; N.Ireland; E.Timor; Caucasus; Colombian Strikes; S Pankhurst; Iran; China</p> <p>16: Seattle; Call Centre Strikes; Rank and Filism; British Working Class; Nationalisation is Capitalist; KAPD; Barbarism in the Caucasus</p> <p>17: Death of Rover; Haider; Immigr'n Law; 100 Years of Labour; Incinerators; Welfare; US and Oil; Russia; Ecuador; Unions and Struggle</p> <p>18: Our Anti-capitalism; Global Crisis Kills; Sierra Leone; UN; Zimbabwe; ME; Vietnam; Ecuador; Globalisation; Tottenham Election; N.Ireland</p> <p>19: Yugoslavia; M.East "Peace"; Germany 1921; When on Marx; Slavery and Child Labour; Euro; Petrol Blockade; Ecuador; Peru; Colombia; Strikes in LA; Women's March against Poverty</p> <p>20: Class War isn't Over; Job Losses; US Cap'list Elections; Socialist All'ce; Postal Strikes; Bolivia; Palestine; Zero Tolerance; Byker Incinerator</p> <p>21: Class Consciousness and Political Organisations (1); China; Fighting Capitalism; Foot and Mouth; Middle East; Balkan Wars; Ukrainian Communists; US Unions; Mexico</p> <p>22: Class Consciousness, Political Organis'n (2); Genoa, Real Face of the Capitalist State; Italian Strikes; Unemployment; Argentina Crisis; Racism in Britain; Autism; Ireland; Son of Star Wars; Cap'lism's 3rd Sector</p> <p>23: 9-11; Afghanistan; Oil; US Economy; Opposing War; Consciousness (3); Ireland; Monbiot; Islam and SWP; Rail; Miners' Pensions</p> <p>24: Argentina; PO; Railworkers; The Euro; Consciousness (4); Immigrants are the Same Class; War on Terrorism; ICC and Warl West Bank</p> | <p>25: Fascism and Democracy; Palestine; Nationalism; PO Workers; Italian General Strike; Council Housing; Consciousness (5); Lenin, Luxemburg; Little Steel; Zimbabwe; Venezuela; US Imperialism in Afghanistan</p> <p>26: <i>No War But The Class War</i>; 11 months since 9/11; Stock Market Falls and War; Public Sector Strikes; Rail Farce; Consciousness (6); Immigration; Colombian Debt</p> <p>27: War on Iraq; Firefighters; Palestine; Consciousness (7) — the Revolutionary Wave; SWP and Stalinism; Earth Summit</p> <p>28: War on Iraq; Firefighters; North Korea; Consciousness (8) — the Cult of the Party; Class Composition (1); Brazil</p> <p>29: Iraq: War and Occupation; Galloway and Luxemburg; ME Road Map; 9/11; Green Light for State Terror; Firefighters; Pensions; Consciousness (9) — Bordiga; Class Composition</p> <p>30: Iraq: US Imperialism Bugged Down and The Hutton Enquiry; Middle East: Workers Begin to Act; The Spectre of Class Struggle; Trades' Unions and Left-wing Leaders; Review: Toynbee's <i>Hard Work</i>; US: Claims of Recovery; Class Consciousness (10): Towards the World Proletarian Party; Class and Education; A Hot Autumn for Pensions</p> <p>31: Middle East, Britain — the Spectre of Class Struggle, Italian Rail Strikes, Africa, Anti-Globalisation, Parmalat, Universities, RESPECT, Hutton and BBC</p> |
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Introduction

We translate below an article by our Italian comrades of Battaglia Comunista (no. 7/8, July 2004), on the crisis in Saudi Arabia.

The connection between the economies of the US and Saudi Arabia seems to be supplemented by the personal connections between the American ruling family and the royalist section of the Saudi bourgeoisie.

On 13th September 2001, chartered aeroplanes picked up 140 Saudis from various locations in America and evacuated them. Despite the fact that the White House knew that 15 of the 19 hijackers involved in the mass murder two days previously were Saudi, that they knew that "the primary source of money for al-Qaida" was Saudi Arabia (according to the official commission on 9/11) and everyone knows that Osama bin Laden is a Saudi, most of the evacuees were not even interviewed by the FBI.

The American authorities seemed to be afraid of what interviewing the Saudis would reveal. Why?

If there was anything to reveal, and if it was damaging to the US national interest, then it would just be classified and no-one would know beyond the agencies of the US state. And it must be in the interests of the US state to know everything there is to know about its enemies.

However, if there was something to reveal which was damaging to the interests of a clique within the US state, and they were in a position to prevent their rivals from gaining information which might be used against them in the future, then ensuring that whatever the evacuees knew remained unknown to the state would make sense.

And the Bush family and its allies certainly have strong connections to some sections of the Saudi ruling class:

Prince Bandar, the Saudi ambassador to the US and a powerful member of the royal family, has been a close

friend of George Bush Snr for more than 20 years. Nicknamed Bandar Bush, he drops by the Bush residences in Kennebunkport, Maine, and Crawford, Texas, not to mention the White House. He and Bush senior go on hunting trips together.

Then there's the money. More than \$1.4bn of financial transactions have gone from the House of Saud to corporations and institutions tied to the Bushes and their allies - largely to companies such as the Carlyle Group, Halliburton, and HarkenEnergy. So what does all that influence buy the Saudis?

"'War president' Bush has always been soft on terror",
Craig Unger, The Guardian, 11th September 2004¹

And the Bush White House is certainly obstructing the efforts to find out what and who were behind 9/11:

As co-chairman of the joint House-Senate panel investigating 9/11, [Senator Bob] Graham found his efforts to get to the bottom of the Saudi role in 9/11 again and again were quashed by the Bush administration. When his committee tried to subpoena a key witness who happened to be an FBI informant, the FBI refused to cooperate. "It was the only time in my senatorial experience that the FBI has refused to deliver a congressional subpoena," Graham told Salon.com in a recent interview. "The FBI wasn't acting on its own," he added, "but had been directed by the White House not to cooperate."

ibid.

However, the personal interests and conspiratorial activities of the Bush family are, in the overall scheme of things, a side-issue, albeit a potentially embarrassing one for the American bourgeoisie. It is America's national interest which is behind its war policy, its need to protect the dominance it has over the trade in oil, and, above all, the revenue accruing to it from the fact that oil is priced in dollars.

Economic transformation at the root of the crisis Saudi Arabia About to Explode

Saudi King Fahd's recent appeal, launched through his mouthpiece, the Prince Regent Abdullah, which allowed all *Al Qa'eda* terrorists in the country a month to give themselves up in return for a promise of amnesty for all crimes they have committed, seemed to various international commentators to be a further sign of the weakness of a regime which finding itself in ever greater difficulties. The country with the largest sources of oil in the world risked an explosion under the pressure of massive economic and

social contradictions, thus feeding the spiral of violence which has for decades raged throughout the Middle East.

After the dramatic events of 11th September 2001 it turned out that 15 of the 19 *kamikazes* who participated in the attack on the twin towers in New York were Saudis. The most faithful ally of the United States in the Middle East had been raising the bitterest enemies of the Americans in its own home.

What caused this inversion of the Saudi political scene, who are the opposition to King Fahd Al Saud's regime and what do they represent? For many, the crisis in Saudi Arabian was born from and nourishes itself on conflicts between the different Bedouin tribes and the sharpening of the inter-religious clashes between the various souls of Islam. The reality is more complex and to understand the crisis in the Arab peninsula it is above all necessary to once more go over the

recent history of Saudi Arabia and the role that it plays in the oil market.

After the unification of the Kingdom by Abdelaziz Al Saud in the early thirties of the last century, the history of Saudi Arabia underwent a radical turn on 7th May 1938 when the oil-bearing stratum at Damman began to release a continual stream of petrol, confirming the existence of substantial deposits in the Arabian peninsula. Only a year later, the first petrol tanker was launched at Ras Tanura, through which today 10% of world oil production passes. Even in the thirties, Saudi Arabia was in the sights of the various imperialist powers: with the victory of the United States in the Second World War, the old European powers, in the first place Britain, were replaced in the management of energy resources by the United States itself. In 1945 on the waters of the Red Sea on board the ship Quincy the American President Roosevelt and Abdelaziz met to determine what would be the future relations between the two countries. The United States committed itself to guarantee every possible assistance in terms of military security and support for the Al Saud monarchy, in exchange, in fact, for the management of the oil market. Unconditional support for the Al Saud regime in return for the possibility of managing petrol revenue on the basis of its own imperialist interests: in this way, an indissoluble marriage between oil and the dollar was born, which has, for a whole historical phase, allowed Saudi Arabia to enjoy the United States' military protection, and the United States to extract the maximum of the financial revenue stemming from the sale of petrol in dollars.

The Saudi economy, for an entire historical phase, was exclusively based on the revenue derived from the sale of petrol. Especially after the oil shock of 1973, when the price of black gold was sky-high, Saudi Arabia accentuated its role in petrol, so that more than 95% of its exports were derived from the sale of petrol. With respect to the GNP, the weight of petrol constantly grew: from a share of 45% in 1968, it reached one of 79% in 1973. In the Eighties, after the collapse of oil prices, the Saudi economy although maintaining its historical vocation, began a slow but inexorable transformation, to the extent that, at the beginning of the new millennium, the composition of the GNP provided a snapshot of a country completely

different to that in the public imagination. In fact, in 2001 the leading portion of the GNP fell to the service sector which claimed 43.6%, followed by the exploitation and refining of petrol and gas, which represented 34.5%, by industry and by agriculture, which represented respectively 16.7% and 5.2% of GNP. All this means that the Saudi economy, although remaining centred on oil, in the last two decades has undergone important transformations which have deeply changed its social composition with the affirmation of a component of the bourgeoisie decoupled from the production of petrol. The crisis in Saudi Arabia is also confirmed by the data on unemployment, which, according to official figures is not above 10%, but, according to the figure supplied by international organisations, is greatly above 20%.

The transformation of the world economy in general and that of Saudi Arabia, with the affirmation of an industrial bourgeoisie and a petrol-producing one in competition with the Al Saud royal family, has, in recent years, profoundly altered the block of interests linking Saudi Arabia to the United States. Up until the bursting of the speculative bubble and for all of the last decade, the dollars pocketed in the sale of oil were invested in the US financial markets, which, in their turn, were in constant growth just because of the continual incoming flux of foreign, not least Saudi, capital. With the collapse of the speculative bubble, the petrodollars invested on American markets suddenly evaporated, causing enormous losses for the Saudi investors. If we add that recently the dollar has been heavily devalued with respect to the new European currency, we can imagine the damage undergone by the Saudi economy, obliged to sell oil in devalued dollars and then to import goods and services from European countries with the euro sky-high.

The anti-American sentiments of wide sectors of the Saudi bourgeoisie have fed on

precisely these interests, as well as being tired of suffering US arrogance and the presence of the American army on their own territory. Together with the dictatorship of the dollar, these feed the religious fanaticism which is the terrain on which many terrorist organisations grow, starting with *Al Qa'eda*.

In Saudi Arabia, it seems that only an immobilised King and that part of the royal family tied to the US cart remain loyal to the United States. All around there is a war without quarter against the Al Sauds and their protector across the ocean.

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Note

1 Craig Unger is the author of *House of Bush, House of Saud*, and the article is also available at <http://www.guardian.co.uk/comment/story/0,,1302097,00.html> (at the time of writing).

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Editorial : l'Argentine
Elections et parlementarisme
Algérie, Kabylie été 2001
Marxisme et conscience de
classe
De quelques
considérations autour de
l'intervention en Afghanistan

N°3 février 2002
3 Euro

Behind the Butchery in Beslan

Another Episode of the New Great Game in Central Asia and the Caucasus

To the superficial observer the tragic killing of so many in Beslan seems to make no sense at all. In fact it was part of the gruesome logic of the struggle for control of the territories of the Caucasus. A struggle that involves local nationalisms, under whatever religious or other ideology, as well as the great powers, and their agencies like the World Bank and the European Bank for Reconstruction and Development (EBRD), plus the multinationals that are working to gain access to the region's oil.

The Chechen issue

The murder of over 300 people, at least half of them children, has rightly provoked horror and outrage amongst anyone with a shade of humanity. However, we should not blind ourselves to the fact that the outrage, as reflected in the capitalist press in all countries, is accompanied by a wilful disregard of the causes of the atrocity. To many, like British Brigadier Aldwyn Wight, the whole affair is "senseless". He told BBC's Newsnight programme that the Beslan assault had no "political rationale" since it was not aimed at achieving any discernible military or political object. To support this he could point to the fact that the hostage-takers clearly did not come ready to negotiate (as the refusal of food and water for both themselves and the hostages demonstrated) but simply to inflict the maximum of casualties. However, the evidence suggests it was not that simple. Some of the surviving hostages have maintained that two of the "black widows" had second thoughts about the idea of holding children hostage and were killed by their own leader. The siege actually seems to have come to an end when the humanitarian release of some hostages led to confusion in which either the Russian forces tried to storm the building or to the triggering of the bomb in the gymnasium accidentally.

But just as the Putin regime refused to come clean on how many really died, it has also deliberately issued vague and conflicting statements about the end of the siege.

Whilst the anguish for the parents of the children who have not been accounted for goes on, the Putin lie machine has, not surprisingly, gone into overdrive. Since 9/11 2001 he has been portraying the resistance to Russian rule in Chechnya as part of the terror network of *Al Qa'eda* with the clear aim of distracting any criticism of the dirty war that Russia has been fighting there since 1999. The Russian Government has now offered \$10 millions for information that would lead to the arrest of Aslan Maskhadov, the former elected Chechen President ousted by Moscow in 1999, despite the fact that Maskhadov has already condemned the attack on "defenceless children". It has also led to the usual increase in repressive policies inside Russia. In a previous comment on the Caucasus we prefaced the article with the following

These acts of terror demoralise and confuse the working class allowing the bourgeoisie a freer hand to increase its apparatus of repression, carry out their attacks on living standards and increasingly step up their moves towards war.

"Barbarism in the Caucasus" in *Revolutionary Perspectives* 15 (Autumn 1999)

Putin has wasted no time in using the crisis to increase his grip on power. He has torn up the 1993 constitution which provided for the election of all 93 provincial governors and has replaced them with his own appointees. The US magazine *Newsweek* referred to this as "Stalin-lite", but a better model would be Napoleon who scrapped the legislative principle for central appointments in 1802. On top of this, local constituency elections for MPs

are also to be abandoned whilst security agencies have been given a freer hand. None of this has been done without criticism from Putin's predecessors, Gorbachev and Yeltsin, but the most significant criticisms have come from the West. The EU, in the person of Chris Patten, has urged Putin not to "increase the power of the Kremlin" whilst that great scion of democracy, George W. Bush, has delivered Putin a series of lectures on the virtues of the separation of powers and federalism. The response from the Russian side has been pretty tart: Sergei Lavrov, Russia's Foreign Minister spotted that Bush was simply describing the principles of the American system, so retorted that this was none of his business, and that, in view of the outcome of the US Presidential election in 2000,

We for our part do not comment on the US system of presidential elections, for instance.

quoted in *The Guardian* 16th September 2004

For good measure, he pointed out that the US had also introduced new repressive measures in its homeland security law that reversed previous legal rights and that the prisoners at Guantanamo had been held for more than two years without trial. Whilst this verbal point-scoring of two appalling capitalist regimes might be amusing to revolutionaries it should not blind us to the fact that what lies behind the words is a much more material struggle for control of the whole Central Asian, Middle Eastern and Balkan areas. These are where the bulk of the world's energy supplies lie and the extraction and delivery of those resources has made the Caucasus a bloodbath over the last decade and half. Beslan is just the latest piece of barbarism in an increasingly barbaric tale.

Let us therefore put aside any notion that this attack was simply the

“senseless”, irrational product of rootless terrorists. The group which entered Beslan **did** have a purpose. It has now been admitted that the group were working under the orders of the rebel Chechen leader, Shamil Basayev. He has issued a statement (see *Financial Times* 18th September 2004), which not only claims responsibility for Beslan but also for the earlier downing of two Russian airliners by female suicide bombers (the so-called “black widows”) as well as the two explosions in Moscow at the end of August. Basayev even announced how much each attack cost (possibly because they were only successful through the bribery of so many Russian border and security guards). In the case of Beslan, the 33 hostage takers (two thirds of whom turn out to be either Chechen or neighbouring Ingush plus three Russians and two Arabs, with the rest from remote Russian provinces) had managed to get lorry-loads of weapons across two borders (Ingushetia lies between Chechenya and the Russian province of North Ossetia where Beslan is situated) to prepare the attack. On the website of the rebel group, Kavkazcenter.com, Basayev’s group, Riyad al-Salakhin, also stated that they had made clear political demands to the Putin government. They called for Russian troops to pull out of Chechenya and they offered in return that Chechenya would

...not conclude any political, military or other unions against Russia, not place foreign military bases on its territory, even temporarily, not support or finance groups or organisations waging war against Russia. It will enter the CIS, and be in the united rouble zone.

The website also maintained that food and water would have been given to the hostages in stages, as the Russian government began to agree to the demands. This still does not excuse the use of children even though the Russian Army has twice murdered and raped its way into Grozny, capital of Chechenya, in the last decade. It is estimated that over 230 000 Chechens have died and millions have been made homeless. *Amnesty International* reported last July that the abuse of human rights by the Russian Army was “rampant”, listing arbitrary detention, murder, rape, torture, and “disappearances” as the main crimes. We do not seek here to excuse or to defend either side. There are no “good guys” in this story. There are only

victims of an international system which offers only more misery. Our task is to explain this and to fight against the racism and nationalism which the ruling class of every country is promoting.

The new Great Game

The whole sorry saga has its roots in the manoeuvres of Western and Soviet (now Russian) imperialism in the region (and this includes not just the Caucasus but the whole of Central Asia as well as the Balkans), since the collapse of the old USSR.

At the root of the bloodshed, as ever, lies oil. Richard Norton-Taylor put it starkly enough in *The Guardian* three years ago

A new and potentially explosive Great Game is being set up and few in Britain are aware of it. There are many players: far more than the two – Russia and Britain – who were engaged a century ago in imperial rivalry in central Asia and the north-west frontier.

And the object this time is not so much the control of territory. It is the large reserves of oil and gas in the Caucasus, notably the Caspian basin. Pipelines are the counters in this new Great Game.

There are plans for pipelines through Azerbaijan, Georgia, Turkey, Iran, Bulgaria, Macedonia – and Albania. “The new Great Game” in *The Guardian*, 5th March 2001

The US, Russia, Turkey, Iran, and the EU are all jockeying for position in order to promote pipeline projects which benefit them. After a decade of see-saw struggle, the Russians are the ones who are currently losing out the most. The end of the USSR and the collapse of Gorbachev’s Commonwealth of Independent States (CIS) in the early 1990’s has led to a determined struggle for the republics that once used to be part of the USSR. When Georgia declared its independence from the USSR, Abkhazia, South Ossetia, and Azharia all in turn declared their independence from Georgia. Each territory still had Red Army bases and each received such strong support from Moscow that they achieved a kind of *de facto* independence. At the same time, a war broke out between Armenia and Azerbaijan over the enclave of Nagorno-Karabakh. In 1994, after five years fighting the Armenians all but

controlled the enclave, and there were over 100 000 Azeri refugees from Nagorno-Karabkh in Azerbaijan. As this was going on, the CIA was trying to stitch up a new alliance called GUUAM in which Georgia would be joined by the Ukraine, Uzbekistan, Azerbaijan and Moldova. This coincided with the beginning of the Western-financed pipeline from Baku, the main oil port on the Caspian to Supsa on the Black Sea coast of Turkey (eventually opened in 1999). This broke the Russian monopoly of oil transportation from the Caspian to the Black Sea.

Even before this, Chechen separatism had also been ignited largely through funding from Saudi Arabia which had paid for their co-religionist Muslim brothers in Chechenya to train to fight in Afghanistan. Shamil Basayev is a graduate of the same Wahabi school of terrorism that brought the world Osama bin Laden and *Al Qa’eda* (though there is no reason to doubt Basayev’s word that they are not organisationally linked). Both, of course, were trained by the US and Pakistani secret services. In the first Chechen war which was begun by Yeltsin in 1994, the aim was to quash a threat to the oil route from Baku in the South towards the Russian heartlands. It was made all the easier by the way the West was attacking Serbia in the Balkans. On a wave of Slav nationalism (which also saw the collapse of GUUAM and the return of many of its members to the CIS – see *Revolutionary Perspectives* 15) Yeltsin hoped to crush the Chechens quickly. If NATO could bomb Belgrade with impunity then Yeltsin felt he could do the same in Grozny. However, Yeltsin massively miscalculated the amount of aid the Chechens were receiving from the Saudis. Although the Russian Army took Grozny twice, they were driven out in humiliating fashion on both occasions. By the end of 1995 it was recognised that the war had been lost and that the Chechens would have to be granted considerable autonomy.

This lasted until 1999 when once again NATO bombings of Belgrade, this time in support of the Kosovan secession from the rump of Yugoslavia led to another wave of Slav nationalism (another area which will host a pipeline from the Black Sea to central Europe). The mysterious bombing of Moscow working class flats (probably by the Russian secret services) was then exploited by Putin to relaunch the assault on Grozny. This time there was to be

no failing and Grozny was gradually reduced to rubble with the horrendous violations of human rights we have already catalogued. It is little wonder that since 1999 we have seen the new development of Chechen suicide bombers, many of them women who have lost relatives or husbands (hence "the black widows"). However, the continued resistance to Russian rule in the area (from North Ossetia through Ingushetia and Chechenya to Dagestan) means that the Russia hopes of maintaining the route for Baku oil to Novorossiysk are fading. Even the installation of a supposed Russian puppet Akhmad Kadyrov in Chechenya did not help. Kadyrov represented a powerful Chechen clan which has its own troops. He had been fairly successful in achieving a degree of quiet within Chechenya but then began to drive a hard bargain with Moscow. He wanted oil revenues from Chechenya's own oil to be used for the re-building of Grozny, to create a Chechen free economic zone as well as to be made sovereign governor-general of the territory. Kadyrov was blown up in a football stadium in May. It was supposed at the time to be the work of Basayev but since then events have led some to wonder whether the hand of Moscow was not behind Kadyrov's murder. His son, Ramzan, refused to support Alu Alkhanov, the successor to his father picked by Moscow, who was duly elected in a rigged election in August. An internal struggle within the pro-Moscow Chechen clans hardly bodes well for either Russian control or even a minimum of stability in the territory.

The British and American plans for the pipeline further to the south seem by contrast to be well on track. The key strategic problem here was Georgia. A pipeline to Supsa already exists through Georgia but it only takes currently one tenth of the expected Caspian production coming out of Baku. Additionally, the

line has been sabotaged twice already, not by terrorists, but by locals doing a bit of freelance tapping. Two pipelines would also give greater security of supplies to the West through a region which is also notorious for earthquakes. Another issue is Turkey, which has declared that it is not happy with more super-tankers going from the Black Sea through the already crowded Bosphorus sea-lane into the Mediterranean. In reality, Turkey wants more of the investment directed into Turkey and a pipeline through Kurdistan will give them the *carte blanche* they want to crush the Kurdish PKK party which has already declared the end of its ceasefire with the Turkish Government. The US, too, would prefer a pipeline which came further south as any northern pipeline could be linked via the Ukraine to the existing Soviet-era pipeline which takes oil to Germany.

Georgia and the Baku-Tbilisi-Ceyhan pipeline

This is the background to the BP-Amoco pipeline that is being built to Ceyhan in Southern Turkey. The route is itself an indication of the geopolitics of the area. The pipeline does not go directly to Ceyhan from Baku but first goes through the north of Azerbaijan, avoiding the disputed territory of Nagorno-Karabakh controlled by Armenia, then swings west to Tbilisi before bending south through Georgia and into Turkey. At over 1700 kilometres (1082 miles), it is twice as long as the Supsa-Baku pipeline and will have, for at least part of its length,

a parallel gas line from the same Azeri-Chirag-Guneshli oilfields on the Caspian. There are huge environmental and social costs which will be paid by Caspian wildlife and locals living in the areas where the pipeline is built. Not surprisingly there has been a sustained campaign to prevent the pipeline being built. This has not deterred international financial institutions from competing to invest in it. The pipeline actually began in January 2003 but the campaigners, local and international, managed to hold up IFC (the investment arm of the US dominated World Bank) and EBRD money for nearly a year until November 2003. On November 4th 2003, the IFC gave a \$250 million loan followed exactly a week later by the same sum from the EBRD. They announced that they had approved the loan because the Azerbaijan International Operating Company (a multinational company involving all the leading players) and BP had agreed to use Best Available Technology and guaranteed to observe environmental and social concerns raised by the protestors). This is, of course, a lie. There have been over 100 protests in Georgia alone (indeed some of the 450 villages to be affected by the pipeline have been conveniently erased from the map submitted to the IFC and EBRD) against the pipeline. However, all this is the subject of a different article.

The final argument for the pipeline is that it will benefit local people as international investment "trickles down" through the economy. This However, leads us back to the



international political manoeuvring. Azerbaijan is the third most corrupt state on the planet according to *Bankwatch*. The President was Aliyev and his successor is an Aliyev (his son). The President of the Azeri state oil company is also called Aliyev and all oil revenues are personally controlled by the President of Azerbaijan. Corruption is the name of the game here. It is no different in any of the ex-Soviet states where the fighting is going on and Georgia under Eduard Shevardnadze, personal friend of Ali Aliyev cannot have been far behind in the corruption stakes. Shevardnadze, ex-Stalinist apparatchnik (like Aliyev) jumped ship shortly before the fall of the USSR and returned to Georgia which had declared its independence from the USSR under the leadership of a fascist madman (Gamsahurdia). When he was overthrown in a coup, Shevardnadze, a friend of "democracy" with useful connections at the Kremlin was on hand to take up the reins of power. Corruption and fixing became the rule of the system as Shevardnadze tried to play a balancing act between Russia and the West. Russia had friendly relations with him, but at the same time it was trying to destabilise Georgia. Here, Russia's greatest success was in Abkhazia where the Georgians tried to take total control. With a little help from the Russians, the Abkhazians not only fought off the attack of the feeble and corrupt Georgian Army but went on to ethnically cleanse 300 000 Georgian speakers from their territory. From this point on, Shevardnadze decided that, whilst keeping up formal good relations with Moscow, his aim was to get US help. Not only was he an enthusiastic advocate of the two pipelines across Georgia but he even offered asylum to Aslan Maskhadov, the elected leader of Chechenya driven out in 1999. Maskhadov's party still has offices in Tbilisi right next to the Georgian Ministry of the Interior. All attempts by Putin to get him extradited were rebuffed. Chechen speakers were often invited to address the Georgian Parliament and given warm applause to the fury of Putin.

Recognising the weakness of Georgia's own armed forces, Shevardnadze invited the US to send hundreds of troops ostensibly to train up elite squads of the Georgian Army. Some have been sent to the end of the Pankisi Gorge which the Putin government has maintained is being used for training

Al-Qa'eda and Chechen terrorists (despite the fact that the Gorge is actually too small for this). All this, of course begs the question as to why Shevardnadze was removed in the so-called "Rose Revolution" in November 2003, just after the finance from international institutions had been guaranteed. The US, which seems to have acquiesced in the dictum that Shevardnadze might be a son-of-a-bitch "but at least he's our son-of-a-bitch". The Bush regime had at first tried to support him at the beginning of November, despite the blatantly fraudulent elections which gave him 80% of the vote. However, after Shevardnadze, in keeping with his usual balancing act, gave two Russian oil companies exploration rights in Georgia, Powell, the US Secretary of State, suddenly publicised the allegations of fraud from international observers and supported the opposition. The new factor was the new unity of the opposition behind Saakashvili (a US educated graduate) in a way unprecedented in Georgia's recent history. Rumours have it that this new unity was financed by George Soros whose organisation has not only campaigned against the corruption in Georgia (see the book published by a Soros Foundation subsidiary, *Caspian Oil Windfalls: Who Will Benefit?*, by Svetlana Tsalita) but against the Bush faction in the USA. As with other crooks that they have supported (like Suharto), the US was able to quickly shift its support behind the new "democratic" regime just in time. The hope they retain is that the establishment of a less blatantly corrupt civil society in Georgia will make the region even safer for the pipelines constructed there.

However, Shevardnadze's departure has intensified tensions in the region as Saakashvili, riding the wave of Georgian nationalism in the January 2004 elections, has begun an aggressive policy aimed at removing the autonomy of the breakaway regions of Azharia, Abkhazia and South Ossetia. Azharia has already rejoined the Georgian state (but then it is linguistically Georgian). However, any steps against Abkhazia and South Ossetia risk the ire of a Moscow which has already been badly stung by its forced retreat in the region. At the moment, Putin can do nothing given his aim of lining Russia alongside the West as the victim of terrorism and Saakashvili knows it, but the situation

is constantly in flux as we have demonstrated earlier in this article. In a way, the new "Great Game" is like a very complicated game of chess where no-one takes anyone else's pieces, but the tensions towards a great Armageddon are building.

Except, of course there are more than two players. At the moment the biggest losers in pipeline diplomacy are the local people, followed by the Russian state and finally also the European Union. The Baku-Tbilisi-Ceyhan pipeline is being built largely by an Anglo-American consortium and its aim is to take a million tons of oil daily to Yumurtalik, a port to the south of Ceyhan. There, three huge supertankers with capacities from 300 000 to 500 000 ton, would transport the oil to ... the USA. The Europeans don't operate such a large capacity (150 000 tons being the norm) and have no need of such large tankers. The EBRD has offered finance in order to maintain European interest in the project but all the signs are that they are running hard to stay in the same place. When the Europeans criticise the Russians over Chechenya, it is because they want a deal which would allow a more northern route. American platitudes about "democracy" are intended only to stir up more trouble in Putin's stinking backyard. US troops are now moving into every country in the region. In Bosnia, Kosovo and Macedonia, as well as Georgia, Azerbaijan, Kazakhstan, Turkmenistan and Tadjikistan, the USA now has military bases. The latest US proposal to shut down bases in Germany to establish new ones in Bulgaria (another pipeline beneficiary), Rumania and the other countries of the old eastern Bloc gives the impression that Russia is now under siege. To this list we should also not forget to add Afghanistan and Iraq. The rest of the world ignores what is happening in the Caucasus and Central Asia at its peril. The last Great Game ended after almost a century of rivalry, with Britain and Russia signing an agreement in 1907 to neutralise the area and join forces against German imperialism. It is more likely that the opposite will happen this time. As the tensions build, the polite hypocrisy of diplomacy will be torn aside to reveal more aggressive imperial intentions...

Jock

Class Struggle and the Trades Unions

Introduction

Today the British working class is being savaged in a campaign of attacks which it is finding difficult to resist. The struggles we are seeing today such as the civil servants, firefighters, postal workers or airport workers are essentially defensive rearguard actions against a system in deep crisis. The present weakness of the British working class is the outcome of the massive restructuring of industry in the '80's in struggles such as those of the steelworkers, miners and print workers. These defeats split the large battalions of workers into smaller units and saw the transfer of industrial workers to service industries or into self-employment. This has led to the present weakness. The attacks on the British working class occurred earlier than equivalent attacks on European workers because the capitalist crisis was more severe in Britain. The crisis is, as we have said many times before, a result of the tendency for capitalism's rate of profit to fall. The need to counter this fall is the motive force which has driven the relentless changes of the last three decades and the history of these decades has been a catalogue of the capitalist class's attempts to restore profit rates. Attempts to do this have taken various forms determined by the opportunities available. Initially we saw restructuring and devaluation of capital through privatisation of state assets; this was accompanied by cheapening of the elements of constant capital via microprocessors, lasers, the internet and other technical advances. More recently we have seen a drive to export capital to areas of cheaper labour power coupled with international merging of capital and concentration of capital on a global scale. These measures were all accompanied by increases in productivity of workers and redundancies. Redundancies and importation of immigrant workers into the capitalist core countries have ensured that wages are held down (whilst at the same time the capitalist class uses the issue to divide workers

— See *Revolutionary Perspectives* 32). All these measures have brought increases in profitability, but these increases have gradually been eroded as the general tendency for profit rates to fall reasserts itself. Average profit rates are still not equal to what they were in the early '70's when the first shocks of the crisis struck.

Present low growth rates indicate that the situation is still critical and it appears that more direct attacks on the wages and living conditions of the working class are now in store. Wage cuts, longer hours and removal of benefits provided by the state are all now being implemented. The attacks on pensions in the UK and Europe on which we have previously reported, and the attack on German workers contained in Agenda 2010 which we report on in this issue, are indications of which way the wind is blowing. The following article looks at the situation of the British working class, the class struggle and its relation to the trade unions, and suggests a way out of the present impasse.

General attack on British workers

Today many workers find themselves in a perilous situation as manufacturing industry continues to decline and as both manufacturing and the service sector increasingly look to move abroad to exploit cheaper labour. On an almost weekly basis it is announced either that some unprofitable plant or other is about to close, the latest example being the Jaguar plant in Coventry, or that some other plant is to move production abroad. As the global economic crisis deepens so the attacks on workers worsen. Increases in productivity and holding down of wages are now being followed by the extension of the working week. It has been accepted by many workers that this is inevitable and British workers now officially work the longest hours in Europe. Taking work home in the evenings and weekends has slipped into the routine working day and the

average official working week now stands at 48 hours — although naturally all the hours spent working from home aren't paid. The importance of these long hours for British capitalism is shown by the announcement by the British government that it is determined to prevent European legislation limiting the working week to 48 hours. Britain officially has the worst work/life balance in Europe. The need for capital to increase exploitation has also led to plans to restructure the provision of pensions. The chancellor, Gordon Brown, plans to raise the retirement age in the public sector by five years and end the final salary pension scheme. All in all British workers are facing longer hours, worse (and far more dangerous) working conditions and no security when they retire. The attacks on the social wage — too numerous to detail here — are also part of the drive to reduce benefits including, for example, incapacity benefit which will hit many of the most vulnerable workers. All this forms part of a general drive to push wages down and hours worked up. Because British workers are now less militant than their European counterparts, for reasons given above, and because they have fewer legal rights protecting them both from and after redundancy, the loss of jobs from the UK to the East is taking place at a far greater rate than in the rest of Europe. It is estimated that some 100 000 UK jobs will have moved abroad in the next three years, compared with 11 000 in Germany, 7000 in France and 4000 in Italy. Businesses which have already moved include Tesco, which sent 420 more jobs to India in July, Standard Life, Scottish Widows, Lloyds TSB, Abbey, Thames Water and the Prudential. Call centre wages in the East are a fraction of wages in the UK. According to Mintel, the average call centre salary in the UK is £12 500 a year, in India it is £1200 and agents work faster, hence the stampede to move this work to India. By 2015 some 760 000 jobs could have been moved from the UK whilst only 140 000 will have gone from Germany and 98 000 from

France. The UK's rate of loss of jobs to locations abroad is similar to that of the US.

Union response

The response of the Unions when faced with companies moving abroad is twofold — they start a flag waving campaign to keep everything British whilst at the same time smoothing the way for the company to make the cuts it wants. The unions can always see the logic of capitalism's need to increase profitability in order to survive and they pave the way for increasing the exploitation of the working class, British or otherwise. There is never any strategy to help low-paid workers in the developing countries to raise their wages, instead the unions inevitably help their companies restructure, cutting wages and worsening conditions. The rights of British workers have been cut down over the years as part of the drive to attract inward investment. UK plc has been given every support by Labour and its unions; flexible working hours, short-term contracts, part-time work, casualisation and the accompanying reduction in wages all promised to bring jobs to Britain, but as the needs of capital for ever cheaper labour has increased, the loss of workers' rights has had the opposite effect and it is far easier for companies to leave Britain than elsewhere in Europe. More than 90% of companies surveyed in France said resistance from the working class was a factor in preventing them moving abroad. The golden age of UK plc appears to have been remarkably short lived.

The unions themselves are actually one of the victims of this process. Private sector unions are losing members at an unprecedented rate. The decline in manufacturing has meant unions like the T&G have lost a substantial core of their membership, losing more than 20 000 last year. Amicus has lost 36 086 members bringing the number of members who contribute to its general fund to 684 540, despite its recruitment drives. The GMB's membership fell by 103 864 in 2003 leaving it with a £16 727mn deficit which it is tackling by cutting jobs. Four of the ten largest unions now have major deficits in their general funds. All of this has led to an ongoing debate about donations to the Labour Party. Labour is historically the creation of the unions and even now over half the money donated to the Labour Party

comes from the unions. In this period of class retreat, though, the links between Labour and the Unions are not as essential as once they were. Labour doesn't politically need the unions to act as the buffer for working class anger and the failure of Labour to protect industrial jobs has led many in the union movement to question the viability of the political fund at all, especially now that the policies of the Tories and Labour are practically indistinguishable and the Liberal Democrats are now the most left-wing party of the day.

Unions essential for controlling the class struggle

The unions, of course, are far from done. They remain an essential, if currently weakened, defender of capitalism and of capitalist social relations. They continue to do everything they can to protect the industry or business in which they operate at the expense of the working class in Britain and abroad. For Marxists, the working class is an international force and international solidarity in struggles is essential if workers are ever to defeat capitalism and the barbaric conditions it imposes. For the unions, though, workers outside their individual sector are the enemy. They have worked for decades to disorganise the working class, splitting it up into trades or businesses and defining its interests within the interests of national capital rather than the international working class. In the past few months we have seen the continuation of resistance by workers to attacks in various sectors, from the civil service, where Gordon Brown plans to cut over 100 000 jobs, to transport. Once again, workers will have to defy their unions and the controls they impose on them if they have any chance of success. If it is left to the union to organise they will carry out their usual tactics of holding a strike ballot then ignoring the result (as they did with the firefighters) or reaching a secret deal with management (like the RMT). The T&G helped to negotiate away 13 000 jobs at BA, that's almost a quarter of its workforce, and is currently negotiating with management on how to save the company £300m by March 2006.

Unions have also sabotaged the all-out strike of 240 steel erectors (all

members of the GMB or Amicus unions) working for Cleveland Bridge on the new Wembley Stadium by refusing to recognise their strike against a pay cut. When Cleveland Bridge transferred the contract to Hollandia FastTrack which immediately cut wages the GMB said nothing. However Amicus went a stage further by instructing other workers to cross picket lines as they tried to negotiate with a bankrupt management that is prepared to do almost anything rather than restore wages. Amicus officials went to the site and told workers to call off the action. This only underlines our basic message. Workers need to organise themselves outside of union control if they are to have any chance of success. They need to organise with workers in other sectors and areas and not be hemmed in by union legality and rules. Resistance to the attacks, which the capitalist class are mounting with increasing ferocity, needs to be organised through mass meetings where everyone is allowed to speak and decide the way forward.

The way forward

As we have said above, the attacks on the working class stem from the problems of capitalism itself and so cannot be resolved within in this system. Future struggles will need a political dimension in order to have any chance of success. Undoubtedly, any political struggle would immediately come up against the trades unions, who would defend capitalism to the last. For the working class, though, the more immediate question is how to revive their struggle from its present low ebb. The days of militancy from large concentrations of workers are a thing of the past as workplaces become ever more divided into small units. Instead, it is necessary to unit on a territorial basis, cutting across industrial and trade divisions and uniting all workers on the basis of the interests of the working class as a whole. The key to success of future struggles is their extension and generalisation. Those workers, who are conscious of the counter revolutionary nature of the unions and the need for fresh forms of organisation of the struggle, need to work to lay the basis for internationalist territorial groups of political workers and militants which could form a core for the struggles of the future.

RT

South Africa

Massive Workers' Strike Against ANC Government

On the 16th September, a massive strike of public sector workers brought government services to a halt in many parts of South Africa. 800 000 workers, out of a total of 1.1 million, struck and held large rallies in all the major cities. This was the biggest strike in the country since the end of apartheid in 1994. The strike itself was for a wage increase of 7% as against the government's offer of 6% for each of the next 2 years. The official inflation rate excludes mortgages and rents and, in fact, the true inflation rate is approximately 8.1%¹, so both of these figures represent a pay cuts!

After the strike of 16th, the Unions called off follow-up strikes and entered into more negotiations with the government which resulted in an agreement for a pay increase of 6.2% for this year and pay rises of 0.4% above the rate of inflation in the two following years. Unions have, in effect, negotiated a pay cut for this year and, because of the way inflation is calculated, for the following 2 years also! It is hardly surprising that some workers have called the agreement the "slavery agreement."

Workers in the public sector have, of course, also suffered massive redundancies, increase in productivity and a decline in the conditions of service during ANC's rule. The decline in services such as education and health together with price rises for electricity, gas, fuel, water and also rent have cut the value of the pay they receive and produced a situation of seething discontent. Salaries for teachers and nurses, for example, are derisory. Respective average salaries for these two groups are only £600 and £430 per month! Needless to say the ANC government said that it couldn't possibly pay the 7%. Finance Minister Trevor Manuel explained how paying such an increase would,

impose taxes on future generations. At a rally of striking workers in Pretoria, the Minister of Public

Services and Administration, Geraldine Fraser-Moleketi, tried to coax strikers to accept the 6% by invoking the liberation struggle and the days when workers supported the ANC, by shouting the liberation slogan *amandla* (power) from the podium. We are happy to report that she was booed off the stage and pelted with missiles. This indicates that, after ten years, the ANC government's ability to control the class struggle is finally weakening. A further positive development was that this strike was non-racial and was supported by black and white workers. This is not an entirely new development since it also occurred in the public service strike of August 1999. It is, however, a tremendous step forward. The fact that during this strike workers rejected African Nationalism, and that black and white workers both joined in common action, is a confirmation that the fundamental divisions in South African society, those of class, are reasserting themselves over the false divisions of race. Racial divisions have formed the distorting prism through which workers have understood their position for the last century. The revival of class struggle in South Africa provides a crucible in which both the ideologies of class collaboration, and racism, are being challenged.

However, despite the positive aspects of the strike, the trade unions, in particular the Congress of South African Trade Unions (COSATU) remained in control of the struggle and led it to defeat just as occurred in a similar strike in the public sector in 1999. After the strike of the 16th, Fraser-Moleketi set up a technical team to "examine options for breaking the current deadlock" and urged "responsibility in finding a solution acceptable to the government and the employees." Of course, there can be no solution which is acceptable to both the government and the workers. This was the usual diversionary tactic with which workers in the metropolitan

countries are all too familiar. It was used to postpone further strikes, to delay, to take the heat out of the situation while a sell-out was cobbled together behind the workers' backs. The trade union federation, COSATU, is in alliance with the ANC and the South African Communist Party (SACP) in what is called the "Tripartite Alliance." This is an alliance designed to keep the ANC in power and mobilise the working class behind its banners. It keeps the ANC as the administrator of South African capitalism and therefore the last thing COSATU wanted was a real conflict with the government over this strike. South African capitalism, with the ANC at the helm, certainly does not want to see improvements in the conditions of the working class since that would threaten the profitability of South African capital.

ANC, saviour of South African capitalism

The ANC won a landslide victory in the April elections of this year and it has since been announced that the old Afrikaaner National Party (NP) is dissolving itself into the ANC. The CWO has long argued that the ANC, which had always represented the interests of the rising black capitalist class, has, from the collapse of apartheid at the end of the '80's, come to represent the interests of the South African capitalists as a whole. As we wrote in RP9

The ANC ... was brought to power in the '90's by the SA capitalist class as a whole. This was done in order to rescue SA capitalism from the catastrophic situation the apartheid regime had produced in its last two decades in power. Because of its populist appeal and wide social base, the ANC was best placed to calm the

social revolt, and to pacify and discipline the working class.

It is, therefore, no surprise that the majority of the capitalist class are joining ranks with the ANC. In the a decade since they won the first election, the ANC has proved its credentials as the best possible administrator of SA capitalism and has had paeans of praise heaped on it by the spokesmen of world capitalism.

In their management of the economy, the ANC has followed the prescriptions of the IMF and the World Bank and has been implementing the type of measures imposed on indebted countries called Structural Adjustment Plans. In his review of their ten years in power the president, Thabo Mbeki, boasted that,

Since the ANC was elected to government in 1994, SA has achieved a level of macro-economic stability not seen for 40 years. The country now has positive levels of Foreign Direct Investment and the numbers of people employed grew by 1.6 million.

Restructuring of the economy has been started with increases in capital investment and consequent increases in exploitation of workers. Privatisation of the enormous state sector of the economy has been started and Foreign Direct Investment (FDI) is now coming into profitable sectors such as telecoms. Both these measures have, of course, resulted in massive layoffs of workers. The government has freed up the capital markets allowing free movement of capital and repatriation of profits while restricting state

expenditure and cutting subsidies. This has led to increases in the prices of electricity, gas, fuel, staple foods, water, etc. The government has through these measures succeeded in bringing inflation down to single figures. In the international arena the government has opened up Africa to SA capital as never before. Since 1994 SA capitalism has invested an average of \$1.4 billion annually in Africa which is yielding enormous profits. At the same time the regime has resumed its role as the protector of US interests in the sub-continent, resumed expensive purchases of arms while continuing to build up its own arms industry, which even involves selling arms to Israel. The invasion of Lesotho in 1999 was a sign of the SA giant showing its local imperialist interests and flexing its muscles.

Ultimately it is the working class which is on the receiving end of all these measures. Measures to restore the health of capitalism inevitably amount to attacks on the working class' working and living conditions. Any concession to public sector workers would throw the brilliant macro-economic management of the economy off course and cause a rise in inflation, or a rise in borrowing, or taxation etc. This is why, for the government, a 7% increase was out of the question. What Mbeki does not say in his boasting about the decade of ANC control is that the unemployment rate has more than doubled. In 1993, it was 13% of the working population, and today it is 31%. These are government figures but if the broad measure of unemployment

is used the present figure is approximately 42%². Since there are no state unemployment benefits the effects of this are felt throughout the whole working class and 50% of the population are now classed as living below the

poverty line! At the same time, the purchasing power of wages is being eroded by increases in electricity, gas, fuel, etc. As we have noted in previous texts³ the apartheid regime could never have got away with such attacks on South African workers. The capitalist class has used the ideology of national liberation to impose increased exploitation and poverty on South African workers, and the indispensable agents in carrying out this strategy have been the South African Trade Unions.

Trade Unions — agents of capitalism

As has been mentioned above the trade union federation COSATU and the SACP are in an alliance with the ANC. The role of the unions in this alliance is to get workers to swallow the bitter pill of increased exploitation and austerity. As we have pointed out in previous texts, the black trade unions were resurrected by the bosses themselves to control the class struggle in the late '70's. Since the ending of apartheid, they have become major investors, via their pension funds, in the capitalist enterprises which exploit their members. Some union leaders have gone on to become millionaires⁴ by joining the management or founding investment companies and cynically telling union members that capitalist investment is a better way to maintain wages than strike action. They urge workers not to strike as strikes damages prices on the stock exchange. The present strike is just the latest of many examples of how the trade unions have sold out workers struggles. The public service workers strike of 1999, which we have already mentioned, was another. An earlier example, which shows the government, the employers and the unions acting together against workers, is that of a miners' strike at the Rustenburg platinum mine in 1996. In this strike, the National Union of Miners (NUM) opposed the strike from the start and workers had to go outside the union to fight. When this happened the ANC gave the owners, Anglo American, the green light to sack all the strikers and evict them from their hostels and recruit new workers. Through this means the strike was broken. These instances are illustrations of the more general truth, namely that the unions from top to bottom are integrated into the capitalist

Last Issue: **Revolutionary Perspectives 32**

Terrorism: IBRP Statement; Terrorism, Imperialism and the Working Class; The USA and Islamic Terrorism

**Quagmire in Iraq
Iranian Elections**

Israel: Sharon Rips Up Road Map

No Solution to the Crisis in 2004

The Concept of Decadence

EU Imperialism

system and that their material interests are in maintaining capitalism, while their solidarity is with the bosses. They will always oppose independent class struggle.

COSATU was clearly very unhappy about this dispute because the ANC government was the employer. Its alliance with the ANC puts it in an utterly contradictory position and it tried to argue that there was a difference between the ANC as a political party and the ANC as government. Hence, they could support the ANC politically while opposing it in the strike. Mbeki was quick to ridicule this position pointing out that they had campaigned for the ANC a few months ago and not leading strikes against it. COSATU was, therefore, desperate to bring the strike to an end.

The only way the strike could have been won would have been by extending it to all public servants and to other workers and striking indefinitely until the demand was met in full. Such a strategy, which would have been immediately opposed by the unions, could only have been pursued outside their control and against them.

Old illusions exposed – the way forward.

The last ten years have exposed the capitalist nature of the ANC and also exposed the trade unions as the lieutenants of capital whose task it is to discipline and control the class struggle. These things have been exposed through the actions of both these bodies, that is to say, through their practice. Although a minority of workers have understood this, the majority have not, as is shown by the massive vote for the ANC in the April elections. This is the dismal legacy of the national liberation struggle. The Italian Left Communist tradition, of which the CWO is a part, has, since the 1920's, opposed the policy of the working class giving support to the struggles of the national bourgeoisie. We have consistently advocated that the South African workers should not fuse their struggles with those of the rising black bourgeois class. Unfortunately, this is precisely what has happened and time and again the SA working class has been used as the infantry in the nationalist struggle. In 1992, for example, a strike of four

million workers was organised to support the negotiating position of the ANC in the CODESA⁵ talks with the apartheid regime. Now that the nationalist struggle is won the workers are finding out, to their own great cost, how little the great nationalist leaders really care about their situation. As we predicted, the ANC are using their control of the state to project themselves into the ranks of the bourgeoisie, taking top jobs at the head of capitalist enterprises and becoming immensely wealthy overnight. The idea of black brotherhood which was previously a weapon of the national liberation struggle is now ridiculed by the new ANC millionaires. Here's what Mzi Khumalo, ex-Robben Island prisoner, now head of mining house JCI, had to say on the subject,

I have spoken to the unions at JCI and made it clear we are here to run a business. I am not for any of this brotherhood stuff.⁶

Today when workers in the public service ask for a pay rise equal to the rate of inflation they are given lectures by the ANC on burdening future generations with debt!

The real driving forces behind all these actions are the forces of class interests and show once again that it is **class and not race** which is the primary division in capitalist society. The ANC has nailed its colours to the mast. Time and again in the last ten years we have seen it turn on workers and crush their struggles in just the same way as bourgeois regimes do the world over.

Today it is vitally important for the working class to break entirely with the political forces of African Nationalism. They need to be recognised as forces of a class enemy. What is necessary, is to break with the entire spectrum of bourgeois politics. The only way strikes, such as the present one, can be won is by workers themselves taking control of the struggle and organising it through mass meetings outside of the unions. But even if this struggle is won ever more sacrifices will be demanded from the working class to restore capitalist profitability. The root cause of the problems workers face the world over is the capitalist system of production. Only by ending this system can workers' problems be solved. All the dreams of reforming capitalism to make it serve workers' interests are simply illusion and self-deception. It is necessary for workers' struggles to

take a clear anti-capitalist path. It is necessary to start the task of forming a political minority in South Africa which can fight to give workers' struggles a revolutionary direction and which can forge unity with workers worldwide. Workers have a world to win.

CP

Notes

1 Figure from SA on line, see www.southafrica.co.za

2 See broad definition of unemployment rate. www.csae.ox.ac.uk/resprogs/usam/default.html

3 See RP9, "Bitter Lessons of National Liberation", and RP14, "Bourgeois Democracy at Last."

4 Ramaphosa, formerly NUM leader, went on to found the Miners' Investment company giving himself £800 000 of share options!

5 Council for a Democratic South Africa (CODESA) led to the 1994 multi-racial election and the transfer of power to the African Nationalists

6 Quoted in *The Guardian*, 22nd April 1999

Across the world, workers under attack

Germany is No Exception

In every country, the bosses are attacking the social and working conditions of the working class¹. In this edition we report on attacks on the British working class and the South African workers which illustrate how workers are subjected to the same attacks in different regions of the world. The capitalists of all countries are suffering from their system's global crisis of profitability, and they know of only one way to alleviate this: get someone else to pay for it.

In practice, the "someone else" is the working class. If the capitalists can make the workers in their own country work harder for less, then the crisis becomes less pressing. If the capitalists can palm off some of the effects of the crisis onto other countries, the workers in those countries will be the ones to suffer. If the capitalists can do both, then they will get a breathing space. Inevitably such a breathing space is used to prepare new onslaughts on the working class. This is because the crisis has its roots in the operation of the capitalist system itself and cannot be solved within the system. However, for the capitalists the only solution they can see at present is that of squeezing more profit out of the working class.

Concentrating on the attacks on the German working class by the German bourgeoisie, we will see that the two main attacks on the economic situation of the working class are, as in the rest of "Western" capitalism, on indirect (social) wages and direct wages.

Attacks on the social wage

In contrast to the popular bourgeois analyses of the social wage (pensions, education, health and unemployment benefit), we stress that this is paid for by the working class *in advance* and it is returned through the state (and is hence *indirect*). When it is not paid back, this is a form of legalised theft.

The latest attack on the social wage in Germany is the "Hartz IV" "reform". Named after the commission led by the

Volkswagen head of human resources, Peter Hartz, this envisages the unification of national and local benefits for unemployed workers. However, the major "savings" for the bourgeoisie do not lie in this rationalisation but in the fact that one million workers presently in receipt of money will in the future get none, and half a million will get less than before².

Hartz IV is a central part of a series of "reforms" called Agenda 2010, which also envisage transferring the burden of financing pensions and health insurance to individual workers. As, however, these have already been paid for by the working class through tax, this is a one-for-two offer. Workers are, therefore, being forced to pay twice for benefits they only get once. Normally in capitalist society this would be called theft but since it is being carried out at the highest levels of the state commissions, bills of parliament and so it is called a reform.

The alibi of the bourgeoisie

Instead of revealing the true cause of their need to attack the working class, the bourgeoisie and their pet journalists chatter on and on about the "demographic explosion", the fact that in Germany, as in most of the other Western countries, the number of old people is increasing relative to the population as a whole, and so there are fewer economically active people around to generate the resources to go into pensions. All of this is supposed to be the explanation for the stress that state finances are under.

But this alibi only works if you restrict your perspectives to capitalism. If capitalism is viewed as a temporary stage in the development of humanity, then the alibi becomes a further condemnation of capitalism as a system ripe for replacement.

The "alternative" to capitalism, its successor as a global form of society, is socialism. This will replace capitalism's production for profit by

production to satisfy human need. It is obvious that removing the requirement that the satisfaction of needs be profitable will allow a conscious and rational allocation of resources to the solution of human problems, including those of the old. In particular, labour which is wasted from the point of view of satisfaction of human need (in armies, in arms industries, in the duplication of functions across a multitude of businesses) or even is entirely unused through unemployment, will be liberated to produce what is socially useful.

And, on a world scale, the population is *not* aging. Socialism's abolition of borders will enable the integration of production across the world, clearing the way for the removal of hunger, a rational and integrated programme for the reduction of disease *and* care for the elderly. Instead of the import of poorly paid workers to solve the problems of the Western elderly — and increasingly, only the *rich* Western elderly — socialism will integrate all on an equal footing for the solution of these problems for all the aging, in the West and the "Third World", and will abolish both individual wealth and poverty.

Montagsdemonstrationen

Inspired by the *Montagsdemonstrationen* preceding the fall of the Berlin Wall in 1989, the Monday demonstrations against Hartz IV and Agenda 2010 began in Magdeburg and have been especially well-attended in the former East Germany, in particular in Leipzig. There have, however, also been large demonstrations in the rest of Germany too.

As the starting point for further action, these demonstrations could be useful to the working class. However, this will only be the case if the leadership passes away from the unions and bourgeois parties who can only lead the class to defeat, turning the demonstrations themselves into harmless safety valves.

It is in Germany, before all other countries, that the unions, just like the social democratic parties, showed their colours as supporters of the capitalist order. At the very least, their leadership must be subverted by militants acting against it and in favour of strikes and other industrial action. Only by interrupting the productive process can a meaningful, if temporary, victory over the plans of a thieving bourgeoisie be gained.

Without this industrial action and a minimum of critical class consciousness, there may well be concessions which will be painted as victories by the various bourgeois forces which are jostling for control of the *Montagsdemonstration*, from the left of the SPD (the social democratic ruling party) and the ex-Stalinist PDS (*Partei Demokratische Sozialismus*), through dissident “Eastern” Christian Democrats, to the nazis of the DVU (*Deutsche Volksunion*) and NPD (*Nationaldemokratische Partei Deutschlands*). But the substitution of a lesser defeat for the working class, such as the proposal to delay implementation of the measures for six months, is no victory.

Attacks on wages and working conditions

The “Hartz IV” reforms do not simply represent an attack on unemployed workers. They represent an attack on the whole working class. By making conditions of unemployment far worse employed workers will be reluctant to enter into any struggle in which they could lose their jobs. The threat of redundancy and hardship in unemployment hangs, like a sword of Damocles, over the whole working class and especially those who fight against capitalist rule.

The bourgeoisie is also directly attacking workers in work. They are running a country-wide campaign to get workers to accept a return to the 40-hour (or longer) week³, without extra pay, and the first round of this went to the bourgeoisie at the mobile phone plants of Siemens, Germany’s largest employer. The bosses’ tactics included the threat to shift production to Hungary, and this blackmail was successful.

Against this background, the management of Daimler-Chrysler attempted to force the Stuttgart Mercedes plant at Sindelfingen to

accept this measure by playing them off against workers elsewhere. Either the Stuttgart workers accepted a package of measures⁴ intended to save 500 000 euro a year, or the management would transfer production of the new S-model to Bremen and South Africa from 2007.

Solidarity against “divide and rule”...

Not only did the bourgeoisie use the same tactic of “divide and rule”, in the form of a threat to move production, in both the Siemens and Daimler-Chrysler disputes, but both cases were within a general strategy of taking on the largest workforces in Germany (as well as Siemens being the largest employer of German workers, Daimler-Chrysler is the third largest), in order to show workers elsewhere that “resistance is useless”.

However, the assault on the Daimler-Chrysler workers did not develop as the bourgeoisie hoped. Instead of leaving the Stuttgart workers to their fate, the Bremen workers complemented the strikes and demonstrations of their Stuttgart brothers with their own. This forced the bourgeoisie to rely on the efforts of the unions, which claimed that a handful of cosmetic changes to the bosses’ plans were a victory, although Chrysler-Daimler essentially got what they wanted all along. However, what the bourgeoisie as a whole wanted was a clear, unambiguous victory to use to cow other sections of the working class, and the solidarity of the Bremen workers prevented this.

Instead of a propaganda tool for the bourgeoisie, the outcome shows the strength of a united working class.

... is only the beginning

German workers, like those of the rest of the world, need to go beyond solidarity, or rather to develop what solidarity contains in embryo. In the world of consciousness, solidarity corresponds to awareness that the working class exists as a class in society. This consciousness needs to develop, on the basis of the material reality of class existence, into a full awareness of the roles of social entities like the unions as part of the apparatus of enemy classes, in order to prevent them from disabling the power of solidarity by throwing away its achievements at the negotiating table.

The further development of this dialectic will require the production of a significant revolutionary minority. We include in this edition a report of the work of the International Bureau for the Revolutionary Party (IBRP) to lay the foundations for such a political organisation in Germany. Such a revolutionary minority will give itself the tasks of demonstrating the historical bankruptcy of capitalism, the possibility of its replacement by a rational system satisfying the needs of the producers, namely socialism, and indicating the line of march which can lead the present struggles in the direction of this goal.

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Notes

1 See, for example, *Revolutionary Perspectives* for articles on Italy (RP30) and Britain (RP29)

2 According to the *Bundesagentur für Arbeit* (Federal Agency for Labour), *Frankfurter Allgemeine Zeitung*, 30th July 2004

3 Similar attempts are being made all across the engineering industry (Bosch, MAN and Philips), on the railways, in the construction industry (where 42 hours is the bosses’ target) and in the retail sector (by the department store Karstadt, for example — see the German radio website <http://www.dradio.de/dlf/sendungen/hintergrundpolitik/289974/>)

4 Including changes to flexitime which effectively meant the workers donating an hour a week of unpaid labour to the company, the re-definition of some jobs out of the engineering sector, so they would be covered by (inferior) contracts and the placing of apprentices in a special company on completion of their apprenticeship, enabling them to be made more “flexible” — that is, more at the beck and call of management (see *Frankfurter Allgemeine Zeitung* online at <http://www.faz.net>)

Towards a German Section of the International Bureau for the Revolutionary Party (IBRP)

(from Battaglia Comunista June 2004)

There isn't yet a German section of the International Bureau for the Revolutionary Party but the task of building it has already begun. So far we have already held two public meetings in Berlin, one in February, the other in May.

In February the theme was "The Crisis, the Tendency towards War and Perspectives for the Proletariat". The speaker put forward the position of the IBRP and the Internationalist Communist Party (*Battaglia Comunista*) on this subject. This was followed by an articulate and rich discussion in which fifty or so comrades participated on all the issues but particularly on the theme of the new composition of the working class and the perspectives which flow from this.

The public meeting was followed by a more restricted discussion with the comrades of the GIS (*Gruppe Internationaler SozialistInnen*), formerly Trotskyist, but in serious evolution towards the positions of the Communist Left, and in particular, ours.

The other public meeting in May dealt with the issue "Against war, against terrorism, for a class perspective", which was the same as various initiatives we had taken in Italy. The main points were:

- The tendency towards war is driven by the real fall in the rate of profit. Bourgeois economists talk of the firm's return on capital but this is the same thing.
- This tendency towards war is indicated by the unbroken string of aggressive acts carried out by the only surviving global super power (the USA) for at least the last 13 years.
- From Iraq (1991) to Grenada, from Serbia to Africa right up to the

latest attacks on Afghanistan and Iraq, these all confirm the indiscriminate use of force by the USA. The fact that the USA is currently showing greater aggression is determined by a variety of factors:

- The greater severity of the problems faced by the US economy;
- The absolute necessity for the USA to defend its hegemonic position in the world on a financial and commercial level;
- The absolute need for the USA to continue to drain surplus value gained by the rent which it appropriates for itself through the predominant situation of the dollar in international transactions;
- The attempt to guarantee its strategic position in order to defend itself from possible future competitors (not only Europe but also Russia, China and Japan).

But the structural problems which affect America have an impact on the rest of the world. The aggression of the other powers cannot express itself in direct confrontation with the mega-super-power. This is the case, for example, of Europe which, for the moment, cannot go beyond being a mere geographical expression and which, moreover, is especially struck by the American initiative against the euro.

However, a significant part of the great Arab financial bourgeoisie, spread out throughout the countries of the Arabian peninsula, have coalesced behind an instrument known to us all as *Al Qaeda*. We are talking here about 200 big financial families. This bourgeoisie can be found behind Bin Laden. The origin of terrorism is to be found here and it is no accident that Bin Laden was previously a close ally of the Bush family and the United States in the struggle against the Soviet Union in Afghanistan.

The rupture with the US took place after the fall of the USSR and Bin Laden and his fraction of the Arab financial bourgeoisie sought to get the USA to relinquish its hold over "their" oil. In this way terrorism – first used by the USA in its anti-soviet form – has now become the arm of a bourgeoisie which has undertaken a global war, but especially against the USA, and is ready to ally itself with whoever is convenient at any given moment.

But – like any fraction of the world bourgeois in struggle against the others – this Arab bourgeois fraction has to link itself to the popular masses, (including the proletariat) through some general ideological construct. In this case they use Islamic fundamentalism which is also the most backward and reactionary anti-communist ideology. The struggle of communists against war is also thus a struggle against terrorism and the forces which support it. This is the politically crucial point. Can we consider Islamic fundamentalism as an expression of the anti-imperialist struggle as a variety of political organisations which claim to be on the left would like us to believe? Absolutely **not**.

From a class point of view the demands of Islamic fundamentalism are the same as those of US patriotism and European neo-nationalism. They are the ideological expressions of inter-bourgeois conflicts, in which the proletariat is used, and will be used again, as cannon fodder.

Our view is that it is both necessary and possible to build a barrier against the mounting tide of war ideology. The current priority is to construct, with the available proletarian vanguards an international reference point which can

Continued on page 32

A Built-in Failure: Capitalism and the Housing Question

Alongside food and clothing, a roof over the head is a basic requirement of human life. Meeting these fundamental material needs is the reason human beings come together in social groups in the first place. Without society no single individual could survive for long. By the same token, a society which fails to meet the basic needs of the bulk of its members is heading for social instability and collapse. For the vast bulk of their existence human beings lived in small, more or less subsistence communities where there was no choice for everyone who was physically able to share in the work of hunting, gathering and putting up shelter. With the development of farming and a more extensive division of labour there came the possibility of amassing a food surplus which in turn allowed for exchange with other communities (first barter, then trade by means of money). Instead of using it directly to meet the needs of their community, part of the social labour expended could be diverted to producing commodities for exchange. In addition, once a community is living above the level of subsistence, the way is open not only for the development of towns and cities, but for a select few to benefit from the economic surplus and enjoy a life of relative ease without having to work in the same way as the rest of society.

Many civilisations have come and gone since the first urban revolution in the fertile crescent of ancient Mesopotamia (modern Iraq) five or six thousand years ago. All of them have been class-divided societies with a dominating class living from the proceeds of the labour of those who produce the social wealth. The way in which labour power is exploited to produce society's wealth, in Marx's term the *mode of production*), determines the form civilisation takes. Whatever that form — be it based on tribute, slavery, indentured labour, feudal rights and dues, a caste system or nominally 'free', wage labour — the ruling class always tries to secure its domination by means of a state which it creates to

legally and ideologically legitimise its position as well as by monopolising the means of force. Thus ironically, despite human beings having advanced beyond small subsistence communities, despite their having achieved the technical skill and means to provide food and shelter to support larger and larger populations, no civilisation has yet provided equally for the needs of all its inhabitants.

History's wealthiest civilisation has the poorest housing

For many social theorists or straightforward apologists of the *status quo*, this is regarded as a 'natural' state of affairs, 'haves and have nots', rich and poor, are seen as intrinsic to civilised life. The fact that you can't have civilisation without a complex division of labour is taken to mean that class divisions, or at least economic inequality are a *sine qua non* of a higher form of human life. In any case, that is what the ideologues of our own civilisation would have us believe. Capitalism can boast that it is the richest civilisation that has ever existed, of having extended its domination over the whole planet, yet it fails to meet the basic needs of adequate food and shelter for a growing portion of its inhabitants. According to a recent UN-Habitat report (October 2003) "the locus of global poverty is moving to the cities", where 40% of the housing merits the term 'slum' and where 32% of the residents are described as living in shantytowns — i.e., places where the housing is built of extremely poor materials and with little or no electrical, water or health provision.

From the 'townships' of South Africa to the favelas of Brazil and increasingly in the so-called advanced capitalist countries, the numbers of people living in these conditions are astounding. In Asia 550 million people live their lives in sickness-infected slums while another

187 million do so in Africa and 128 million more in South America. 54 million more people live in this squalor in the 'developed' world. All told, a full one billion people survive in these conditions every day. No real solution is being offered by any government. The publication expects that in thirty years the number will have doubled to two billion. By 2050 Anna Tibaijuka, the general director of UN-Habitat, predicts it will then be 3.5 billion!

From 'Housing, A Global Crisis' by our sister publication in North America, *Internationalist Notes*, May 2004

A glance at almost anywhere on the periphery of capitalism reveals a civilisation which is failing to meet the basic needs of a growing proportion of its inhabitants, a society of growing inequality, exacerbated class divisions and social tension. Back in the home of the industrial revolution this basic failure of capitalist society is less apparent but no less real. While rising house prices have been hitting the headlines the media pay little attention to the increasing number of homeless. In England alone the number of homeless households in temporary accommodation had reached nearly 100 000 by 2002. In percentage terms, this figure represents no more than about 0.5% of total households but it does not include single homeless, the growing portion of 20-24 year olds still living with parents (56% men and 37% women according to *Social Trends 2003*), nor the rapidly increasing proportion of working households aged 20 to 29 who are unable to step onto the first rung of the famous property ladder (ranging from an estimated 20% in the north of England to 80% or more in the south-west and parts of London).¹ With new builds in the private sector slowing plus an estimated 23 000 shortfall in so-called social housing, Britain's growing housing shortage is becoming a newsworthy issue. Of course this is not an absolute shortage of dwellings (or buildings that could easily be converted

into homes) but a specifically capitalist shortage of 'affordable' housing which, as Engels recognised as long ago as 1872, could be easily remedied outside of the capitalist framework.

In the beginning, however, each social revolution will have to take things as it finds them and do its best to get rid of the most crying evils with the means at its disposal. And we have already seen that the housing shortage can be remedied immediately by expropriating a part of the luxury dwellings belonging to the propertied classes and by compulsory quartering in the remaining part.

The Housing Question, Progress Publishers, 1975, p51

However, so long as the working class has not found this uncomplicated, revolutionary solution to the housing question it will remain an intractable problem beyond the reach of any political party to solve even though the practical means to do so already exist. In a society where houses are basically just another commodity to be manufactured and sold for profit, where the lowest paid or the jobless will never be able to buy even the shoddiest-built house there is no possibility of finding a civilised, equitable way of providing decent homes for everyone. According to Shelter (England),

'there is a shortage of good quality, affordable homes in this country'. In order to meet present and rising housing needs, Shelter estimates that over 100,000 affordable homes are required every year between 2000 and 2011. To do this and in order to tackle the backlog of disrepair in all tenures, will cost an additional 1.4 billion of public investment each year over the decade above the planned level of spending for 2001/02.²

In this respect the housing problem has not changed fundamentally since Engels' day. This is not to say that the question is posed in exactly the same terms today.

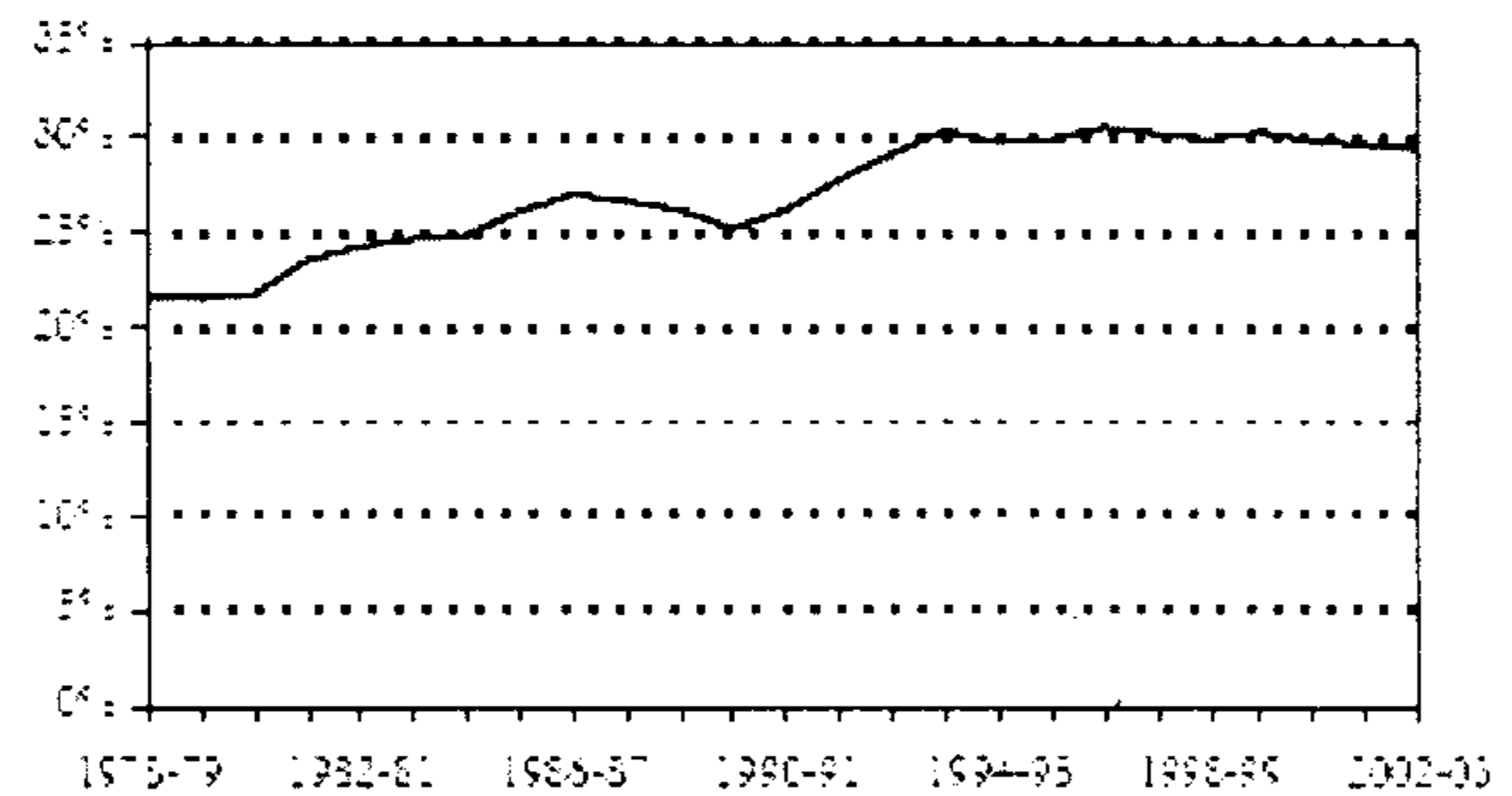
State support for the capitalist market

In the first place, the full extent of the shortage of 'good quality affordable homes' is disguised by state intervention in the rich capitalist heartlands. This can take a variety of forms but the net effect is to mitigate what would otherwise be nineteenth

century levels of slums and homelessness if the free capitalist market were allowed full sway. Thus, in Britain even after more than twenty years of Tory and Labour cost-cutting housing policies — including the reduction of council house building to almost zero and obliging local authorities to sell off a large part of their existing housing stock — the state is still heavily committed to alleviating the impact of 'market forces' on the housing sector. For example, although claiming housing benefits has been made more difficult, the number of recipients in 2002 still stood at around 4 million, with a cost to the state of almost £22bn. What has happened is that the expense (albeit reduced) to the state of providing a housing 'safety net' has been transferred from one sector of government (housing) to another (social security). This is similar to the way the official unemployment figures have been massaged by transferring thousands of long-term unemployed to invalidity or disability benefits. Not surprisingly the proportion of government spending going to social security benefits has remained at an historical high of thirty per cent for the last decade³. Before anyone imagines this is evidence of New Labour's socialist heart we must remind our readers that such spending has not, and never has had, anything to do with socialism, reformist or otherwise. Social security measures implemented by the existing state and paid for by taxing workers' pay have nothing in common with the sort of measures the working class will take by means of their own organs of political power once the capitalist state has been overthrown. The former are measures taken by capital's representatives to maintain the social stability of their system. The revolutionary semi-state of the future will have as its object the undermining and dismantling of capitalist economic and social relations forever.

Throughout its history 'old' Labour deliberately pretended that increased 'state control', 'state intervention' and so on were steps towards socialism,

thereby hiding its real role as the enemy of revolution and the ultimate defender of existing social and economic relations. Today, when the onus is on capitalism to limit the cost of its state machine the Labour Party has had no real difficulty in abandoning its old political platform and reinventing itself with a pragmatic new ideology of 'no



Government spending on social security benefits as a percentage of total public spending, 1978-9 to 2002-03⁴

ideology' in keeping with the needs of capital.

As everyone knows, more and more benefit claims — including the various housing benefits — are subject to ignominious means testing which again has nothing in common with the philosophy of free distribution according to need that is at the heart of the socialist vision. The harsh reality is that, despite New Labour's relatively high level of social security spending, the gap between the haves and have-nots is getting wider and wider. In the present context of very low economic growth — a consequence of world capitalism's long-running crisis of falling profit rates — it would require very much more than the existing level of state spending and a few 'social inclusion' policies to reverse this trend. State welfare benefits, then, are about preserving social stability not achieving social equality. However they also fulfil another important function for capital: by defining a minimum income level they act to keep up wage levels in the consumer demand-driven economies of the capitalist heartlands.

During the boom following World War Two, few people doubted the Keynesian claim that capitalism's built-in tendency to crises had been overcome by means of deficit financing (to maintain employment levels) and the extension of consumer credit (to keep up demand). By the beginning of the 1970's, history proved otherwise.

In the UK, with the post-war pledge of 'full employment' clearly broken as unemployment passed the million mark and with a state deficit so large that the government had to borrow from the IMF, the Labour government, under Callaghan, was the first to recognise there was a limit to deficit financing. Keynesianism may be officially dead and public deficits now frowned on (although they have not disappeared) but capitalist growth depends more than ever on the working class continually increasing their consumer spending, an increase which has only been made possible by the extension of credit — personal credit.

The build-up of debt behind the house price boom

The more governments have attempted to restrict public borrowing the more they have encouraged the build-up of personal debt. In the early 1970's, for example, there was only one credit card in the UK. Now there are 1300³. Hardly a day passes without a report on the explosion of consumer credit, the sum total of which in the UK is now equivalent to a whole year's GDP (about £1,000bn)⁶. About a third of this

debt has accrued from credit cards, hire purchase, overdrafts and the like. Two thirds of it constitutes loans 'secured against dwellings', principally, but not only, mortgage borrowing. This type of lending is favoured by finance capitalists precisely because it is secured against a tangible asset, not just a piece of paper. Loans secured against property are now highly traded commodities on one of the newest financial markets where billions of pounds' worth of debts are themselves the object of speculation. Which brings us back to house price inflation and another aspect of the housing question which differs significantly from Engels' day.

In the UK and several other countries, including the US, Australia, Spain and Hong Kong, where there is extensive 'home ownership', workers have been encouraged to regard the house they live in not so much as a 'home' but as collateral to use to borrow more money or simply as a commodity for speculation to be bought and sold for a quick profit. In the UK low interest rates and much-publicised 'reports' by representatives of the vested financial interests — building societies, banks, estate agents and so on — of astonishing monthly increases in the

price of the average house, stimulated the second major property boom in less than twenty years. At the height of the boom the OECD praised

buoyant house prices [that] had contributed to economic resilience during the slowdown [after the bursting of the dot-com stock market bubble, ed.] not only in the UK, but also in Australia and Spain.

Jean-Philippe Cotis, the OECD's chief economist added that the strength of the housing market in the UK had

helped it to sail through the downturn very nicely while its neighbours in continental Europe floundered.

Financial Times, 12th May 2004

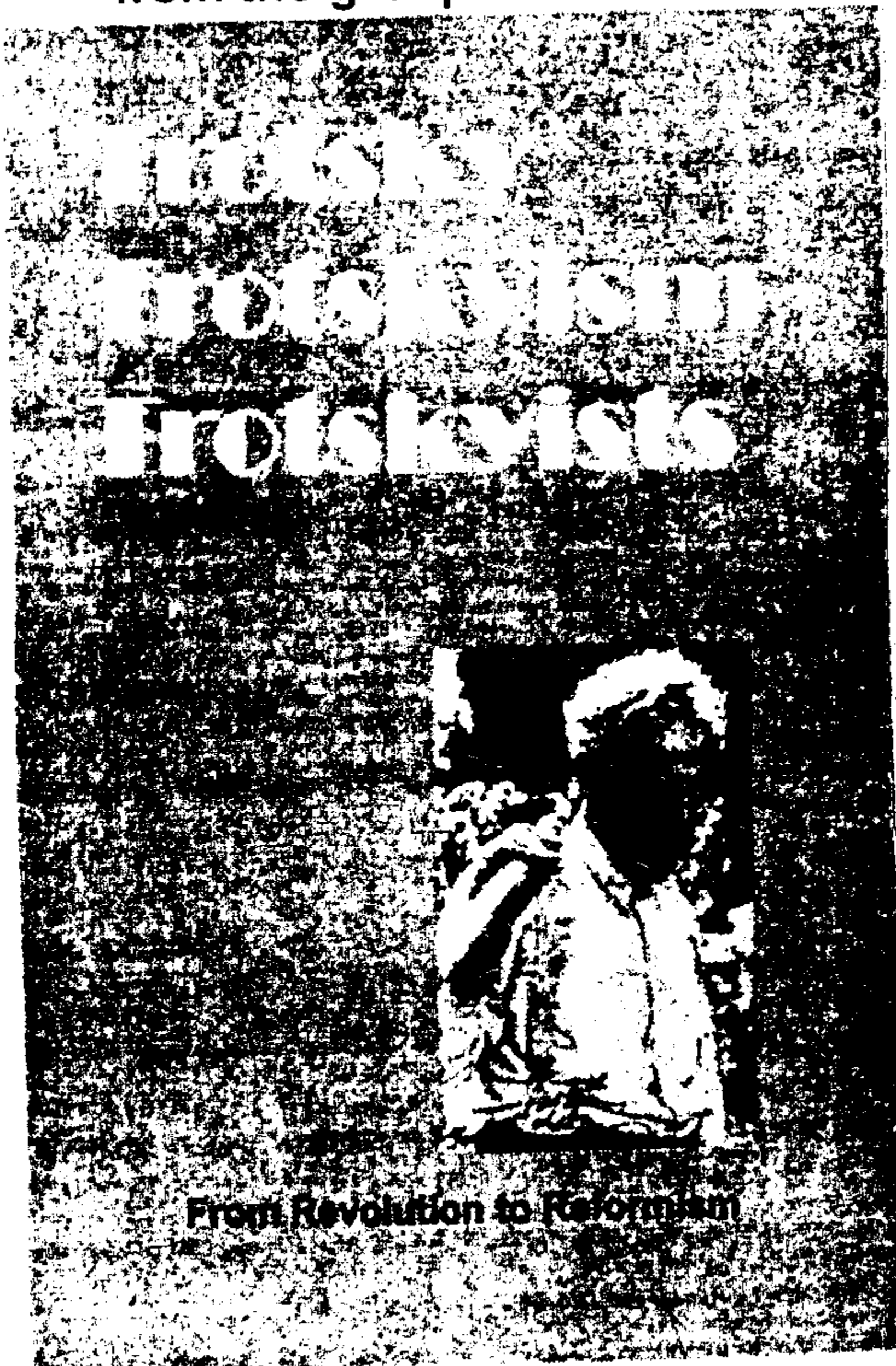
In fact 'buoyant house prices' are partly a consequence of the stock market collapse in 2001. Financial speculators have turned to the housing market as a more reliable means of securing a return on capital. 'Buy to let' investors — from the likes of Cherie Blair buying up houses as part of their investment portfolio to the worker nearing retirement who's just seen his pension fund melt away — have driven up house prices at the lower end of the market, squeezing out first time buyers and causing rents to go up.

The Bank of England appears confident of being able to engineer 'a soft landing' to this boom by means of small interest rate increases. (Unlike the last which ended with house prices crashing, thousands caught in the 'negative equity' trap and a massive surge in mortgage arrears and repossessions.) The main problem now for the overseers of the UK economy is how to engineer further growth and maintain consumer spending as the burden of higher interest rates on unprecedented levels of private debt kick in. In fact, as this is being written the IMF has just warned about the 'danger' of reducing house price inflation by higher interest rates, not just in the UK but in a number of the richest capitalist economies. It fears that the knock-on effect of reduced consumer demand could have a negative impact on world growth.

The heart of the matter

Thus today, in capitalism's rich, 'post-industrial' heartlands the housing question is not only about a shortage of adequate living accommodation for workers. The issue has become directly linked to the question of capitalism's survival. In this latter stage of the post-war accumulation cycle, where there is a dearth of profitable investment opportunities for capital and where financial profits are increasingly unconnected to the generation of new value, speculative booms and busts on the housing market will remain endemic. As for the ploy of keeping up consumer demand by extending private loans and mortgages to the working class, it is not difficult to see that there are finite limits to this. Last year 37% of household disposable income went to paying off debts (14%

Our pamphlet on Trotskyism is £2.50 from the group address



on mortgages and 23% on credit cards etc.)⁷ and it is no accident that workers here work longer hours than in the rest of the EU.

Even so, the fact that offsetting loans against house values is being used to increase workers' spending power today appears on the face of it to prove Engels wrong. He countered Proudhon's petty bourgeois idea that the socialist answer to the housing question is for workers to own their own homes by pointing out that not only would this not be socialism but that the net effect would be a "depression in the value of labour power and ... a corresponding drop in wages. Wages would thus fall on an average as much as the average sum saved on rent ...".⁸ Of course in reality, despite the term 'owner-occupiers' to describe 70% of UK houses, very few workers really own their house — they pay rent to the building societies and banks for an increasing portion of their lives and the average cost of their mortgages is included in the cost to the capitalists of their labour power. The biggest difference between capitalism today and the world Engels knew is that the bourgeoisie now has a concept of the need to manage the overall economy in the interests of capital as a whole. This does not mean capitalism's contradictions have been ironed out of existence but the various manoeuvres capital has employed to counter its accumulation problems have caught

more and more workers up in the financial nexus of credit and speculation that characterises the 'new economy'. Margaret Thatcher recognised decades ago the usefulness of the weight of a mortgage round workers' necks for curbing militancy when she began the sell off of council houses. This policy has not only broadened divisions within the working class — between those who can only afford to rent and those with their 'own' house — it has created a market for the buy-to-let speculators, a market which some wage earners are participating in. With an eye on interest rates, property price indexes and second mortgages, the working class identity of the wage earning 'house owner' is being seriously challenged. Yet the vast majority remain part of the working class, dependent on their wages for survival, in hock for life to the building societies and working longer hours to pay off their debts. No matter how the current house price boom ends the essential irrationality and injustice of housing provision under capitalism will only get worse. For long since the productive power unleashed by capitalism has meant the material means exist to provide a decent home for everyone on the planet. In the 21st century the housing shortage created by capitalism is a global one and shows the need to break out of the barrier of capitalist social relations has never been greater. As Engels pointed out in the nineteenth century,

... the housing shortage is no accident; it is a necessary institution and can be abolished together with all its effects on health, etc., only if the whole social order from which it springs is fundamentally refashioned.

It is possible for human beings to utilise the productive powers built up under capitalism for the benefit of the whole human community and to create the first civilisation in history without class divisions. This is why we say that anyone who desires a solution to the social ills of capitalism has no alternative but to work for its revolutionary overthrow.

ER

Notes

1 S. Wilcox *Can Work—Can't Buy*, Joseph Rowntree Foundation, 2003.

2 'Poverty in the UK', Anti-Poverty Alliance website.

3 State spending as a whole currently stands at about 40% of GDP. See for example 'Long Term Trends in British Taxation and Spending', Institute for Fiscal Studies 2002.

4 'A Survey of Public Spending in the UK', the Institute of Fiscal Studies Briefing Note No. 43

5 According to a *Financial Times* report on consumer credit, 9th December 2003

6 The official public debt stands at about half this, at 50% of GDP.

7 Bank of England report, *Financial Times* 13th November 2003

8 Engels *ibid* p.48.

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The Matteotti Murder

We translate below an article published in the journal of our Italian comrades of *Battaglia Comunista* on the anniversary of the political murder which exemplified Fascism's brutality and corruption.

Giacomo Matteotti was murdered exactly 80 years ago. Although Mussolini had been by then Fascist Prime Minister for two years, the Fascist regime was still to begin in earnest. Fascism did not come to power in Italy in response to any great popular movement as Mussolini liked to portray his "March on Rome" in October 1922. Fascism had dismally failed with the electorate in 1919, Mussolini himself gaining a derisory vote when he stood on "his" territory in Milan. The Fascist arrived in Parliament only thanks to the decision of Giovanni Giolitti to include them on the Liberal (in British terms, Tory) list. Thanks to the generosity of the landowning and industrial capitalist classes, the Fascists got 35 seats with almost no votes. This generosity was a result of the Fascist role in intimidating the working class in the so-called "Red Two Years" of 1919-20. But it was not Fascism that defeated the working class, rather it was the collaborationist policies of the Socialist Party (PSI) which undermined the revolutionary class movement. Throughout this time, Bordiga and the left of the Socialist Party fought to turn the Party on the revolutionary road in an objectively revolutionary situation but in vain. In 1921, at Livorno, the Communist Party of Italy was born, but, by then, the class movement had already abated and the bourgeoisie were now confident that they could do what they liked. In 1922, after five Prime Ministers had resigned since the end of the war, Mussolini demanded to be given his turn and gambled by announcing his "March on Rome" to force the issue. Fascist squads descended on the capital (mainly by train it has to be said) whilst Mussolini dithered in Milan (with a ticket to Switzerland ready if his bluff was called). However the bourgeoisie, and King Victor Emmanuel in particular, had decided that the democratic process would only lead to the eventual victory of socialism (an illusion shared only by the PSI), and decided to endorse Mussolini as a Prime Minister in the traditional coalition government with conservatives and nationalists. There were only three Fascists in the Cabinet and Mussolini's position depended on the King. To achieve a dictatorship, Mussolini courted the industrialists (taxes on profits were cut — see article that follows) and the Catholic

Church (Pius XI dissolved the Catholic party (I Popolari) and sent its leader into exile in order to support the Fascists (Mussolini gave the Church — which still did not recognise the Italian state — control of education). Next, a new electoral law was passed (by the "democratic" Liberals) which stated that any party achieving the most votes, as long as these were 25% of the total, could have two thirds of the seats in Parliament. In 1923, new elections were held and the Fascists, previously without any mass support suddenly achieved the majority in a campaign in which hundreds died under Fascist torture.

When the new Parliament met, the Fascists were two thirds of the deputies and it took brave deputies to stand up to them (including our own Onorato Damen). Bordiga himself was at the time in prison allowing the Third International to further weaken the new Communist Party of Italy by forcing Gramsci onto it as the new leader. One of the most outspoken opponents of Mussolini was Giacomo Matteotti of the centrist PSU (see note 2). Matteotti was the first to condemn the regime's brutality and corruption in Parliament and eleven days later he was abducted in a car whose number plate soon became public knowledge. It belonged to Dumini, leader of a Fascist gang ironically calling itself the Chekists (after the secret police headed by Dzerzhinski in Soviet Russia). A few weeks later, Matteotti's badly buried body with a file thrust through the rib cage, was discovered by a dog walker. It provoked a crisis of the regime, but, because the working class was divided (and here the PSI played a criminal role), whilst the ruling class could see no alternative to Mussolini, the scandal did not bring him down. Once it became clear that King Victor Emmanuel did not intend to remove Mussolini, his position was assured. Instead, the scandal provoked him to declare in January 1925 (after six months of paralysis) that he had been behind all the violence (1500 Italians died 1922-4) and he then began to disband the unions, the judiciary and all the fig-leaves of democratic life. Fascism seemed a good solution to a bourgeoisie terrified by the spectre of working class revolution.

Today, 80 years later, the now "democratic" heirs of Mussolini, the *Alianza Nazionale*, are in the Italian Government alongside the conservative Prime Minister Berlusconi, a demagogic buffoon who is nonetheless just as dangerous as *Il Duce*. As the bourgeoisie indulges in sham commemorations of the courage of Matteotti there are more towns in Italy with mayors who put up Fascist monuments than ever... and Italian troops are in Iraq.

Matteotti Murdered by Fascists — Behind it All ... Oil

In his famous opening to *The State and Revolution* Lenin stated that revolutionaries are often transformed into hankies soon after their death. The same oppressors who had hounded

them with lies and persecution when they were alive now transform them into soporific pills to give to the

exploited in order to dull their class consciousness.

Sometimes the same thing happens with figures in the workers' movement

who, though working within the ranks of the reformists, through their honesty, self-sacrifice, and attachment to the cause of the proletariat are infinitely superior to those who commemorate them and claim to interpret the lessons of their experience. That's true for Giacomo Matteotti, the eightieth anniversary of whose death we remember here.

As everyone knows, Matteotti was one of the most well-known defenders of reformist socialism. It was reformist socialism that was largely responsible for holding back the revolutionary wave after the First World War allowing the bourgeoisie to recover from its fear of revolution, reorganise itself and then to go on the counterattack with Fascism. Nevertheless, it is to Matteotti's credit that he maintained an intransigent class opposition to the war even standing clearly against the "historic fathers" of reformism who, especially after Caporetto¹, were calling for defence of the fatherland, and an equally radical opposition to fascism, correctly identifying it as an instrument of the bourgeoisie which, in order to defend its own class privileges, did not hesitate to combine state violence with that of the formally non-state, black-shirted assassins. Furthermore, his fight against this rabble in the service of the agrarian ruling class was so determined that it not only brought down upon him repeated attacks and beatings, but shortly before his death forced him to bitterly criticise the deadening and cowardly legalism of his party (the PSU)² which freely spread the poison of passivity and resignation. With this we don't mean that he was going over to communism but only that his criticisms tended to call for a serious revision of the strategy and tactics of the entire socialist movement.

It is certain, on the other hand, that Mussolini wanted to eliminate one of his most implacable adversaries, who, moreover, fortified by his legal-financial competence, had statistical proof in his hands about how the rescue of the banks and large firms, the privatisation of life insurance, of telephones, of certain railway networks, the abolition of surtax on war profits etc... had gone hand in hand with the growing chasm in government accounts, as well as, above all, the powerful reduction in workers' wages and the increase in taxes on labour. In short all those scams which have made, are making and will make today's

political elite, of whatever party, who all turned up for the official televised commemorations of this socialist martyr.

It was thought for a long time that Mussolini had ordered the killing of Matteotti just to shut the mouth of someone who denounced the systematic violence of the Blackshirts during the Spring 1924 elections which had given the Fascists an outright majority. In recent years, however, some historians, after extensive research, have confirmed the theory, which was already circulating but was given little credence at the time due to the lack of documentary evidence, that the electoral result had been rigged in numerous ways. Even Bordiga in his report to the Fifth Congress of the Third International had his doubts which were legitimate given the absence of significant auditing of the election results at that time. In essence, Matteotti was ready to go public with the very dirty washing of the "Duce of Fascism" and of some other figures close to him. It appears that the socialist deputy really had the proof of the under the counter sales, at shamefully low prices of huge quantities of war materials to a well-known *squadrista* (Fascist thug - ed) who would have then re-sold them abroad making fabulous profits (it is said one and half million in the lire of those days!) The *squadrista* was Dumini, leader of the gang who abducted and murdered Matteotti on June 24th 1924, and who, three years earlier incidentally, had abducted Onorato Damen, the founder of our Party, in a failed attempt to force him to retire from the revolutionary struggle. However, this shady transaction was small beer compared to the other, even more explosive, "conflict of interest" which involved Mussolini personally. Standard Oil (or ESSO as it is better known) through its subsidiary Sinclair Oil, was negotiating with the usual wad of notes so that Mussolini would concede to them the exclusive rights to search for oil in Italy, and in this way also control the Italian market for hydrocarbons. This was, as might be easily guessed an enormous cake, of which a significant slice would go to Mussolini and a few crumbs to his worthy henchmen.

So, in the tragedy of the Matteotti Affair, we find the basic elements for a script destined to be repeated many times over in the succeeding decades, but especially recently. This script has

oil as the *deus ex machina* of the situation, the key to unravelling an intricate web.

The murder of the socialist deputy thus confirmed the iron friendship between fascism and the "great democracy" of the USA, a friendship which lasted until the eve of the Second World War³, when through a series of circumstances the shoddy Italian version of imperialism found itself lined up on the wrong side. Mussolini was then transformed into the oppressor of his people and the Americans were moved to bring back democracy by flattening the streets, and bombing the heavily populated districts of the big cities as would happen later to Panama, Belgrade, Kabul, Baghdad....

cb

Notes

1 The Battle of Caporetto in Oct-Nov 1917 was more than a military disaster. It accompanied a pre-revolutionary situation in Italy. Even before the battle the Catanzaro and Ravenna Brigades had mutinied. In the actual battle Italian losses were 700,000 of which only 40,000 were killed and wounded, 280,000 surrendered whilst another 350,000 deserted (in addition to the 100,000 that deserted before the battle). Throughout 1917 there were violent protests and riots, often led by women, in major cities including Turin and Milan. In December 1917 rationing was introduced and wages were raised.

2 As in Germany, the Italian Socialist party eventually split into three parts. The Communist Party of Italy (PCd'I) was founded by the Italian Left in 1921 but the PSI right wing under Turati refused to support the Russian Revolution and re-affiliated to the Socialist International. By far the largest group were the centrists (Matteotti's Unified Socialist Party or PSU) under Serratti who wobbled between the Third International and the old Socialist International. Most eventually joined the Communist Party but only after the post-war revolutionary wave was over.

3 The USA did not enter the Second World War until December 1941. By this time Mussolini who had allied with Hitler in order to achieve his dream of creating a *Mare Nostrum* in the Mediterranean (and was thus inevitably anti-British) was such a subordinate partner in the Axis that Hitler did not even consult him when declaring war on the USA the day after Pearl Harbor. Thus Italy found itself at war with the USA without even having a say in it.

Review

Fahrenheit 9/11

In the months leading up to the invasion of Iraq the media in the US was almost without exception behind the Government. Democratic rights were snatched away in pre-planned legislation and the United States was plunged into a pro-war frenzy. In one scene of Michael Moore's Fahrenheit 9/11 he cites a man being reported to the CIA for stating in a general conversation with fellow gym-goers he was opposed to the war. Given this climate of fear and reaction Moore's documentary has been hailed as a leading protest against the corruption and war-mongering of the Bush administration.

Moore catalogues the corrupt business dealings of the Bush family and how their fortunes are directly linked with the bin Ladens. In the murky world of the oil and defence industries the Bush dynasty and the bin Laden's go hand in hand. At one stage Moore points out that when your business lies in defence contracts, war is profitable, but this doesn't begin to unravel the links between the Saudis and the US. Moore points out some of the more deeply rooted material reasons why Saudi Arabia, despite being the home of Osama, has not been targeted for invasion. The Saudis currently have \$1trillion in banks in the USA and have \$860 billions invested in the US economy. So in the days following the 9/11 attacks when all flights in and from the US were grounded, 24 members of the bin Laden family were allowed to flee the country, no questions asked.

Moore briefly traces the history of Osama bin Laden's terrorist career back to the mid-80's when the US supported the Mujahadeen in Afghanistan. As if backing terrorism wasn't damning enough for the US state, Moore also shows how the US had planned to invade Iraq preceding

the 9/11 attacks. But he fails to move to a deeper analysis of the cause of the war in Iraq and simply blames the greed, stupidity and corruption of the Bush clan. Whilst there can be little doubt that this faction of the ruling class are a particularly nasty little group of self-serving neo-criminals, as an explanation for the war it lets capitalism off the hook. Rather than being a cause of the present state of capitalism, the Bush's and their super-rich sidekicks are a symptom of the state of American imperialism.

The war in Iraq has heralded a new phase of the global economic crisis.



Not so much divides Moore and Bush as they think — they both want the best for American capital, even though they don't agree on what that is

The expansion and control by the US of financial income based on oil and maintaining the dollar as the currency of the oil trade has helped the US economy stay afloat despite its massive debts. At present the US has a debt of \$7.4 trillion, about 70% of the GDP, and in addition its trade and budget deficits each stand at approximately \$600 billion. This figure does not include the cost of the war in Iraq, which is now \$140 billion (see costofwar.com). US consumer debt is

at unprecedented levels and grew from 200 billion dollars in 1964 to 7,200 billion dollars in 2002. Business debt stands at 72% of American GDP. When internal debt and other demands on the US are added together it is estimated that the annual cost of servicing the total debt runs at 70% of GDP. At the moment two-thirds of all world trade takes places in dollars and two-thirds of central banks' official foreign exchange reserves are also in dollars. The dollarisation of the oil markets is essential for the US to manage its deficits, but this process has been endangered by the introduction of the Euro which threatens to jeopardise the monopoly of the dollar in the oil markets. The invasion of Iraq is an example of the US using its unrivalled military might to protect its material interests and physically dominate areas where it feels its interests are threatened. This war is about taking direct control of oil production and distribution, but it is also about who controls the financial markets.

Moore touches on the class dimensions of the war when he shows not only the victims of the war as mainly innocent Iraqi workers but also the direct targeting of poor communities in the US as recruiting grounds for the military. He goes to his home town of Flint, Michigan, where unemployment

and underemployment stand officially at 17% but where the real figure is closer to 50%. This is the American Nightmare, rows of abandoned businesses and boarded up homes in the richest country in the world. Places like Flint prove a fertile ground for military recruitment despite a 33% cut in soldiers pay. Moore's film clearly shows, though he does not of course draw this conclusion, that it is the US working class who are fighting the battles for US imperialism in Iraq. They

are driven into the military by unemployment, lack of opportunities and poverty, in short, by the problems of capitalism. The foot soldiers of imperialism are the victims of the very system which generates imperialism. Exactly the same can be said of the British army. Moore, of course, does not understand this, instead he points to the hypocrisy of the US ruling class who keep their children well out of the firing line.

When Moore takes sign-up leaflets to Members of Congress to sign up their children to fight (of the 535 Members of Congress only 1 has a son in Iraq) they look at him as though he has just offered to give them the Plague.

Yet Moore fails to draw the class conclusions of his own arguments, instead

one else. Kerry after all voted for the war and his policy is to send more American troops to Iraq, not withdraw them. Moore himself shows that the Democrats failed to support attempts to fight the electoral corruption which saw Bush take power even though he wasn't legally elected and Democrats without question voted for the draconian powers limiting rights to free speech brought in after 9/11.

Moore is, above all, a patriot. His main

concern is for the welfare of US capital which he thinks is being mis-managed by a group of idiots. When talking to a pro-war mother in Flint (she later opposes the war when her son is killed), he says the US 'is a great country'. It is not the war Moore objects to, it is not the system that produced the war either. It's not the fact that capitalism has led to the horrific deaths thousands of innocent workers in this war, of millions over the past century and will continue to kill workers until its end. Moore doesn't object to any of this. He just objects to Bush. He doesn't want an end to American imperialism; he just wants it to be nicer and better managed.

Fahrenheit 9/11 might well give an entertaining insight into the greed, corruption and stupidity of Bush and his cronies, but revolutionary it ain't.

SCORCHING!

THE BEST FILM MICHAEL MOORE HAS MADE SO FAR, A POWERFUL AND PASSIONATE EXPRESSION OF OUTRAGED PATRIOTISM.

A.O. Scott, *The New York Times* (quoted, with approval, on the film's website)

he goes down the well-trodden route of saying that the opposition must be better than this, that the bourgeois democratic process must have something better to offer and that workers should not give up faith in the democratic system (even though he has shown himself what a corrupt load of rubbish it is, rife with cheating, gerrymandering and corruption, a game for only the super-rich). The point about modern democracy is that it is anti-democratic; it is a form of class dictatorship where workers are encouraged to participate in choosing a candidate from amongst the ruling elite once every four years. Choosing which rich man heads the super-rich elite which will dictate your life is hardly democracy, yet it is this system Moore invests in, and encourages the American working class to invest in. Interestingly even though he says this he himself is hard pushed to give any proof that US policy would be run any differently by any-



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Iraq

Continued from page 9

their eyes on Iraq's oil. Together they have contracts, which they signed with the Saddam regime, worth \$38 bn which the US has now overturned by force of arms. For the present the US rivals are happy to leave the US to flounder in the Iraqi quagmire without directly supporting the forces opposing the US. This situation, however, may well change in the coming period.

Opposition Forces

As we have noted in previous texts³ the Iraqi opposition is totally reactionary

from the point of view of the interests of the working class. The Islamicists and the nationalists represent factions of local capitalism and have absolutely nothing to offer the working class. We have discussed this more fully in RP32 and repeat here what we have said previously, namely that the Iraqi working class should not give their support to this resistance. Iraqi workers should mount their own resistance to the Iraqi bourgeoisie, the puppet regime and the US on class grounds. They should fight for their own class interests, such as pay and conditions, the electricity supply, the water supply,

etc. The call should be to turn the imperialist war into a class war. No war is worth fighting but the class war.

Charlie

Notes

- 1 See RP 32, "US imperialism flounders"
- 2 Reported in *Financial Times*, 30th September 2004
- 3 See RP32, "US imperialism flounders"

Towards a German Section of the IBRP

Continued from page 23

begin to act effectively within the body of the world working class. The present dispersal of forces has to be overcome in order to build the international proletarian party.

In the May meeting the audience was reduced but there was no less interest in the discussion which,

amongst other things revealed the great distance separating us from the ICC on the method of analysing the dynamic of capitalism and our respective positions. It revealed the solidity and coherence of our positions on the reasons for the war in contrast to the inconsistent schemas of the ICC on decomposition and chaos. This point was not made by us but by a group of

comrades even less close to us than the ICC.

The meeting which followed the public meeting led the outline of a plan of work for the sympathising comrades in Germany, including regular meetings with representatives of the IBRP which should lead to the constitution of a new organisation the German section of the Bureau.

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!

Internationalist Communist

Review of the International Bureau for the Revolutionary Party

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