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May Day Statement:

Three Deadly Crises, One Cause Destroy Capitalism!

The war in Ukraine, the Covid-19 pandemic, devastation of the environment and climate disaster, all of these things are the product of capitalism. They are not 'natural disasters' but the outcome of the contradictions of a crumbling social system (mode of production) which has long lost its benefit to humanity. Unless capitalism is destroyed it will destroy us all. Never has the need to go beyond capitalism to a higher system of production been more urgent.

The Ukraine war

The war in Ukraine is the beginning of a new and more dangerous phase of imperialist confrontation. The battleground is moving to the rich capitalist heartlands and the United States, with its imperialist top dog position threatened by the rise of China, is using its economic and military might to control its allies (the EU) and weaken the potential of a China/Russia alliance. As in all wars today, the working class has nothing to gain on either side. Russian oligarchs or Ukrainian oligarchs, what difference does it make to those of us whose life is constricted by the necessity to work for a wage in a global economic crisis? Talk of "peoples' rights", "democracy", "the fight against Nazism", are grotesque propaganda to justify the very high cost of the war, that will be passed on to the millions of people who take part in it. The Ukrainian proletariat, the population under the bombs, are victims; so too are the conscripts, sons of the Russian proletariat sent to kill and be killed for the sake of "their" land. In strict economic terms too, it is always the working class who pays and will pay the costs of war. Not only in Ukraine, Russia, and Europe but also in wider regions of the world, workers are already being hit by wheat speculation and bread price rises.

The imperialist issues behind the Ukraine conflict are clear. By extending NATO to Russian borders and looking to integrate Ukraine and Georgia into the alliance, US imperialism is encircling Russia to the point of being able to park its missiles on Russia's doorstep. Further, the US has armed Ukraine and trained its army to the degree where it is able to retake the separatist Donbas region; a region which has strategic economic resources such as iron, coal and industry. The revamped Ukrainian army would also be able to threaten Crimea which contains Russia's main naval base on the Black Sea. Ukraine has more or less become a de facto member of NATO. Biden boasts that \$650 million in arms were supplied to Ukraine before the Russian invasion and now \$1.35 billion more

has been promised. These threats pushed Russian imperialism to strike before Ukraine was integrated into NATO. As the ruler of a former "super-power", Putin is obsessed with making Russia great again. This, therefore, is more serious than wars in the Middle East or ex-Yugoslavia and has the potential of escalating to a global conflict in which, as Putin reminds us, nuclear weapons could be used.

In the longer term both Russia and China aim to secure their own economic interests by overthrowing US global hegemony. Based on the international role of the dollar the US is able to impose savage economic sanctions against both countries. Russia's demand that its gas and oil exports now be paid for in roubles and its link of the rouble to gold are an attempt to strike back. This is economic war. For its part the US is determined to use military means to defend its global hegemony, regardless of the cost. Such a clash of interests inevitably leads to imperialist war.

Precursors of global war

On the one hand, the pressure of the war has forced the EU to fall in behind the US and to agree to rearm. On the other, the invasion and the economic sanctions imposed have thrown Russia into the arms of China. At the same time civilian suffering, the millions of desperate refugees and Russian atrocities are being claimed as the fruit of dictatorship. Meanwhile the atrocities being committed by the neo-Nazi Azov Battalion in the Donbas are quietly ignored in the same way as US war crimes in Iraq and elsewhere pass unmentioned. The message that western so-called democracy is worth defending against the dictatorships of Russia and China, and is worth dying for, is being trumpeted loud and clear. What we are seeing is both the beginnings of the alignment of states into blocs for a future global war and also the projection of the ideology for mobilisation of workers as cannon fodder in such a war.

However, the root cause of this war drive is capitalism's long-running economic crisis and the continuing inability of the capitalist class to solve it. To date, the system has not recovered from the 2008 financial system implosion. This crisis was, in turn, the result of a longer, deeper crisis caused by the tendency of the rate of profit to fall fueling financial speculation. This pumped up the values of property, financial assets and commodities causing the bubble which exploded in 2008. Despite the decade of austerity which was supposed to put things

right, the system was on the cusp of another crisis when the Covid-19 pandemic struck. Once again the response of the capitalist class was to use the central banks to unleash a flood of monetary credit into the financial system. Again, almost none of this has gone into productive investment. Instead it has again been used for speculation, storing up the same problems which led to the collapse of 2008. While the pandemic has made the economic crisis significantly worse, it has also been used to camouflage the underlying problems and to persuade the working class that even more sacrifices are needed to get their lives back on an even keel.

In light of all this, two things in particular need to be emphasised. The first is that the economic crisis has reached a point at which our leaders are running out of purely economic options to mitigate its effects. Instead they are prepared to openly resort to a major war in the heart of Europe to defend their economic interests – a war prepared moreover in broad daylight with no attempt to disguise it. War is thus the result of capitalism's contradictions. It is the legitimate child of capitalism. The second is that this war is also a war against the working class. The short term aim is to get us to accept further sacrifices. If wage cuts can be justified as necessary sacrifices for war then profitability can be increased. The longer term aim is to prepare us for world war, the ultimate solution to capitalism's problem of profitability, and to mobilise us as cannon fodder. Never since World War 2 has our response to capitalism's war plans, "*No War but the Class War*", been more vital. The struggle is class against class. We must not give our support to either side in this war. Neither Russia nor NATO!

We pay the price

The working class has been in retreat for decades, and has consequently been paying the costs of the crisis by having its living standards reduced while productivity rates are increased (though still not enough to offset falling profit rates due to the rising organic composition of capital). This has been the strategy of "our" rulers worldwide. Since the first phase of the crisis, which started in the early 1970s with the decoupling of the dollar to gold, our share of the value our labour produces has been dramatically reduced. In the G20 countries this share has, according to the International Labour Organisation (ILO), decreased from about 65% to 55%, a decrease of 15%. In the US, for example, the purchasing power of wages has been static since the early 1970s while labour productivity has increased by a factor of almost 3! It's a similar story in other countries. The Asian Development Bank calculates that for 115 countries, in the period from the mid-1970s to today, workers' share of the value they produce has fallen from 55% to 45%. The ILO also reports that 266 million workers globally are paid below the minimum wage in their countries. This represents 15% of all labour globally. There are, of course, millions of workers who suffer even worse conditions but don't appear in these figures because they are ignored by national statistics. Precarious working, zero hours contracts, "fire-and-rehire", significant inflation outpacing wage increases and unemployment all amount to a vicious attack

on our living standards. The effects of the Ukraine war will make all this worse. Inflation, caused by massively increasing energy and food costs, will shoot up, and this will be significantly worse for low income countries.

From Resistance to Revolution

Collectively the working class has the potential power to finish off the capitalist system itself before it destroys much of life on earth. Any effective fightback must start from the workplace. Despite the fact that capitalism has been restructured via globalisation and the exploitation of cheaper labour power wherever it can find it worldwide, there are signs that the passivity of the working class may be ending. We have seen strikes in the service industries in core capitalist countries, strikes and mass protests in South America and South Asia and strikes taking a communist direction in Iran. Also there have been reports of workers in various countries refusing to handle war materials destined for the Ukraine war. These struggles have, however, remained isolated and generally controlled by the trade unions which have a vested interest in maintaining the wages system. To be effective a fightback needs to generalise itself and be controlled by workers themselves via strike committees and mass assemblies. Above all, what is really necessary is that the working class in general takes up its own political cause, and links the struggles against the economic effects of the system to the system of capitalism itself and hence to the need to overthrow it. As Marx said, "*Revolution in general — the overthrow of the existing ruling power and the dissolution of existing social relationships — is a political act. Without revolution, socialism cannot develop.*" (1844)

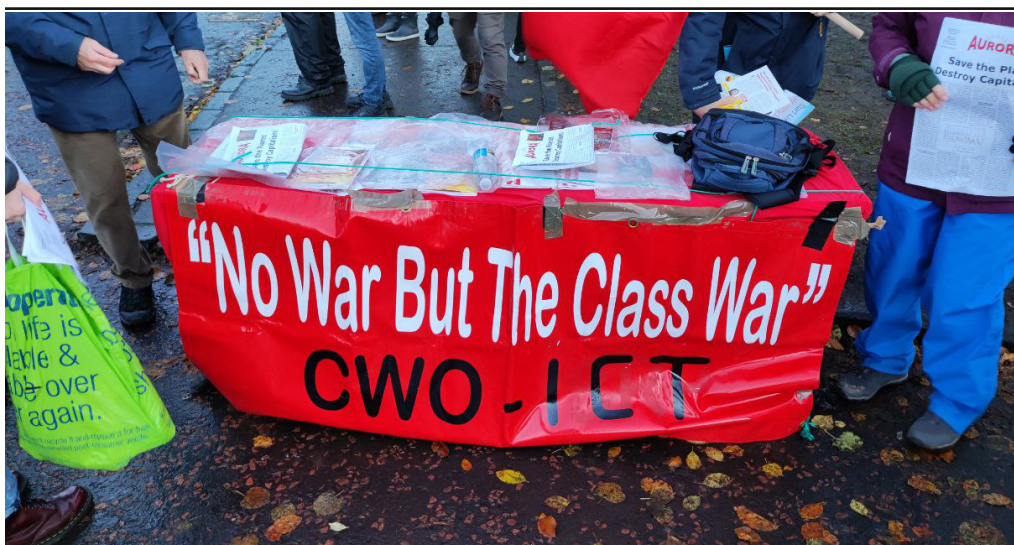
A communist world

What we must create is a higher form of production aimed at satisfying human need, not profit. The means of production must become common property, production must be organised collectively by workers' councils. This will allow classes to be abolished and states and money to become unnecessary. The watchword of such a system will be:

"from each according to their ability, to each according to their need."

To achieve this we need to construct an international political organisation which fights for this and has a programme for achieving it. Such an organisation will serve as a guide and point a direction of march for future struggles. We stand in the tradition of the Communist Left, which early on fought nationalism and imperialism in defending revolutionary Marxism against capitalism whatever its form, even if presented in the guise of socialism. In the middle of the Second World War, our comrades of the PCInt (Internationalist Communist Party) called on workers, on both sides, "*to desert the war*", and fight for their own aims. Our aim today is to contribute to a new International, anchored in the working class of today, preparing for the struggles to come. We call on all those who can identify with this perspective to enter into contact and discussion with us.

Internationalist Communist Tendency



The Cost-of-Living Crisis — They Party, We Pay!

Our real wages and pensions are currently undergoing a precipitous fall. They are being devoured on one side by low wage growth, and on the other, by high price rises. Add to this household energy bills doubling, petrol prices skyrocketing, and increased mortgage costs. All these and more make up the ‘cost-of-living crisis’, which the government’s Office for Budget Responsibility (OBR) has warned constitutes ‘the largest fall in living standards since ONS records began in 1956-57’.

In addition to these attacks, private companies have also heaped pressure on workers, enacting a ruthless campaign of “*fire-and-rehire*” in workplaces. One of its most savage manifestations was the mass sacking without warning of 800 P&O ferry workers. These jobs were then contracted out to foreign seafarers at a fraction of the minimum wage. This happened barely a week after DP World, their parent company, reported an almost £700m profit in 2021, up 5% from 2020. Lawmakers have fulminated against the P&O sackings, accusing the bosses of being ‘criminals’. But at the same time, they have torpedoed an attempt to outlaw “*fire-and-rehire*”, showing that they fundamentally approve of what the P&O bosses are doing. The P&O bosses, for their part, said they were powerless to do otherwise because of the forces of the market. In other words, they admit that the capitalist system left them with no other option than to screw the workforce. Of course, this is generally true worldwide. It’s only that the bosses don’t usually dare to say it.

Despite promising to ‘stand by’ the British people, as he claims to have done in the past two years, the measures introduced by the Chancellor of the Exchequer to help with the soaring energy bills are so derisory that one could have been forgiven for thinking that he had mistakenly read out his wife’s self-assessment tax return. The combined effects

of a National Insurance allowance increase, council tax rebate, and temporary fuel duty cuts amount to savings of £21/month for someone on a salary of £30k/year. Such a small amount can do nothing to soften the blow of cost-of-living increases which, for the average family, will amount to £1,200 annually.

The cost-of-living crisis is the name for a many-headed attack on the working class. Yet despite its varied appearances, this crisis has one singular cause: that of the desperate measures that capitalists are forced to take to chase profit in ever more inhospitable conditions.

The ruling class looks for scapegoats

Official government outlets have blamed the crisis on Russia’s invasion of Ukraine in February, and while this has certainly made the situation worse by reducing energy supplies into Europe and increasing market volatility, inflation was already high during 2021, and energy prices had already spiked in September of that year.

High inflation has been erroneously linked to over-generous Covid-19 financial assistance schemes that the government was forced to introduce in the opening months of the pandemic in order to prevent economic collapse. It is typical that during periods of low growth the ruling class will blame working people for not spending more of their wages in order to stimulate the economy, but when inflation runs high, they will be blamed for being reckless with their money. In fact, this has not happened. Consumer spending has barely returned to its pre-pandemic level, and inflation is 7% and rising. The only notable effect of Covid-era relief programmes has been a slight increase in levels of savings which have been mostly concentrated in the

savings of the wealthy.

The other side of the pandemic’s effect on the economy has been the disruption caused to supply chains. The average cost of shipping a standard container from Europe to Asia has increased from around £1,500 in 2020 to over £7,600 last year due to worker shortages and shipping backlogs. This price increase has been passed on almost completely to consumers. It is a strange indictment of our massively interconnected global supply network that small disruptions can completely gridlock it. The use of just-in-time inventory management, a successful means of scraping pennies off transportation costs, has led to a global supply network highly sensitive to even short-term supply constraints and labour shortages.

The ruling class escalates the class war

The move by central banks to raise interest rates is an attempt to make up for the fall in capitalist profits by farming debt in the form of payments on liabilities, a large part of which is held in the form of property mortgages, PCP car finance, and mobile phone contracts. Any significant rise in interest rates is extremely dangerous because of the massive amount of debt in the system and the chain of bankruptcies this could cause. It is also bound to reduce productive investment, the only investment which produces surplus value and the only way profit rates could be increased. Many capitalist critics see these moves as not addressing the root cause of the current inflationary crisis, which they claim is supply chain failures. However, whichever way interest rates travel, the working class will come out worse by losing more and more of their stagnant wages to interest payments, to higher prices, or to both at the same time, which is what we currently have. The only

means we have of resisting these forces is to organise ourselves and struggle against employers for wage rises and other concessions which lessen our burden. But never will this system, however humanely managed, work for our direct interests. Capitalism is inherently based on the unceasing extraction of surplus value from the working class. In the wake of the destruction this brings, we will see our wages cut, our skies polluted and our quality of life plummet. This decline is a result of the contradictions of the system itself and will only get worse. Even formerly sober capitalist commentators, such as financial journalist Martin Lewis, are warning of civil unrest due to such dire conditions. These events are not caused by unforeseen circumstances or regrettable errors. They are an integral part of a campaign of class war unleashed on us, as demanded by a capitalist system in crisis.

But we do not have to knuckle under and accept this! Our rulers are telling us we must accept sacrifices, to pay for Covid-19, to pay for the war in Ukraine, or to pay for climate emergency. But all these things are products of the crisis of the capitalist system itself. We should fight all attempts to make us pay for the failings of this rotting system. Instead we should demand pay rises above inflation, support the struggle with strikes, spread the struggle to the millions of workers facing the same attacks and control our struggle with strike committees and mass meetings.

But even if we win short term victories, the bosses will find ways to take back whatever we have won and demand more sacrifices. In the long term, this system which produces only for profit needs to be destroyed and replaced with a global system producing for human need. We need to fight to build a global organisation which can give a lead in this struggle.

Ukraine War — A Pivot to World War

The war in Ukraine is the most serious European conflict since the Second World War and marks a tipping point towards world war. The real basis of this barbaric war is that it is an imperialist war for strategic position between the US and Russia. What makes this war more serious is that one of the major military powers is directly involved and it is in the heart of Europe. As we point out in our May Day statement, it has solidified the alliances for a wider conflict, most significantly driving a wedge between Germany and Russia and forcing Germany to agree to rearm. At the same time, we are being told that the virtues of parliamentary democracy, nationalism and sovereignty are worth dying for, as opposed to the dictatorships of Russia and China. This is the ideology which will be used to recruit us as cannon fodder for a wider war. It was for this that Biden, in his Warsaw speech in March, warned the Western allies to prepare for decades of war!

Last century’s two global wars produced massive destruction, devaluation of existing capital and hundreds of millions of deaths. These wars were not unpredictable interruptions in the otherwise smooth functioning of capitalism. Nor were they the result of a few mad leaders. They were the result of the **normal** functioning of capitalism. The system is driven down the path to war by its internal contradictions which lead to reduced profitability and fierce competition. The two main ways that capitalists combat this are by driving down workers’ wages, which is a short-term measure, and by devaluation of existing capital, the long-term solution. The latter was brought about twice in the last century, by world war. Of course, our rulers do not go to war to devalue their own capital. They go to war to destroy their enemies’ capital, to gain

access to raw materials and to take strategic positions and markets which can increase their profitability. The result, however, is a general devaluation of capital, even in the victorious countries. The real choice today is either the overthrow of the capitalist system of production or the prospect of bombs raining down where you live — in short: revolution or war!

The only force able to overthrow capitalism is the combined strength of the global working class. The first step is to struggle for our own interests and not to take account of the so-called national interests. These only amount to the interests of the capitalist class who put profits before everything else. Already, wages are falling way behind inflation, a fall which is dramatic in some poorer countries, and this war is likely to push living standards further down. We are being told by the UK Chancellor, for example, that we must be prepared to accept sacrifices for our support for Ukraine! Not only should we not accept the sacrifices they try to impose on us, but we should not give support to either side in this war. Both sides consist of gangs of criminals (or ‘oligarchs’) fighting to control the exploitation of workers on one side or the other.

To the siren calls for nationalism coming from our rulers, our watchword must be “*workers have no country.*” The working class is international and workers have no quarrel with their class brothers and sisters in opposing countries. Our quarrel is with the international capitalist class which exploits our labour. We give the same response to the leftists who demand that we support one side or another in this imperialist war. They argue that one side is a victim or the lesser imperialist. But on both sides, the victims are the workers. There is no imperialist side worth supporting. Support for one side can

only fuel division in our class. It undermines the only route to defeating this rotten system; the unity of the working class leading to a united fight against the whole system. The imperialist war should be turned into a class war for political power.

Let’s have an end to fighting for our own ruling class, whether the aggressor or the defender.

Let’s step up our own war, the war against the daily attacks on our livelihoods and living standards. This is the only war worth fighting. Those workers conscripted to fight should attempt to foment class war as far as possible and encourage fraternisation with soldiers on the opposing side.

Turn the imperialist war into a class war!

The ICT is launching an international initiative under the banner of “*No War but the Class War!*” to bring together individuals and organisations who oppose all nationalisms and recognise that the only war worth fighting is the class war to end capitalism and its bloody imperialist conflicts. We aim to bring together today’s scattered revolutionary minorities and take the message of the need to fight back to the wider working class. Join us!

Documents for the “**No War but the Class War**” initiative can be found at leftcom.org

What We Stand For

Aurora is published by the Communist Workers' Organisation (CWO).

The CWO stands for a global society where production is for need and not profit (and is therefore sustainable), where the state, national frontiers and money have been abolished, where collective power is exercised through class-wide organisations like workers' councils. This has to mean the active, daily participation of the majority aiming for the interests of all. Only then can the world be rid of the capitalist offspring of poverty, hunger, oppression and war: we call it communism but this vision has nothing in common with Stalinist state capitalism and the old USSR.

In order to get there we are working to create a world working class political organisation — a ‘party’ for want of a better word — not a government in waiting but a guide in the struggle for a new world. We by no means claim to be that party but we do aim to be one of the elements which will need to come together in its formation. As the working class is more and more faced with the consequences of a crumbling capitalist system it will have to unite and confront capitalist power.

We are not in competition with other organisations but seek to unite on a clearly agreed political programme to prepare the way for the majority of the world’s population, the exploited of the earth, to overthrow the capitalist system and its bloody imperialist appetites.

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