

***Against the Cuts
Against the Crisis***



***We have no option
but to Fight***

Revolutionary Perspectives
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Editorial	I
The Tunisian Rising	2
Student Protests: Capitalism Has Nothing To Offer	3
Open Letter From The Workers Of FIAT Mirafiore	4
Reflections On The Student Movement	5
Comrades, Something Is Changing	6
Unite Cans Heinz Struggle	8
The Struggle Against Pension "Reforms" In France	9
Wikileaks And The Limits Of Capitalist Free Speech	11
The Crisis In Ireland: A Warning To The World's Workers	13
Bangladesh: Workers Struggle For A Living Wage	16
Prisoners Of Capital Fight Back	20
Cancun World Climate Conference: Another Predictable Capitalist Failure	22
The Current State Of Global Capitalism: Meeting Of ICT in Milan Dec 2010	26

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Editorial

2011 promises to be a dire year for workers everywhere. The austerity plans already announced in the old capitalist countries are beginning to bite. The introduction of the 20% VAT rate alone in the UK has sent the cost of living spiralling. And the real cost of government cuts in job losses will be revealed. Already in Manchester the council had upped its job cuts from 1,200 to 2000. Other councils will be forced to do the same. But this is not just the result of a banking crisis of the last three and half years as the Labour left and the trades unions tell us.

For decades the world's capitalists have been driving down wages, worsening job security and increasing exploitation by reducing the workforce and speeding up production. The huge shift of capital and jobs to the "emerging" nations has led the bosses to call for a "global worker" to match a global capital. This means a worker who will work for little (and not even subsistence in some places as our article on Bangla Desh reveals). Even in the old capitalist states where workers have fought and struggled for welfare and health benefits for centuries the standard of living falls little by little every year. The purchasing power of wages here is less now than in 1973.

In this situation workers have no choice but to fight and a remarkable globalisation of struggle is taking place. Basically people from Tunisia to Bangla Desh can no longer go on living in the same situation of poverty and despair with no future. And it is the lack of a future which has stimulated the struggles in Europe, particularly amongst students (who have even played a major role in the fight against pension cuts in France). If (and it is a big IF) workers and students can fight together and develop their autonomous struggles more widely, 2011 could turn from a year of grief into one of hope. But we should also be aware what capitalists are preparing. Whilst they claim that a "recovery" is taking place (stock markets are back to 1999 levels) it has been brought about on the backs of the workers. In September 2010 the *Financial Times* explained the secret of this recovery "a big shift from labour to capital". And as the article on Ireland in this issue warns the more we give the more they will demand.

Happy New Year to all our readers!

A New Stirring in the Arab World

As we go to press the Tunisian rising against the dictator Zine el Abidine Ben Ali is going into its third week. The spark of the unrest came when a 26-year old unemployed university graduate, Mohammed Buazizi, set himself ablaze in the central town of Sidi Buzeid to protest at the police confiscation of his fruit and veg cart. Buazizi had resorted to street hawking to provide for his family in the absence of alternative jobs. His desperation is shared by thousands of Tunisians and the situation is not much different in other Arab states. The authorities response in Tunisia has followed a pattern seen before. Sidi Buzeid was surrounded by the forces of the state and demonstrators shot. But the usual tactic did not work as the rising spread quickly to other towns particularly Kasserine where it is believed that most of the dead are to be found. The Ben Ali regime has not much to rely on except brute force (although it does have the support of the EU – for his cooperation in preventing Tunisians seeking work in Europe, and Ghadaffi has opened the Libyan border to let Tunisians in to help out his "Arab brother"). In trying to hide the scale of murder taking place Ben Ali has shutdown Al Jazeera and other news stations as well as arresting bloggers and twitters and anyone else using electronic media to reach the outside world. One blogger wrote: "They are clamping down on the Internet too blocking some sites and Facebook accounts. I might not be able to post any longer. If I disappear suddenly, please pray for me".

It has not worked. Already demonstrations of solidarity have been held in several Arab countries including Mauritania, Morocco, Algeria (which had its own riots over food price rises since withdrawn) Egypt, Jordan and Syria. The Syrian one even compared Ben Ali to their own ruler Bashar Assad. Riots and demonstrations alone won't change anything but they can begin a process, a new awakening. There are times when the material burden of deprivation suddenly becomes too much and what has been accepted with resignation before is no longer bearable. Once started these processes then take on a new life with unpredictable consequences. That is certainly our hope.

We are printing, on page 2, the initial statement of the Internationalist Communist Tendency on the situation in Tunisia which will be followed by others. As usual we invite comments and criticisms from our readers.

Wildcat Strike in Algiers Docks

On January 4 100 Algerian dockworkers went on wildcat strike. They were protesting about the deal reached last July between "their" union and the bosses which reduces overtime pay to basic levels and brings in new (worse naturally) shift patterns. Within two days they seem to have been joined by about 800 more and they have all refused union attempts to get them back to work. As we go to press the strike was continuing.

The situation in the Enterprise Port of Algiers (EPAL) is not unfamiliar to workers everywhere. Today the company employs nearly 1,100 workers, but only 500 are permanent, 160 and 336 contract laborers. A few years ago, it employed 3,000 dockworkers and accounted for almost 40% of domestic shipping. The same process of rationalisation and casualisation of labour has also gone on here. Now the workers are being asked to perform the same labour with smaller teams and with less overtime pay. The company claims that they are compensated with extra rest time and the unions who negotiated the deal are now denouncing their members and even putting out anti-strike propaganda (such as denying that the strike enjoys overwhelming support).

Whilst this event only confirms what we have long argued about unions we have no information on how the strike is being organised. Obviously workers everywhere should offer what solidarity they can but concretely the dockworkers face formidable challenges in their isolation unless the current wave of unrest translates into more widespread strike action...

The Tunisian Rising

As usual, the figures are disputed. The demonstrators say there are at least fifty dead, the government estimate is fourteen. One fact is certain: these spontaneous, resolute and violent struggles have brought about an even more determined and violent repression.

The background to the growing conflict in Tunisia is the international crisis which doesn't spare anyone, least of all in the economically weakest countries. The same thing is happening in Algeria, while in Egypt and Morocco the situation is just as bad, if not worse, even if it hasn't yet exploded. More specifically, the anger which has provoked the street demonstrations is vented against the dictatorial power of Ben Ali, against the corruption which he is up to the neck in and against the power-hungry gang of thieves who gravitate round the figure of the president. At bottom, however, the protests have been triggered by the twin factors of unemployment and the high cost of living. According to official statistics the first of these stands at 14%. The real figure is almost double and youth unemployment has reached 35-40%. The second factor — the increased cost of living — means that the family wage of both private and state employees won't even last to the middle of the month. From an already low standard of life workers now face outright poverty. Hope for the future has evaporated. Reality consists of hunger and mounting desperation. Proletarians who have a job are unable to support their families while those who have fallen into the circle of the damned have little chance of getting out of it. Even the middle class is seeing its standard of living crumble. The public sector, which until a few years ago provided secure long-term jobs, is now drastically reorganising its pay-roll. Public sector employees, lawyers, young diplomats and graduates of all descriptions are on the street competing with the rest of the unemployed for whatever job they can get. The pruning of the public sector (with the same sort of measures that have been taken or announced for Britain, France, Spain, Ireland and Italy), proletarianisation of the middle class, coupled with more intense exploitation in key branches of the economy (such as energy), are all



the tangible sign of the grip of the crisis and the reason for the revolt.

The struggles have broken out spontaneously, that is with no political direction nor a tactical programme. The unions (UGTT) were taken by surprise and have had to run to catch up with the situation, first deploring the excess violence of the police then in the same breath decrying the "excesses" of the spontaneous demonstrations, calling for calm and trust in the president's promise of 300,000 jobs. Before this tragic turn of events they weren't concerned about anything except their usual job of pouring water on any smouldering fires of resistance.

The clampdown has been brutal, with the police opening fire on the demonstrators. There was no hesitation about shooting to kill because that was the order. The Tunisian government couldn't allow itself the luxury of permitting demonstrations which could set the country in flames, even if this sort of calculation does not always work and sometimes has the opposite effect. As always, but above all at a time of economic crisis, the imperative is to safeguard capital at all cost by building a bulwark round the necessity for its survival and convincing the workers by whatever means possible that there is no alternative to sacrifices. Take it or leave it. Otherwise the axe of repression will be brought down heavily without saving anyone. The fifty dead are a dramatic verification of this.

Not only that, the Tunisian government has employed a strategy of criminalising the struggle. Those who take to the streets, who demonstrate, who carry

out acts of violence against things and against the general interests of society — of its laws: of its capital — is a terrorist in the pay of whatever foreign country, interested in destabilising Tunisia. Even those who send critical messages and photos via Twitter or other media are being rounded up and shut up. It is a classic bourgeois tactic, always effective, already adopted in Europe in the past and in a special way in Italy. It is now coming to new latitudes but with the same aim; to block any form of opposition identifying it with an "evil" turn which as such must be fought by every means including violence.

Instead the struggle must continue to connect all sectors. It must lead to the creation of strike and struggle committees to be an example to the working class and the unemployed of the whole of the Arab world, from Morocco to Syria and to ask these workers for their solidarity. All this is certainly difficult if not highly unlikely given the political desert of the current reality, even if this political desertification has reached the old capitalist countries like Europe and the USA as well. It is for this reason that it is the time to concentrate our efforts on the creation of a political vanguard which can begin to act as a reference point for these struggles, in order that they don't exhaust themselves in demoralisation or repression without a trace. Now is the time for the international working class wherever it has been hard hit, from Greece to Tunisia, from Spain to Algeria, from the UK to the US to set out on the road towards the revival of class struggle, a road which they have to travel with their revolutionary vanguard, without which any effort, any desire to revolt, will remain stuck in the capitalist orbit, repressed or reabsorbed by the system depending on the line taken by the body that defends class interests, i.e. the capitalist state. That is what Ben Ali is teaching.

Student Protests:

Capitalism has Nothing to Offer

The explosion of anger from students and young people around the world has shown they are refusing to passively accept the cuts and are refusing to be landed with the bill for the economic mess capitalism is in. Since the crash student unrest has exploded in Greece, Italy, Ireland, France, the US, Puerto Rico and Germany, but it was the savage cuts in further education announced by the Coalition which led to the unrest in Britain.

The announcement that Universities would be able to charge up to £9,000 a year for tuition fees was seen by many as the final nail in the coffin for open access to University education to a whole generation. The Coalition's actions mean that working class kids wanting to go to University will have to take on even greater crippling debts than before. From next year fees will be paid up front by the Government as a loan and graduates will have to pay them back once their earnings reach £21,000. Originally the interest was to rise every five years but now it'll go up with inflation. If there's a recipe for pushing down graduate wages then surely this is it.

Less publicized, but every bit as harmful to the attempts of young people to get an education has been the scrapping of EMA, a grant introduced by Labour to help young people from low-income households stay in education after the age of 16. Ever mindful of rising youth unemployment, Labour introduced the EMA to dissuade young people from leaving education and it's one of the reasons students today represent almost half of the 18-21 population. Some 647,000 16-18 year olds get the grant of up to £30 a week which helps them with the costs of books, course equipment and travel. The abolition of the grant will have a massive impact on poorer students. A National Union of Students survey two years ago of 1,205 EMA recipients in England discovered that 61% wouldn't be able to carry on with their studies if they lost the grant, and more than half of young people on EMA in Newham told researchers the grant helped keep them in education.

Resistance

Young people have been an easy target over the years. Facing low wages and high proportional unemployment, they've also borne the brunt of successive welfare cuts to their services and their benefits. As it stands they can't claim benefits until they reach 18, and even then the amount is derisory. For many further education isn't a choice, it's their only option. So when the cuts were announced, unrest quickly followed. The demo in London on 10th November reached 50,000 people as students and school kids took to the streets. After that demonstrations and sit-ins spread rapidly. The demo in London was followed by further demonstrations and protests in cities like Leeds, Sheffield, Manchester and Liverpool where school kids walked out and joined the protests. Occupations were reported in Sussex, Birmingham, Warwick, Glasgow, Strathclyde, Newcastle, Cardiff, Brighton, Leeds and Sheffield. By the end of November occupations were taking place in at least 20 Universities across the country.

The response of the state has been the usual one of condemnation and repression, but there's no doubt that the bourgeoisie have been rattled by how militant and angry the protesters are. The students pose a real political threat, not just because they represent a whole lost generation that capitalism has nothing to offer but because they can control their own actions be outside the usual confines of the unions or party politics. Many of them have realized it isn't this or that government to blame for bad policies but the whole system which is bankrupt and which offers a bleak future.

The protests also brought many face to face with the forces of the state for the first time. The police use of 'kettling' in Whitehall on 24th November meant that kids as young as 12 were trapped behind police lines without access to food or water for five hours while mounted police charged the crowds. In Ireland one protester was beaten unconscious, in London a disabled protester was dragged twice from his

wheelchair by riot police. In Newcastle protestors leafleted HSBC bank protesting at the billions used to bail out the banks, chanting: "The banks got bailed out! We got sold out!" Two demonstrators were violently arrested and taken to a local police station where others on the demo marched and called for their release. No doubt these and other protesters (like the ones who surrounded Prince Charles's car) will be made examples of. If nothing else the viciousness with which the protests were met shows just how thin the veneer of democracy really is.

The Future?

At a time when social inequality is rising, where children on free school meals are 55 times less likely to go to Oxford or Cambridge than those from private schools¹, the injustices bred by capitalism are harder than ever to ignore. It's little wonder there's so much anger when subsidized banks are still paying out obscene bonuses while the working class and it's children bear the brunt of the cuts. Denying many a university education is just the latest obscenity. In Italy, workers in FIAT Mirafiori factory have called a joint meeting with students to organize a way forward (the document is reproduced below). This is an important step which radically illustrates the difference between the past and the present. In 1968 the workers and students rarely got together especially as most of the students had no class perspective. They were the future managers of capitalist society and relatively privileged. Today as the FIAT document so clearly underlines the attacks on students are attacks on many working class families. Some students in Britain understand the need for solidarity (Manchester students went to show support striking Heinz workers in Wigan, for example see page 8) but as in Italy they are still in a minority. Most of the students here are still focused on the issue of education but in France and Italy there seems to be widespread recognition that all sectors of the working class will have to unite. To do that though there has to be a recognition that we are not fighting to alter one bad law or even

get rid of one bad politician. The real issue is that capitalism can offer us no real future and that if we want to fight for it we need a wider programme of change. The student movement in Britain will ultimately only succeed if it recognizes this and is linked with the fight of workers elsewhere because as the leaflet from Firenze makes clear it is only the class on which society depends for its functioning that have the power to halt the ruling class – but that means recognizing our collective strength.

Below are three translations from Italy on the student movement there, one by our comrades in *Battaglia Comunista*, the other written by a group of students who are unconnected to our organization who are involved in the unrest in Florence (Firenze) and finally the FIAT document already referred to. As all three articles show, the anger of students and young people in Italy has been at least as widespread as in Britain. And as they say themselves, something is changing...

RT

Notes

I The Sutton Trust Report 2010.

Open Letter from the Workers of FIAT Mirafiori

Social Insecurity

To university students and the world of education and training

We live in a period in which the political caste is the dominant class. Through a cynical use of the economic crisis they are making living conditions of those who study and work in the weakest sectors of society even worse.

We would like to share our conditions with you.

We FIAT workers about thirty years ago aspired and chose to go into the factories with the perspective of a low but secure wage which allowed us to have a dignified future for ourselves and our families. This little security was given to us at the time in order for us to buy consumer goods in exchange for our physical labour

From the first car bought on instalments, we went on to take on a mortgage and if possible loans to support the studies of our children to give them, we deluded ourselves, a better future than ours.

For years we have continued to ingest and defecate material goods producing the compost which fertilises the plant of the capitalist system. In the factory we were talking (and how someone was stupidly investing) in shares, on the stock exchange, on commercial bonds ... and meanwhile workers were daily dying in their workplaces.

Now in the factory the *cassa integrazione* (being paid off) is used as a psychological weapon. In this way you don't earn, you don't spend and therefore you are no-one. You don't exist.

The capitalist system wants to wipe out with a single stroke both the past (the rights and rewards won by struggles, through the sacrifices and deaths of our fathers) and the future i.e. the possibility of our children to study and to free themselves in exchange for a present ever more inclined towards immediate consumerism.

This condition, increasingly poor in recent decades leads us to think that it is no longer possible to struggle individually or sectorially; this leads us to believe that it is even more necessary to build a path to

unity.

We want to be **united** in the struggle because we believe this is the only way to improve the opportunities of those who study and those who work

United, because both the world of labour and the world of study already have a precarious existence, and the present measures aim to make them worse.

United because the students of today will enter a precarious world of work and we, as our parents did, must do what we can to reject the remedies of those who only want to make "cash" from the lives of the weakest.

Today students and workers together can build a bridge where the world of education and the working and labouring class unite to develop a dialogue and a unity to reject the attacks of a society where only a few decide for the many.

For us it is important to get out of the factories.

We are convinced that it is necessary that the reality created everywhere by the widespread attacks of the government and the dominant class needs a first step of confrontation, of consciousness, of discussion which leads to the reinforcement of every struggle, so we can put in the field a force which is capable of turning things round and improving our living conditions.

For this we make an appeal for a Workers-Students Assembly in the shortest time possible to agree together soon after the day of action of 14 December.

*Workers of FIAT Mirafiori
(with the adhesion of the workers of Agilex, Eutelia, Comdata, workers and temps of the schools and of the telecommunication, temporary and social cooperative sectors)*

From London to Rome young people's protests are exploding against the cuts, against the crisis.

Reflections on the Student Movement

It would be stupid and simplistic to say that the clashes of 14th December were only the work of the black-bloc i.e. police infiltrators amongst the demonstrators. The truth is that much more simple than the conspiracy theories of the pacifists or of the left. The truth is three and a half years since the explosion of the crisis, young people realize they don't have a future, they are paying the cost of a crisis they haven't produced, and that politicians and unions don't represent them. Since this is the general feeling amongst students, it's obvious that when the 'extremists' arrived at the demos with the clear intention of 'raising the level of the struggle,' it seemed to some there was something in what they had to say, as evidenced by two hours of warfare where hundreds were injured and twenty three people arrested for violently confronting a decadent system which daily and endlessly produces oppression, precariousness (job insecurity), redundancies, desperation, misery and war. Therefore it's hardly surprising that these young people were pissed off and finally pushed to take part in the clash with the forces of law and order.

The demos in the Piazza del Popolo showed us a clear split between the political condition of young proletarians and today's petty bourgeoisie.

- The more moderate wing is bound up with institutional reality and is opportunistic (*Uniti contro la crisi-disobbedienti*). It is weighty, especially from an organisational point of view, and although they make political noises about the redistribution of wealth, their compromises with the forces of parliament year after year show that their words are a waste of breath.
- The majority of the students are simply drifting, they have no link to the traditional politics of the past and are incapable of creating a proper identity for themselves, and are extremely scared about the future, which appears darker and darker.

- The class component in the movement is a very small minority and most of the time it doesn't have the courage to express itself. Moreover, a lot of organised young people and groups which do have a class basis often repress it in practical daily politics, adapting themselves to the situation rather than trying to push for an increase in class consciousness. We happily salute the attempts of some students to leave the student sphere and to try and side with the interests of the working class. The hope is that these small episodes might become more generalised and mature in a class sense.
- The fringe of the 'extreme Italian left' is composed of former autonomists, some ultras, a few Stalinists and anarchists. These groups – although more accustomed to thinking in terms of class and anti-capitalism - have demonstrated through the course of things that they are incapable of developing a coherent analysis of the present and, above all, are incapable of putting forward a credible revolutionary framework for overcoming capitalism.

It is especially in this last area that the events of 14th December shows these organisations carrying out the only type of practice they know, i.e. conflict on the streets. In other words their contribution is to 'resume antagonistic confrontation' in Italy.

Solidarity stops being unconditional when we look at the 23 people who were arrested, as well as to those young people who were hurt. We have developed some reflections on the positive developments of the opposition movement to the cuts and the crisis.

- The slogans that are most common in the movement are inadequate. It isn't enough to be against Berlusconi and his ministers or the forces of

bourgeois repression and the police. The problem is much greater. What the organisations have to express is that the conflict has to be extended in the first place to the work place and outside of and against trade union logic. The movement needs the perspective of overcoming capitalism and its crises altogether, in other words it needs the perspective of communism.

- It serves little purpose to demonstrate in front of parliament when Parliament is the organisation for defending the interests of the dominant class. The movement must face with greater strength the issue of how to reach the periphery, how to get involved with the proletarians that are being hit by the crisis in order to develop the fight of the class. This must start from workplaces and from working class areas rather than simply having a discussion against capitalism and its crisis
- It is not through clashes like the one in the Piazza del Popolo (such as those with anti-fascist militants) that raises the level of class consciousness, but through denouncing exploitation, through denouncing the cuts and the violence which was carried out by the ruling class in response to the problems generated by its crisis.
- Until then the perspective of class struggle and the necessity to supersede capitalism won't become clear merely in the forms of conflict, and those taking part in the clashes with the forces of bourgeois order will not be able to be in a position where they can reform the system. To take part in violent clashes doesn't mean in itself that someone is a revolutionary, but rather can mean they give themselves over to violent means to reform (albeit in radical clothes) the system, despite their intentions.
- Violence is integral to the system.

Student Protest

It is one thing to defend the demonstrations and defend the struggle in order to try and be politically anti-capitalist, (and in this case the aim of the 'violence' of the Piazza del Popolo was a shared one) but it's another to take part in the life of the demonstrations only to end up literally and symbolically under parliament.

- In view of the lack of active participation of the communist

vanguard, the confused anger that's fermenting – not only amongst the younger generation – and it's a generous flame of revolt, is destined to become reabsorbed into the system or repressed by it, without being able to make the indispensable leap in quality in the anti-capitalist sense.

We international communists have been and always will be always fighting to raise the level of class struggle and the revolutionary consciousness of the

proletariat...until this vile system is superseded once and for all.

Battaglia Comunista 2010

Comrades, something is changing... Let's Get Out of the Student Ghetto. Carry on the Struggle. Build Autonomy!

25 November 2010

The rage of young people has exploded in every corner of the country. Marches and occupations of faculties have taken place on an historic scale, roads, station and ports have been blocked, and clashes with the dogs who guard the bosses have taken place. It's been a thunderbolt from a serene sky which seems to have started a new cycle of struggle in the universities.

Florence was the catalyst, with the decision of the undersecretary to the President, Daniela Santanchè, to hold a racist conference at the University of Novoli. Hundreds of students were quickly met by police who prevented them entering the University. Barricades were quickly constructed in Guidoni street and at other strategic points to block the traffic. The Refectory was taken over. A few hours later the Faculty of Arts was occupied, joining the occupation in the Faculty of Sciences.

This was the hour!

This was the hour when those who had previously been useless and whingeing turned to action, when those who said that 'the struggle will be hard' turned to sample real conflict en masse for the first time, and those who sat on the fence passed in massive numbers into the cities and to radical action. It was the hour when those who shouted 'your repression doesn't scare us ... our struggle will become ever more intense!' were attacked by the police and clubbed around the head, escalating the conflict and throwing up

barricades. It was the hour when those who shouted: 'We will not pay for the crisis' indeed started to refuse to pay for it.

The potential of the conflict of the demonstrations on Thursday has not been exhausted, but has multiplied; from the demonstrations at the sit in at the Refectory of San Gallo the day after, to the spontaneous street blockades which followed this initiative, and in the tone of dozens of assemblies which have been organised.

By Saturday the movement had captured media attention with a banner unfurled on the dome of the cathedral, by Monday it had shown its capacity and determination to blockade the railroads of Rifredi station for 95 minutes, leading to delays and cancellations for 15 high speed and 25 regional trains.

On Tuesday, the day on which reforms were discussed in Parliament, a march left from a meeting of 200 students with one clear intention: to occupy the motorway and try to block the flow of goods and break Italy in two.

At the end of Guidoni street the police put up obstacles between us and our objectives. Opposite the barriers were hundreds of students, faces covered and wearing crash helmets. The massive deployment of cops stopped them reaching their objective. Meanwhile thirty 'pacifists' positioned themselves between the demonstrators and the police, believing

that simply 'democratically' holding up your hands is all you need. For them self-defence is just a display of violence and lawlessness.

Over the course of these few days the distance that separates the two halves of the movement was drastically revealed. On the one hand there was a replica of the Wave (Onda) that was still caught up in a media obsession, looking hopefully to politicians and trades unionists, it was confined to the student ghetto and incapable of seeing anything beyond the 'world of education'. On the other hand the direct expression of anger from schools and universities led students to demonstrate on the streets with an impetuosity which derailed the old bankrupt, limiting and frustrating confines of the 'protest'. The blockades, the sit-ins at the Refectories, the occupations and the barricades show a determination fed from frustration and restlessness about the present system and a future where prospects seem worse and worse.

As a result, the following day's newspapers were just concerned with 'creating a good impression' and one clear message rang out: "We will stop this". The speeches and discussions in parliament showed how the technicalities of reformism can be overcome in one second flat, being replaced instead with a generalized attack by our masters who are intent on imposing ever worsening living conditions on us, even though those we have are hard enough.



of spreading effective action.

The time has come to face the contradictions, to make clear our real perspectives, to continue publicly the debate that we want to open here with this document (here in Florence we are looking at the experiences in other cities). This is the moment to take a stand.

Florence, 5 December 2010

It's becoming more and more obvious how the crisis is revealing the line which divides society between those who exploit and those who are exploited, and how the former are determined to profit from the lives of the latter. This is integral to the movement, and after a small victory has been snatched from the struggle, reforms are pushed back indefinitely so the decision to re-launch an extended mobilization which expands political horizons both physically and over time must be taken. The idea of the fall of the government and an eventual change of power will not be enough to satisfy those who attempt to oppose once and for all the forces of a parliament who want to stop the class struggle, since it only has one interest; the defence of profit.

As a result a debate is emerging on the necessity of a general strike to bring the economy to its knees for one, two days or even indefinitely.

Amongst those carrying out the occupations the need is emerging for a new way of struggling which is born from individual consciousness and which is stimulated by the collective experience through self-management of the fight. This climate has prevented attempts of several student organisations from imposing themselves as the single leadership of the movement or inflicting decisions on it to suffocate every attempt at real autonomy.

And now?

Now it's time to choose, whether to develop and organize this tendency with all its contradictions or become exhausted in the umpteenth student movement. This doesn't mean having

the choice between a level of struggle and another of communication, but to rethink the objectives of the struggle and methods and places of communication.

We believe we've passed the time for demonstrating through the streets of historic areas, being snapped by tourists with the demonstrators searching for symbols to attack (such as the bosses organisation, the police etc), all of which reduces the conflict to a mere spectacle.

We do not delegate the spreading of our message to the media, which will only allow the 'nightmarish Black Bloc' (i.e. police *agents provocateur*) in order to criminalise all the expressions of the radical struggle of today's national movement. We bring our anger and our voices directly to the streets.

We believe we are at the point of taking control of the times, means and spaces that are necessary for our struggle; we are talking about the Faculty of Arts Occupation (already a meeting point and political laboratory for school kids, students and young people united through sharing the same journey, open to unite with each other), we are talking about leaving schools and universities and the usual places to meet workers and people in the spaces where real metropolitan city life is lived, where the mystifications and false feelings of well-being are going to be brought down.

We do not claim to be making anyone aware of the problems that they already experience, simply to open up the possibility of an autonomous encounter that possibly leads to concrete solidarity and the possibility

For reasons of space we were unable to publish Onorato Damen's text on

**Amadeo Bordiga,
Beyond the Myth and the
Rhetoric**

This is available on the website

Unite Cans Heinz Struggle

The following article is taken from *The Educator*, a paper of Manchester students, with no connection to the CWO, whose attempts to link workers and students we support. Contact 07976386737 or info@communiststudents.org.uk

The 1,200 striking workers at Europe's biggest food manufacturing plant, the Heinz factory in Kitt Green of Wigan, suffered the first defeat in their ongoing struggle against the management and owners of the company, as shop stewards decided to call off the 24 hour strike that was planned for Wednesday January 4th. The workers had been planning to strike for the fourth time over management's sub par offer of pay conditions, including the removal of the performance related bonus and restrictions on overtime.

In an unsurprising move, given Unite's previous trick of trying to buy its members off cheaply, the shop stewards accepted management's demand that the planned industrial action on the 5th be called off. The shop stewards argue this was to allow the offer that had been called 'final' to be voted on by its members. The offer though is hardly better than the previous one, which the workforce voted overwhelmingly to strike against. The 'final' offer consists of a 3.5% wage rise in year one + a £200 lump sum and a 3.4% wage rise in year two, and the removal of the health care provision for employees the company currently provides. This was a miniscule improvement on the previous offer and falls far short of the 4.3% increase Unite are demanding, a demand that still fails to match the level of inflation currently running at 4.7% according to the Retail Prices Index. The removal of the health care provision is a new move from the company that, if accepted, would likely fund its paltry wage increase in the latest offer. It is yet to be seen how the workers will react to the offer but judging by some of the comments on the strike's Facebook page, they're not ready to give up so easily and have plenty stomach for the fight. One posted,

"It's a shame that because of a few busybodies that you are compelled to bring this crappy offer back to the membership allowing the company to build up stocks this week. My answer is it ain't nearly good enough."

Certainly there was no lack of determination to win, witnessed amongst the workers, when a contingent of students from the Roscoe occupation of the University of Manchester travelled down to the picket lines before dawn for the first 24 hour strike. The students travelled to Wigan to express solidarity

with the workers and make it clear that they share the same fight and that the government's attack on higher education was an attack on the educational opportunities available to children from working class backgrounds, who will be put off attending university by the sheer level of debt it would burden them with. The government has used the excuse that it simply can no longer afford to fund higher education in this 'Age of Austerity'.

The noises being made by Heinz ring similar tones. They are using the current economic climate as an excuse to reduce the wages of its employees, even taking out a full page advert in the *Wigan Evening Post* on 16 December trying to intimidate the workers to accept concessions with the threat of lay-offs. Jaap Wilbers, Vice President of Supply, warned,

"It is a competitive world in which we live and the cost of doing business at Kitt Green is higher than other Heinz European options".

He threatened,

"The UK has lost a great many jobs over the last 15 years due to being uncompetitive".

The workers at the factory gate however rightly recognise this ploy for the opportunist gamble it is. Heinz has not been adversely affected by the economic downturn. In fact it has performed rather well, benefiting somewhat from peoples natural inclination to eat more beans on toast when faced with less money in their pockets. This has meant that the US based food international, value estimated at around \$10 billion, reported a second quarter gross profit margin of 37%. Out of these profits it was only too eager to award its shareholders a 9% dividend and workers were angered in the run up to Christmas when managers flaunted their large bonuses for the year.

The company has also been trying to squeeze more productivity out of workers in recent years. One worker cited an instance where Heinz threatened disciplinary action against three workers when they all refused to operate two machines at once in case one of the main machines broke down. Importing managers from outside the company to "turn the screw" has also angered them. Where safety has not been an

issue the workers at the factory have mostly gone along with the measures to increase productivity and now the Wigan plant makes 80% of the total profit for Heinz UK & Ireland. Its demands of and disregard for those who have brought the company these profits seemingly has no end.

Although the statements Heinz are making about the workers at the Wigan plant being some of the best paid in the industry are true, this is not a particularly grand claim to make in an industry traditionally entailing poor working conditions. The only reason the workers at the Wigan factory enjoy fairly decent wages and benefits, ones that provide a reasonable standard of living is due to the stomach of the workers to stand up to the bosses. It was only due to this militancy that the factory managed to avoid many of the reforms that were part of the attack on the working conditions of the working class that swept the country in the 1980's and 90's.

The last such action occurred in 2007 when over 1000 workers at the Heinz factory staged a 24 hour wildcat strike in protest over another sub par pay offer despite the company reaping profits of over £135million that year. They were also outraged by attacks on sick pay, disciplinary procedure and the cutting of temporary workers pay. On that occasion the workers walked out against the advice of the union officials and it is this sort of militancy that is key in scaring the bosses into concessions.

If this strike is to succeed it needs to take a similar approach, shirking the union bureaucracy if it lacks the stomach to fight management and the shareholders. There is also the need to spread the struggle, Heinz employs 200 workers at a plant making baby food in Kendal, half of these are threatened with losing their jobs since the discontinuation of the 'nurture' range of infant milks in the UK. It is imperative that the strikers use whatever contacts they may have to encourage solidarity action at the plant in Kendal.

The next 24 hour walkout is planned for the January 11 if workers vote not to accept the current offer from management.

Alfred Stevens, MMU Student

The Struggles against Pensions “Reform” in France

The French ruling class, like the ruling class everywhere has been forced to step up its attacks on the working class in order to reduce their budget deficits. In France the attacks in 2010 took the form of a reduction in pensions rights. At first union formal protests in the spring (there were three days of “action”) seemed to be the extent of the resistance. However as the consequences of the reforms for everyone sank in the workers increasing anger forced the unions to unite in an Inter-syndical and to call for 7 more days of action in September and October. Unlike in the past, these mobilisations (which attracted 3 million people) have done nothing to assuage the anger of the working class. Indeed more and more workers (although still a small minority) have gone on to organise their own general assemblies open to all workers. At first these started in the streets at the end of the union demonstrations as in the case of Toulouse where the first assembly was formed in Avenue Jean Jaures (or as in the case of the example given below, with an introduction by one of the participants, on the platforms of the Gare de l’Est station in Northern Paris). All the assemblies in all the towns have as their common thread the idea that only by relying on their own autonomous strength rather than on the tired bureaucratic procedures of the unions. One of the strengths of it is the attempt to link the demand to reject the pensions “reform” with all the other miseries which the capitalist system has inflicted on the working class over the last two or three decades. Poverty, increasing job insecurity, and increasing exploitation have all stimulated the anger of the working class.

The Sarkozy regime must have thought it was dealing with one issue and one group when it began the attacks on pension rights but even school students and university students have made common cause with what they can see is the loss of a future. In some ways the insurrection of the students has caused more panic since they are not constrained by union manoeuvres. Today students are not just the privileged elite of society’s future managers as in the past, but make up a substantial sector of society being the sons and daughters of the working class [eloquently expressed in the leaflet by FIAT workers which we reproduce in the section on students in this issue].

For the moment though the General Assemblies have not yet given birth to a wider autonomous movement (and the Christmas holidays have given the Government a breathing space) but the sense of solidarity both within and without the country will not vanish quietly. If the movement is to go forward in 2011 it will be through the creation of more strike committees controlled by the strikers through general assemblies. The Assemblies themselves should remain open to all workers whatever their job or situation and these should draw in the population of whole areas. Real revolutionaries will also have to fight to ensure that the Assemblies remain open and not get dominated by the usual suspects of the Trotskyist or Stalinist varieties who will try to settle things in the old union way with secret committees behind closed doors. These are prodigious demands but they could provide the basis for a struggle out of which a new wider working class consciousness can emerge into a new party, and ultimately a new programme for getting rid of capitalism, and replacing it with the collective producer class controlling just how the resources of society are to be used.

Address to the wagedworkers, the unemployed and casual workers, and the students of Europe

The Address which we are publishing below represents an effort by the final participants in the General Inter-professional Assembly (AG-IP) of the Gare de l’Est in Paris to address the international working class whose living conditions have been strongly attacked in the same way as the French workers. This address would have had an extraordinary symbolic significance if it could have been edited in the heat of the struggle by all the participants in the AG-IP.

The French workers’ struggle has gone well beyond a simple scuffle over the reform of pensions; they have struggled against the kind of world the capitalists are preparing and on the road of

struggle they have found the unions united against them.

On the other hand we have to make a political criticism. The Address states that the “markets [are] the source of profits”, they speak even of “productive outlets”??? No, the source of profit comes from the surplus value created in the process of production not by markets. “Markets which produce profits” don’t exist. All new value and surplus value is created by wage workers, the markets only enable this surplus value to be transformed into a monetary form.

The Address is thus profoundly contradictory because, on the one

hand, it correctly emphasises that “behind the defence of the national economy, each capitalist, each state, each boss tries to reduce his “costs” in order to maintain “competitiveness” and that in not having “ceased intensifying their attacks on our living and working conditions” [the Address also correctly cites all the austerity measures taken in every country to guarantee this capitalist “competitiveness”, that is to say their ability to extract more surplus value in a profitable way in relation to their investment] but on the other hand, the Address contradicts itself in maintaining that the principal problem is not to be found there but in the markets!!! So the reader does not know which is the main cause: is it the

Crisis and Class Struggle

need to safeguard profitability, the “competitiveness” of enterprises which is at the centre of the austerity measures, that is to say to allow the extraction of surplus value in a profitable fashion, or is it to be found in the markets? As a result of these confusions the readers understands nothing of what is happening today: why would the main problem for capitalism be to find markets when it takes measures to guarantee exploitation and capitalist profitability which restrict the market???

But we cannot leave our comments on this Address there. To underline this great and courageous effort of workers in struggle would only be imperfect if we did not remind them that in order to advance in the struggle towards their emancipation and finally achieve liberation through revolution they have to regroup everyone in and around an internationalist communist party which synthesises their past experiences in order to fruitfully go beyond them.

Orélien, 22-12-02

We are a group of wage workers from different sectors (railways, teachers, IT workers ..) .. of the unemployed and casual workers. During the recent strikes in France we joined together in an Interprofessional General Assembly, at first on a platform in the Gare de l'Est station (Paris) then in a room in a labour exchange. We wanted to regroup the largest possible number of workers from other towns in the Paris region. Because we have had enough of the unions' class collaboration which led us once again to defeat we wanted to organise on our own to try to unify the striking sectors, to extend the strike and to ensure that the strikers themselves controlled their struggle.

Against the Capitalists Social War Workers Must Take up the Class Struggle

In Great Britain, in Ireland, in Portugal, in Spain, in France ... in every country we are being brutally attacked. Our living conditions are getting worse.

In GB, the Cameron Government has announced the reduction of 500,000 jobs in the state sector, £7 billion in welfare cuts, the tripling of university fees etc.

In Ireland the Cowen Government has reduced the minimum wage by more than one euro an hour and pensions by 9%.

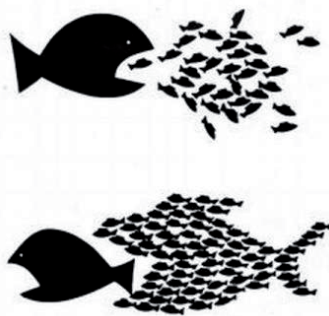
In Portugal workers face a record unemployment rate. In Spain the “very socialist” Zapatero has never stopped making open cuts of all kinds in unemployment, health and other welfare benefits...

In France the Government continues to undermine our living conditions. After pensions it is the turn of health. The access to care is becoming more and more difficult for workers: more expensive prescriptions, increases in private health care and the reduction in hospital staff. Like the rest of the public sector (Post Office, EDF-GDF (oil and gas firms), Telecom) hospitals are to be dismantled and privatised. The result is that millions of working class families, here and now, cannot get medical attention.

This policy is vital for capitalists. Faced with the development of the crisis and the collapse of entire sectors of the capitalist economy, the latter find fewer and fewer markets, sources of profit for their capital. . This also pushes them to privatise more of the public sector.

Moreover these new markets are more restricted as productive outlets than the pillars of the world economy such as construction, cars, and oil ... They don't allow, even in the best of cases, for an economic recovery.

Also in the context of the collapse the struggle for markets by the big international trusts will be all the more desperate. To put it another way this is a question of life



and death for investors of capital. In this struggle each capitalist will dig in behind his state for defence. In the name of defence of the national economy the capitalists will attempt to drag us into their economic war.

The victims of this war are ... the workers. Because behind the defence of the national economy each national capitalist class, each State, each boss tries to reduce his “costs” in order to maintain “competitiveness”. Concretely they won't have ceased intensifying of their attacks on our working and living conditions. If we let them do it, if we accept by tightening our belts once again these sacrifices will know no end. They will even put in question our very conditions of existence!

Workers, refuse to let them divide us by firm, sector or nationality. Refuse to take part in this economic war both at home and abroad. Fight together and unite in struggle! The cry launched by Marx is more meaningful than ever “Workers of the world, unite”.

We workers must take control of our own struggles

Today it is the workers of Greece, of Spain, the students of Britain, who are in struggle and are exposed to governments whether of left or right, who are in the service of the ruling classes. And like us in France you have to deal with governments which use violent repression against workers, students, the unemployed and high school pupils.

In France this autumn we wanted to defend ourselves. We were millions who went into the streets to simply and purely reject this new attack. We were fighting this new law and all the austerity measures which struck us with full force. We said “no” to an increase in insecurity and poverty.

But the intersyndical (the coordination of the unions) wilfully led us to defeat by fighting the extension of the strike movement.

- In place of breaking down barriers between trades and firms to unite the workers more widely, the mass meetings of each firm were closed to other workers.

- They took spectacular action to “halt the economy” but did nothing to organise flying pickets which could have

drawn more workers into the struggle. This is what the workers and the casuals did.

- They negotiated our defeat behind our backs, behind the closed doors of the cabinet ministers.

The internsyndicale never rejected the pension law but even repeated time and again they it was “necessary” and “inevitable”. This means we would have had to be content with demanding “more boss-government-union negotiations” “better implementation of the law to make it more just and equitable”.

To struggle against all these attacks we can count only on ourselves. As far as we are concerned in this movement we have to defend the necessity for workers to organise themselves in their workplaces, in their sovereign general assemblies and to coordinate them at a national level to direct the strike movement through the election of delegates who can be recalled at any time. Only a lively struggle organised and controlled by the whole of the working class both as a means and an objective can create the necessary conditions to ensure victory.

We know that this isn't over, the attacks are going to continue, living conditions will become more and more difficult and the consequences of the capitalist crisis will make things worse. Everywhere throughout the world we must thus fight. To do that we must restore confidence in our own strength.

We are capable of taking our struggle in our own hands and organising ourselves collectively.

We are capable of open and fraternal debate, in “free speech”.

We are capable of truly controlling the holding of debates and taking decisions

The general assemblies must not be led by the unions but by the workers themselves.

We are going to have to fight to defend our lives and that of our children!

The exploited of the world are brothers and sisters in a single class!

Only our unity across all frontiers will enable us to overthrow this system of exploitation!

Some participants of the AG – IP “Gare de l'Est et Ile de France”

To contact us : interpro@riseup.net

Wikileaks and the Limits of Capitalist Free Speech

At the end of November last year, the contents of US State Department diplomatic cables began to appear in various newspapers throughout the world. These cables had previously been anonymously leaked to the web based media organisation ‘Wikileaks’ which then entered into a deal with five “reputable” newspapers; *The Guardian*, *New York Times*, *Le Monde*, *Der Spiegel* and *El Pais* to publish them. Around two hundred and fifty thousand cables from around 250 US embassies and consulates have been made available for publication ranging in type from unclassified to secret, although ‘secret’ documents are accessible by more than three million US citizens. Documents of the highest order of confidentiality do not appear to have been included in the leak.

It is clear that this episode, now predictably referred to as ‘Cablegate’ has caused profound embarrassment for the US administration but whether it has caused any actual damage to US interests is unlikely. Perhaps the most significant leak was the revelation that Saudi Arabia and other Arab states had urged the US to launch an attack on Iran's nuclear development facilities. However it is arguable that such a revelation actually serves American interests by indicating that the mandate for such an attack is wider than might have been imagined. Other significant leaks include a list of the world's most strategically important sites and installations for American interests, and video evidence that indicates deliberate targeting of civilians by US forces in Iraq. However it would appear that the majority of the leaks including insulting remarks about various foreign politicians and diplomats, whilst embarrassing, are not of great significance.

Not surprisingly, the US administration reacted furiously to the leaks. Wikileaks was accused of everything from irresponsibility to treason. The Wikileaks website was kicked off several servers and there have been calls from Congress for the extradition

and prosecution of Assange who is now in England, although it is not clear what offence has been committed under US law. By a bizarre ‘co-incidence’ allegations arose that suggested that Assange may have been involved in some sort of sexual peccadillo in Sweden which may possibly amount to sexual assault under Swedish law but almost certainly would not be an offence under English law. Apparently, prior to the US cable leaks, Assange had been questioned by the Swedish police about these allegations but released without charge. However once the leaks were out, it appears that the Swedish authorities came to realise that the alleged crime was of such a heinous nature that it merited the issue of a European arrest warrant. When Assange challenged his extradition to Sweden, he was initially remanded in custody and had to appeal to the High Court to obtain bail pending the extradition hearing. It seems highly likely that the criminal charges are politically motivated as European arrest warrants are not usually issued for offences of a relatively minor nature such as those alleged against Assange. Although he is certainly no proletarian militant, this harassment of Assange is a reminder, if one is needed, of the limits of bourgeois democracy even in its most ‘liberal’ states such as Sweden.

Whilst Assange sits out his bail in the comfort of the country estate owned by one of his wealthy supporters, Bradley Manning has been sitting solitary confinement in a military prison in Quantico, Virginia for seven months in conditions which according to his supporters amount to torture. Manning, a twenty three year old intelligence analyst with the US military in Iraq is accused of providing Wikileaks with the ‘Collateral Murder’ video that shows Iraqi civilians being killed by the US army, an act which strongly indicates the commission of a war crime. The accusation is based on an alleged ‘confession’ made by Manning in an online chatroom although the circumstances of this alleged confession are dubious. Julian Assange claims that Manning's continued detention



in solitary is an attempt by the US military to force him to confess to a conspiracy with Wikileaks to disclose US state secrets, which in turn could provide grounds for charges against Assange. If convicted Manning could face 52 years in prison.

Wikileaks claims to be not for profit media organisation whose 'goal is to bring important news and information to the public'. Since the recent 'Cablegate' disclosures, Wikileaks and its co-founder Julian Assange have become news themselves, reviled by the US state and its allies, but feted as champions of free speech by liberals and many on the left.

As communists it is reasonable to ask ourselves the question whether 'Cablegate' and its ramifications are any concern of the working class. The secret machinations of the state have historically been of concern to the workers' movement. Following the October Revolution one of the first acts of the Bolsheviks was to make good their pledge to publish the secret treaties made by the Tsarist and Provisional Governments with the entente powers. The contents of these treaties included the plans of the entente powers to carve up the world between them once the First World War was over. On 22 November 1917 Trotsky issued a statement on the Bolsheviks decision to make these documents public:

In publishing the secret diplomatic documents from the foreign policy archives of Tsarism and of the bourgeois coalition Governments of the first seven months of the revolution, we are carrying out an undertaking which we made when our party was in opposition. Secret military diplomacy

is a necessary tool for a propertied minority which is compelled to deceive the majority in order to subject it to its interests. Imperialism, with its dark plans of conquest and its robber alliances and deals, developed a system of secret diplomacy to the highest level.....The Russian people, and the peoples of Europe and the whole world, should learn the documentary truth about the plans forged in secret by the financiers and the industrialists together with their parliamentary and diplomatic agents.

This statement could quite easily be written today to reflect our current circumstances. It is of course still in the interests of workers to expose the secret deals and plans made by the bourgeoisie and although they are not part of the workers' movement, organisations such as Wikileaks can still be useful up to a point from a working class perspective. However these are essentially bourgeois organisations who despite their claims to impartiality may well be selective about the information they release. Unlike 1917, the contemporary proletarian struggle must also embrace the struggle for control of cyberspace.

This has become clearer in more recent days as the Tunisian authorities have done everything to ensure that information about the number of people shot dead (which may already be more than 40) by the armed police don't make it to the outside world. The European Union winks at the authoritarian regime of Zine Ben Ali who has been in power since a coup 29 years ago. Tunisia already has a favoured trading status with the EU (a reward for ensuring that few migrate to Europe). The consequences of this are massive unemployment and underemployment

(officially 14% but known to be nearer double this). In deference to EU interests the official media in Europe have hardly featured the riots which broke out before Christmas. It is only the pressure from individuals sending images via mobile phones that is forcing coverage at all. And the same can be said to be true of any situation where an authoritarian regime is trying to hide its own atrocities (as in Iran in 2009). In the Tunisian case the passage of information has seen the riots copied in other Arab countries starting with Algeria but also involving Mauretania, Morocco, Egypt and Syria. After years of both economic and political stagnation the Arab regimes may yet be entering a new period of unrest if not "intifada".

We can be sure too that the ruling classes around the world are also working on their next step. Not only on how to commit cyber sabotage as part of imperialist rivalry (as happened to Iran's nuclear sector in 2010) but also how to turn the technology against their own populations in order to maintain control of the class war.

PBD

The Crisis in Ireland:

A Warning to the World's Workers

Tigers are endangered species and not just in the natural world. With the collapse of the global speculative bubble, the Walt Disney world of the Celtic Tiger has come crashing down. Ireland is obviously not alone and this crisis is global. In fact, as we have said many times the crisis of this cycle of accumulation has been with us since the beginning of the 1970s [signalled by the US devaluation of the dollar thus ending the Bretton Woods agreement on which the post war boom was based]. Since then though, different capitalist policies have been attempted to try to mitigate the crisis, without provoking a general rising of the world working class. The global speculative bubble based on unsustainable lending which burst in 2007 was only the latest twist in the tale.

In Ireland, a country impoverished by centuries of British imperialism, the main commodities for export until recently were its animals and, a long way in front of them, the labour power of its citizens (or rather ex-citizens). That was until financialisation of the global economy and the low level of wages (despite a wealth of skills in the workforce) in a country already inside the European Union made the country a favoured destination for international financial capital. And with a government willing to roll over for international capital, the added sweetener of the lowest corporation tax in Europe (12.5%) ensured a continuing capital inflow since the last Irish debt crisis of the 1980s.

Basically Ireland's fantasy growth since 1988 has been based on the speculative financial bubble all over the world. In the local economy this took the form of a massive homegrown property speculation fuelled by cheap credit (as Eurozone interest rates were low). The price of the average house soared by 350% between 1997 and 2006. When the international speculative bubble burst, as in other places, it not only ended the property boom but also exposed the dodgy practices of the Irish banks.

Ireland's Dodgy State

And even in the terms of the greedy, short-sighted world of finance, Ireland's banks take some beating. Money was lent to property speculators who bought up every bit of brownfield and greenfield site they could. It turned Irish land into the most expensive in Europe. But the property market collapsed when the bubble burst leaving the property speculators holding "assets" they could not sell bought with loans they could not repay. Today there are over 620 "ghost" housing estates, occupied by no-one, dotted around the Irish countryside. The banks, which were hardly regulated at all, did not want to foreclose on the loans as this would trigger their own bankruptcy but as they have so small a deposit base they can only keep functioning if they can raise money on the international money markets. When the bubble burst these funds dried up so they turned to the Fianna Fáil Government for help. The Government had existed on the tax receipts from the property boom and as quite a few of the political class had their own ties to property speculation they were naturally sympathetic to the bank's appeal. As the bank bosses actually hid the full amount of the disaster waiting to happen they became partners in crime. The Government put its full weight behind the banks. It not only guaranteed "all deposits (retail, commercial, institutional and interbank), covered bonds, senior debt and dated subordinated debt" but also set up the National Asset Management Agency [NAMA] to buy the non-performing debts from the banks. At the time financial commentators around Europe were fulsome in their praise of the Irish Government's prompt action. But all they had done was transfer the bank's debts to sovereign debt. In the past such sovereign debt (i.e. issued by the Government) was regarded almost as good as gold but that was in the days before the financialisation of the world economy in the 1980s. Since then the quantity of money floating round the planet has dwarfed anything that state's can produce via taxation etc. It eventually became clear that the Irish Government was in trouble. Not only did the value of the "assets"

(bad debts to you and me) continue to fall (to about 56% of nominal value) but it gradually became clear that several banks had colluded in outright fraud to inflate their balance sheets. Instead of the €1.5 billion the Government said was needed to bail out Anglo-Irish Bank, for example, it was now predicted to be €35 billion! A few bankers caught red-handed in 2009 resigned and a few banks including Anglo-Irish were nationalised but by now the credit ratings agency were on the Irish case.

The ratings agencies which had overvalued sub-prime debt for a decade have now suddenly become all coy about throwing AAA ratings around, even to governments. This rating is important, since the lower the rating, the higher interest governments have to offer on the bonds they issue to cover their debt. To convince the credit ratings agencies that they are serious about reducing debt quickly governments have to make the population, and in particular the working class, pay. In Ireland in 2009 this meant that:

All workers above minimum wage have suffered a new levy on paychecks equivalent to 4 percent to 8 percent of their gross pay. Ireland's 350,000 public servants, who have the country's most stable jobs and guaranteed pensions, have been hit much harder through pay cuts ranging from 5 percent to 15 percent and a pension levy equivalent to about 7.5 percent of salary. http://www.msnbc.msn.com/id/38221353/ns/business-world_business/

But the package only staved off a further credit rating cut until the revelations about the real state of the banks hit home. In August 2009 Ireland lost its high credit rating so its interest repayments doubled to over 6% (Germany's is about 3% and Greece's around 10%). At this point the bankruptcy of the state was a real possibility despite the repeated denials of PM Cowen and Finance Minister Lenihan. More banks were effectively nationalised so that 4 of Ireland's top 6 financial institutions (and their debts) were now under the control

of the state but this still did not stop the credit rating of the Government declining further (by mid November 2010 it had to offer 9% in the bond market).

With bank shares also in freefall in mid-November 2010 Lenihan and Cowen had to admit the game was up. Ireland was effectively bust. The IMF was already waiting but so too was the ECB, and the European Commission. The bailout package was eventually fixed at €85 billion (but the cost of fixing Anglo-Irish alone is fixed at more than €35 billion). This will be available at around 5.7% which is a lot less than the money markets will give but double what Germany pays. In fact most commentators think Ireland could have got better terms if it had not been for the intervention of Chancellor Angela Merkel whose insistence that bondholders should take “a haircut” panicked the markets into raising Irish interest rates before the deal was signed.

The price is high. The Irish Government has to find savings of €15 billion over the next four years to bring its budget deficit down below 3% of national income (it is currently 32%). In addition €17 billion of the €85 billion will come from the Irish state pension fund itself thus begging the question of further pension cuts further down the line.

After four austerity budgets Ireland is faced with four more. The first of these was revealed on December 7 (as reported by David McKitterick in *The Independent* on December 8)

As a freezing rain fell on Dublin, the Irish government unveiled the most brutal step yet in its austerity drive: a budget of unprecedented severity that will save €6bn (£5bn) through drastic spending cuts and tax rises for hundreds of thousands of people... Among the most painful measures announced were cutbacks of around five per cent in social welfare benefits, including child benefit. Jobseekers allowance will also be reduced. Many more workers will be brought into the tax net while various other taxes and levies are to be raised.

As a gesture to angry public opinion, the government announced salary cuts for the Prime Minister, ministers and others in the public sector, where



Sinn Féin politician Snodaigh posturing on a demo. Nationalist populism is no solution for Ireland's workers

salaries from now on must not exceed €250,000.

In addition the retirement age will be raised to 68 by 2014. Ireland's minimum wage will be cut by 13 percent and all households face a new £257 a year property tax. Some 25,000 public sector workers will lose their jobs. VAT is to go up to 23% by 2014. But it is clear that “public opinion” in the face of these and previous cuts has not been “angry” enough.

The Price of Accepting Cuts is ... More Cuts

Workers in other European countries with financial troubles are striking or rioting at the mere announcement that cutbacks are needed to dig out of the government debt crisis engulfing the continent. But the Irish are doubling down with more austerity. http://www.msnbc.msn.com/id/38221353/ns/business-world_business/

Some resistance has taken place. Back in February 2009, over 150,000 participated in a march against the first wave of cuts under the union slogan, ‘For a Better, Fairer Way.’ On 24th November 2009 an impressive quarter of million public sector workers went on strike. Unfortunately it was not an all out strike (it lasted one day). The famous Waterford Crystal company was also occupied in March 2009 when 480 redundancies were announced. After 8 weeks a private equity company took over the firm and 176 were re-employed whilst 800 workers shared a

redundancy pot. All the sacked workers lost their pension rights. All over Ireland 8000 small businesses (mainly in construction) have gone bust in the last year. Unemployment is at 14% and rising. This means that almost half a million people are on the dole and the main alternative is the traditional one of emigration.

After the announcement of the latest cuts, a hundred thousand marched in Dublin on November 27 to demonstrate their opposition. This is a magnificent turn out in such a small country, but it is going to need more than a few union-led marches to turn this one round, especially when the unions are part of the problem. These are the same unions who have preached “social partnership” with the government for over two decades. They only organise these formal protests, with their sterile marches from A to B, rounded off by tedious speeches, to give workers a chance to let off steam. All the while they are undermining the real fight back by preserving the social peace. This is not new

Ireland's 2 million workers — a third of them unionized, mostly state employees — have mounted few protests. Since 1987, Ireland has negotiated national wage-pact agreements designed to promote gradual raises and minimize strikes. As new income taxes slash salaries, union leaders have preferred to keep talking with the government and the major employers group, the Irish Business and Employers Confederation, in hopes of

softening the blows rather than preventing them http://www.msnbc.msn.com/id/38221353/ns/business-world_business/

In the so-called boom years the ICTU urged workers to accept moderate wage claims in the “national interest”. Even after the first wave of cuts the union leaderships did not change their tune. As late as May Day 2010 Jack O’Connor, general secretary of Ireland’s SIPTU public sector union, demanded his members accept the four-year strike ban, pay freeze, massive redundancies and rationalisations agreed by the unions in March. He went to add that this was

“the most serious problem that has confronted this country since the Second World War in terms of its capacity to compromise our economic sovereignty and independence.”

And if this sounds like Government-speak he went even further along the nationalist agenda by insisting the problem was one of Irish sovereignty.

a modern developed EU country and participant in the eurozone is negotiating the surrender of its economic independence to the IMF.

And his final argument for accepting the unacceptable was that the Government would have to make even more vicious attacks if the workers did not accept what the unions had already negotiated. *Make no mistake about it, the government will come back for more,* he said.

Well the workers have accepted austerity plan mark one and it still did not stop the Government coming back for more. What will Mr O’Connor be advising this time?

On November 27 other union leaders got on the platform to announce that now that they “will not stand idly by” but their past inactivity leaves them with little credibility today. Even now they are not arguing that the system stinks or even that the innocent should not pay for the crisis but that the Irish Government’s Four Year Plan “will do irreparable damage” to the Republic. As if it was “our” Republic and not that of the capitalist class. But then the real union agenda is to get the Labour Party elected in January, so they can carry on

negotiating the same cuts against the working class (albeit over a longer time frame).

All these ideological tricks are to take the focus away from the fact that capitalism throughout the world is faced with a deep and devastating crisis. It can only “solve” it by further increasing exploitation and misery. There is not an Irish or a Greek or a Portuguese crisis but a crisis of accumulation of the whole system. What the experience of Ireland lays bare is that in order for the capitalist class to restart their speculative games, the working class will have to pay the price of the bailout of the system, and they will have to pay for years ahead. All kinds of agendas will be pursued by various capitalist interests in order to divert workers’ attention from this one solid fact. Already the nationalist card is being played by the unions. The fact that the November 27 march ended at the Post Office in Dublin was intended to rekindle the nationalist myths of Easter 1916. The enemy will not be the capitalist class everywhere but the IMF or the EU. The same message was hammered home in the *Irish Times* which asked in an editorial “Was it for this?” that Ireland’s revolutionary heroes had died fighting in order to get “a bailout from the German Chancellor with a few shillings of sympathy from the British Chancellor on the side”.

This pathetic recourse to nationalism is almost comical but the ruling class will seriously wrap themselves in the tricolour in the months ahead. We already have the distraction of a general election looming in the new year. The politicians of all stripes will ensure that, instead of fighting for their living conditions, Irish workers will be speculating about who will cut their throats in the gentlest fashion. Already the nationalist handwringing has benefitted Sinn Féin. They hope to follow up their success in taking the Donegal South West seat from Fianna Fáil to make a real breakthrough in the Dáil. A nationalist and populist agenda is just their kind of mix but the Labour Party is also not far behind. Some of its leading lights are even calling for Ireland to do an Argentina and default on the loans. Fine Gael, the main opposition party are expected to lead any new government but they have more or less accepted that the budget will have to stand so may not be as successful as

the pundits are predicting. In all cases though, the debate is about scapegoats, whether bankers, politicians, the IMF or Angela Merkel. It is not about the bankruptcy of the global capitalist system.

In France, in Italy, in Spain and in other countries (see articles in this issue) workers are facing the same attacks as in Ireland. Increasingly they are looking to themselves to mount a real resistance to the misery which capitalism has in store for us. They are putting their trust not in unions or politicians to do things for them. They are beginning to form their own organisations which unite and coordinate the fightback. These are as yet embryonic but they are a start. The experience of Ireland though demonstrates the opposite. Acceptance of sacrifices for the “good of the country” means only one thing – more sacrifice will be demanded. The capitalists everywhere are trembling at the prospect of social unrest and so far cannot believe their good fortune that they have got away with it. But the consequences of these cuts have so far not really been fully felt. When they are even the hitherto compliant working class in Ireland may join with workers elsewhere in rejecting what capitalism is preparing for us.

AD

Bangladesh: Workers Struggle for a Living Wage

Tuesday, December 14, 2010

DHAKA, Bangladesh (AP) — Dozens of people were killed after a devastating blaze raced through a garment factory that supplies major multinationals such as Gap and JCPenney near Bangladesh's capital.

Many of the dead included trapped workers who jumped from the smouldering building engulfed by flames, witnesses at the scene said.

Fire official Golam Mostafa said the fire Tuesday started in a 10-story factory owned by local business giant Hameem in the Ashulia industrial zone, just outside Dhaka. [Julhas Alam, Associated Press]

16 December, 2010

Abdul Kader, who escaped from the fire, told Asia Times Online that he saw 50-60 workers forced to jump off the tenth floor because "the emergency exits were closed." Other factory workers also said the doors were locked. The Independent, a Bangladeshi newspaper, reported: "As the fire spread fast on the top floor, the workers tried to rush to a safer place, but they found the collapsible gate on the top floor locked. Later, the workers tried to come down from the top floor using fabrics as 'rope' but many of the workers fell down and received injuries." [countercurrents.org]

The factory was reportedly producing for major international buyers including Gap (confirmed) and Wrangler (VF Corporation), as well as for Hong Kong buying house BF Fashion. It belongs to the well-known Hameem (sometimes spelled Hamim) group, one of the biggest manufacturers in the country, which has a dubious labour rights track record. [www.labourbehindthelabel.org/news/item]

Reports of around thirty workers being burnt to death and at least a hundred injured in a fire in a Bangladesh garment factory were hardly headline news here as the popular press focussed on stories about the weather in the run-up to Christmas. In truth it doesn't matter what time of the year such incidents occur — and they occur with monotonous regularity — they would receive the same cursory treatment as most other workplace 'accidents' anywhere in the world. (The media spectacle of last year's Chilean mine workers' rescue being a paper-selling/t.v. ratings boost exception.) The fact that this latest tragic and preventable fire received what attention it did — mainly the business pages of the upmarket press and certain parts of the internet — is largely due to the efforts of a growing band of groups campaigning to reform the worst aspects of the globalisation of capitalist production. From War on Want, through the Ethical Trading Initiative, Labour Behind the Label, the Clean Clothes Campaign and many more so-called non-governmental organisations (NGOs), the big US and European retail chains who look to the Bangladesh RMG (ready made garment) sector for their designer label supplies or the likes of Asda and Tesco scouring the world in order to undercut each other's prices, are hardly unaware of the conditions of the

workers in the factories which provide them with such a profitable trade.

For decades now these kind of reformist bodies have been threatening to embarrass the likes of GAP and Marks and Spencer with bad publicity and a potential consumer boycott if the wages and conditions in the factories where they do their 'outsourcing' don't meet certain, extremely minimal, international standards. (e.g. Employment of child labour, right to breaks, payment of local minimum wage). For example the Ethical Trading Initiative, an alliance of various campaign groups and trades unions, invites big name companies in the UK to assert they can comply with the following check list to prove, presumably, they are 'ethical traders'.

- employment is freely chosen
- freedom of association and the right to collective bargaining
- working conditions are safe and hygienic
- ban on child labour
- living wages are paid (usually interpreted as the local official minimum)
- working conditions are not excessive (sic!)
- no discrimination
- provision of regular employment
- no harsh or inhumane treatment of workers

It's easy enough for firms to sign up and even to make a show of doing their own occasional monitoring of certain well-chosen factories (and ignoring the bulk of the places they buy from). As it is, GAP — whose own set of rules includes clearly marked, unblocked fire exits — was supposed to have checked the Hameem factory earlier in 2010. The fact is, however, that the efforts of this burgeoning band of reformists are decidedly unsuccessful, as one spokesperson for the Clean Clothes Campaign (CCC) admitted just after the December fire:

Workers keep dying while the brands, the government and the employers drag their feet and try to shift responsibility upon each other. We've warned the brands repeatedly that this would keep happening again and again, but they've chosen to respond only in a minimal fashion.¹

The CCC and others must be particularly aware of their ineffectual campaigning. This latest deadly fire came only a few months after a similar blaze — which claimed over twenty lives — had led them to draw up a set of recommendations on workplace safety. Only one week before the December fire the CCC, the International Labour Rights Forum, the Worker Rights Consortium and the Maquila Solidarity Network had

met with western buyers, factory owners (including Hameem group) and government officials to draw up a set of safety procedures to prevent further fires... In terms of deaths by fire and other needless infringements of basic safety standards there is no evidence that textile workers in Bangladesh are better off today than when we last reported on their situation and struggles. Then we noted that

'in February and March of 2006, 100 workers were killed from fires and collapses of poorly constructed factory buildings'.²

According to the Bangladesh Fire Service and Civil Defence Department 414 garment workers were killed in 213 factory fires between 2006 and 2009.

But the frequency of factory fires is not an isolated issue. It is symptomatic of the naked disregard for the lives of the people whose labour the Bangladesh capitalist class, including the government and the military, regard as nothing but a source of profit. Despite all the campaigning, it is evident that the life of textile workers and most other wage workers in Bangladesh is one of a basic struggle to survive. It is primarily a collective struggle against the ruthless exploitation of the combined forces of a local class of myopic factory owners whose only bargaining chip in their struggle to win orders from the big chain retailers in the USA and Europe is 'cheap labour', and an equally ruthless set of factory managers of directly-owned foreign companies (such as South Korean Young One Group with eleven factories in Chittagong) which is just as ready to exploit that extremely cheap labour.³ Cheap labour is the reason why the garment sector in Bangladesh today employs around 3 million workers (mainly female) in 5,000 factories. On the backs of the cheapest labour power in the world Bangladesh is now the third largest garment exporter after China and Turkey and 'ready made garments' account for 75-80 per cent of the country's exports. Moreover, for the last couple of years or so business has been booming as, in the words of the *Financial Times*, Bangladesh "has emerged as a popular low-cost alternative to China for garment production".⁴ As China's supply of rural migrant labourers prepared to work for rock bottom wages begins to dry

On Thursday 25th February 22 workers died in a fire at the Garib and Garib sweater factory in the southern district of Gazipur, Bangladesh, where clothes were made for high street brand H&M.

The fire started at 8.45pm, probably as an electrical short-circuit on the second floor of the seven-storey building, and quickly spread to other floors containing inflammable materials. A large stock of synthetic acrylic sweaters burned and gave off a thick toxic smoke. (Acrylic fibres contain the polycrylonitrile group of vinyl compounds, which may be carcinogenic.) At least 20 other workers were injured in the blaze, many with serious burns. As is usual in garment factories, the exit doors were kept locked by the bosses to prevent theft, as were internal doors.
www.nosweat.org.uk

up and workers in the coastal cities fight for higher wages roving global capital is on the look-out for alternative sources of cheap labour. And it is finding it elsewhere in south and south-east Asia — in India, Cambodia, Vietnam and, despite "problems with worker unrest and strikes over poor pay and conditions" (the words are from a recent document of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA, of which more below), especially in Bangladesh.

There is something ironic about the fact that the Bangladesh garment industry has so far benefited from the austerity that is being imposed in the US and Europe in the wake of the financial collapse. — Or rather the bosses are profiting from what has been termed 'the WalMart effect', in other words the tendency for Western

garment purchasers to replace designer labels with much cheaper supermarket brands and the like. Consequently, in 2008-9 the textile employers group reported:

Apparel exports from Bangladesh jumped 15.4% in the fiscal year to 30 June, as buyers in the US and EU turned to the country for its low-priced garments.

Shipments of woven and knitted garments soared to US\$12.35bn in the year, up from \$10.70bn in the prior year, the government's Export Promotion Bureau said.⁵

The trend has continued. According to the FT, in the article cited above,

In the four months from July to October, the country's garment exports jumped almost two-fifths to \$6.8bn.

What is A Working Day?

From all this good fortune for the bosses there has been no trickle-down effect for the workers who have been faced with plummeting living standards as the value of their meagre wages is eroded by inflation. At the same time the bosses, far from easing their working conditions, are doing their utmost to keep down the value of labour power (wages) and extend the amount of working time in a day that goes to producing value above that amount (profit).

When we last wrote about Bangladesh hundreds of thousands of textile workers were joined by tens of thousands more workers in raging class struggle involving direct battles

'What is a working day? What is the length of time during which capital may consume the labour power whose daily value it buys? How far may the working day be extended beyond the working time necessary for the reproduction of labour power itself?' It has been seen that to these questions capital replies: the working day contains the full 24 hours, with the deduction of the few hours of repose without which labour power absolutely refuses its services again. ... But in its blind unrestrainable passion, its were-wolf hunger for surplus labour, capital oversteps not only the moral, but even the merely physical maximum bounds of the working day. It usurps the time for growth, development, and healthy maintenance of the body. It steals the time required for the consumption of fresh air and sunlight. It haggles over a meal time incorporating it where possible with the process of production itself, so that food is given to the labourer as to a mere means of production, as coal is supplied to the boiler, grease and oil to the machinery. It reduces the sound sleep needed for the restoration, reparation, refreshment of the bodily powers to just so many hours of torpor as the revival of an organism, absolutely exhausted, renders essential. ... Capital cares nothing for the length of labour power. All that concerns it is simply and solely the maximum of labour power that can be rendered fluent in a working day. [Marx, Capital Vol I]



December 12th protest near Dhaka Airport. 3 dead and 100 hurt.

with the army and police of almost insurrectionary proportions. This, despite the fact that the textile owners were cutting wages, laying-off workers and extending working hours of the rest in the face of declining orders as a result of the WTO's ending of the Multifibre Tariff Agreement. (Which resulted in more orders going to China.) In 2006 the workers fought to get the government to increase the minimum wage which had not changed for twelve years and whose real value had halved. They then had to fight to get the bosses to pay it! Even so its real value was still well below the 1994 level and by the middle of last year, with food price inflation rising, this legal minimum was worth not much more than \$20 per month. Not surprisingly the number of people in Bangladesh who exist on less than \$1 a day has also increased. Nowadays the estimate of how many of the now 160 or so million population are trying to survive on less than \$1 ranges from 40-50 per cent. Nobody really knows.

What we do know is that throughout last year the working class in Bangladesh — textile workers in the van — battled again, first to get the government to agree WTO increase the minimum wage and second to force the bosses to implement it. It took until April for a wages board to be set up where government, bosses and 'workers representatives' haggled over what the new minimum should be. The outcome was an agreement in July to raise the minimum to 3,000 taka, the equivalent of \$43 per month. This is much less than the 5,000 taka most workers were fighting for. To get this far they had faced clubs, tear

gas, water cannon and rubber bullets in confrontations with police during protests; they had erected barricades and fought back with stones; they were locked out from the factories ... and much else that we will never hear about. At the same time the textile workers were also fighting hard to improve their working conditions and to resist rent increases. Albeit from the bosses' standpoint, the following extract from Bangladesh Textile Today (from the internet) gives us some idea of the struggle. Under the heading 'Series of Rampages' it bluntly states:

More than 50,000 garment workers went on the rampage in Ashulia in June 2010, forcing closure of at least 100 factories ... amid deep concern of investors. The workers demonstrating for a pay hike ransacked at least 37 factories and damaged 25 vehicles on Dhaka-Tangail highway on June 19 2010. They are demanding Tk.5000 as minimum wage.

Police fired 65 rounds of rubber bullets and 14 teargas shells to break up the demonstration. They also used water cannon as several thousand workers threw brick chips at them. Many of the garment workers and 10 policemen had to be taken to hospitals and clinics in Savar and Dhaka...

The unrest spread to the Hameem Group, which employs 26,000 where the workers were allegedly mistreated by management. The labourers held protests and then walked off the factory.

Soon tens of thousands of workers joined the protesters after the owners of at least 100 factories suspended production and declared holiday (sic) for the day fearing large-

scale violence.

The workers spilled on the narrow highway linking the capital Dhaka with the northern districts, turning the area into a human sea stretching miles from Ashulia to Baipail in Savar.

"There were tens of thousands of workers, protesting maltreatment of their colleagues and demanding minimum salaries of 5,000 taka", Ashulia police chief Sirajul Islam said.

After the July agreement, which hardly amounts to a living wage, workers then found they had to continue their struggle against the bosses' attempts to renege on it. The battles were still raging in December until two days before the Hameem factory fire when four workers were shot by police during protests in Chittagong...

No Such Thing As An Ethical Capitalism

It is a reformist myth that capitalism, which depends on profits generated by appropriating the surplus labour of wage workers, can be gently pushed into becoming a benign system which benefits all. Whatever workers in Bangladesh wring back from capital they do from their own hard and bitterly fought struggles and for the most part outside of the confines of trade unionism. Only about one percent of Bangladeshi workers belong to unions. In the textile sector when unions do exist they are often sponsored by Western campaign groups who, at the end of the day, are seeking to establish a modus vivendi between labour and capital on the basis that capital pays its source of surplus value a living wage.

More perceptive bosses are beginning to recognise that unionisation might be a step forward to having a more disciplined workforce (which would not put off the Western retail buyers) Alongside more efficient machinery and equipment this might also:

improve the quality of products made in its member factories — in a move that could also enable firms to seize a larger share of the global market.⁶

Such moves however are dependent on paying the workforce a living wage, on recognising the existence of a normal working day. As Marx explained, "It would seem that the interest of capital itself points in the direction of a normal

working day” in that shortening the life of the individual labourer by working him — or her — to a premature death increases “the sum of the expenses for the reproduction of labour power ... just as in a machine the part of its value to be reproduced every day is greater the more rapidly the machine is worn out.”

Marx went on, however, to remind us that

“The establishment of a normal working day is the result of centuries of struggle between capitalist and labourer”

and that:

*In place of the pompous catalogue of the ‘inalienable rights of man’ comes the modest Magna Charta of a legally limited working day, which shall make clear ‘when the time which the worker sells is ended, and when his own begins.’ [English Factory Acts of 1833-1864.]*⁷

However, the position of Bangladeshi workers in the second decade of the 21st century is not the same as English textile workers in the early 19th century. Today workers everywhere face an over-mature, globalised capitalism that is in the throes of a long running, increasingly severe crisis which, far from allowing workers in places like Bangladesh something approaching a ‘normal working day’, the prospect is — as our comment on Tunisia puts it — ‘take it or leave it’ and the Western retailers will look elsewhere. As it is, even the elusive 5,000 taka that workers have been demanding would not be anywhere near enough to provide a living wage. The inveterate reformists of Label Behind the Label have come up with the idea of campaigning for an Asian ‘floor wage’ which would be enough to pay for food, water, clothing, housing, taxes, utilities, healthcare and education. In the case of Bangladesh this would require a minimum wage of more than 10,000 taka, something which the group’s spokesman at least admits “At the moment (it) seems well out of our reach”. As it is, the situation of the working class is so bad in Bangladesh that the government has been obliged to resort to distributing subsidised rice tokens to over one million of the poorest section of the population as inflation, especially the

cost of food staples, mounts.

We might add that in the heartlands of imperialism the boundaries of what were once accepted by capital with the so-called post-2nd world war settlement are being steadily dismantled in the face of the capitalist crisis.

In any case there is nothing historically progressive about the present proletarianisation of rural migrant labour in Bangladesh. It is unnecessary for the horrendous conditions of the working class in places like Dhaka and Chittagong, which are reminiscent of Engels’ description of the English working class at the outset of the industrial revolution, to be repeated today when the material conditions for a higher mode of production and form of social relations have existed for arguably a century. The recent globalisation of modern capitalism is part of its response to the inbuilt recurrent crisis of declining rate of profit. The textile workers in Bangladesh, and many others like them the world over, are both the offspring and the victims of this essentially imperialist integument. In the long run the only way this can be dismembered is by workers world wide joining together in a political struggle, not to demand a fair day’s pay but for the abolition of the wages system.

E Rayner

Notes

1 www.cleanclothes.org/news/action-for-safe-factories-in-bangladesh-on-5th-anniversary-of-spectrum-disaster

2 ‘Garment Workers Struggle Against Vicious Exploitation’ in *Revolutionary Perspectives* 41.

3 According to a World Bank report of 2005 (Foreign Ownership and Firm Productivity in Bangladesh Garment Sector by Hiau Looi Kee), most of the garment firms in Bangladesh are locally owned. Foreign firms operate in the export processing zones (EPZs) in Dhaka and Chittagong where more than 63% of firms have some foreign ownership, from countries such as South Korea and Hong Kong.

4 From the FT report on the Hameem factory fire (‘Brands in Safety Push After Bangladesh Fire’) significantly published in the *Commodities and Markets* section of the paper.

5 Report by the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) 2009; just-style.com.

6 From the BGMEA report cited above, explaining the plan to implement a Quality Improvement Program (QIP) in twenty factories — with German technical support — and with an eye to increasing global market share.

7 This and all other quotes from Marx are from Section V of chapter 10, ‘The Working Day’ in Marx’s *Capital* Volume I [Lawrence and Whishart ed.] p252ff.

Prisoners of Capital Fight Back

from our comrades in the Internationalist Workers' Group

December 9th, 2010 saw the start of the largest prison strike in the history of the United States. The strike was organized by the prisoners, where they made contact through illegally acquired cell phones (sold to the prisoners by underpaid and corrupt prison guards). While the strike appears to have died down, there is still a strong willingness to continue the struggle. The strike action took place in at least six different prisons.¹

The strikers organized across racial lines, amazing considering the racial strife within American prisons, often encouraged and protected by prison guards so the race-based gangs can dish out punishment and maintain order so they don't have to. The transcendence of race in favor of a unifying class identity is one of the largest obstacles that hinder the American working class. Most importantly (and most frightening to the bourgeoisie) was a unifying set of demands that recognize a common class interest.²

Unsurprisingly, the strike has been totally ignored by the bourgeois press. When it is discussed, it is framed around how to best end the possession of cell phones by prisoners (a January 3rd 2011 article on the Los Angeles Times website prominently features a picture of Charles Manson).

There have been reports of physical abuse by prison guards during the non-violent strike, as well as solitary confinement. Correction authorities have been transferring strikers to other prisons in an attempt to hurt morale. One inmate, interviewed by the website Black Agenda Report, asserts the class character of the strike and the attempts to stifle it:

"They want to break up the unity we have here. We have the Crips and the Bloods, we have the Muslims, we have the head Mexicans, and we have the Aryans all with a peaceful understanding, all on common ground. We all want to be paid for our work, and we all want education in here. There's people in here who can't even read..." "They're trying to provoke people

*to violence in here, but we're not letting that happen. We just want our human rights."*³

Prisons: Instruments of Capitalism

We are told that prison is a place reserved for the most hardened of criminals, people who are too dangerous to live amongst society. After a fair trial, a guilty verdict sends the convicted to a far away place where he or she can't harm anyone. Thus, prison is necessary for public safety.

However, even a cursory observation of the data blows this justification out of the water. A look at the incarceration rate from the past couple of decades speaks for itself. Up until the beginning of the 1980s, the incarceration rate remained largely the same (with whites making up the majority of the prison population, and blacks and latinos making up one-third). Since the 1980s, the number of prisoners has skyrocketed - increasing over 450%. The United States, the world capitol of capital, has the honor of having the most people behind bars (both in raw numbers and adjusted for population).⁴

Did Americans one day collectively decide to start behaving criminally and reckless? That goes beyond idealism and into the fantasy realm to think we have become more immoral and criminal as a society. Using the marxist method, we can pull the cloak off prisons to reveal their true purpose as an instrument of capital.

The targeted enforcement of the War on Drugs on poor communities, especial the inner city, has a giant share of the blame. Also, the introduction of mandatory minimums for non-violent drug offenses and petty theft, keeping prisoners behind bars for longer. We are still left with the question, why the need for such draconian measures? What is the root cause?

The root, which blossomed into the increased ghettoization of ethnic urban communities, the drop and stagnation of real wages, the skyrocketing of corporate profits, and the flight of

industry to "third world" nations was the capitalist response to the fiscal crises of the 1970s. All the aforementioned effects (which causes social alienation, where drug abuse plants its seeds) had to be dealt with. The trickle-up economics of the 1980s was creating more poor (along with drastic cuts in social welfare) and more unemployed. These measures had a drastic negative impact on the working class as a whole. The bourgeoisie, with their instruments of social control, went with warehousing of the decommissioned soldiers of the industrial reserve army.

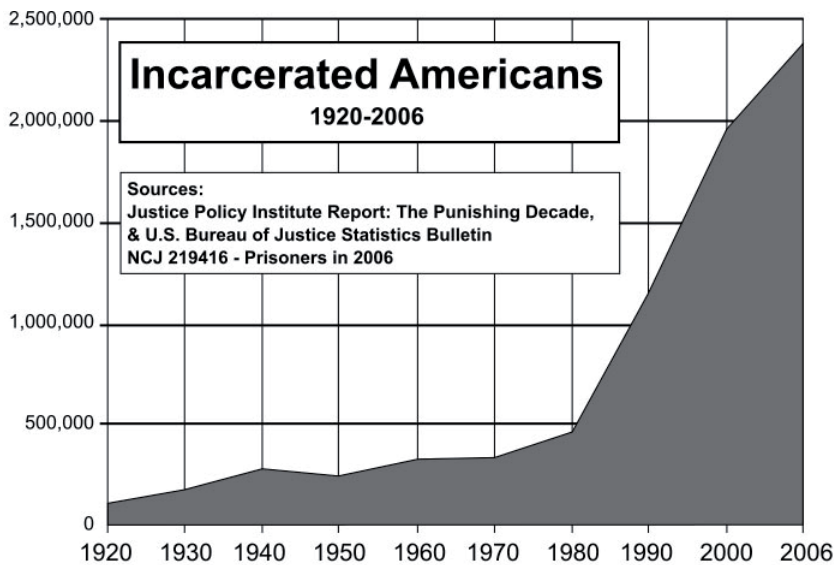
Prison is a tool of capitalism to manage the effects it unleashes upon society. Prison still serves this function in the present day. The use of unpaid prison labor, both by the state and contracted private business, form a wage-depressing mass that offsets potential for wage growth. The lack of educational opportunities and skill training in prison guarantees a return to prison and its slavery (often the only programs available are for religious ministry).

Reformist Cheerleaders are in the Service of Capitalism

This struggle must spread to be of any success. In Ohio, a few prisoners have gone on hunger strike to demand better living conditions. There isn't any evidence that this was organized with the knowledge of the Georgia prison strike, but it is proof that the struggle maybe at a tipping point with the potential of more militant action.

However, a collection of familiar faces have attached themselves to the strike movement in an attempt to narrow its scope and retard its growth. Former Black Panthers now in "progressive" parties for a gentle capitalism like the Green Party, the NAACP, the Nation of Islam, and advocates for prison "reform" have leant their support and approval to the strike.

These groups, no matter how hard they try to posture themselves as "radical", will do nothing except weaken the opportunity for this action to grow



and spread. As already mentioned, their intentions are to narrow the scope of the strike by removing its class character. For example: Elaine Brown, a former Black Panther who is now a Green Party activist, attached herself to the strike right at the beginning and has been speaking on behalf of the striking prisoners to all media that will cover the story. She is “outraged” that her calls to the Congressional Black Caucus (an effort to remove the strike off the class terrain) have fallen on deaf ears.

Each of the reformist groups have different ways to stymie the growth of the strike. The main threat is to stop talking about class but focus entirely on racial politics. Make no mistake, the “justice” system is inherently racist, but it is communists who have the facts and analysis that can effectively combat racism. Racism is inseparably linked to class in that it prevents the working class from struggling together, which would strengthen their power as a whole. Racism not only divides the working class, but it subjugates a section of the workforce as well. It is impossible to talk meaningfully about race without talking about class. These groups will focus on identity politics that has not gone forward a single step in ending systemic racism, precisely due to its reformist nature. They will not only avoid but actively suppress support for a common identity that not only unifies but is a vehicle to change the world: working class identity.

Another threat is the pleas and demands of the prisoners being used by prison “reform” advocates to rally in favour of changing their conditions

through law. These groups, along with those who tow the line of old racial politics, miss a very important aspect that we have gone through at length. The conditions within prison, and prison itself, are creatures birthed by capitalism. Prison is the bourgeoisie’s way of managing capitalism’s contradictions on society. It isn’t an aberration in the system, it is the system’s way of handling its problems. The prison system is dialectically linked to the capitalism, and we will see no change unless we fight against this rotten mode of production.

What these tactics do is separate the strike action from having any connection to the wider working class movement. These reformist elements will only hold it back from spreading and connecting it to the struggle against bourgeois domination. It isn’t because they don’t know any better, but rather they are deliberately protecting capitalist society. Calling for “humane” imprisonment is like calling for “humane” pillaging or “humane” slavery. These groups are in the service of defending the interests of the bourgeoisie.

Conclusion

Almost totally ignored in the mainstream media, the Georgia prisoner’s strike has no doubt frightened the bourgeoisie, and they are doing everything they can to prevent it from spreading. Most scary to the bourgeoisie, and most important to communists, is that the prisoners were united in a common class identity, fighting for their basic class interests. Rather than being a “spontaneous” uprising, the prisoners

themselves organized the strike well in advance and planned to the best of their restricted abilities.

It is important to study the lessons learned from this strike, and important to remember that the prison system is a normal aspect of our decrepit capitalist society.

RS

Notes

1 Baldwin, Hancock, Hays, Macon, Smith and Telfair State Prisons

2 The demands are as follows: A living wage, educational opportunity, decent health care, an end to cruel and unusual punishment, decent living conditions, nutritious meals, self-improvement and skills training exercises, access to families, and just parole decisions

3 Dixon, Bruce A. GA Prisoner Strike Continues a Second Day, Corporate Media Mostly Ignores Them, Corrections Officials Decline Comment.

<http://blackagenda.com/>

4 Drugs: The Other Global War. Revolutionary Perspectives 55.

Cancun World Climate Conference – Another Predictable Capitalist Failure

Many people might not even have noticed that the latest UN climate conference was held in the Mexican resort of Cancun during the first 2 weeks of December. It was hardly reported in the bourgeois press and where it was mentioned the expectations of success were well and truly damped down. After the fiasco of the 2009 Copenhagen conference, which was supposedly “the last chance to save the planet”, but which nonetheless ended in complete failure, this conference was a low key affair and major political leaders kept well away. The failure of Copenhagen was not, of course, accidental but clearly reflected the views of a powerful sector of the capitalist class who wish to carry on polluting as usual and have a direct interest in undermining the scientific basis of global warming. The challenges, which their paid prize fighters have mounted to the science, have succeeded in taking the issue out of the headlines and producing a more widespread scepticism about climate change than existed before Copenhagen. Global warming now appears as something we don’t need to worry about any longer.¹ This is absolutely not the case. There is general agreement among climate scientists that the threats to life on earth, posed by climate change, are now more severe than a year ago. Capitalist “civilisation” is like a juggernaut, out of control and heading for a precipice.

The Cancun conference was the 16th conference the UN has held to try to control man-made (anthropogenic) global warming and, like the preceding conferences, failed to do this. No binding agreement to do anything about emissions of greenhouse gases (GHG) was reached. Today, the only international agreement for reducing the emission of GHGs, which are the principal cause of global warming, remains the Kyoto agreement. This agreement, which expires in 2012, and which covers only a quarter of global GHG emissions, because the US has refused to ratify it and countries such as China, India and Brazil were excluded from the start, is virtually useless. The Cancun conference committed the

200 participating countries to keep talking about the issues while agreeing to some fairly ill defined proposals. It is a measure of the inability of the main capitalist powers to address climate change that the pathetic outcome of this conference was described in the press as a “victory for multilateralism” or to quote UK Prime Minister Cameron a “significant” step forward.

The main conference agreements were:

- To limit the increase in average global temperature to 2°C during the 21st century, with *consideration* being given to a 1.5°C rise. However since the means of achieving this, namely a 15% reduction in GHG emissions from 1990 levels by 2020, remain completely voluntary such an ambition is virtually meaningless.

- The creation of a “Green Fund” to provide loans for developing countries. The fund is supposed to provide \$30bn by 2012 and \$100bn annually by 2020. Where the funds are to come from is not made clear but its creation was advocated by the World Bank and the World Bank is to manage it. It is intended to provide loans to peripheral countries to buy green technology or employ consultants from the central capitalist countries. The fund is likely to operate as a type of export credit fund for the metropolitan capitalists and will principally benefit them. The World Bank funded \$6.3bn of fossil fuel developments in 2009 so does not exactly have a record of combating climate change.²

- A scheme for providing finance to developing countries for forest protection called “Reduced Emissions from Deforestation and forest Degradation “(REDD) and another for Clean Development Mechanisms (CDM). These schemes serve to promote and prepare the ground for carbon offsetting schemes aimed at enhancing carbon trading. Finance to be provided to poor countries induced many countries to accept these schemes. Wikileaks has exposed the process of bullying and bribing by which the US and other metropolitan capitalist countries cajoled peripheral countries into accepting these schemes.³

- To keep talking and hope that a binding agreement could be reached at next years talks in Durban. This was undoubtedly the main achievement of the conference. However the minor agreements reached set the parameters for future negotiations and are likely to result in future agreements on GHG reduction being based on Carbon trading and offsetting.

Looming ecological disaster

Climate change is only part of a general ecological disaster which capitalism is inflicting on the planet. According to the US National Academy of Sciences report of 2002 the world economy’s demands on the planet exceeded the earth’s regenerative capacity in 1980 and by 1999 it had exceeded it by 20%.⁴ The current figure is 30%.⁵ This means it would take 1.3 years for the planet to regenerate what we use in a year! In other words regeneration is not occurring. It is little wonder that 60% of the world’s ecosystems, such as coral reefs, mangrove swamps and wetlands, are in now degraded and in decline. The Millennium Ecosystem Assessment concluded that 15 out of the 24 natural processes on which our survival depends are in decline or are becoming unsustainable. Key processes under threat are provision of water via the water cycle, provision of food and timber, pollination of all types including crops, soil formation, photo synthesis and nutrient recycling.⁶ Global warming, which itself represents a breakdown in another natural cycle, the carbon cycle, is making all this a lot worse. It is estimated, for example, that for each 1°C rise in temperature yields of major cereals’ such as wheat and rice will drop by 10%. If the Cancun ambition of a 2°C rise in temperature is achieved there is, therefore, likely to be a drop in food production of at least 12%. Many species alive only a few decades ago are now extinct, while others are heading for extinction and if we continue on the present trajectory Homo sapiens will also be added to the list.⁷ The simple truth is that instead of living in a sustainable metabolic relationship with nature, as we did in the hunter gather epoch or to a lesser extent in slave and feudal societies, capitalist society

is trashing the planet, and this cannot continue indefinitely.

The concentration of greenhouse gases in the atmosphere is now 390 parts per million (ppm) a rise of 3 ppm from the time of the Copenhagen conference. This concentration is 20% more than it was in 2000 and 40% more than it was in 1990. The principal concern of climate scientists is that if the concentration of GHGs rises above 450 ppm the process of global warming will spin out of control and nothing human beings do will any longer have any effect. The so called "tipping point" will have been reached. This point is also, according to climate scientists, equivalent to a 2°C rise in temperature. This means the upper limit of temperature rise adopted by the Cancun Conference would put us at the tipping point. However, scientists calculate that even if the voluntary Copenhagen and Cancun reductions are met they will lead to a 4 to 5°C rise in temperature, and if they are not met we can expect a 7°C rise.⁸ When one considers that the average temperature difference between that of the last ice age 12 000 years ago and the average for the last 500 years is only 3°C⁹ one can imagine the catastrophic effects such temperature rises will create.

What exactly do the capitalist class propose to do about all this?

Capitalist responses to global warming

The capitalist class is divided in its response to this issue along three broad lines:

1. A powerful section of capitalists headed by the energy sector, particularly the oil sector, want to take no action whatsoever. This sector is behind the attempts to deny global warming even exists. They have succeeded in undermining the Kyoto protocols and sabotaging any meaningful agreements at the subsequent climate change conferences. At present they have prevented the US "cap and trade" carbon trading scheme being passed by the US senate.

2. Another sector, while recognising global warming is occurring; wish to combat it with green technology, carbon trading schemes and carbon taxes. Capitalist growth and accumulation, they argue, can continue

as usual but must metamorphose into a "green" capitalism. Neo liberalism is to be coloured green.

3. A small minority wish to impose a state capitalist solution with state enforced GHG reductions worldwide. This group, championed by Bolivia which opposed the Cancun agreement, includes the peasant movement "La Via Campesina" and groups of indigenous peoples immediately threatened by climate change and its consequences.

The first grouping do not hold out any solution whatsoever to the ecological crisis and if they retain their grip on the global political response to this problem the world will probably reach the "tipping point" in one or two decades. It seems likely, however, that as the global situation deteriorates their influence will decrease and the second grouping will become the most important.

The second group wish to rely on carbon trading and green technology. As we have pointed out in previous texts¹⁰, carbon trading is a complete swindle. The key issue remains the consideration that emissions trading schemes are controlled by the capitalist class and it is they who determine the carbon caps. The way the world's major scheme, that in the EU, works it is at present more profitable to pollute than to install non-polluting technology. The carbon market is a capitalist market like any other and prices of carbon go up and down. At present 1 tonne of carbon, which in 2008 was traded at €30, is valued at €15. This makes it cheaper to offset and keep polluting, which is precisely what is happening. The offset mechanism, far from increasing the carbon sinks in the developing countries, often results in destruction of natural forests by imported timber plantations and displacement of indigenous peoples. It is also allowing the major polluting nations to gain control of swathes of land in the peripheral countries. The scheme serves mainly to transfer the burden of the effects of global warming from the metropolitan capitalist countries to the peripheral countries.

Green technology can, at best, mitigate the problems of ecological destruction it cannot prevent them. As will be discussed below, capitalist society demands continual accumulation of

capital and consequently continual growth. There is thus an absolute contradiction between a social system which demands continual, i.e. infinite, growth and a planet with finite resources. The capitalist system is simply incompatible with preservation of the earth's ecosystem and any solution of the problems we face must start with the overthrow of capitalist production. Green technology, under capitalism represents a new field of profit generation and a new field of capital accumulation and must inevitably run up against the same problems of continual accumulation versus finite resources. Green technology served up as a solution to global warming is a fraud.

The third group held an alternative Climate Conference of its own at Cochabamba in Bolivia in April 2010 and produced a manifesto. The main items the manifesto calls for are:

- 50% reduction in GHG emissions by 2017
- Stabilising temperature rises at 1°C above pre industrial levels and reducing GHG concentrations to 300 ppm.
- Acknowledging the climate debt owed by developed countries.
- Full respect for the rights of indigenous peoples
- A universal declaration of the rights of Mother Earth
- Establishment of an international court of climate justice
- rejection of carbon markets and commodification of nature and forests through REDD;
- promotion of measures that change the consumption patterns of developed countries;
- end of intellectual property rights for technologies useful for mitigating climate change; and
- Payment of 6% of developed countries' GDP to address climate change.

The demands for the reduction of GHG emissions and temperature stabilisation would have to be imposed by the state and would demand state-capitalist control of the economy on a global scale. While it is true that the demands for GHG reduction and limitation of temperature rise are ones which could reverse the trend towards runaway global warming, they remain reforms within the compass of the capitalist system of production.

They would not be able to overcome the contradiction between the need for continual accumulation and the finite nature of the earth and would not be able to solve the ecological crisis in the longer term. The Bolivian president, Morales and his Venezuelan counterpart, Chavez, have nationalised the energy resources of their countries in defiance of the US. This has enabled them to present their anti-Americanism as anti-imperialism, and their versions of state capitalism as different from that of the former Soviet Union, and as a movement toward socialism. But state capitalism remains capitalism and workers remain wage labourers separated from the means of production and the dynamics of capitalism remain intact. The Cochabamba demands were, needless to say, completely rejected by the Cancun Conference.

“La Via Campesina” group in its statement following the conference called again for acceptance of the Cochabamba manifesto but added its own demand for something called a “cosmovision”. They stated:

“We must go beyond the anthropocentric model. We must rebuild the cosmovision of our peoples, based on a holistic view of the relationship between the cosmos, mother earth, the air, the water and all living beings. Human beings do not own nature but rather form part of all that lives.”

Such a vision is one which predates class society. Unfortunately we live in class society and we cannot go back to previous forms of existence. To get out of the mess we are in we need to move forward to socialist production and a classless society. The amorphous nature of such statements illustrate how the peasantry is unable to see a future beyond their doomed way of

life. Where the solutions they offer are not reactionary, they are utopian.

Capitalism – the real threat to humanity’s future

It is the capitalist system of production which has led us into this mess and continuing with capitalism will only take us into worse trouble still. The capitalist system is a system in which production is for profit not for human needs. One of the consequences of this is that capitalism has a continual need to accumulate capital. This means it needs to grow continually. When growth stalls the system collapses into crisis. Empirical studies have shown that since the start of capitalism in the late 18th century, capitalism has grown at an average rate of 2.25% per year.¹¹ This means that the global economy doubles in size on average every 30 years. The period since World War 2 has seen much more rapid growth as shown in Table I below:

In the 50 years since the war the world economy grew by a factor of approximately 7.

Capitalism has always treated nature as a resource to be exploited mercilessly to maximise profits. Bellamy Foster, in his book “*The Ecological Revolution*” expressed this as follows:

The class/imperial war which defines capitalism as a world system, and that governs its system of accumulation, is a juggernaut that knows no limits. In this deadly conflict the natural world is seen as a mere instrument of world social domination. Hence, capital by its very logic imposes what is in effect a scorched earth strategy. The planetary ecological crisis is increasingly all-encompassing, the product of the destructive uncontrollability of a rapidly

*globalising economy, which knows no law other than its own drive to exponential expansion.*¹³

Exponential growth is not compatible with finite resources. This alone shows how futile it is to try and reform aspects of the system and deal with its worst excesses while the central dynamic tendencies of the system remain intact.

Any slowing down of emissions of GHG represents a threat to accumulation and a threat to growth. It is for this reason that even the more intelligent members of the capitalist class cannot countenance this. Nicholas Stern, for example, in his 2006 report for the UK government admits that GHG emissions are driven by economic growth yet he proposes to continue accumulation as usual and concludes that GHG concentrations will have to rise to between 500 and 550 ppm before they can be stabilised, because anything else would be too costly. This level is, of course, well beyond the tipping point and would have catastrophic effects, but for capitalism doing anything about it is considered too costly.

The capitalist system is leading us to ruin and the task of replacing it is becoming ever more urgent. As we wrote in RP 53:

There is a glaring need for a new world order: a global community without national borders where production can be planned directly to meet human needs and can take account of environmental consequences of alternative courses of action; a community without the intermediary of money and commodity production, where economics becomes a question

Country	1950	1973	1990	2003	2030 est
W. Europe U	1396	4097	6033	7857	12556
USA	1456	3537	5803	8431	16662
Japan	161	1243	2321	2699	3488
All rich countries	3193	9399	15015	20264	35120
Russia	315	872	1151	914	2017
Latin America	416	1389	2240	3132	6074
China	245	739	2124	6188	22983
India	222	495	1089	2267	10074
Africa	203	550	905	1322	2937
World	5341	16022	27136	40913	96580

Table I Gross Domestic Product in \$bn at 1990 purchasing power parity.¹²

of social allocation of time, particularly working time, and no longer a question of what is immediately financially profitable....Capitalism remains, by definition, a system dependent on generating profit, the source of which is the surplus labour workers are obliged to yield to capital over and above the wages they receive. It is this system which has to be abolished and only the concerted force of an internationally unified and politically conscious working class will have the power to do so.... a new world is possible — and necessary. Perpetually campaigning to reform this or that aspect of capitalism is not the way forward. The only way to halt capitalist 'business as usual' and save the planet for humanity is by world working class revolution. The spark for that will come from the politically conscious minority who have organised to campaign in the only revolutionary way possible: amongst the working class for the communist political programme.

CP

Notes

1 Minor errors which have come to light in the Intergovernmental Panel on Climate Change's (IPCC) 4th report such as locations of temperature readings in China or predictions of shrinking Himalayan glaciers have been used to discredit the whole report.

2 According to Grace Garcia from Friends of the Earth Costa Rica, "Only a gang of lunatics would think it is a good idea to invite the World Bank to receive climate funds, with their longstanding track record of financing the world's dirtiest projects and imposition of death-sentencing conditionalities on our peoples." Quoted by Patrick Bond see <http://links.org.au/node/2041>

3 See Patrick Bond <http://links.org.au/node/2041>

4 Proceedings of National Academy of Sciences 99 No 14.

5 See Water and Environment Management WEM Vol 14 No 8

6 See Millennium Ecosystem Assessment UN 2005

7 The latest update of the IUCN Red List of Threatened Species™ shows that 17,291 species out of the 47,677 assessed species are threatened with extinction.

The results confirm that 21% of all known mammals, 30% of all known amphibians, 12 per cent of all known birds and 32% of all known gymnosperms (conifers and cycads)

are threatened with extinction.

7 "The scientific evidence of a serious extinction crisis is mounting," says Jane Smart, Director of IUCN's Biodiversity Conservation Group. "January sees the launch of the International Year of Biodiversity. The latest analysis of the IUCN Red List shows the 2010 target to reduce biodiversity loss will not be met

8 See Patrick Bond <http://links.org.au/node/2041>

9 See James Lovelock "Revenge of Gaia" pg 67

10 See RP 52 "Environmental Disaster or Communism" and RP 53 "After all the hot air at Copenhagen Global Warming is set to continue" available at <http://www.left-com.org/>

11 See David Harvey "The Enigma of Capital and the Crises of Capitalism" pg 27.

12 See David Harvey "The Enigma of Capital and the Crises of Capitalism" pg 27

13 J Bellamy Foster "The Ecological Revolution" pg 46

The Current State of Global Capitalism

The meeting dealt with a number of organisational matters as well as undertook the task of editing a new common documents which will appear in 2011. It began with a discussion of the current state of the crisis which the Italian comrades were asked to introduce. The following is a brief account of what was discussed.

They began by saying they were not going to repeat all that we have said at length about the origin and nature of the present crisis following the collapse of the speculative bubble but to focus very much on the present situation starting from the USA as still central to the international economy particularly that of finance capital.

Three elements characterise the current situation. The first is that the USA (as every other country) is trying to escape from the crisis by attacking the working class. Obama declared his aim to end the speculative and paper money economy and return to the real economy (i.e. get back to producing real commodities). His exit strategy though depends on an attack on the working class through the reduction in welfare, lower (real) wages, more exploitation (in two ways, through both the intensification of exploitation via the introduction of new technology and by increasing the working day [i.e. the extraction of absolute surplus value]. This also means imposing the maximum of "flexibility" on the working class. This has two aspects, internal or external. Workers are sent from one factory to another (sometimes in the same company, sometimes not, called in Italian "delocalisation", [for which there is no decent English equivalent]. Flexibility also demands accepting a wide variety of hours of work (whether 20 or 60 a week) depending on the precise demands of capital. In some countries [e.g. Greece] the 13th month has been cancelled (the CWO comrades pointed out that some countries had never had it!) which is equivalent to a 10% wage reduction. There has also been an attack on the non-productive and tertiary sectors with job cuts of 300,000 in Italy and 500,000 in the UK (recently reduced to 350,000) in the state sector.

The second aspect is a trade war. The US has been lowering the cost of the dollar (interest rates are virtually zero). This cuts the cost of US commodities and thus makes them more competitive. The banks have been given a new bill of health ("re-sanitised" was the word used in Italian) as their debts have been cleared up via the use of government loans. This has allowed the banks to function once again. Obama's government has allocated a further \$150 billions to them as well as introduced more quantitative easing (known as QEII).

The third aspect is the struggle over currencies to lower them and thus make economies more competitive. The US accused China of a kind of dumping because they refuse to allow the renminbi to rise and call this unfair competition. Obama in Beijing even asked the Chinese officially to raise the renminbi but was refused and he was told that it would lead to thousands of Chinese factories closing. The Fed are trying to keep the dollar as low as possible via the printing press and \$3 trillion have been printed. The Federal Reserve also buys US state treasury bonds to add liquidity to the market and this (as the Chinese noted) also lowers the value of the dollar. The aim of the policy is clearly to lower the cost of US commodities on the world market but a lower dollar means less inward investment (less capital) entering the US economy. This is the usual problem of the financial sector versus the trade (or commodity producing) sector of the economy.

This currency battle has also hit the euro which is under attack via the weaker economies in the eurozone. Some of these are the PIGS who are loaded with debt. Germany is the only truly self-financing eurozone economy and the weaker economies are now in great danger as they have to pay high interest rates in order to issue Eurobonds. They are heading for disaster. In the last week of November 2010 Standard and Poor (the credit rating agency) reduced Portugal to a single A (as happened last year to Greece). US-based credit agencies,

which did nothing whilst stoking the speculative bubble, are now doing their bit to undermine the euro.

Inevitably the euro has had to respond and this turmoil has led to the setting up of a fund for Europe which claims to be ready to intervene to protect weaker eurozone countries. This is to show that the eurozone will respond to bail out countries in dangerous positions. The European Central Bank is thinking of raising its own treasury bonds (offering good rates) and guarantees that the weaker economies won't default.

The clashes are obvious, e.g. the dollar v the euro, the dollar v the renminbi. And new developments are taking place. Already Russia and China have signed a trade agreement not to use either the \$ or the € so that their trade will be in roubles and renminbi. The \$ is now too weak to be worth holding (and China already holds two thirds of US debt). We now have currency wars which have both financial and trading aspects. Germany is behind the euro stabilisation plan for its own ends as it stands to lose most as it is the main lender in Europe.

Returning to the US, it is in a serious situation. Its policy is to have its money cost about zero (with zero interest rates) so banks are refusing to buy US bonds instead allocating 20% of their capital to buying those of the likes of Turkey and Brazil as they have found in this a new form of speculation.

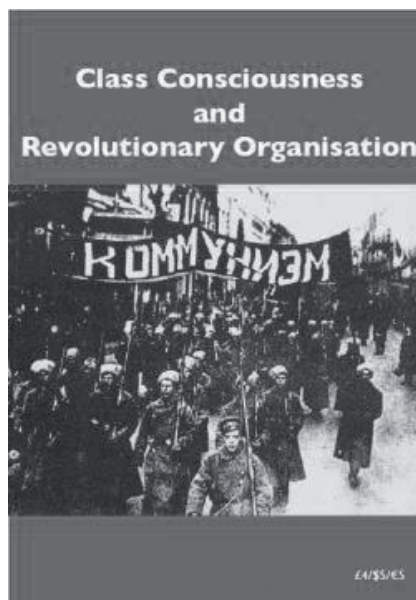
The GIS added that we should discuss the European Union as an imperialist bloc and the role of Germany within it. The bailout of Greece was not just economic. Greece has had to agree to buy German weapons for 20 years as part of the deal. The explanation for Germany's narrow approach to the eurozone crisis is that it intends to unconditionally lead the EU challenge to the US. This seems to be born out by the fact that it is alone the most dominant economy in the EU. Portugal and Spain are also in trouble and may soon be joined by Italy and even the UK. The GIS said they would add more in their section report but

were content for now to quote Henkel (former chairman of the German CBI) who now claimed that joining the euro was his biggest mistake and called for the return of the Deutschmark. This is a direct challenge to France and would lead to a new northern EU (the Benelux, Scandinavia) dominated by Germany. The UK would be invited too but only if it accepted the German terms (join common currency and abandon mid-Atlantic position)

The discussion then dealt with how the crisis is stimulating international rivalries and national self-interest everywhere, especially as the US is now weak since the financial dimension has created a situation in which “emerging countries” [which we can divide into two types – those who have energy resources – Russia, Venezuela and Brazil – and those with low labour costs (China and India) which have attracted investment now challenge its previous domination. It is also having a negative effect on every one of the old capitalist countries (like Japan) with the exception of Germany. There has been a huge transfer of capital from the old capitalist countries with their high organic composition to those with a relatively low organic composition. 40% of Chinese exports are by foreign companies (so-called joint ventures) and this explains China’s boom. The emerging countries are doing so well because of the crisis in the old capitalist centres. The decline of the USA is opening up financial, economic and political space for others.

Until the end of the 1990s the dollar was absolute (90% of world trade was in dollars) today it is 30% (the yen, rouble and euro have taken 30%). Previously the USA absorbed 90% of all speculative capital, today it is at 50% (the other 50% being in Europe). Now gold is back (\$35 in 1971 it is now over \$1300 an ounce). At the same time there is also a war to dominate not the sources of oil but the pipelines which carry it (there followed a discussion of the various oil pipeline projects such as Nabucco, South Stream etc which repeated the things which we have said in our press).

The CWO was asked to prepare a report on the discussion, and a longer document on the crisis in 2011 based on it.



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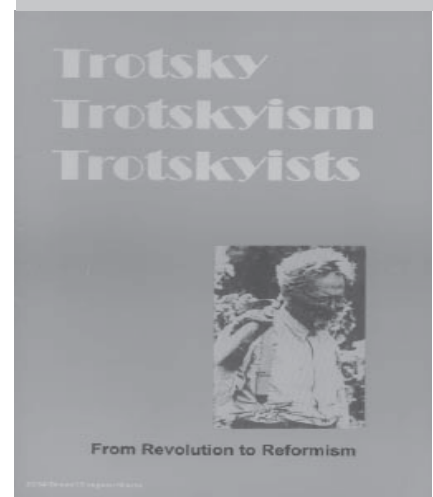
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We are for the revolutionary party but we are not that Party. Nor are we the only basis for that party which will emerge from the workers' struggles of the future. Our aim is to be part of that process by participating in all the struggles of the class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

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The CWO is not only against capital, it doesn't have any! We do not receive finance from any source other than through the sales of our press and the contributions of members and supporters. We once again thank everyone who has recently taken out or renewed subscriptions for their help with our work. This appeal is to those who find our analyses of current capitalist reality to be of value to a truly 'revolutionary perspective' to take out a subscription to keep our work going.

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Son of Star Wars; Cap'list's 3rd Sector
23 9-11; Afghanistan; Oil; US Economy; Opposing
War; Consciousness (3); Ireland; Monbiot; Islam and
SWP; Rail; Miners' Pensions
24 Argentina; PO; Railworkers; The Euro;
Consciousness (4); Immigrants are the Same Class;
War on Terrorism; ICC and War; West Bank
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
26 No War But The Class War; 11 months since
9/11; Stock Market Falls and War; Public Sector
Strikes; Rail Farce; Consciousness (6); Immigration;
Colombian Debt
27 Iraq; Firefighters; Palestine; Consciousness (7);
SWP and Stalinism; Earth Summit
28 Iraq; Firefighters; North Korea; Consciousness
(8) - Cult of the Party; Class Composition (1);
Brazil
29 Iraq; Galloway and Luxemburg; ME Road
Map; 9/11: State Terror; Firefighters; Pensions;
Consciousness (9) - Bordiga; Class Composition
30 Iraq; US Imperialism and The Hutton Enquiry;
Middle East; Workers Begin to Act; Class Struggle;
Trades' Unions and Left-wing Leaders; Review:
Hard Work; US: Claimed Recovery; Class
Consciousness (10); World Proletarian Party; Class
and Education; A Hot Autumn for Pensions
31 Middle East, Britain and Class Struggle, Italian
Rail Strikes, Africa, Anti-Globalisation, Parmalat,
Universities, RESPECT, Hutton and BBC
32 Terrorism, inc IBRP Statement; Iraq; Iranian
Elections; Israel; Crisis; Decadence; EU Imperialism
33 ESF; Beslan; Housing; Class Struggle; IBRP in
Germany; Iraq; Saudi Arabia; Matteotti and Oil;
Fahrenheit 9/11
34 US Election, Iraq, Middle East, China, Ukraine,

1905 Russian Revolution (pt 1), Germany, IBRP,
Tsunami
35 UK Election, Abstentionism, Rover, Capitalism's
New Economy (1), Pensions, 1905 Russian
Revolution (2), John Paul II, Lebanon and Syria, US
and Iran, Germany, Letters on Parliamentarism
36 Tribute to Mauro Stefanini Jr; Bombings War
Oil; Airline Workers; London bombings; The IRA
"Stand-down"; Holocaust and Hiroshima; History
and Empire; Marx is Back; Capitalism's New
Economy (2); Uzbekistan; Only Communism Can
Make Poverty History; Africa, Aid and Debt Relief;
The Future of the EU
37 French Riots; Gate Gourmet; Hurricane Katrina;
German "Left Party"; Capitalism's New Economy
(3); Iraq; Iran; Gaza; Economic Role of War in
Capitalism's Decadent Phase; Critique of Gotha
Programme; Recuperated Factories in Argentina;
Collapse - Review
38 Tehran Transport Workers Gaoled; Workers
Fight Outside Unions; Anti-Terrorism —
Smokescreen For State Repression; Turner Pension
Plan; Capitalism's New Economy (4); Russian gas;
Revolt in Paris Suburbs; Hamas victory; Latin
America; Global Warming (2)
39 Class struggles in France, Human Rights,
Democracy and Profit; Car Workers — Only
International Unity Can Bring Victory! British
State Terrorism; Shipwreck of US Ambitions;
Immigration and Global Capitalism; Human Future:
Capitalism or Communism? Palestine: No End to
Barbarism in Sight; Gas Follows Oil; Gas at Centre
of Imperialist Manoeuvring; India Thirst for Energy
and Superpower Aspirations; The Fairy Story of
Parliamentary Road to Communism; France: CPE
Shows that Capitalism's Laws Know no Borders;
Student Movement in France
40 Tribute to Goupil; Terrorism UK; Global
warming; Middle East; Darfur; Suez 50 years on,
Hungary '56
41 Capitalist Barbarism - War without End; BA and
Civil Service Strikes; Student Fees; Somalia; Gaza
and Lebanon; The Working Class under Imperialism;
Falklands; Turkish Communists
42 Civil Service Attacks; Iran; Barcelona May '37;
Bilan text on May '37; Zimbabwe; Global Capitalist
Crisis; Tata Takes over Corus
43 Postal workers; PM Brown; Housing;
China protests; Russian Imperialism; Turkish
Elections; Subprime crisis; Reply to ICC on
Economics of War
44 Britain: Repression, NHS, Inequality, Urban
Decay; Class Struggle in Germany, Italy and Egypt;
Lessons of October; Capitalist Financial Crisis;
Iran, Turkey and Pakistan: Contradictions of US
Imperialism
45 US Imperialism's 100 Years War? Capitalist
Equality — Low Pay for All; Death at Work;
German Transport Workers; Food and Fuel Price
Inflation; Marx and the Sub-prime Crisis; "Do you
have to be Red to be Green?"; Italian Communists
the Gulags; Housing; The First Years of Soviet Rule
in Petrograd

46 Food Riots; Pomigliano Struggle; Biofuels;
Zimbabwe; Education Crisis
47 Public Sector Workers; Economic Crisis;
Olympics; Georgia; Chinese Imperialism in Africa; A
New Development for the IBRP
48 Class War in China; Education Fight in Italy;
Mumbai Massacre; Obama; Capitalist Barbarism in
the Congo; Learning from the German Revolution:
Left Communism in Turkey
49 British Construction Workers' Fight; Unite - The
Union that Divides; Gaza; The End of the Paper
Money Economy; Gas Wars in E. Europe; Darwin's
Revolution; Letter from Greece
50 MPs Expenses; No2EU's Reactionary Agenda;
GM Bankruptcy; Fiat and Pomigliano; the Af-Pak
War; Obama in Cairo; Midlands Discussion Forum;
The Commune
51 Global Capitalism; South African Class Struggle;
Ssangyong Occupation; The Cost of the Crisis;
The Miners' Strike 25 years on; The Last Fighting
'Tommy'; Iranian Election; Power and the State in
Capitalist Society
52 CWU Sabotages Postal Workers' Struggle;
Nationalism Against the Working Class; The Berlin
Wall: Still Building Propaganda; Climate Change:
Environmental Disaster or Communism; The 30th
Anniversary of the Death of Onorato Damen;
Anti-Zionism, Anti-Semitism and Revisionism;
Review; The Power of Yes by David Hare; The
Fall in the Average Rate of Profit: Crisis and
its Consequences; Review: Learning from the
Revolutionary Experience in Russia
53 Capitalism's Global Attacks; Against a Global
Crisis the Struggle Must be International; Racism
in Italy; Global Warming; Haiti: A Disaster of
Capitalism; Afghanistan; Reply to the ICC, The
Commune's Reply to RP50; CWO Public Meeting
in Manchester
54 The Only Way Forward is to Unite and Fight;
Class War at BA; Financial Crisis Engulfs the
Eurozone; Chinese Workers Show Their Class;
BP's Deepwater Horizon; The Bolshevik Left and
Worker's Power; The Armenian Genocide 1915;
Review: Capitalism - A Love Story
55 Austerity Britain; A Global Crisis Will Have
to be Fought Globally; A Real Class Fight
Not the Unions' Phoney War; A Wild Beast is
Stalking Europe; The Financial Manoeuvres of
the Bourgeoisie; English Defence League: Cultural
Campaigners or Racist Thugs; Another Futile
Capitalist Education 'Reform'; Los Angeles Teachers'
Struggle; Make the Bosses Take the Losses; The
National Question Today and the Poisonous Legacy
of the Counter Revolution; The Other Global War;
Life of the Organisation

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