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Central Organ in English of the
International Bureau for the Revolutionary Party

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International Bureau for the Revolutionary Party

The Groups of the International Bureau for the Revolutionary Party are:

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In addition, the IBRP has a presence in France. Pending the acquisition of a new address, this should be contacted through the CWO.

The PLATFORM and STATUTES of the Bureau are available in English, German, French, Spanish, Italian, Bengali and Farsi.

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Communist Review 9 - A

Correction

Regular readers will easily see that we have been able to use a superior technology to produce a better quality journal. However we have not yet sufficiently mastered this technology and the version of the IBRP statement which has been printed was taken from the wrong computer file and contains a paragraph which was specifically rejected in our discussions. The correct statement appears in *Battaglia Comunista* 9 (1990) and is being prepared as a leaflet in French. The paragraph in question is the one which begins "For workers everywhere our greatest enemy is our own state". The correct version (see page 4) should have gone on to say,

"We have to fight its war plans and preparations in every way. This means in the first instance fighting the totalitarian propaganda machines which yesterday told us that Saddam was the saviour of the West (despite his bad habits, such as gassing 4000 Kurdish civilians) whilst today he is the new Hitler who "violates all international norms". Yesterday's friend is today's enemy - please adjust your prejudices".

We apologise to our international comrades for this error.

We should also have added the address of the International Revolutionary Communists (IRK) whose platform we published and criticised. They can be contacted at

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D - 7410 Reutlingen
Germany

EDITORIAL

No sooner had the world watched incredulously as Russia's imperialist bloc crumbled than the machinations of US imperialism in the Middle East have destroyed all talk of the "peace dividend" supposedly waiting to be reaped. The US military adventure in the Gulf is not part of the "teething trouble" of a post-Yalta world peacefully policed by the United Nations. It is a portent of things to come. The new period which has opened up with the collapse of the post-2nd World War settlement is going to be one of increasing militarism, uncertainty and danger as the "great powers" connive and fight for a secure position in the "new world order" of capitalist thieves and cut-throats.

The Background: Economic Crisis

Just as the Warsaw Pact crumbled when the economic burden became too much for the crisis-ridden Soviet economy so the world's most debt-ridden state, the USA (whose outstanding debts presently stand at \$1500 bn), has had to resort to calls on Germany and Japan to share the financial burden of its latest imperialist military exploit. Behind the hypocritical talk of a new role for the UN, of the "great powers" co-operating to ensure international peace and security, a world where nations of East and West will be able to "prosper and live in harmony" [the words are George Bush's] there lies harsh economic reality. If the economic frailty of the USSR led to its being thrown out of the game as an independent "super-power", the declining economic strength of the USA has - despite its overwhelming military might - prevented it from emerging as the undisputed leader in the "new world order" of unbridled free enterprise capitalism.

It is not for revolutionaries to predict the future shape of imperialism's realignment. It is more important to understand the material forces operating behind the process independently of a Gorbachev, Bush or Chancellor Kohl. Here the tools of Marxist economic method are indispensable. They allow us to see that recent momentous events are both a response to and reflection of the deep-

ening world capitalist crisis which opened up at the beginning of the Seventies when the post-war boom finally ground to an end. While the highly centralised bureaucratic structure of Russian capitalism allowed the full force of the crisis to be suppressed for over a decade - only to have it burst out even more severely later - the US economy (alongside its European 'partners') has hitherto escaped the full consequences of its declining profitability by milking surplus value from the periphery of the world economy under the guise of development 'aid' and via its high interest rates.

However, there is a limit to the exploitation of the labour power of the proletarian masses in the periphery. Evidence that that limit is already being reached comes not just from the food riots which have become commonplace in the cities of Africa, Central and South America, but from the fact that for the last six years more funds have been returned to the "industrialised world" in the form of debt service payments than have been lent from the imperialist metropolises. (According to the World Bank the excess of what the periphery pays out over what it pays in rose from -\$9.9 bn in 1984 to -\$42.9 bn [£81.4 bn] last year). Increasingly the onus is on US capital to put its own house in order. Sooner or later it will have to face up to its declining competitiveness and the necessity to restructure its own economic base. At the same time it will continue to try and push more of the cost of its military armoury onto the more dynamic economies of Germany and Japan. This would not be conceivable without the close economic ties which have bound the economic powers of the old Western bloc - not least the links forged by the accelerating internationalisation of finance capital. It is well-known, for instance, that the US debt is financed by investments from Japan. But in a world of accelerating economic crisis the contradictions which have always been a feature of capitalism's development become even sharper and take on new meaning. Not least is this the case for the two countervailing tendencies, one towards the further internationalisation of capital and the other towards its consolidation on a national basis. This is easily recognisable in the contradiction between the growing protectionist lobby in the USA, particularly against Japanese

capital, and the contrasting growing dependence of the US economy on investment by Japanese finance capital. Not so easily recognisable (except perhaps in the UK) are the similar countervailing forces at work in the process towards an integrated European market.

The article from the CWO in this issue is intended to initiate discussion and deepen our analysis of a complex question, the answer to which cannot be separated from the role of a re-unified Germany seeking outlets for its own surplus capital in the newly-emerging "world order". Thus the article here, written by Battaglia Comunista (PCInt) while the official date for unification was being continually dragged forwards, should be seen in the same context as Europe 1992 and as a complement to it.

If the acceleration of the capitalist crisis imposes a new urgency on our analysis of the underlying forces at work in the world economy, the need for a corresponding urgency in the process towards unification of the revolutionary forces in the proletarian camp is equally pressing. In this issue we are publishing the entire Platform of the Interna-

tional Communist Group (IRK), based in Germany, in order that readers can judge for themselves the validity or otherwise of our critique. Beyond this, however, we hope our efforts will encourage the IRK comrades to take a full role in the discussions which are a necessary prelude to the establishment of the future international party whose programme will not be the monopoly of any single organisation.

Finally, a serious revolutionary journal could not be published at the moment without a statement on the situation in the Gulf and an affirmation of where the independent interests of the world's proletariat lie. The Statement included here was originally issued in August and has been the basis for the International Bureau's political agitation against the war build-up, both in our own political meetings and during our interventions in the meetings of left-wing capitalist organisations who would like to see the working class lining up in defence of Iraqi capital.

**International Bureau for the
Revolutionary Party, October 1990**

Down with Bush and Western Imperialism! Down with Saddam and Iraqi Expansionism! No to War in the Middle East!

Statement of the International Bureau for the Revolutionary Party

As the Gulf crisis shows, the end of the Cold War has not brought the end of the age of imperialism. In fact Saddam Hussein's invasion of Kuwait is a direct result of the manoeuvres of imperialism, particularly its all-powerful Western variety.

Consider the facts. In 1963 the United States' secret police, the CIA supported the Ba'athist coup to forestall the growth of the Iraqi Stalinists. The lists of Iraqi Stalinists supplied by the CIA led to the deaths of 5000 at the hands of the same Ba'athist Party to which Saddam belongs. Saddam continued this pro-Western tendency (despite receiving weapons from the USSR) by attacking Iran in 1980 at the behest of the CIA (who told him that it would be an easy victory). His stated aim was to overturn the 1975 Algiers Treaty, forced on Iraq by the USA, which gave the Shah of Iran a share of the Shatt-al-Arab waterway, but the real aim was to overthrow the West's most dangerous enemy, the Islamic Republic of Khomeini. During the war Iraq was the tool of Western imperialism.

Despite support from both the Western and Eastern blocs, which included the use of the US Navy to safeguard Iraq's oil exports, despite missile attacks on cities and poison gas on the battlefield, Iraq could only achieve a stalemate when the armistice was signed after eight bloody years of war. Stalemate, however, was what the West wanted. They had supported Saddam to prevent the emergence of a regional imperialism which would be a threat to their interests in the Gulf, particularly the supply of cheap oil. By the late 1980s they had begun to have doubts about their control of Iraq. They had already sanctioned an Israeli strike on the main Iraqi nuclear power station (in 1981). When Saddam refused to sign a peace treaty with Iran the West began to put pressure on Iraq to remember its client status. All talk of

wiping out Iraq's \$80 billions of debt, resulting from the war, was dismissed and the USA used Kuwait as a stalking horse within OPEC to keep the price of oil as low as possible in order to undermine the Iraqi effort to rebuild their shattered economy.

And make no mistake. Saddam Hussein intended to overturn the balance of power in the Middle East. His ultimate aim was to revive pan-Arabism and put himself at the head of an Islamic crusade against the Israelis. He intended to replace Pax Americana in the Middle East with a new form of the Babylonian Empire (he is having old Babylon rebuilt!).

In so doing he has challenged 80 years of domination of the oilfields by Western imperialism. The first oil concession was extorted from the Turkish Empire in 1908 and after the First World War Britain received Iraq, Jordan and Palestine (as it then was) as part of its imperialist spoils. When Iraq was given independence (and a pro-British King) Kuwait was excluded from the new country. This oil-rich enclave remained part of the British Empire until 1961 when it was handed over to the Sabah family to act as the managers for British interests. The nominal independence of all the sheikhdoms of the Arabian peninsula means that they are run for the benefit of Western oil companies. Without the oil which flows from the Gulf the economies of the OECD countries would collapse. If Saudi Arabia had also fallen out of Western control a third of the world's oil supply (outside of the USSR) would have been in Saddam's hands. The US cannot allow this to happen since it would make Iraq the real powerbroker in the region. Nor can the European powers allow this despite the differences that most of them have with the USA over oil prices. The US build-up of troops in the area is therefore not just to "defend Saudi" or even to enforce

the blockade of Iraq. It is certainly not to "restore democracy" or even get rid of a supposed drug baron like Noriega in Panama. The intention is to attack and the war aims are not to remove Iraq from Kuwait but to extinguish the Saddam threat to Western imperialist interests. When they do the death toll will be more than the 200 killed by the Iraqis when they invaded Kuwait or even the 8000 killed by the US marines in Panama. The consequences will certainly not be confined to Iraq and Kuwait.

A few years ago such a direct strategy would have been impossible without the threat of a global conflict involving the superpowers but today the USSR is so far out of the game that Gorbachev fully supports US action. Gorbachev's economic strategy depends on Western capital and he is furious that the USSR could not contain Saddam. A war could divert Western capital away from the Soviet Union. Thus Soviet officials in Washington have delivered information on Soviet missiles in Iraqi hands to the Pentagon. All this goes to show that what we wrote in January that "the world is now an infinitely **MORE** dangerous place" is absolutely true and that "...capitalism can no more divest its imperialist coat than a wolf can abandon its own skin" [*Communist Review* No.8, p.1].

What should Workers do?

Every class conscious worker must oppose imperialism in all its forms. This means rejecting any mobilisation behind any nationalist movements whether in the Arab or the Western world. It means too rejecting the advice of self-styled "socialists" and "workers' parties" who call for support for the bloody Ba'athist of Baghdad. The enemy of our enemy is not necessarily our friend. Saddam is an imperialist (albeit on a smaller scale) who has put to death thousands of Iraqi workers (not to mention the half million who died fighting on behalf of Western and Soviet imperialism on the Iranian front). Our opposition to imperialism means we must also fight their puppets in all the Middle Eastern countries, including the one who has become too big for his boots. Workers don't join in the fight to forge a new imperialist order but carry on their own class struggle to end all imperialist orders.

For workers everywhere our greatest enemy is our "own" state. We have to fight its war plans and preparations in every possible way. This means in the first instance that we demand the immediate recall of all Western forces sent to the Gulf. Second it means fighting the totalitarian propaganda machines which yesterday told us Saddam was the saviour of the West (despite his bad habits such as gassing 4000 Kurdish civilians) and which now tells us he is the "new Hitler" who violates all international norms. Yesterday's friend has been transformed into today's enemy.

Above all it means fighting attempts to impose more austerity and cuts on services in the name of the "national interest". Workers have already put up with too many sacrifices and still the capitalists can only offer rising inflation and unemployment. The capitalist crisis which has lasted for two decades is about to plunge the world into a further recession. This oil crisis, as in 1974, will provide them with the perfect alibi to explain away the failings of the system. Our response must be to ignore the lies, ignore the nationalist hysteria, and fight for a higher standard of living. No sacrifices for imperialism's wars!

The present crisis will not erupt into a Third World war. Such a danger is not yet on the agenda. But it will form part of the preparations for new alliances along which a future world war could be fought. In any case war is endemic to imperialism and war will be visited on different regions of the capitalist periphery at different times. It will not be halted by the peace campaigns of the pacifists. It can only be stopped by the overthrow of the imperialist system itself - and the only class capable of this is that which creates the wealth which gives the imperialists their power - the working class of the world.

Spread the ideas contained in this statement by discussing them in your workplace.

Order copies* to be given out wherever you can find an audience.

Step up the fight against austerity and cuts.

Join us in building a nucleus around which a future independent working class international can be built.

*Available from the group addresses.

Discussion

Europe 1992 - A Supranational Capital?

Introduction

With the collapse of the Soviet Empire in Eastern Europe the old post-war order has come to an end. The discipline of the blocs is in the process of breaking down and new forces are arising to replace them. One of these new forces is the tendency towards European integration. The further the EC progresses towards a unified market the greater the pressures for closer policy integration become, i.e., towards a supranational entity of some kind. Is European supranationalism a product of the increasing capitalist centralisation or is it a mirage, often desired but something that can never be reached? If it does take place should it be welcomed by communists and the working class as a step towards the internationalisation of their own struggles? These are the main questions posed by the following discussion text written by a comrade of the CWO. Its argument and conclusions are still part of an ongoing discussion and we would welcome any comments and responses from readers. One point is clear. Discussion of this issue is not an abstract exercise but is part of the formulation of our understanding of the tasks of the working class in the post-Cold War era.

Europe 1992 - Free Competition or Monopoly Regulation?

In the 1990's, developments in the global crisis of capitalism are irrevocably sweeping away the old certainties of the post-war era. Increasing discontinuity, turbulence and accelerating change have become permanent features. In almost every domain of the capitalist order - political, economic, social, industrial - the rules which have long underpinned Europe's internal relations as well as those of the rest of the world, are coming under mounting strain. Pressures are becoming so intense that selective tinkering with the status quo is recognised as futile. Nowhere has the sense of an approaching watershed been more apparent than in the flurry of activity and debate surrounding the plan to create a single internal market for the EEC in 1992.

Global Competition

Far from being the bold radical initiative it is trumpeted to be, the single market programme is,

in fact, primarily a response to changing economic circumstances. It amounts to a belated acknowledgment that European capital must adapt to mounting pressures generated in the 1970s and 1980s by structural changes in the world economy and international markets - or risk being engulfed by them. As the recent spate of cross-frontier acquisitions, mergers and alliances by companies in Europe show, even if the 1992 legislative programme were to grind to a halt, the economic landscape has undergone irreversible changes.

Many of the forces which have brought Europe to its current turning point have originated outside its borders and lie beyond its direct control. One of the most important of these has been intensification of global competition. This was stated baldly enough in the Annual Economic Report of the European Commission in 1984-5:

The community is now having to respond to the

challenge of an emerging inferiority by comparison with the United States and Japan, in industrial capacity in new and fast-growing technologies ... The deteriorating world trade performance of the Community in such fields as computers, micro-electronics and equipment is now generally recognised.

(Quoted in Paul Kennedy *The Rise and Fall of the Great Powers* p.613)

This particularly pronounced trend in electronics is because rapid diffusion of knowledge and technology require innovators to make ever bigger investments in production and advertising in order to safeguard their initial lead. In some sectors, notably semiconductors, the costs are becoming so high that only a multi-national organisation disposing of an enormous mass of capital can maintain the competition. In market terms it is doubtful if the whole of the Western European market is large enough to enable them to recoup such investment profitably. Consumer electronics has led the way in the process of globalisation of corporate strategies and structures. Europe was only one part (albeit a very rich one) but the process had begun before 1992 had been politically conceived. For example, under competitive pressure from Japan, Philips began in the early '80's to shift from a multinational confederacy of subsidiaries, business units, factories and products to a streamlined and more centralised global structure.

To take another example which demonstrates that the economic pressure for greater concentration of capital arose from the capitalist crisis itself, the 1988 merger of the metal and plastic packaging groups, Metal Box and the French Carnaud, confounded conventional "1992 wisdom" in several ways. First its purpose was not the achievement of manufacturing scale, on the lines of a "single plant for Europe" strategy. Second, the motivation for the partnership was not so much European as global. Third, it had virtually nothing to do with 1992 as such.

The partnership was motivated essentially by global marketing strategy: the need to serve global customers (in the first instance Coca-Cola) with worldwide arrangements on the pricing of cans.

As far as the scale of production is concerned, the preference of the multinationals militate not towards simply having one or two plants for the whole of Europe, but in favour of a proliferation of smallish local plants near the customers' factories. This is the product of the restructuring process of world capitalism in the 1980s. Huge multinationals with very high concentrations of capital but none of it concentrated too much in any single large plants. This means that any need for rapid change can be met without writing off too much capital investment (and in some cases it can be done at a profit, if local government grants are used). The old heavy national industries concentrated in one branch of production could never have conceived of such rapidity of movement of capital.

Thus whilst 1992 is being focussed on by the bourgeois media much of the upheaval of current European industrial restructuring is prompted by broader and more long-standing motives which have more to do with trends which span the global "triad" of Japan, the United States and Europe. For example, the 1988 Suchard-Nestlé takeover of Rowntrees had its roots at least as much in the inexorable economic trend towards increasingly concentrated and global industry as in the threat of EC protectionism towards the Swiss and other outsiders after 1992. For six years Suchard had been hard at work constructing a global confectionary enterprise - Rowntree was just the latest brick in its edifice. In electrical engineering the giant merger of Sweden's ASEA and Brown Boveri of Switzerland was caused only partly by the two companies' fear of EC discrimination against them after 1992. Far more significant was the decline in profit rates of the old heavy industries which had been the backbone of capitalism for a century and which thus manifested itself in the severe over-capacity which had gripped the industry worldwide for years. This resulted in a collapse of many nationally-based industries and firms. There was also the fear that either of the two companies could fall into the clutches of a multi-national competitor - whether European, American or Japanese. Countless other industrial sectors have become equally ripe for international restructuring, regardless of whatever actions may or may not be taken in 1992. The latter then would appear to be

a superstructural adaptation to an economic process already well under way, an attempt by the contending states involved to get the best possible deal for their nationally-based capitals in the face of a chronic capitalist crisis.

For US multinationals already established in Europe, 1992 is generally of less consequence in itself than the European awareness it has created among their customers and local competitors. Multinationals such as IBM, Ford, Kodak, 3M and Apple are reacting by accelerating their integration of European development, production and distribution - a process which has already been underway for some years and which gives them a head start over all but a handful of their European competitors in the exploitation of the putative "single market". To the Japanese, 1992 appears at first sight to be more of a deadline, as news of more and more Japanese capital investment and joint ventures in Europe would suggest. Japanese companies are clearly worried by protectionist moves in Europe. However, in Tokyo this concern stems more from the recent proliferation of anti-dumping suits against them than from the spectre of 1992.

Declining European Competitiveness

The old capitalist economies of Europe are heavily dependent on a comparatively obsolete and fragmented agriculture and on traditional manufacturing industries. EC mainstays have long been the Common Agricultural Policy, whose guaranteed price levels protect Europe's archaic small farmers against competition from American agricultural products (also subsidised) and from the periphery; and a range of subsidies for coal, steel and shipbuilding, designed to ward off cheaper foreign imports. Even in more advanced sectors Europe needs protection: EC trading regulations, for instance, enforce a common external tariff of 14% of imports of semi-conductors. A major impetus towards 1992 has come from the continuing decline of European competitiveness in the world economy and the consequent need for tougher measures with which to insulate the EC from more dynamic capitalist economies.

Part of the purpose of the Treaty of Rome signed by the six original EC members in 1957, was to strengthen trade within Europe. In the booming '60's this European trade grew still further in significance compared with exports elsewhere. By 1985, 54% of a much expanded EC's exports went to other EC countries and a further 12% to the rest of Western Europe; only 10% went to the USA and just 1% to Japan.

For all the importance of intra-European trade, in the early '80's it failed to expand as rapidly as overall world trade. Further, it proved unable to import to Europe the kind of growth it had done in the '60's. The result has been that, on every measure, Europe has fallen behind America and Japan¹. The EC is also in the "wrong" industries. Between 1979 and 1985 its share of OECD exports rose 2% in sectors like metals, minerals, construction materials, textiles and clothing - sectors which enjoy only one per cent rates of growth in demand a year. But in sectors of high growth (6% annual increase in demand) - i.e., in electrical equipment, information technology, office equipment, chemicals and pharmaceuticals - the EC lost nearly 3% of its share². Likewise, in 1986, Western Europe ran a \$14bn deficit in electronic products, one which it is reckoned will reach nearly \$30bn in 1992³.

Europe's declining competitiveness is particularly apparent in expanding "sunrise" industries which require a high level of spending on research and development (R&D) and new technology. It is in these sectors that 1992 is aiming for the creation of Euro-sized firms that can and have to compete on the world market. Despite its "smoke-stack" associations, the international automotive industry represents a sunrise sector of manufacturing. It depends on product innovation, robotics and more and more on electronic components. Here however Europe is in some difficulty⁴:

World Vehicle Production (table 1)

	1946	1970	1985
USA	79%	28%	26%
Japan	0	18%	27%
Western Europe	13%	40%	28%

According to the assessment of the president of General Motors Europe, it would be mainly the Japanese who would benefit from a unified single market in which national restrictions on Japanese car imports were lifted. The Japanese share of the European new car market could rise to as much as 30% from the current 11%, threatening about 10 big assembly plants and as many as 300,000 jobs in Europe.

The story in R&D runs along similar lines. From 1977 to 1983, the EC's share of industry-financed R&D in the capitalist world dropped from 35% to 30%. Per head, private R&D in the EC grew consistently from 1967 to 1983, but has lagged behind US and Japanese figures since the mid '70's. The EC spends 1.9% of its GDP on R&D, compared with 2.6% for Japan and 2.8% for the US. European R&D is less than American even when defence based expenditure is excluded and it is also more state subsidised⁵. In some high-tech sectors it is true that Europe retains a strong position. However, the EC will only spend £320bn on research in the five years to 1991, a long way in per capita terms behind the £700bn planned by the US and £230bn by Japan⁶.

Overall, Europe's laboratories are slipping behind.

In certain key markets, especially consumer electronics, European industry has largely been outwitted and outmanoeuvred by the Japanese and no European computer maker comes anywhere near the success of the US corporations like IBM and DEC. Against that, however, European companies in the electrical-electronic industry (in concrete terms it is pointless separating these two), hold two thirds of the total European market, with the US having about one sixth and Japan less than an eighth. Individual companies hold important positions in the global market - France's CGE is number two in telecommunications equipment, Philips is equal first with Matsushita in televi-

sions, Siemens and Philips are numbers two and three in medical electronics. The world's top 30 is split equally between US, Japanese and European companies, although collectively the Europeans have the smallest third.

However, European dominance has often been due to preferential treatment from national governments, in other words they have been kept competitive through various forms of state capital injections. Moreover, that dominance tends to be in the low growth (or even negative growth) segments like telecommunications rather than in the more promising consumer electronics markets. As a consequence most of the leading companies are unhealthily dependent on their home markets. As Table 2 shows, only the Scandinavians, Ericsson and Electrolux, and Philips of the Netherlands, have substantial sales outside their home countries. This is the inevitable result of the conflict of individual national capitals. Each country has promoted its own one or two domestic champions, e.g., in the UK, GEC and Plessey in the heavier end and ICL in computers. The GEC/Siemens bid for Plessey is evidence of a transformation whereby the Europeans are gearing up to

Table 2⁷

Company	Sales (£bn)	Percentage in Home Market	Percentage in Europe
Siemens	16,627	49	76
Philips	14,425	7	61
CGE	11,505	43	76
Electrolux	5,930	23	62
Thomson	5,681	40	67
GEC	4,318	52	64
AEG	3,467	51	77
Olivetti	3,106	40	80
Ericsson	2,849	23	72

take on the might of the US giants. They may however be caught in a trap, too big for their national markets, but too small globally.

Merger Mania

In drafting the Single European Act, the EC provided not just for the freer circulation of commodi-

ties, but also for the easier building of large enough companies to serve as a riposte to global competition. By encouraging the centralisation of capital - mergers and takeovers - both within and across national frontiers, 1992's partisans hope to build a "leaner, fitter EC". By means of a "competition policy" run from Brussels which waves through each new merger (£25bn worth in '87/'88 in the high-tech sector alone), the EC hopes to acquire the "critical mass" sufficient for it to become a profitable "global player" in the market triad of North America, South-East Asia and Europe itself.

Last year in the UK alone, 850 companies acquired a total of 1,125 others involving assets of £15.4bn (a mere eight of these were referred to the Monopoly and Mergers Commission). There is much discussion about the spread of "merger mania" across the borders of Europe. But what enthusiasts for 1992 take as a sign of increasing unity and dynamism on the part of the EC in fact reveals quite a different picture.

Between 1986 and 1987 the number of cross-border deals in the EC rose from 227 to 303. But two main sectors in which cross-border mergers were prevalent - speciality chemicals and food and drink - show that these mergers denote not growing strength but weakness. Of the 303 deals made in 1987, no fewer than 71 were in speciality chemicals. Yet in Europe this is a sector which can only survive through illegal price fixing cartels. Similarly in food and drink, mergers are a measure of desperation no a reflection of "Euro-dynamism". Of 46 top European food firms, only half have strong brands outside one or two countries⁸. In this sector as in many others, an insufficient mass of capital is threatening the viability of the nationally fragmented companies amongst whom competition is intense.

Though it is true that mergers within national limits are today often undertaken as springboard to wider European operations, it is striking that national mergers are more than double the number of cross-border ones. What is more, a large number of these EC cross-border mergers revolve around services. This can be seen in some of the names involved: Italian media magnate Berlus-

coni; French insurers Compagnie du Midi; retailers La Redoute; water utility Lyonnaise des Eaux; Deutsche Bank; the UK's NatWest, BUPA and hoteliers retailers Mountleigh.

The fundamentally hidebound, low-tech and superficial character of those sectors prone to merger mania in the EC only serve to highlight the sclerosis of European productive capital. Europe has caught the American disease of "short-termism": the use of money capital, not for productive investment but for speculation. (On the foreign exchange markets which today see a turnover of a staggering \$180bn per day, only about 20% of that daily business is concerned with paying for imports and exports - the rest is speculative.) Given the choice between a long slog to improve low profitability factories and snapping up a foreign food or service concern, stripping it of its assets and selling it for a quick profit, EC firms are more and more taking the latter option. This trend converges with another - the fact that, in mergers as with joint ventures and foreign direct investment, EC companies prefer to consort with America and Japan than with each other.

Though the number of EC mergers with non-EC companies is small, EC-US tie-ups tend to involve much larger sums of capital. For example, FIAT has spent \$300 millions buying up US insurers, Firemen's Fund, and Pirelli paid \$200 millions for American Armstrong Tyre. Europe to America mergers tend to be very large in scope and the UK's conduct helps throw this into perspective. The average UK acquisition in Europe is worth only \$10 millions. In 1988 UK firms spent £2.6bn on companies in the EC, double the amount for 1987 - but nothing to compare with the \$32bn they spent in the US in each of these two years⁹.

When we look at foreign direct investment, it is clear that America, not Europe, is the preferred target of EC finance capitalists. In 1986, EC investment in the USA amounted to \$106bn - more than 60% of total EC foreign investment. Prospects within the EC are not nearly so alluring. Even in the case of German investment in Britain, the cumulative total of overseas assets amounts to but £3.6bn¹⁰.

The moribund nature of European capitalism, then, makes a "fortress" of merged high-tech Eurofirms unlikely. The ruling class in each of the separate EC states has woken up rather late (despite warnings for over a quarter of a century) and only the crisis of the last fifteen years or so has led to a new will to amalgamate. The increasing concentration of capital which has led to the growth of vast financial and multinational conglomerates has largely passed the EC states by. The world's top ten banks, for example are all Japanese. Even the intensification of the present crisis at the end of the seventies did not bring about a unified response from EC member states. The British bourgeoisie went down the kamikaze path of abandoning much of its manufacturing base and privatised the rump in the hope that it would become more attractive to international investment (made still more attractive by the end of many of the financial controls intended to maintain investment in British manufacturing). The French remained true to their "dirigiste" traditions by going for state directed restructuring which allowed international financial independence to nationalised industries whilst paying for massive unemployment at home. The Italians also went in for state-sponsored investment whilst the stronger-placed West German bourgeoisie went for strict monetary controls. All these different strategies have made the onset of 1992 less significant. What is more significant is the movement towards capital concentration on a global level, transcending the individual capacities of the European national states. And, as the figures indicate, not even the new supra-national state capitalism of the EC will be able to hold out against the invasion of the US and Japanese capital. Given the parlous condition of the Western European economy the only policies which hold the EC tightly together are those directed at the other two members of the global capitalist triad.

The EC's Relations with the Rest of the World: Protectionism against: 1) America.

In 1951 the precursor of the EEC, the European Coal and Steel Community, came into being with the full support of the USA. For US capital the

development of a "common" market in Europe was not seen as a threat but rather as a necessary rationalisation and breakdown of petty trade barriers in a market revived by US aid essentially to provide an outlet for US manufactured goods. Given the post-war dominance of US capital and the dependence, in large part, of European capital, the possibility of the EEC developing into a serious contender with US capital was ruled out. This, especially since the Treaty of Rome (1957), specifically excludes any independent discussion on defence and security.

Thus, up until very recently, the US has done nothing but welcome moves towards further West European economic integration. Even now no criticisms are officially voiced but two important factors, each linked to the development of capitalism's global crisis, are leading to a more ambivalent attitude on the part of US capital.

The first is the decline of American capital itself and the undermining of its once unassailable economy. Although the US is still far stronger than the EEC its manufacturing industry is also facing a profitability crisis and declining competitiveness.

Nevertheless, the US (like Japan) already operates extensively within Europe and it is doubtful to what extent 1992 will be able to provide a genuine protection of European owned industry. While Brussels is still debating the dimensions of the common external tariffs that will emerge after 1992, sales from US multinationals operating on EC terrain are already six times higher than direct US exports to the Community. While product standards can no doubt be drawn up to exclude American and Japanese goods, "mutual reciprocity" of technical standards within the EC - a key aspect of the 1992 programme will make life easier for every high volume producer outside Europe. US giants such as IBM, Digital, Texas Instruments, Xerox, Ford, Caterpillar and Black and Decker already treat the whole of Western Europe (and increasingly the East - viz Ford's plans to build a major new plant in Poland) - and not just the EC - as a single target. US companies are much more spread across Europe than are equivalent European companies. In food and

drink, e.g., Coca Cola, Mars, General Foods, Heinz, Kellogg, RJR Nabisco and other US concerns account for 17 of the EC's top 20 companies.

Yet because of their possibility of being locked out of "Fortress Europe", with tougher import controls, the US has stepped up its presence within its walls and annual investment in the EC by US companies rose by 40% to about \$20bn between 1986 and 1988. Fortress Europe already looks like becoming a Trojan horse for the more efficient producers of the US and Japan.

There has been a lot of fuss recently about "trade wars". Disputes about hormone treated beef and other commodities (steel, citrus fruit, spaghetti) involve in total a mere \$440m against a total US/EC trade flow of \$160bn. So obviously such "furores" have to be seen in perspective. Such conflicts, however, are emblematic for much bigger rows over manufactures. The relative decline of US capitalism as a competitor on the world market means that it will inevitably attempt to solve its massive deficit problems at Europe's expense. With US exports worth an unprecedented 14% of GNP and those to the EC worth \$53bn as against \$45bn to Canada and \$26bn to Japan, every last dollar exchanged with Europe is being made to count. After stagnating between 1980 and 1983, world exports rose by 20% between 1983 and 1987. Yet these figures apply to trade volumes: the value of world trade is actually declining at present¹¹. In these circumstances the US, a major exporter, has no choice but to make Europe pay for its own crisis.

Hence the US's rather blatant demand to be given a seat on the EC's top 1992 negotiating tables. The US wants the EC to import more manufactures from capitalism's debt ridden periphery, to ease the US's political position there; open up its telecommunications markets for US concerns to penetrate; stop complaining about Boeng aircraft being unsafe and instead end the \$10bn of subsidies enjoyed by Airbus Industrie, the loss-making European aerospace consortium; and to pay more for policing the planet in the name of global capitalism. For all Reagan's free-trade rhetoric, US protectionism rose rapidly during his two terms in office. For its part the EC cannot live

without the USA. But there are increasing cases of EC hostility to US dumping and demand that the products of EC based US multinationals meet exacting levels of "local content".

The other factor in US ambivalence towards 1992 is the collapse of the Eastern bloc. We cannot go into details about this complex consequence of the deepening economic crisis. However, the sudden apparent boost in potential for capital accumulation in the EC based on investment in the old Eastern bloc countries as they "open up" does give weight to the

possibility of Western Europe (or even Europe as a whole - Gorbachev's "European home") developing as an alternative economic power to the USA rather than as an appendage to it. Whether that possibility can ever be realised is another matter. Despite the EC lead in setting up a bank to fund development in Eastern Europe the enormous amount of surplus value which capital restructuring there requires precludes the EC in general acting towards Eastern Europe as the US was able to do with Marshall Aid in Western Europe after the war. In the short-term the US need not worry about competition from an EC "bloc". In the longer term, however, the US is expecting to have to face strong competition from a reunified Germany - and with the bulk of West European states in tow. Even before the Berlin Wall came down West Germany's increasing trade links with the Eastern bloc were a source of concern in Washington. The hawks argued that German exports, in which factory automation equipment figures prominently, were freeing Soviet resources for arms modernisation. They pointed out that, by contrast, US exports consisted largely of grain. They criticised the offer of \$1.7bn worth of credits by a consortium led by Deutsche Bank, even though this was aimed at the modernisation of the Soviet consumer goods industry. For them the fact that 70% of all violations of Cocom rules were attributable to West Germany, Austria and Switzerland were part of a pattern. West Germany became increasingly aggravated by US interference. In the short term it sought to bolster a flagging economic growth by trade with the East; the long-term goal of reunification has appeared in sight faster than was ever imagined. "Fortress Europe" against America then is one in which

both sides find economic differences spilling over into confrontations of much wider political significance.

It is impossible to predict how far strengthened German economic power will be the motor and umbrella for West European growth. Certainly the gloating which initially accompanied West German capital's takeover of the East is now tempered by realisation of some of the costs of restructuring a clapped out and backward infrastructure. As with perestroika in the USSR, much depends on how much the working class in East Germany is prepared to take. If they don't acquiesce in their allotted rôle as a pool of cheap labour the advantage to German capital of a wider industrial base and "economies of scale" will be offset by the cost of labour and welfare payments to the unemployed.

2) Against Japan

By comparison with the US, trade with Japan counts little with the EC:

Two-Way EC Trade, 1988 (\$bn)^(Table 3)

Japan:	55 (of which 40 is Japanese exports to the EC)
USA:	145
EFTA:	200 ¹²

While Japan is at present a much smaller force in the European economy than the US, its influence is growing fast especially in high-tech sectors. Today's press is full of reports of Japanese direct investment in the EC. In electronics, Fujitsu has decided to set up a \$100m wafer fabrication facility on Wearside, and Toshiba and Hitachi - Japan's second and third largest chip-makers - have plans to follow the industry leader, NEC, into the EC. Toshiba has already promised to build Japan's first computer factory in Europe, producing laptop machines at Regensburg in West Germany. Toyota, Japan's biggest car-maker, is to open its first European car plant in Derbyshire. Between 1986 and 1988, Japan's annual figure of investment within the EC has doubled - now standing at \$6.5bn p.a.

Europe is often more hostile towards Japan than it is towards the US. Although companies like VW, Philips, Siemens and GEC/Plessey have announced some important deals with China, the EC is generally on the defensive in Japan's backyard: it invests only about \$1bn there. But against EC-bound exports of Japanese photocopiers, typewriters and weighing scales, Brussels regularly levels charges of "dumping". Last year draft plans were drawn up to limit Japanese car imports into France and Italy. Renault and Peugeot were in the forefront of the fight for this measure - relatively weak car firms. In addition more and more major EC employers have spoken out against European governments subsidising Japan's creation of a few highly capital intensive jobs around what are derisively termed "screwdriver assembly plants". They contend that, by aiming to cut manufacturing unemployment with the aid of Japanese owned green-field factories that are reliant on Japanese-made components, the EC has given Tokyo an excellent weapon with which to get round protectionist barriers to its imports.

Such is the penetration of Japanese commodity exports and production facilities around the world, however, that EC unity against Japan is easier talked about than enacted. For all the Twelve's antipathy to "screwdriver plants", there is intense competition among EC states to attract them. Only

7% of Japanese cars sold in Europe are built there. But what Renault, Peugeot and Fiat all fear is that the unrivalled productivity of Japanese plants in Europe could help Japan double its share of the \$180bn European car market to 22% - and allow it still to meet local content provisos¹³. This is why Fiat's managing director called for a "European defence policy" (i.e., an extension of the Italian state's policy) in March 1989.

3) Against the Capitalist Periphery

Whereas Europe has its back against the wall economically, in relation to the superiority of the US and Japan, it pursues ruthless policies against the periphery - policies that have catastrophic ef-

fects for the poorest producers of primary produce. The Common Agricultural Policy costs exporters from the "developing world" twice as much as they gain from EC "aid". As the big banks bleed Latin America dry - despite the loss-making "moratoria" on debt repayment - the periphery finds business with the EC tougher than ever. Between 1981 and 1987, exports to the EC from Latin America stagnated at \$35bn and \$25bn respectively, and the rise in Asian exports from \$25bn to \$40bn was outweighed by the drop in those from the Middle East, from \$80bn to \$35bn¹⁴.

For the periphery, 1992 spells a further restriction of its export opportunities. Indeed, while Brussels accuses peripheral states of dumping, the CAP subsidies allow EC farmers to dump their products around the planet - at the expense of the weaker capitalist nations. 1992 can only mean exploitation and redoubled oppression for the workers of the backward capitalist countries: the EC is beginning to hit out at Argentine farmers and has taken anti-dumping measures against Brazilian steel and fibres; bananas, sugar and rum, which provide some Caribbean state with 90% of their foreign exchange earnings, are also in the firing line; policies are being framed to contain the competitive threat of those newly industrialised South-East Asian countries especially those where Japanese-owned firms export components to their compatriot companies based in Europe, e.g., they want to stop Asian small screen colour TV's and have recommended fines against South Korea's Hyundai for charging unfairly low freight rates.

Although capital is flowing more and more widely around the globe and patterns of investment can be altered more rapidly than ever before, the last twenty years has seen a significant shift in international trading patterns away from a transatlantic to a transpacific pattern of trading specialisation¹⁵. Out of a total world trade, transatlantic trade fell from 13.1% in 1970 to 8.7% in 1983 while Pacific Basin trade increased from 10.2% to 14.2%. This trend if it continues (and it can only be reversed by both a massive attack on the living standards of the European working class and the adoption of more high tech industry) does not augur well for European capital and can only mean additional pressures. The drive towards a greater European

integration, then represents, not a progressive development of the international division of labour, but is essentially an enforced concentration, economically and politically, of European capital in relation to global pressures from a number of quarters. Out of the "Euroclerosis" of the early '80's emerges "Fortress Europe". On its battlements we can already discern the flags of Eurochauvinism.

State Aid or "Free Competition"?

Mutual recognition in product standards may boost intra-European trade, but as a tool with which to beat US and Japanese competition it will have limited efficacy:

*No amount of mutual recognition will...enable a three-pin electrical plug to fit into a two-pin socket. Mutual recognition will not by itself establish the kind of European wide industrial standards needed to create the economies of scale that would be offered by Community-wide industrial standards.*¹⁶

It could take decades to fully harmonise EC standards, the authors of this extract continue. They suggest that progress in the EC's £17.54bn telecommunications market will be "slow and patchy". Technical standards for the Twelve's £70bn construction products sector "will not be ready by 1992". New EC-wide pharmaceuticals tests and certification procedures for the Community's £18bn pharmaceuticals market will also not be ready.

Free trade, so-called, within the EC, is not just a matter of technical standards. It has become at the same time a question of liberalising public sector procurement - something which alone accounts for 15% of the Twelve's GDP. Opening up public procurements reflects the desire of hard pressed EC states to minimise unnecessary state expenditure. Yet, despite paying lip service to the liberalising of markets, progress towards an open, pan-European market is as slow as it is with standards. Despite various directives and white papers, nationalistic purchasing policy and a wasteful plurality of monopoly suppliers are still the rule in

pharmaceuticals and railway stock, and, more significantly, in telecommunications, shipbuilding, aircraft, mainframe computers and energy.

vided by the Federal Republic's Länder, are particularly generous and are jealously guarded against Brussels interference. State aids are also widely

Some liberalisation in the EC's £5bn market for telephone exchanges is possible, dominated as it is by 11 EC suppliers selling

seven different systems. But for any member of the Twelve, to lose the ability to extend and maintain its state telephone network would be to forfeit a large chunk of its national capital. And, as with merchant marine, aerospace, information technology and energy, these are sectors intimately linked with the structure of national capitals. Untrammelled free trade within the EC implies that state aids enjoyed by uncompetitive national producers must decrease, if not be cancelled altogether. But this seems more of a white paper ideal rather than a practical possibility. The EC Commission was successful in forcing a cut in government subsidy to British Aerospace, as a condition for its takeover of Austin Rover. But the amount involved - £250m - was relatively small, and indeed the sum total of state aids barred by the Commission in 1987 was less than double this¹⁷. BAe will go on enjoying "state aid", in the form of government defence contracts.

Table 4

Over 15%:	Belgium
Between 10% and 15%:	Ireland
Between 5% and 10%:	France, Denmark, and Italy
Between 2% and 5%:	West Germany, Netherlands and Greece

used to prop up overcapacity in steel. In 1981, state aid as a percentage of industrial output was as in Table 4.

Of particular interest are the figures for German manufacturing, whose relatively standardised products are traded very intensively in the EC, as is shown in Table 5.

National standards, public procurements and state subsidies are three phenomena that underlie the contradictory reality for contemporary European capitalism. The dream of a "Fortress Europe", an economic super-power to challenge the world comes up against a historical problem - that capitalist competition has been fought out by rival nation states. For all the internationalisation of the world and European economies, the national "public sector" still plays a vital rôle in shoring up manufacture. Despite the talk of "free markets"

Table 5: State Aid to German Manufacturers, 1984 (DM bns)¹⁹

Electrical Engineering	2
Steel	2
Mechanical Engineering	1.8
Food and Drink	1
Aerospace	0.7
Textiles, Clothing	0.3
Total	13.5 (7% of manufacturing investment)

little progress has been made in rein-ing back state intervention. Indeed, EC-wide national state intervention, financed by corporate taxes which drain corporate profits, has largely forced capitalists into raising their prices causing the average rate of inflation in the EC to rise to about 5%. It would appear that the expanded role of the state in the capitalist economy in the post-war period, and in particular since the onset of the crisis in the early '70's, serves as a significant barrier to closer

European integration.

France, for example, often refuses to even declare its state aids to Brussels¹⁸. In West Germany state aids are rising: subsidies to car producers, pro-

In the EC, the proportion of member state's GDP's taken by public expenditure climbed significantly

from the '70's:

Since 1982 the weight of public expenditure in West Germany has been "rolled back" - but only by 2%. Indeed the major trend for the eighties has been for state-provided benefits, a key part of state expenditure, to grow throughout the EC. Between 1970 and 1983 state benefits rose from 18% of the EC's GDP to 27%. Since '83, state benefits have grown alongside rising unemployment and an ageing population. Europe remains in many senses, then, a collection of national welfare economies. The state and its economic tentacles within each national capital is not so easily dismantled even by the most ruthless Brussels deregulator.

It might appear that the growth of the EC budget discloses a trend away from national public sector support and, instead, towards supranational dispensations. To what extent is the EC assuming the rôle and profile of a supranational superstructure akin to that of a national state in relation to a national capital?

Table 6: Proportion of GNP Taken by Public Expenditure²⁰

	1973	1982
UK	41%	46%
France	38%	52%
Italy	38%	55%
West Germany	40%	50%
EC	40%	51%
US	31%	35%

Since 1980, the EC's budget has risen from about Ecu 15bn to about Ecu 40bn. However, much of the increase has to do with the enlargement of the EC: as a proportion of the Twelve's GDP, Brussels expenditure has just topped the 1% mark. Under the 1987 "Framework" programme for industrial research, Brussels put aside less than £1bn a year until 1991. Compared to the billions lavished on R&D by individual member states, this is a tiny amount. The powers of Brussels are generally overestimated. The Commission employs 11,000 staff, the Council of Ministers 2,000, the Parliament 3,200; in total, EC institutions have the social weight of, say, local government in Edinburgh. Proposals to increase EC revenues

over the next few years involve about 1.5% of the overall tax revenues of the Twelve by 1993. Clearly the Brussels apparatus of the EC lacks, as yet, the financial/political clout to override the various national antagonisms.

Because their industries are particularly vulnerable to US/Japanese competition, France, Italy and Spain are enthusiastic supporters of protected markets. But West Germany, the EC's biggest and strongest economy is not. Its export profile is too global, its fear of retaliation too great for it to back aggressive measures against non-EC countries. On the issue of trade, Britain sides with West Germany. The UK's massive volume of capital export makes it vulnerable to any general increase in protectionism. However, when it comes to East/West trade, Britain is at odds with West Germany, supporting the US position. The billion dollar trade deficits run up by Britain, France and Italy confirm that the forces of divergence over EC trade policy are greater than those of convergence. On the issue of the freedom of movement of capital, the Twelve are again divided. For economies like France and Italy, unimpeded capital mobility spells danger. They fear that their economies will suffer capital flight, ballooning budget deficits and soaring interest rates.

Monetary Integration

As more countries follow Britain's 1979 initiative in abandoning exchange controls, volatility on the stock and money markets is bound to increase. As with fiscal, trade and merger policies, there are sharp divisions of attitude within the EC on how to confront the danger of financial chaos. But first we need to establish how far down the road of monetary integration the EC has already gone.

Founded in 1979, the EMS (European Monetary System) allows the currencies of all the Twelve except Spain, Portugal and the UK, to fluctuate by up to 2.25% on either side of centrally agreed exchange rates. Unlike the currency "snake" that preceded it from 1972, currencies in the EMS fluctuate not around the dollar but around the Ecu. The latter is defined as the sum of fixed amounts

of all the Twelve's currencies excepting the peseta and escudo. The amounts are computed on the basis of the distribution of trade with the EC, the size of member states' GDP's and the percentage of those GDP's absorbed by trade in each member state. A degree of stability is further ensured by the intervention, from financial reserves, of eight central banks, led by the West German Bundesbank. Since the Deutschmark (DM) is the dominant load in the Ecu, in practice the EMS is a system that keeps most of the EC currencies tied to the DM.

Commentators attribute many successes to the EMS. The eight currencies have seen their variability against each other halved between '79 and '85, a period in which the variability of the pound and dollar against the eight EMS currencies rose; both interest rates and inflation have fallen over a similar period and growth rates have been equalised. Over its ten year lifespan monetary coordination has grown, there being more mutual agreement on central rates of exchange and at the same time a growing convergence in economic policies. The relative stability of the EMS's members' exchange rates has done much to make trade and cross-border investment within the EC a more predictable business.

Private Ecu deposits are growing. On the banking market, reinvestments in Ecu soared from 6.7bn in December '82 to '75.1bn in March '87. At 2% of international banking assets, the Ecu is ahead of the pound and all other non-DM EC currencies. Further, the Ecu has recently become a popular currency in which to denominate Eurobonds²¹. The use of Ecu however is not confined to financial institutions. Since 1980, France's vast steel and glass concern, St. Gobain, has used Ecu for both internal and external transactions, and, as for Italy, more than 25% of its foreign trade is denominated in Ecu, and Fiat, which has 250 overseas subsidiaries, uses the currency as a hedge against exchange risks in foreign countries. The Bank of Tokyo also favours developing the Ecu, believing that it will assist in maintaining the international currency system should the dollar fall precipitately. Overall, in capitalist terms, there have been some relative successes for the EMS and Ecu, but to what extent do these provide

a basis for the kind of monetary integration needed to weather the storms ahead?

At bottom, the EMS has to be seen as a symptom of Europe's integration, not a cause. The smoothing of European exchange and interest rates has much more to do with the pivotal rôle of West Germany than it has to do with the powers of the EMS "parity grid". In the EMS it is the DM that works as the main reserve and intervention currency. As for the Ecu its significance is largely confined to private capital markets. To attribute a drop in EC inflation rates to the EMS is to explain a development in production - the slower growth of commodity prices - by one in circulation, namely the stability of currencies. This is to turn reality on its head. In fact the relatively successful attack on inflation represents a successful attack on the working class. Inflationary Belgium, Italy, France and Denmark won realignments of their currencies in the EMS as a condition of their ability to freeze or de-index wages.

The convergence of EMS members' growth rates to 1.8% between 1979 and 1986 shows that not only did they gear themselves to Germany's low rate of inflation, but also to its sluggish performance. A 1.8% annual growth rate was lower than that achieved by the rest of the world. Only West Germany's burst of growth in '88 deterred France and Italy from complaining too much about the effects of the Bundesbank's continued policy of deflation. Any future rapid growth of the German economy, however, would bring further problems to its uncompetitive rivals. German expansion means rising German trade surpluses and these in turn mean a stronger Deutschmark, a greater rôle in the EMS at the expense of other participants, and inevitably - fresh EMS currency realignments. So long as the US continues to run a massive trade deficit, downward pressure on the dollar will make the DM appreciate, to the detriment of EMS participants outside West Germany. On the other hand, to the extent that the US Federal Reserve Bank continues to preserve the dollar by raising interest rates, Germany is likely to follow suit - again hurting its EMS allies. The EMS, then, is incomplete and compromise-ridden. (Italy and Belgium both require special exchange rate dispensations and *The Economist* (20th May '89)

envisages after July 1990 the possibility of a "far less rigorous EMS".

The UK and the EMS

"Is it conceivable that the British ruling class would not only be willing to associate with European companies but would also agree to relinquish national sovereignty so as to allow the emergence of a new supranational state in Europe?" This was a question posed by Mandel in his 1968 book *Europe versus America?* at a time when the value of goods exported to the US from the UK considerably exceeded those exported to Western Europe. But today with the UK much more closely interlinked to Western Europe whilst at the same time being the most porous of the advanced capitals in relation to international finance capital, the answer to this question must be "yes". With potential new economic/political realignments in central and Eastern Europe, Britain's pro-Atlanticism and measured stance from the EC mainstream could leave her out on a limb.

All along the route to a closer European integration, the British bourgeoisie has been lukewarm or recalcitrant in its response. In 1951 they failed to participate in the European Coal and Steel Community, leaving UK heavy industry without equal access to the EC market. In 1957 they sat out the negotiations on the Treaty of Rome and eventually had to accept a Common Agricultural Policy inimicable to British capitalist interests. In 1978 the UK refused to join the EMS, largely at the behest of City finance capital. But British trade with the EC is growing and, given that the CBI (manufacturing capital) is increasingly looking to Europe and that the perception of leading City figures is that it would be a grave mistake not to participate, the fate of the Thatcher clique in government depends on their ability to deliver closer integration with Europe on terms that are politically acceptable to all the factions of the ruling class. This is what is behind the will she/won't she debate over British adherence to the EMS and which also led to the sacking of the loyal Thatcherite Minister, Nicholas Ridley in the summer of 1990, for his anti-German and anti-European outbursts in *The Spectator*.

However, any move by London to join the EMS would have a destabilising effect because of the volatility of sterling. If any country has lost economic sovereignty it is Thatcher's Britain. Everyday international financial markets exert more and more pressure on the pound. And the world-wide distended character of British overseas investment means that tying the £ to the DM is a difficult option for the British ruling class. Inside or outside the EMS, given that the UK is almost entirely exposed to the vagaries of the world economy, there are no avenues of escape for the British ruling class. UK manufacturing is hopelessly underinvested for taking on the giants of Europe. Its infrastructure is antiquated and quickly clogging up its commercial arteries. If the rest of the EC moves towards closer monetary integration - preceded by a concentration of its productive base - UK manufacturing threatens to be torn apart by the experience. At present, if the UK's costs get hopelessly out of line with the rest of the world there is the option of devaluation. This will be a boost to more inflation. With a single European currency Britain will stand in relation to the EC in much the same way as Liverpool does to the UK now.

A confidential report presented to the European Commission²² warns of the loss of up to two million jobs in the first year of the 1992 single market. This means that no less than half of all industrial employment in the Twelve "is seen to sensitive to the impact of 1992". "European industry is heading for a drastic and painful restructuring which will lead to the disappearance of many companies" writes another *Financial Times* report, "in the next ten years" (according to the former chairman of ICI) "more than half of Europe's factories will be closed and half its companies would disappear or be absorbed by mergers". The message for the working class is therefore clear: the "harmonisation" of 1992 will almost inevitably mean a greater harmonisation of redundancies, speed-ups and factory closures than it has experienced in the '80's - a more centrally planned and co-ordinated attack on its living standards throughout Europe. Among the sectors considered most vulnerable are "competitively weak industries" - such as pharmaceuticals and consumer goods where changes in the distribution

system "could be considerable".

The unity of the European bourgeoisie will be most obvious in the unity of its efforts to repress the class struggle in the wake of a forthcoming response to the decline in the material conditions of the working class. "Free movement of individuals" and the abolition of frontiers in 1992 is a smokescreen which hides the real plans of the ruling classes. The internationalisation of European capital is a form of defence against the rest of the world, not a step towards a more peacefully accumulating capital. It will declare new trade wars on its global rivals and on the peripheral capitalist countries. But above all it will fight an undeclared class war against the entire European working class. This can only be fought by the internationalising of the workers struggles. Strikes across national boundaries against "Monsieur Le Capital" are as Marx remarked "a more serious way of getting rid of national prejudices than peace declamations from the lips of bourgeois gentlemen".²¹ But as he recognised this is only the lower form of the class struggle. Ultimately strikes across national frontiers must lead to the formation of an organisation of class-conscious workers to combat the power of an increasingly internationalised class enemy. It is this task which the International Bureau for the Revolutionary Party has dedicated itself to.

Footnotes

¹Between 1980 and 1987 the EC's Gross Domestic Product grew by only 12%, compared to 19% in the USA and 27% in Japan. Investment rose by 4% against 30% and 31% respectively in the USA and Japan; productivity figures

show the same disparities: 24% versus 29% for the EC's rivals. Employment growth was negligible, while jobs in Japan spread by 6% and in the US by 14% (Henly Centre for Forecasting, *The United Markets of Europe*, vol. 1, June 1988). An underlying rationale for 1992 is that the EC has had to turn inwards as its exports to the USA and OPEC countries have declined.

²Henly Centre, *op cit*.

³"Who Turned Out the Lights", *The Economist*, 4th February 1989. Western Europe has only 11% of world trade in semiconductor and in memory chips it is even lower: 4% against 23% for the US and 69% for Japan.

⁴Source: M.Pemberton, *The World Car Industry to the Year 2000*, EIU, September 1988.

⁵"Is Western Europe losing the technological race?", *Research Policy* no 16, 1987.

⁶See "The Importance of Critical Mass", *Financial Times*, 7th April 1989.

⁷Source: Nomura; *Guardian*, 1989.

⁸*Financial Times*, 3rd June 1988.

⁹J.Grant "Beware the last train out of town", *Acquisitions Monthly*, February 1988.

¹⁰*Times*, 17th December 1988.

¹¹See chart in *Financial Times*, 1st December 1988.

¹²Source: J.Dekers, "Second Thoughts about Europe 1992", *Time Magazine*.

¹³See J.S.Lubin, "Japanese Car-makers Slip Inside as Europe Argues Designs of Walls", *Wall Street Journal*, 23rd March 1989.

¹⁴*Financial Times* survey, 17th November 1988.

¹⁵See David M.Gordon: "The Global Economy: New Edifice or Crumbling Foundations?", *New Left Review* 168.

¹⁶*The Times Guide to 1992*.

¹⁷*Financial Times*, 3rd June 1988.

¹⁸France failed to notify Brussels on two occasions out of five in 1988. *Financial Times*, 16th December 1988.

¹⁹Source: J.Pelkmans and L.A.Winters, *Europe's Domestic Market*, 1988.

²⁰Source: H.Giersch, "Euroclerosis - What is the Cure?", *European Affairs*, Winter 1987.

²¹See T.Coussieu, "The Ecu in Interbank Currency Deposits", *European Affairs*, March '88.

²²*Guardian*, September 1989.

²³Letter to Engels, August 18th 1869.

German Re-unification

After the accords of last July between Gorbachev and the West German Chancellor, Kohl, unification of the two Germanies could already be considered an accomplished fact.

Gorbachev, for his part obtained a loan of DM15bn, reimbursement for the maintenance costs of the Red Army stationed in Berlin. This is the guarantee that East Germany, even if it is part of Nato, will remain a non-nuclear zone. The Americans, the British and the French, for their part, have made the best of a bad job and have been obliged to cede their rights over Berlin and will withdraw their troops after the Red Army pulls out in a couple of years.

The rapidity by which agreement was reached and the fact that Russia renounced its initial request for the neutrality of a unified Germany could be used to support the argument that the Caucasian accords were the final step in the long chain of German events; that reunification has definitively opened up a new historical period characterised by the absence of international conflict and inter-imperialist competition.

On the other hand, ever since the fall of the Berlin wall the whole of the bourgeois media has been devoted to obscuring what is happening so that without a close analysis of the real course of events it is impossible to understand either what has already happened or the prospective for the future.

With this in mind, then, the whole heap of lies which claim that unification stems from the East Germans' suppressed desire for "freedom" finally gathering into such a powerful political opposition that the GDR's state apparatus simply disintegrated must be discounted. The facts say otherwise. Rather than ideas of "freedom", an objective examination clearly reveals that the principal motor force for the collapse of East Germany can be traced to the profound crisis which has wracked the world capitalist system ever since the early Seventies and which today is reducing every

continent, each after the other, to its knees - not only areas which are endemically depressed, but also medium or poorly industrialised areas such as the ex-Soviet bloc. In this case the crisis, from opposite directions, has led East Germany, on the one hand, to play an increasingly autonomous role with regard to its bloc of origin and, on the other, to the Soviet Union retreating on all fronts - something which would have been unthinkable only a few years ago. Out of converging interests: that of West Germany to find new markets for its surplus goods and finance capital and those of the Soviet Union to reduce the cost of maintaining a crumbling empire and find capital to finance perestroika, the powerful force which took only a few months to break equilibria consolidated over years and which seemed set to last for ever, was born.

THE GROWTH OF THE GERMAN FEDERAL REPUBLIC

If we pause to dwell on the state of health of the West German economy and look at some of the tendencies which have been developing over the past ten years, we can see that unification of the two Germanies - for opposing reasons - is as much in the interest of Bonn as it is for Moscow. From the beginning of 1982 the West German balance of trade began to register a constant growth in credit which became increasingly wider in relation to the US whose trade balance has entered into deficit. By the end of the Eighties the gap between the two amounted to around \$1,200bn. The projection for the end of 1990 is around \$1,500bn. By the end of 1989, for the first time since the Seventies, West Germany's trade surplus had overtaken that of Japan - by \$80bn. Already, at the end of 1988, the surplus as a whole amounted to DM186bn while the export of finance capital exceeded DM100,000bn.

During the course of 1989 the West German stock market doubled its volume so that today its represents more than double the British stock market

(despite a one third growth in the latter in 1989), with the result that by now the German Federal Republic's stock market deals in more business than the historic City of London. Since the fall of the Berlin Wall stock market prices have risen on average by more than 20% and this is far below the real expectations of the biggest West German finance capitalists once unification is finally realised.

This favourable economic growth has led, more than anywhere else, to a mighty process of economic and financial concentration which, during the past five years, has literally transformed the financial and industrial structure of Germany, so that today West German capital can be found at the head of almost all the great banking groups. In particular, the Deutsche Bank has assumed a role of gigantic proportions. At present it plays an administrative role in nearly all the big German firms and holds more than 10% of the capital of the top ten industrial companies. But the most significant link is with Daimler-Benz of which the Deutsche Bank possesses 29% of the shares and which company alone represents 12% of West Germany's entire capital. Last year's acquisition by Daimler-Benz of Messerschmidt-Bölkow-Blohm (MBB) has led to the formation of a gigantic industrial-military apparatus which comprises every aspect of the productive process. With this merger the Deutsche Bank became by far the most powerful of the 476 big companies quoted on the stock market.

The expansion of the Deutsche Bank has not been confined within German borders or to the simple control of numerous industrial firms. Abroad, its most prestigious position comes from its control of 15.2% of Fiat's shares. This makes it the second largest share holder after Agnelli in this huge Italian industrial group. Already leader in the Eurobond market - following the acquisition in 1986 of the Bank of America and Italy and, last November, of the British Morgan Grenfell, the Deutsche Bank can now count itself one of the world's major financial centres. Even though so far it has had to act in the shadow of the U.S., from now on it can legitimately aspire to the role of leading actor. Thus, if the various talks which are now in process between the Deutsche Bank and

Mitsubishi result in some sort of merger the ensuing concentration of capital will be of such great dimensions that all the claptrap about the 'free market' and its astounding capacity to guarantee liberty everywhere will really look ridiculous.

Given the framework we have just described, albeit briefly, it can be clearly seen that while in the East the USSR's crisis weakened the GDR (almost all the GDR's exports were to Russia), in the West the FRG (Federal Republic of Germany - West Germany) was busy exploiting the favourable wind blowing from the international conjuncture which has led to the recent expansion of both its productive apparatus and its financial power. With the United States in decline, yet still in control of the levers of command over the international financial market, Germany had come to feel increasingly impatient with its position of always being in the shade of the 2nd World War victors. In particular, in the financial field this meant for a long time applying strict conditions on the employment of surplus capital. In common with Japan, for at least ten years - in order to guarantee continuity for its own exports - Germany has taken on the honour of underwriting the bonds issued by the US Federal Reserve without having much influence at all over the way interest rates are formed in the international market; thus submitting itself most of the time to the variations imposed by Washington.

It is therefore easy to understand Germany's need to look elsewhere. And where better than Gorbachev's Russia? Germany has had a privileged relationship with the USSR for a long time. But until now this has always been a commercial one conditioned, moreover, by the military and economic requirements of the United States which imposed strict limits (both quantitative and qualitative) on German exports to the USSR. The growth of such a powerful concentration of capital determined the strong pressure in West Germany to break down these market restrictions and alongside it a strong political policy in the same direction. The day after the Berlin Wall came down the President of the Administrative Council of the Deutsche Bank could be seen side by side with Kohl. As the weekly 'Der Spiegel' informed us on 11th November, 1989, the famous Kohl Plan

(from someone "who knows nothing about economics") was actually the product of the Deutsche Bank, particularly of its ex-President, Alfred Herrhausen (killed on 30th November last year).

THE CRISIS IN THE USSR

In contrast to the mighty growth of the West German economy that of the Soviet Union was already registering inexorable decline by the second half of the Seventies. The eleventh five year plan approved in March 1981 by the 25th Congress of the Soviet Communist Party (the last of the Brezhnev epoch) set exceptionally modest goals for the period 1981-85. Even worse, it was clear from this that production increases in the sphere of energy were coming to a halt. Even though - at 600m metric tonnes per year - the USSR remained the world's largest oil producer, the rate of growth in production wasn't even enough to satisfy the demands of the Soviet economy. Above all, this made for difficult relations with the satellite countries which until then had been plentifully supplied at prices far below world market levels. The rate of growth in oil production, which had already begun to decline in the Seventies, falling from 7.8% to 6.8% in 1975 and down to 4.2% in 1980, now reached its lowest point with the forecast for other energy products no better. For coal the rate of growth in production dropped from 2% to 0.4%. Only the growth rate forecast for the production of methane gas was acceptable - between 6 and 7.8% - but even this was the lowest estimate for twenty years.

The USSR could only have maintained production rates high enough to meet its own requirements as well as exports to its satellites well below world prices by exploiting Siberian wells. But opening these would have required more advanced technology which only Western industrialised countries possessed. This only began to happen on a miniscule basis over the following years. In any case, even if the USSR had succeeded in imposing a 'realistic' price for energy on Comecon countries in 1975 with a subsequent annual or even five-yearly revision, the increase in oil returns of around 12% would have entailed worsening relations with its Comecon partners.

The USSR will never be able to sell to these countries at international market prices if only because the crisis is now raging through them like a hurricane. By the end of the Eighties, therefore, all this had cost the USSR around \$40bn - without counting the cost of maintaining the Warsaw Pact which was 80% paid for by Russia.

Initially perestroika envisaged the withdrawal of troops from Afghanistan and the straightforward reduction of soldiers and military hardware stationed in the Warsaw Pact countries. It was thought that such a reduction could be offset by the deployment of more modern equipment. In the event, however, perestroika not only has not brought forth the hoped-for fruits in the timescale envisaged, but hasn't even begun to take effect. Instead of being well on the way to fundamental restructuring capable of restoring its dynamism and competitiveness, the Soviet economy has shrivelled so much that today it is in danger of outright collapse.

At the end of 1989 Gorbachev's Russia was obliged to recognise the facts and take the bull by the horns. It had to be recognised that keeping up the empire not only would not provide a way out of the crisis but, given the cost, was increasing the danger of economic disintegration.

The GDR (German Democratic Republic - East Germany) itself, even with a productive apparatus more advanced than the rest of the Eastern bloc, stood accused of having a productivity gap of about 40% in relation to West Germany. Thus, when the USSR imported goods from East Germany, Poland or Hungary in exchange for low-priced raw materials and energy it was being doubly generous since it was paying more than it needed to for imports and selling its exports at less than the going international prices. A situation like this can be maintained for strategic reasons, but, when there is the imminent danger of it getting worse, it is obvious that the imperialist power will want to free itself from it and try to draw as much advantage as possible, or at least follow the course which involves the smallest possible damage to itself in taking the only way out.

Despite any coincidences, calculations of this

nature would certainly have been part of Gorbachev's decision to go to East Berlin while students and intellectuals in East Germany were protesting against Honnecker in order to express his annoyance at police intervention in the demonstrations. It may have been a coincidence that the first breach in the Berlin Wall was opened on the orders of Honnecker's successor after returning from a consultation trip to Moscow. What is certain is that Russia itself, which in the past had never hesitated to employ armed tanks against any manifestation of dissent (even when this hadn't directly threatened the break-up of its own empire) didn't move a finger or a single soldier to put the brakes on Berlin's trajectory towards Bonn. Thus Czechoslovakia (then still under the control of Husak) was allowed to grant transit rights through Austria to East German refugees. This was practically sanctioning the liquidation of the GDR. We will probably never know if a secret agreement had been signed beforehand by the parties involved. What is clear is that by ceding the GDR to Bonn Russia had created the best opportunity for bringing about the transfer of surplus capital from Germany towards its own disastrous economy. This also fell in with the wishes of the great West German financial and industrial conglomerates such as the Deutsche Bank.

Russia's accession to West European financial markets means opening the door to new technology without which any attempt at restructuring is destined to fail. As we will see below, this is a very risky game, but if it is successful, it will mean that, beyond the strict economic advantages already mentioned, an objective shift by Germany towards the East which would amply compensate for the loss of a wall which had become no more solid than a lump of butter.

In less than a decade East Germany, which since its birth had been a vital part of Soviet imperialism (to the point that it was considered an unsurmountable national boundary), had become both a heavy burden which Russia wanted to get rid of and a useful pawn which could be exchanged.

THE GDR IN LIQUIDATION

Ever since the first days after the fall of the Berlin Wall the Western media have presented the GDR as an unsalvageable ruin while West Germany, the generous brother, is heedlessly running into danger as it comes to its aid.

In reality, however, the GDR was no banana republic. Last April, for example, *Le Monde Diplomatique* informed its readers that:

In 1988 its gross national product was higher than that of Spain and industrial production constituted about 60% of this. Foreign exchange reserves amount to 18 million marks and, in terms of the number of its researchers in mathematics, physics and engineering, the country has nothing to envy from many countries of the developed world.

However, this is not enough to extract it from the iron laws of imperialist logic; laws which determined the birth of the GDR with the Yalta accords and now its liquidation as those accords and the equilibrium they gave rise to are shattered into miserable pieces.

We need only look at the agreement last Spring, which opened the way to monetary unification of the two Germanies from last July, to see that what it was really dealing with was a business acquisition costing billions, plus the expense of exchanging GDR pensions at the rate of one to one. Savings held by East German citizens before 2nd July have been given differential rates of exchange. For those under fourteen years old a rate of one to one was fixed for no more than 2,000 marks; for those between fifteen and fifty-nine 4,000 marks were allowed at one-to-one and for people over sixty, 6,000 marks. From 2nd July the official exchange rate, which had been one to three, became one West German mark to two East German. However, the plan which made monetary unification possible also literally provides for the destruction of the GDR's productive apparatus with the consequent loss of about 3 million jobs. Only ten per cent of industrial enterprises are to be saved. The whole of the chemical industry will be

dismantled because it doesn't conform to West German environmental regulations. Even though the agricultural cooperatives have respectable levels of output they are also due to be disbanded because they create problems for the EEC's quotas regarding overproduction.

All these measures show that, parallel with its considerable capital outlay (officially DM500bn, but according to many economists the whole operation will cost no less than DM1,000bn), West Germany has also successfully achieved some basic objectives for its strongly expanding economy. It has acquired raw materials at low cost and inherited the GDR's Russian market. Further, because monetary unification doesn't mean unitary wage levels - even with a one-to-one exchange rate - wages in the East are set to be much lower than in the West for a long time. In the long term this will also mean a tendency for West German wage rates to be lowered, if for no other reason than as a result of the competition which is likely to break out amongst the workers themselves as the unemployment figures quickly increase.

These objectives can thus be seen to be in line with the expansionist trend of West Germany's development. They all coincide with the needs of a power which is looking for a strategic position more in keeping with its actual strength. What we are now seeing is the old stereotyped image of a big country eating up a little country. This is much more the reality of the situation than the imaginative offerings of the media fraternity.

THE NEW POWER

According to the Monaco Institute of Economic Research (IFO), Federal Germany will have an average growth rate of 2.8%, although if the flow of cheap labour power from the East is arrested it will be difficult for it to go beyond 2.5%. Unification could mean then, not just that Federal Germany will no longer need to import labour power, but that it will have at its disposal a reservoir of highly-qualified labour power whose wages are on a par with Spanish or Portuguese workers so that the average cost of labour power - at present

amongst the highest of the major industrialised countries - would be reduced to amongst the lowest levels. This alone would mean Germany becoming the leading competitor in Europe and the third strongest state after the United States and Japan. But when we consider that unification in addition will mean the existence in the heart of Europe of a state of 80 million inhabitants, with a GNP of more than \$1,300bn and the possibility of direct ties with the Russian market, it is not difficult to imagine that in the course of the next few years Germany might find itself in a much better position to compete directly with the United States. Neither should the military potential of the new state be overlooked. If it is true that Moscow is going to either withdraw or reduce its military presence in East Germany, it is equally true that the existence of an army 400,000 strong and armed to the teeth would continue to be at the disposal of the 'new' Germany. The birth of such a power would necessarily cause changes in all the existing international equilibriums since it is unthinkable that, given its particular economic and military position, it would not claim a specific role in relations between East and West - both in regard to the United States and Russia.

THE INTERNAL CONTRADICTIONS

In the light of all this it could be concluded that a period of great expansion, dictated by the objective confluence of interests between German financial and industrial power and those of Russia has opened up.

Kohl himself, when announcing the conclusion of talks with East Berlin on monetary union, spoke of an agreement "which will set free new forces of growth" not only in Germany, but also in "our partners in Europe". But this is jumping the gun. In practice West Germany will very soon have to pay the price, first of all for the consequences of restructuring in East Germany which, as we have seen, require the dismantling of the productive apparatus there. Two and a half million unemployed out of a workforce of nine and a half million is a lot. Moreover, without strong political and trade union organisations firmly rooted in the social fabric and geared to channel the inevitable

discontent which will break out, there is the possibility of a series of struggles occurring which will not be easy to control.

The parties which gained legitimacy during the March elections owed their success to a combination of riding the tiger of nationalism and demagogic promises of unlimited (economic) well-being. We need only remember that during the election campaign the leader of the CDU, the party which won the election, used the initials DM - Deutsche Mark - to show that every problem would be solved by the economic union of the two Germanies in the time proposed. Clearly this kind of consensus can crumble as quickly as it was built, should there be an eventual worsening of living standards rather than universal improvement. And in fact, given the premises on which unification is founded, the standard of living of East German workers can only get worse. On the other hand, it is also easy to foresee significant repercussions for West German wage levels and jobs. The lower wages which exist in the other Germany will be a strong temptation for large industries to direct their investments towards the East. By thus availing themselves of an equally skilled but cheaper labour force they will be able to work towards a general reduction of real wages. This is reason enough for maintaining that the nationalist intoxication which has held so far will come unstuck on the profound contradictions which cannot be resolved until cruel and stark reality has revealed who are the real winners and exactly what is at stake in the game.

THE INTERNATIONAL CONTRADICTIONS

Leaving aside the set phrases, ever since the initial presentation of the Kohl Plan the USA, France and Britain have been unable to hide their perplexity when confronted with an event which is as much undesired as it has been formally welcomed. In particular, the United States quickly imposed a series of conditions starting from the permanency of Germany in NATO to the obligation not to widen excessively its monetary base. France and Britain, in their turn, have posed the question of the frontiers drawn up after the Second World War

and of the necessity for the unification process to be brought within the framework of the EEC and under the control of the four victorious powers. Even in the East there have been warnings and protests about the significant groups of ethnic Germans in their territory and all of them dread the mortal blows which might well hit their already disaster-stricken economies. Despite being given regimes which are officially no longer dependent on Moscow, all these countries continue to orbit round Russia for economic reasons. It is towards Russia that the major part of their exports flow and from Russia that they import energy and raw materials. This dependence is so overwhelming that when Gorbachev posed the question within Comecon of reforming the system of payments so that prices will be harmonised with those on the international market there was a general request for a moratorium, stemming from the evident incapacity of their economies to maintain competitiveness with the West. For them the unification of the two Germanies means their having to compete even on the Russian market against one of the world's major powers with the almost complete certainty of succumbing. Even Russia itself, despite having contributed to the coming together of the two Germanies and despite aspiring on the one hand to stronger economic relations with Germany, on the other warns that the new state could supplant Russia itself - should perestroika fail to get off the ground or to meet general expectations. Thus, for different reasons, there are fears from one side or another which are acting as counter-tendencies to the process which itself has only just begun - up to the point that a slowdown or even a direct application of the brakes cannot be ruled out. On the other hand, the risks are so great that it is impossible to imagine that a process of linear development will unfold which can reconcile such a divergent range of interests. Whether Russia succeeds in overcoming its crisis or whether it collapses, the United States have much to lose. In the first place they could find themselves having to contend with a new system of alliances in Europe with Berlin/Moscow as the axis and centre of propulsion. In the second case the US would be confronted by a strong ascendant power capable of swallowing up a substantial part of the disintegrating Russian imperialist bloc. If one considers that the USA

also has substantial problems with Japan, it is not difficult to recognise how strong the pressures are towards freezing the present situation and thus how superficial and mystifying are all the attempts to present the historical period now opening up as one of a calm voyage towards peace and economic well-being. In reality those who have seen in the crisis of the Eastern bloc the failure of socialism and the definitive historical confirmation of capitalism must also face up to a world where everything that remains is careering blindly onward and where the only thing that is certain is that nothing can be taken for granted.

As for the East, it was state capitalism, not socialism, which had been built there. Therefore the crisis which has burst out, far from being resolved,

can only - in the more or less long term - give way to the accentuation of all the contradictions of capitalist society. It is from these contradictions that competition and the tendency towards inter-bourgeois conflicts are generated.

The problems connected to the unification of Germany put into focus such a contradictory situation and thus point to an uncertain future. They constitute the best possible proof that for years two substantially similar socio-economic systems have been confronting each other. So much so that even the particular crisis of one of the two hasn't opened up the way to a solution of the conflict but has rather led to its reaffirmation in a more complex and dramatic manner both in social terms and on the international terrain.

Neo-Bordigism is Not the Answer - A Response to the Platform of the IRK

INTRODUCTION: THE SIGNIFICANCE OF A POLITICAL PLATFORM

Before examining the IRK's platform it is necessary to clarify what we understand by a political platform.

A platform is the necessary programmatic document of every regroupment, without which it is difficult to talk of a proletarian political group, let alone a revolutionary one.

It is a fact that the working class is confronted with an enormous historical task: the destruction of the economic, political and social relations which gave birth to it, in other words, the revolutionising of society to eliminate class divisions and to liberate it from the exploitation of man by man. All this constitutes the class's historic programme which is the underlying basis for the political programme of the revolutionary class.

Now the political programme of the revolutionary Party differs from bourgeois political practice in several essential points:

- it is not concerned with the management of bourgeois society and its economic and social relations except from the standpoint of criticism and frontal confrontation;
- while the bourgeois programme, which is entirely conservative, can be expressed by a multiplicity of political lines corresponding to the interests of various sections of the ruling class or even of pressure groups within capital's institutions, the revolutionary programme for the overthrow of the existing state of things and the construction of

a new society is a clearly defined whole in its essential strategic and tactical aspects.

The revolutionary Party, which still needs to be built and on an international scale, will be the result of a confluence of all the groups which have made their own contribution to its organisation and the elaboration of its strategy and tactics. Such groups will have taken part in the political struggle for the construction of the international Party on the basis of a programme which characterises them both in relation to the class of which they are an expression and amongst the political minorities themselves.

Proletarians need to know exactly who are putting themselves forward as a potential political leadership of the working class and the other revolutionaries in the world need to know who and where their comrades are that are helping in the process of political homogenisation around the Party.

Therefore, the proletarian camp cannot allow the tactical twisting and turning that is permitted to bourgeois groups without programme, principles or platforms, whose only aim is the conquest of a position of power or the evolution of a rôle in the management of the conservation of capitalism.

As a general document concerned with the class's historical programme, the platform of a revolutionary group should not dwell on the contingencies of any particular moment that capitalism's economic, political and social dynamic is experiencing, but rather ought to indicate the method by which revolutionaries examine this dynamic and specify the guidelines for revolutionary action itself. Similarly, the critique of a platform should not focus on this or that word, on this or that

statement, but should draw out the theoretical reasoning from which they are derived in order to determine its compatibility, or otherwise, with the platform of the future international Party.

Equally, except in the briefest précis, it is not possible for a group to include the whole of its political standpoint, analysis, theoretical elaboration or strategic and tactical positions within its platform. Nor is it possible or correct to pretend that the platform of a recently-formed group can contain the totality of knowledge and clarity on all the problems confronting the class. What should instead be in the platform is the framework within which specific political positions will be, or could be, developed, in other documents. This is how we will be looking at the IRK's Platform. We do not intend to split hairs in our critique. Our aim is clear and well-defined: to contribute as far as is possible from the outside to the political maturation of a group which is situated in a strategically important area, not just for the bourgeoisie but for the reawakening of a revolutionary consciousness inside the international proletariat.

OVERVIEW

It is now almost three years since a new political grouping in West Germany, going under the name of the International Revolutionary Communists (IRK), made contact with the International Bureau. From the outset it was clear that this was an organisation which had placed itself firmly within the proletarian camp and for our part we did our best to acknowledge this fact. (Regular readers may recall our publishing the IRK's early leaflet on the Iran/Iraq War.) In the following two years or so our relationship with the IRK (and the GIK - International Communist Group - in Austria with whom they jointly publish *Kompol* [Communist Politics]) became increasingly fraternal. During the valuable face-to-face discussions which took place it seemed that on the major issue of separation within the proletarian political milieu - the question of the nature and role of the revolutionary party - there was no fundamental disagreement. The differences we candidly discussed were tactical ones which, if they could not be immediately

resolved, did not prevent our working together.

With the passage of time, however, and particularly when the IRK's Platform finally appeared, it became evident that the comrades' political development, for the time being at any rate, is running up against a danger which lurks for all the tiny groups and grouplets making up the proletarian political scene: sectarianism. In their serious effort to clarify a political framework and positions for themselves, it seems to us that the IRK has adopted an increasingly abstract and wooden (dare we say 'undialectical') method to analyse history and draw the lessons of the class struggle. The method is not new; it is essentially that of Bordigism.[1] While the possible interpretations of the Bordigist programme appear to be infinite they all share a common concept: that of the 'invariability' of that programme. The IRK's Platform is no exception.

Throughout the document, and even more during discussions with the IRK, one gets the impression of the class struggle as representing the working out in practice of an already-established programme rather than the revolutionary programme and the party which develops with it arising in definite historical circumstances. Not only has the communist programme been invariable since 1848 but the revolution also appears to be inevitable. ("The course of the struggle forces militant workers to the conclusion that the capitalist system cannot be reformed or changed, but must be abolished in its entirety" - point 03.)

By adopting the framework of 'invariability' the IRK come up against the same insoluble problems as their programmatic forebears. This is no more evident than on the national question. Reluctant to take on board historical lessons which by their nature could only have been elaborated after Marx's death, they are forced to duck vital issues which stem from an understanding of the nature of capitalism in the epoch of imperialism. Thus, for the IRK post-war anti-colonial struggles are similar to 19th century European bourgeois national struggles (some of which Marx regarded as historically progressive); so, instead of recognising the completely unMarxist (because unhistorical) attempt

to reconcile programmatic invariability with the changed historical reality of a capitalist world dominated by imperialist relations the IRK have taken over the old Programma Comunista (Communist Program) conception of anti-colonial struggles being progressive. Here the IRK join the ranks of those continually splintering grouplets in the endless search for a 'pure', non-opportunist Bordigism. While Programma, they argue, made concessions to the national bourgeoisies, somehow this can be avoided by a really consistent interpretation of the programme. At any rate the IRK have their own way of avoiding the issue when they stipulate an arbitrary period - 1965-75 - during which the part played by the peripheral bourgeoisies in anti-colonial struggles is seen as partially progressive. ("... to the extent that it was forced to destroy the local pre-capitalist structures." point 36.) Conveniently, however, this partially progressive period is now defined as over and the question of defining a concrete policy which avoids Programma's opportunism and what the IRK believe to be Battaglia Comunista's "indifferentism" (since the International Bureau did not exist at the time) does not arise for them. While their Platform clearly states that today "In all cases, nationalist movements have a bourgeois character and are anti-proletarian, without any progressive nature ..." (point 37) their peculiar method of arriving at this conclusion betrays a weak understanding of the nature of capitalism in the imperialist epoch. In our view the comrades would have been on much firmer ground if they had recognised that "The character of the imperialist epoch ... means that the apparent diversity of social formations in the world isn't the product of a variety of dominant modes of production. Thus there is no need for different strategies for revolutionary action in different areas. ...The era of history in which national liberation was progressive for the capitalist world ended a long time ago." (IBRP Platform, in *Communist Review* 1 p.9).

Yet nowhere are the IRK more obtuse than when they deal with the question of the party. The 'party' of this Platform is such an abstract entity that it takes on almost metaphysical proportions, above history and material reality. Indeed, at

times the party is referred to as if it already exists. ("The party from the beginning puts forward the demand for class domination by the proletariat, and for more than a hundred years has dealt with the realisation of the dictatorship of the proletariat on both theoretical and practical levels." Point 09) In Marx's day it was enough to define the "communist party" simply in terms of those who in general defended the political cause of the proletariat. For any political statement in the late 20th century this is not enough. Today's revolutionaries have to be able to make clear in concrete terms what they mean by the term, what role they envisage for the party in the proletariat's struggle for political power and how they see the actual development of such an organisation internationally. In the long run they cannot avoid the issue of their own role in that process. Thus we are devoting the rest of this critique to a more detailed analysis of the issue which more than any other is holding up the unification of the forces which will eventually form the precursor of the international party of the proletariat.

On the Party

We begin our critical commentary with point 05, the first of the three points giving the IRK's position on the Party.

We are in complete agreement with the fact that the task of the Party is to unite the class's struggles in the most comprehensive anti-capitalist class struggle. But the comrades are perfectly aware that a large part of the discussions and polemics that have occupied and still occupy the international left concern precisely the question of how proletarian struggles are centralised. Frankly, it seems strange to us that the IRK comrades are almost silent on this matter, especially since they opined that our own Platform is not specific enough on the relationship between party and class and expressed disagreement with our own perspective of organising internationalist workplace groups as a means of uniting the day-to-day class struggle with the wider political interests of the working class. Only later, in points 33 and 34, when the IRK Platform legitimately criticises the "traditional unions" and rejects the possibility of them

being won over to the revolution, is the question of the revolutionary organisation's relationship to the daily struggle touched on. Here, though, we are left with another shadowy ambiguity. While the "traditional unions" are to be fought against, the door is left open for revolutionary unity to develop through 'non-traditional' unions which apparently WOULD question the very existence of wage labour and which therefore could be organised by revolutionaries. For us the concept of a trade union which rejects wage labour is contradiction in terms but we do not want to dwell on something which is only hinted at in the Platform. The point is that the comrades should be prepared to clarify what they mean so that we do not waste time debating over words and so that we can establish whether there is a common framework in which it would be possible to resolve what is in itself a tactical question.

Still on point 05, of course the struggle for state power is a concept which we share, but we think it is necessary to clarify that the power is not that of the Party but of the class of which the Party is the political organ. It might seem from the outside that this difference is not important: if the Party is the political organ of the class, then the political power of the class is the power of the Party. This is true, but history has shown the possibility of ambiguity. The Party cannot substitute itself for the class in the exercise of power. This is not a moral question. If the class, for whatever historical reason, is unable, does not want or does not know how to hold firmly to its revolutionary political line, that is, if for some reason or other it abandons the revolutionary programme of its own emancipation, the Party as a political organisation of human beings, cannot take its place and exercise its own dictatorship "on behalf of the working class". The metamorphosis of the Bolshevik Party into the political organ of a new state capitalist ruling class is the prime historical example of the inevitable fate of even the best revolutionary party when it attempts to hold on to power in circumstances where it has become isolated from the vast majority of the working class.

Thus, although the Party will physically occupy the central posts of the proletarian semi-state of

the transition this is because, and only because, the class has elected the revolutionary Party's militants to these posts. Nevertheless the Party firmly maintains the clear distinction between itself and the proletarian state which is and should remain the Council State within which the Party struggles to confirm and maintain its political leadership.

The working class will make the revolution when it takes the Party's revolutionary programme as its own. It is only on the basis of this programme that it can bring the revolutionary process to fruition with the disappearance of the state. This in turn will depend on the Party waging a strenuous battle against the whole range of political forces which represent bourgeois influence and domination over the class. Without this it is impossible to conceive of the seizure of power and the revolutionary assault by which the class can begin to liberate itself from all that "bourgeois shit" which Marx talks about. Once the Council State has been established, within which the Party necessarily has the leadership, the Party continues its struggle to liberate the proletariat from the residues of bourgeois influence and to keep up the momentum of the revolution along the lines of the international programme of the class. The policies of the new State will only remain consistent with the international programme if the Party maintains the political leadership of the class in the basic organs of the class's power, the Councils.

Possibly the IRK will agree with this - but this cannot be established from a simple reading of their Platform in isolation. If so, then the formulation here is completely acceptable, although requiring some amplification.

Reading on in point 05, however, there is an expression which demands clarification. The programme which emerges from the principles of Marxism is invariable since its foundation? This is certainly so if we are referring to the general programme: the overthrow of the bourgeois state, the institution of the proletarian dictatorship and the state of transition, the internationalising of the revolutionary process, the socialisation (and not just the statification) of the means of production, abolition of money, etc.

However, if we are referring to the more specific political programme for the completion of the first steps in the entire historical programme, then this is not so, comrades. We do not imagine defending today the ten point programme of the Communist Manifesto, nor do we believe that the IRK intends to relaunch precisely what Marx and Engels as early as 1872 regarded as being "certainly outmoded". In fact they wrote in the Preface to an edition of the Manifesto, dated London, 24th June 1872:

The practical application of the principles will depend, as the Manifesto itself states, everywhere and at all times, on the obtaining historical conditions ... In view of the gigantic strides of Modern Industry in the past 25 years, and the accompanying improved and extended party organisation of the working class, in view of the practical experience gained, first in the February Revolution, and then, still more, in the Paris Commune, where the proletariat for the first time held political power for two whole months, this programme has in some details become antiquated. One thing especially was proved by the Commune, viz., that "the working class cannot simply lay hold of the existing State machinery, and wield it for its own purposes". (See The Civil War in France. Address of the General Council of the international Working Men's Association, German edition, p. 19, where this point is further developed.) (Marx and Engels' note.)

If Marx and Engels recognised what the historic experience of the Paris Commune implied for the programme of the proletarian revolution - allowing the clarification that the social revolution requires not just the taking over of the state but its smashing and the establishment of a proletarian dictatorship; then it was the experience of 1905 and, definitively, of 1917 that enabled further lessons to be incorporated into that programme. The formation of a widespread network of workers' Councils as the basis of the revolutionary state whose offices are entered exclusively on elections from the Councils themselves, under conditions of instant revocability; these lessons from history

are now integral to the revolutionary programme.

What do we mean by 'invariability' then? As we said, the general outline of the historical programme does not change. Beyond that, however, there is the invariance of the Marxist METHOD of inquiry. Above all else this means historical materialism, an invariable method for analysing ever-changing historical reality if you like. While the basic features of the capitalist mode of production remain unchanged, everything else varies, including the forms it takes on in different historical periods. This is not the place to expound further but there should be no doubt amongst revolutionaries that the method pioneered by Marx excludes treating the communist programme as if it were the Talmud and the laws handed down since 1848. There is no need for us to become hypnotised by the idea of invariance, as happened to many Bordigists, to the detriment of comrade Bordiga. It is difficult to understand why the comrades of the IRK continue to use this concept, especially without clarification. In any case, it seems to us that a political platform is not the appropriate place for a full treatment of this theme.

It is in Point 07 that we find the most glaring differences which we would like to see overcome through the deepening of the debate we are initiating here. The IRK quite rightly argue that the correct course for the Party cannot be determined by democratic organisational principles borrowed from the bourgeoisie, but must evolve on the basis of its programmatic goals. This is true: a Party's revolutionary nature is not a result of the application or otherwise of the democratic principle, but of the nature of its programme and of the platform that the party defends. There are parties where the democratic principle in its most radical form is applied to every aspect of their internal life, but which are in fact not revolutionary but rather obstinately conservative. Green and Radical Parties are valid examples.

Equally, there exist organisations, rather like sects, in which there is no form of democracy and which are ruled by those who are, or consider themselves to be, the bearers of the "programme" or of the "word", but which are not in the least revolution-

ary precisely because the "programme" or the "word" are neither Marxist nor revolutionary.

It is an obvious fact that the functioning and efficiency of the revolutionary organisation does not depend on internal democracy but on the intimate coherence of theory, programme and practice. If this is lacking, the life of the organisation will always be difficult and endangered, whether it evolves on the basis of democracy or otherwise. We could cite many examples, both in the proletarian and bourgeois camps, but we will recall only that of Programma Comunista.

This was a regroupment calling itself the Partito Comunista Internazionale (International Communist Party) and not entirely without reason: it was indeed international. Programmatic invariance, monolithic loyalty to the Marxist method and programme, efficient centralisation were the characteristics it claimed to have, and, since it had made the rejection of democracy in all its forms an element of its programme, it operated on the basis of this negation and adopted instead "organic centralism". But its actual basic theoretical and political fragility, the product of an incomplete digestion of 50 years of history, brought it to complete disintegration. Conclusion: if the rule of democratic centralism is no guarantee of revolutionary coherence, neither is so-called organic centralism, which, in Programma, resolved itself into the autocratic leadership by a commissar who was as anonymous as he was unique.

It is simply not true that so-called organic centralism is the formula characterising the revolutionary Party. In our view this is irrefutable. Thus, it seems difficult to maintain, as does the IRK platform, that the communist Party can develop its leading rôle in the class only through organic centralism. We await from the IRK the explanation that Programma never supplied: what is organic centralism and in which structures and types of organisation does it make itself concrete? We immediately declare that the explanation given ("The inevitable differences in the practical political activities of the members ... is negated by the **centralised structure of the party, for centralisation joins all the party militants into one**

active whole" - the emphasis is ours) says very little, and what it does say is common to democratic centralism too. We are not saying here that the organisational statutes should be included in the platform. But as soon as you talk about the general criteria for internal organisation to refute those of democratic centralism, you should make clear the alternatives you want to defend.

Moreover, if by what you say you mean that everybody in the revolutionary Party should have a precise activity to develop but each militant should also be, at least tendentially, equipped to carry out all the political and practical activities of the organisation, then this too is included in democratic centralism. Concretely, this provides that every militant is, at least tendentially, in a position to represent the Party in every situation. Certainly there will be militants more fitted to defend the body of the Party's theses wherever this is required (in writing, in discussions or polemics with its opponents), comrades better suited to mass agitation and others more skilled in the practical work of internal organisation. All of these are equally necessary to the organisation because all these tasks contribute to the development of the rôle proper to the Party.

The militants entrusted with the central tasks will certainly be those who by their personal characteristics, their capacity and experience are best able to carry them out. But it is not the holy spirit that decides that they centralise and that the others are ... centralised. It is the body of the Party itself that picks them out, and not metaphysically, delegating them concretely to those posts, and by putting up hands. Bourgeois democracy? Now, we do not allow ourselves to be hypnotised by words, which here would certainly be perverse.

While we await clarification from the IRK on these strange and incomplete formulations of theirs, which appear to want to rescue something from the Bordigist tradition and end up by taking the worst part, the part alien to Amadeo Bordiga himself, we will put forward a contribution of our own to the future deepening of understanding.

Bourgeoisie democracy has been vituperated

against and deserves much worse than that because of the simple but important fact that it masks - under the form of a relation between equals - the enormous differences between classes that exist.

It is a strange fact that among the adherents to bourgeois democracy there are those that exploit it and those who are objectively its victims. The working class which suffers from it, participates in democratic life by accepting its economic and social preconditions: they accept the existence of capital and of wage labour, of the bosses and their organisations, from industrial confederations to banks, from the army to the state. The very existence of bourgeois democracy on which rests the capitalist state, is based on and justifies itself with the acceptance by the proletariat of the bourgeois state itself. The proletariat can only vote for those who make themselves representatives of and interpreters for this state. When the existence of this state is brought into question, democratic forms go to wrack and ruin. Democracy in itself is simply a form of relations between people. The way in which the state organises itself and the preconditions for that organisation which determine its choice of forms are something completely different.

The democracy of Athens is very valuable for what it shows as a precursor or prototype for modern democracies. But we well know that it rested on the oppression of those who were excluded from the democratic forms of civil life because they were burdened with the task of producing the surplus on which the democratic

idlers lived. Let us once and for all distinguish between the forms of civil relations between people and the uses that class society makes of these forms, and then we will have clearer ideas and less fear of words.

In short, the complex question of the party cannot be answered by a rigid set of philosophical abstractions and definitions but only by a rigorous application of Marx's method to changing historical circumstances. We have seen the capacity for serious political work by the IRK and we offer this short critique in the genuine hope that the comrades will re-examine the political methodology of their Platform. In particular we ask them to consider the implications of the framework they have adopted for their capacity to make a full contribution to the wider and vital process of preparing the groundwork for the future international party.

Footnotes

[1] After the Italian revolutionary, Amadeo Bordiga, who split with the Internationalist Communist Party in 1951 over the questions of the party and class consciousness, national liberation struggles, state capitalism in Russia and the trade unions. He founded an alternative current, Communist Programme, which itself became subject to further splits, eventually experiencing its most serious splintering in the early 80's under the weight of its own contradictions regarding the correct political position to adopt towards national movements in the capitalist periphery.

PLATFORM OF THE INTERNATIONAL REVOLUTIONARY COMMUNISTS

Programmatic Positions

01. In the current imperialist stage of the worldwide capitalist system, the contradictions between the forces of production and the relations of production grows ever stronger on a worldwide level. The social character of work is still constrained in a capitalist straitjacket. Whilst all material wealth is produced predominately by wage labour the owners of the means of production usurp the end products of the work processes under their control for their own private and selfish goals, namely the appropriation of surplus value. This private interest of the capitalist to organise production according to his own narrow advantage, not the needs of the community, is irreconcilably opposed to the interests of the working class. For in the continuous struggle to increase and protect their profits, to retain their economic advantages, the bourgeoisie shift all the disadvantages of the capitalist productive method onto the working class. These social relationships are continually renewing the struggle between the classes of capitalist society: the exploiters (capital) on the one hand and the wage labourers (proletariat) on the other.

02. Class struggle is not therefore an invention of communists but the inevitable result of the capitalist system itself. Thus the bourgeoisie takes every opportunity to break the unity of the working class, and it immediately confronts any independent movement of this class. It has created its own organ for defence and struggle: the national state. In this the interests of the bourgeoisie in a given country are brought together, in order to keep up capitalist relations and to continue to look after its interests. As a means of competing with capital concentrated in other nation states and above all as a means of controlling the working class in its own country, the state is an expression of the power of the entire bourgeoisie. It is the only organ of the bourgeoisie which is capable of producing class unity of the exploiters in defence of their antisocial privileges, above and despite all internal competition and conflicts of interest. With its advent at the beginning of the imperialist stage of capitalism, finance capital, as the strongest and most influential sector of the bourgeoisie, began to exercise a great influence on the state. Through the completion of the world market which took place during the nineteenth and twentieth centuries, and the worldwide interlocking of production and private ownership, international finance capital emerged. The conflicts between nation states and power blocs reflect once again the irreconcilable contradictions within international finance capital. But the bourgeoisie of all countries are always united when they are faced with the revolutionary struggles of the working class. This is the lesson of the Paris Commune which must be learned by all class conscious workers.

03. The increase in the intensity of the world capitalist crisis which is inherent in the laws of capitalist production, results in ever more drastic measures and continually worsening conditions. The working class in every country is therefore forced to fight with ever more extensive methods against intensified exploitation and ever greater poverty, against increasing oppression and the preparations for its utilisation as cannon fodder in future wars and world wars, into which the bourgeoisie is forced by the crisis.

Thus a proletariat which crosses national frontiers is compelled to confront the forces of capital and to work towards unity through real international conditions. The great majority of the semiproletarian strata attach themselves to the working class, for their standard of living and working conditions become more and more similar to those of the workers. The course of the struggle forces militant workers to the conclusion that the capitalist system cannot be reformed or changed, but must be abolished in its entirety.

04. The unity of the working class itself is the pre-condition for the

victorious world revolution of the workers against the united political and economic power of the bourgeoisie. Achieving this unity is already a great objective of the workers on their road to self-liberation from exploitation, wage labour and commodity production. Differences on account of sex, race, religion, immediate position in the productive process, etc., will still exist within the proletariat and will be consolidated and fostered by the bourgeoisie when the common aims of the workers become the focus of the struggle. But we should not overlook the fact that differences in the immediate material conditions of workers do give rise to an uneven development of militant experience and class consciousness within the working class.

05. The most advanced and determined part of the working class forms the class party, the indispensable organ for revolutionary struggle. This communist party has the tasks of indicating to the working masses objectives which have a unifying effect, and of uniting and centralising the struggle. It has the task of leading the struggle away from the special interests and limited objectives of individual militant sectors of the class and instead towards fully fledged class struggle, to political struggle for state power and then for a classless society.

For this task to be fulfilled, it is essential that at every stage of the class struggle, the communist party continuously defends, keeps alive and propagates the communist programme, the essential expression of the autonomy of the class, which is invariable since its foundation.

To this end the party must maintain the historic continuity of the workers movement which is independent of other classes, must bring about secure and defend international unity of the movement. The party must also organise material aspects of the action and bring them about at the correct time. The class party can only be formed on an international level.

06. Neither all nor the majority of workers are organised within the communist party. It can only bring together those proletarian forces which on both practical and theoretical levels are equal to the historical collective movement of the working class and can steadfastly shape a course towards the end goal of the struggle - the communist world revolution - with the necessary theoretical background. First of all, this can only be a minority of the working class. This minority of the working class which emerges internationally develops noticeably with the advent of unifying and joint class action and the general intensification of the contradictions between capital and labour during the course of the spatial and temporal generalisation of the crisis of the capitalist system. With the world communist party the working class recovers its complete independence in opposition to all other social classes for the party encapsulates the past, present and future efforts of the whole class in struggle, and finds its expression in revolutionary theory and the communist programme which alone can be carried forward by the world communist party.

07. The party is the result of the struggle of the most advanced elements of the working class towards the unity of the world proletariat. The internal functioning of the party does not depend on any concept of "internal democracy", but on its organisational homogeneity. Because the party is not merely the sum of its individual members, its correct way forward cannot only be decided by the procedure borrowed from class society - that is the democratic principle, and the party must ban all personality cults from its ranks. On the contrary, the party is the fruit of a collective process, whose internal, organic unity is founded upon the voluntary agreement of its followers upon the theoretical foundations and the programme. The inevitable differences in the practical political activities of the members, dictated by outside conditions, is negated by the centralised structure of the party, for centralisation joins all the party militants into one active whole. It is only through organic centralism that the communist party can become

the leading organ - and thus part - of the working class and fulfil its function towards the world proletariat.

08. The capitalist system will not allow itself to be voted out, and certainly will not let itself be voted down in its own parliament. Change in social relations can only come about through the inevitably violent overthrow of capitalist state power, the revolution. The working class, united and hardened by combat, will rise up and put the communist revolution at the forefront of its perspective. There is no such clear challenge that the bourgeoisie could fulfil for the working class. Capitalism will leave no other choice to workers than that they become red revolutionaries who continue to struggle for their class demands and not for the demands of a particular sector, region, sex, or ethnic group. In critical situations and general economic and political crises of the system, when the workers rise up to defend their lives and to give them meaning, when the political system of the bourgeoisie is cracking, then the violent destruction of the mechanisms of the capitalist state and its institutional appendages is on the agenda. Upon the fall of the bourgeoisie the proletariat sets up the dictatorship of the proletariat, defended by its own armed power and its true class organs (directing organs: world communist party; formal centralising organs (Einheitsorgane): workers' councils).

09. Without the leadership of the proletarian party it will not be possible for the workers to take over and maintain state power. Just as the working class only becomes a class acting for itself in history when it forms the party at its centre - a party which pursues only the interests of the workers of the world - so leadership of the revolution, which will sooner or later extend across the globe, can only be successfully undertaken by the communist party formed on the international level. The party from the beginning puts forward the demand for class domination by the proletariat, and for more than a hundred years has dealt with the realisation of the dictatorship of the proletariat on both theoretical and practical levels. In this connection the communists call upon their unbroken political continuity: from the Communist League of 1848 and the Centre of the First International around Marx and Engels of the First International, the left tendency in the Second International, the Zimmerwald Left around Lenin, the Bolsheviks, the Third Communist International and the formation of the Italian Communist Party (Livorno 1921), and above all the struggle of the Italian Communist Left against the degeneration of the Comintern, against the 'theory of socialism in one country' and the accompanying counter-revolution in Russia led by Stalin, and from the continuous work of the international communist movement in the 'Italian' left communist tradition.

10. The political content of the communist programme for the period of the proletarian dictatorship consists first and foremost in the defence of workers' power against the inevitable counter-revolution of reactionary bourgeois forces. The bourgeois forces must be deprived of all means of propaganda and action, whilst organised workers who are fighting for their own interests should be fully armed in an orderly manner and the media handed over to the workers themselves in order to force back and crush all counter-revolutionary attacks on the political, military and ideological plane which come from inside or outside the revolutionary area. Outside the zone of revolution it is the proletarian party's responsibility to call upon the workers to support the revolution and to make the same thing happen in their area. All possible resources must be put at the disposal of comrades outside the revolutionary zone, in order to facilitate their tasks. The most important tasks of the revolution will be carried out by the international party of the proletariat, the world communist party which always delegates these tasks to the international collective leadership bodies of the party.

11. The "economic" content of the communist programme for the period of the dictatorship of the proletariat consists primarily of

despotic action in the economy. In order to totally abolish social classes and for the workers to bring an end to class domination the capitalists must be completely dispossessed and the means of production transferred into the ownership of the workers' state. Then the direct social control of production and distribution can be increasingly realised, and thus commodity production and wage labour replaced through general social control of the means and end products of production, combined with a labour duty. Money thus becomes superfluous. However, the realisation of this point, as with these that follow, depends to a large degree upon how quickly and to what extent the proletarian dictatorship spreads on the international level. At the same time the workers' state must fundamentally reorganise the infrastructure of the economy which during bourgeois domination was geared solely towards individual profit rates and the maintenance of domination by the privileged class. The main policies of the new economic organisation must serve the real material and intellectual needs of the classes and strata that were formerly exploited and oppressed. That means: levelling of the differences between metropole and periphery, town and country, surmounting the division between physical and mental labour, overthrowing the bourgeois family structure and the complete inclusion of women, with equal rights, in the productive, intellectual and political life of all society, without any limitations; industrialisation of housework, socialisation of childrearing; abolition of small scale production and family business.

12. Only when, through the above measures amongst others, the economic and social basis for any re-emergence of social classes has been removed, only then does the period of the proletarian dictatorship give way to socialism proper, when the state withers away, becoming ever more superfluous, for there no longer will be classes to oppress. Social administration will to an ever-increasing extent be carried out by the collective population of the world without state leadership or state organisation. The management of men gives way to the simple organisation of things by men. Labour duty makes room for productive human needs. Once free from economic constraints, humanity will become capable of determining its own destiny, all individuals will realise themselves for and through communism, the true human community.

Let the ruling classes tremble at a communist revolution. The proletarians have nothing to lose but their chains. They have a world to win.

Working men of all countries, unite!

(Manifesto of the Communist Party, Karl Marx and Fredrick Engels, 1848).

On the Soviet Union

13. The October Revolution in Russia in 1917 and the territory of the Tsar's former empire provided proof that the working class is capable of winning political power and setting up its dictatorship under communist leadership. The subsequent revolutionary upheavals of the proletariat, e.g. in Hungary, Germany and Italy etc. indicate that the workers' revolution can only move forward as an international movement.

To this end the Communist International was founded in 1919, which also represented the first stage leading to an international Party. For eight years, the dictatorship of the proletariat was able to withstand the counter-revolutionary forces massed against it on a world scale. The main cause of its collapse was the defeat of the revolutionary workers' movement outside the Soviet Union. In addition, there was the enormous backwardness of economic relations in the Soviet Union itself which was made even worse by the civil war and the counter-revolutionary masses. In the Soviet Union, which before the revolution was primarily agrarian, in order to secure its power the working class was forced to make a compromise with the poor peasantry. However, without the support of the workers in other countries the Soviet working class was

not in a position to keep to the economic terms of this compromise (the exchange of industrial goods for agricultural produce) and was thus forced to make further compromises in order to re-establish and increase industrial production. This is the background to the introduction of the "New Economic Policy" (NEP) in 1921.

14. After 1923 the last great battles of the West European working class were lost and the Soviet Union had no clear prospects. The proletarian dictatorship was isolated in one country, a poorly industrialised country, and thus it did not have the opportunity to eliminate the capitalist method of production. International economic relations had to be many times greater. Wage labour and commodity production were intensified - although the aim of the struggle had been their abolition. As the individual capitalists had largely been dispossessed or had gone into exile the state took over their rôle. Although the concentration of ownership of the means of production in the hands of the proletarian state, and the corresponding expropriation of the capitalists, is an essential step, matters can only proceed successfully if the essential preconditions are to hand, in order simultaneously to go beyond the form of state ownership on a capitalist basis (wage labour and commodity production). Standing alone as it did, these preconditions were not present in the Soviet Union. For them to exist, the revolution in Germany would have had to have succeeded. If the revolutionary political power is not capable of surmounting the old economic relations, then these very relations give rise to the political forces which destroy the revolutionary proletarian power. This was exactly what happened in the Soviet Union.

15. These counter-revolutionary bourgeois forces emerged within the state apparatus itself, which organised and administered exchange, both internal (mostly between agriculture and industry) and external (between the Soviet Union and other countries). Whilst they moved further and further away from workers' control, they became the beneficiaries and the organisers of capitalist relations of production, which, despite the political power of the proletariat, held sway upon the economic front, and the political power could do nothing about this because the working class was dispossessed of real power. The bourgeoisie newly arrived in power by these means is distinguished from the Western bourgeoisie only through its specific forms of organisation and control, for here individual capitalists and joint capitalists merge into each other.

16. These forces organised themselves politically within the Communist Party of the Soviet Union, and thus also in the Comintern, and after the death of Lenin they gradually emerged openly as the 'Centre' led by Stalin. They were not strong enough to openly denounce Marxism, and because they themselves were no longer in the workers' movement, they had no alternative but to completely distort revolutionary theory. With the assertion that socialism can be built in a single country, even an economically undeveloped country, state capitalism, which WAS economically possible in the Soviet Union, was lyingly described as 'socialism'. Later, even commodity production and the money economy were acclaimed as useful foundations for "socialism" and it was claimed that "the law of value can be used". According to Marx, this is impossible, for socialism consists precisely of the abolition of commodity production, wage labour, the money economy - and thus the marginalisation of the law of value and, according to Marx, there can be no question of "using" the law of value. Even though the restoration of bourgeois rule took place over several years, the final victory in 1925 of the so-called "Centre" under Stalin's leadership was the real turning point in the dissolution of the proletarian power in the Soviet Union.

17. This reconquest of power by bourgeois forces in Russia necessarily led to the subordination of the Comintern, and thus the communist parties that were its members, to Russian foreign policy which was now bourgeois. The remaining Marxist currents were

excluded from it. The 'Stalinised' parties rotted into reformist organisations competing with the social democrats. The struggles of the workers who remained within them had become an instrument to protect restored Russian capitalism from the stronger Western powers, so that it could develop its industry. After 1925 nothing else was behind the slogan "defend the Soviet Union" which now claimed to be "the fatherland of working people".

18. The defeat of the international revolutionary workers' movement in the fields of both practice and theory was assisted among other things by a series of errors which had been made within the communist movement, some of which dated back to before the revolutionary upheavals. Except in Russia, revolutionary forces had been too late in separating themselves from the opportunist elements dominating social democracy. Thus it was only in the years of revolution that the vanguard of the proletariat came together as an international organisation. Prior to 1919, in many countries there was not even an organisation separate from the opportunists on a national level. Thus, because of the failures mentioned above, the eventual international organisation of the revolutionary proletariat, the Third International was dominated by the Bolsheviks - a single organisation that was only organised on a national basis. The establishment of a truly international leadership and the formation of a single global world party under a unitary leadership did not materialise.

From this, the communists learn the lessons for today - the communist party can only be formed on an international basis, and as soon as possible before the decisive class battles.

China and the Other "Socialist" Countries

19. The "socialist people's republics" which emerged in East Europe after World War Two have nothing to do with the communist movement. They are a result of the restored Russian capitalism, which shortly before the War transformed itself into an imperialist power, and in collusion with American imperialism exercised its influence over these countries. The Stalinist communist parties which had been militarily active in these countries during the war stamped their struggle from within with a bourgeois programme which consisted in the development of the national capitalist economy, which the state capitalist measures taken in Stalin's Soviet Union were supposed to lead to. The counter-revolutionary "theory of socialism in one country" was thus an essential instrument with which to lead the workers into the renewed slavery of capitalism.

20. In China the programme of the "communist" Mao Tse-tung was essentially no different from the East European people's democracies, indeed the counter-revolutionary rôle of the Stalinists is clearly indicated by the bourgeois revolution in China. Like Russia in 1917, the first revolutionary wave in China from 1924-27 contained the possibility of a double revolution. It collapsed simultaneously with the final proletarian uprisings in Western Europe. Already in 1924 the Chinese Communist Party participated in the bourgeois Kuomintang movement on the instructions of the degenerating Comintern and gradually it gave up its own programme in favour of that of the Kuomintang. Already in 1926 the CCP stood directly against workers' strikes which in Hong Kong were almost crippling the entire trade between China and England so as not to jeopardise the "unity of the national movement". In a parallel manner the Stalinists, with the aid of the trade unions, paralysed the contemporary strike movement in Great Britain. In 1927 the CCP handed over the insurgent workers of Shanghai to the terror of the Kuomintang. After the main resistance of the workers to the bourgeois programme of the Kuomintang had been violently destroyed, the CCP subordinated the movement of the poor peasantry to a bourgeois agrarian programme. The numerous breaks and reconciliations between the CCP and the Kuomintang from 1924 to 1949 reveal no class opposition, merely a dispute over how

best to carry out the bourgeois national programme. The coming to power of the CCP in 1949 was the coming to power of a bourgeois faction and thus the breakthrough of Chinese capitalism, under the leadership of the Soviet Union.

21. The situation was also similar in other countries, which some time after the Second World War transferred into the "socialist" camp - such as Cuba, Angola, Vietnam, etc. It is characteristic of the period after the October Revolution that bourgeois revolutions in the periphery are as a rule forced to portray themselves as "socialist revolutions". The distortion of Marxism by the Stalinists gave them the means to do this. The rifts between individual states of the "socialist" bloc, for example, between China and the USSR, or China and Albania, etc. are not a result of a search for the "correct road to socialism" but products of the competition between national capitals which is inherent to the capitalist system. Because of the specific rôle of ideology within these formations, which is used to disarm and deceive the working class, the ruling class in these countries must disguise these contradictions as something else.

The development of the "socialist" nation states in recent years confirms the analysis of the international communist movement of the real political and economic character of these states in a particularly clear manner.

22. All parties and political groups which defend the so-called "socialist" countries, or see them as anything other than capitalist nations are, for all their "workers rhetoric", objectively agents of capital and not workers' parties, however much they are subjectively opposed to the evils of capitalism. This includes the Trotskyist, Stalinist and Maoist groups in all their variations.

The genuine communist movement distinguishes itself by its adherence to the original communist programme. Outside the international communist movement, which works for the re-emergence of the international communist party, there is now no current embodying the historical interests of the working class and defending the autonomy of the proletariat in theory and practice.

Democracy and Fascism

23. The setting up of Fascist forms of government in some European states after the First World War was no "phenomenon" alien to bourgeois rule, but rather the logical consequence of this rule. The Fascist parties were put into power by the world bourgeoisie because their orthodox democratic apparatus was crippled by profound contradictions and was incapable of maintaining the normal functioning of the bourgeois state. That which the bourgeoisie could no longer manage was taken over by the Fascist parties - i.e. to forge the bourgeoisie into a single entity united against the working class, and in opposition to other competing national states. The Fascist programme in no way differed from the programme of the West European reformists, there was just talk of "national socialism" and a "people's state" which would stand "above the classes". In all the places where Fascist parties came to power there had previously been critical class struggle which had been politically and where necessary, militarily defeated by the forces of reformism. Fascism was thus not the cause, but rather the effect of the defeat of the proletariat.

24. The Fascist methods of government were in essence no different from those of bourgeois democracy. They used the same means, only in a stronger "dosage". This corresponded to what was required on both the economic and political level to deal with a situation that had arisen through class struggle and imperialist competition. The democratic camp of the international bourgeoisie, which on the face of it was opposed to Fascism, carried out similar policies to those of the Fascists: the voluntary subordination of "free trade unions", the democratic dictatorship of the bourgeoisie and their institutionalisation as part of the state apparatus to control the working class (the New Deal in the USA, the Popular

Front in France) was effectively no different from the artificially created "Arbeitsorganisationen" of Fascism (German Workfront in the German Empire). Under the banner of "antifascism" the democratic bourgeoisie managed to carry out the same policies as the Fascist regimes: concentration of all national resources in preparation for the Second World War and for its execution. The "coup de grace" dealt by Fascism to the proletariat which had already been defeated took effect in the same way in the democracies through the agency of its apparent opposite, "antifascism". For the proletariat the lesson should have been learned - there is no atrocity from which the bourgeoisie shrinks back, and the proletariat should gladly give up the trappings of democracy (which hides its barbarity under the label of civilisation).

25. With the false alternative of defending one form of bourgeois dictatorship against another, the Trotskyists, Stalinists and social democratic reformists crawl out of the woodwork to crown their achievement in distorting Marxism. Workers should not struggle for the dictatorship of the proletariat but for the bourgeois democracies. The proletarian uprising which began in Spain in 1936 was transformed by these very forces with the above-mentioned bourgeois perspectives into the first conflict of the Second World War, in that they enlisted the organised working class to defend bourgeois democracy and thus prepared the way for the subsequent global butchery. It is well known that the petit bourgeois anarchist movement that was most strongly based in the Spanish working class joined forces with the reformists. Unlike in the First World War, there should no longer be an autonomous workers' movement. Workers should become active participants in the war, and think that by doing this they were defending their own interests. In this way the bourgeoisie would avert the danger of the transformation of the war into civil war. The Second World War thus became the absolute low point of the revolutionary workers' movement which was almost extinguished. By really drastic measures over 20 years the bourgeoisie almost eradicated the practical and theoretical organisations which had come from more than 70 years of class struggle. The "radical" reformists took over the top posts of the ruling class within the proletariat - without them, the bourgeoisie would not have been capable of carrying out their work.

26. The period of the First World War is characterised by the struggle of the economically dominant monopoly capitalist factions to achieve an equivalent clear dominance within the state. In some countries the Fascist parties were the appropriate vehicles for bringing this about.

The Fascist solution to the Italian internal crisis by the Italian bourgeoisie stood godfather to the handover of power to Fascist parties in other countries subsequent to the 1929 crisis. Fascists do not change the nature of the state - bourgeois class rule - but rather they build upon the basic potential of the bourgeois dictatorship to keep down the oppressed classes and strata, and are in a position to put an end to the fragmentation of the bourgeoisie within a national boundary by the hierarchic domination of monopoly capital. Democracy was an adequate instrument for the victors of the First World War, who had not experienced such fragmentation, to perform the same tasks, because the successful war performance of their local monopoly capital factions had served to subjugate the other factions. Fascism was thus not the negation of bourgeois democracy, but merely the form best suited to certain conditions. If today's democracies have taken over an entire arsenal of methods from the Fascist period, from the former Fascists, just as from the anti-fascist regimes, this is because the methods developed correspond to the requirements of safeguarding bourgeois rule.

27. For the proletariat the opposition between fascism and democracy cannot be considered a "contradiction" within the framework of class struggle. The communist struggle is for political power, for the dictatorship of the proletariat. Democracy and fascism are equally expressions of the bourgeois dictatorship. Communists do

not join in the complaining choir of the petty bourgeoisie which laments the "dismantling of democratic rights" and demand "more" or even "pure" democracy.

Rather, communists stress the economically determined tendency for bourgeois domination to extend its political power into human beings' most immediate conditions of life, in order that the political and economic power of the exploiting classes holds sway over all social contradictions. This tendency grows stronger the more the State, industrial and banking capital merge together. Against the reactionary slogan "return to democracy" which is primarily raised by the small producers against the big monopolies all-powerful competition, the class-conscious workers carry out a thorough-going critique of bourgeois democracy and, rejecting any anti-monopolist alliance with the petty bourgeoisie, show the way to the class dictatorship of the proletariat which is the only body capable of carrying through the emancipation of the working classes.

The democratic republic is the best conceivable political shell for capitalism and so capital, once it has seized this best shell, establishes its power all the more reliably, all the more certainly, because no change, not of the people, nor the institutions, nor the parties of the bourgeois democratic republic can shake this power. Lenin.

28. Democracy stands for nothing but a bourgeois society in the form of a people's state and thus of a nation. In this the economic ruling class is also the political ruling class but this is disguised by the representative voting system which helps to produce the illusion that all members of society can influence the business of the state. On looking at things more closely, every thinking person will recognise that behind the "national interest" there stands only the class interest of the bourgeoisie, behind the "purposes of state" the cudgel for holding down the oppressed classes in order to continue their exploitation. Thus the nation exists only through the bourgeois state's symbols of power and institutions, above all through the Parliament which brings together the "representatives of the people" and thus elevates the people to the people of the state. As "people's representatives", and consequently "above classes", thus denying the class contradictions of society, all forces which recognise the democratic order do not move against the interests of the bourgeoisie but within the framework of capitalist society. Exploitation itself cannot be changed (in the name of democracy this is strictly forbidden), but only the conditions of exploitation and competition.

29. Therefore, for communists the question of participation in parliamentary elections is not one of achieving anything to forward the workers' general and historical interests. The bourgeoisie's talking shops will, like the entire state apparatus, be swept away by the proletarian revolution. When communists did appear in parliament it was only for propagandist purposes, and only in historical periods when parliament still had a central intermediary rôle between several competing classes and thus a real social function. As the domination of monopolies and finance capital has been realised, as the pre-capitalist classes have either disappeared or lost their independent political importance, parliament has been reduced to having a purely ideological function in the service of the bourgeoisie alone, and now plays no meaningful rôle in political debate. If the emerging international class party were to participate in the bourgeois electoral circus it would be disorientating and would strengthen illusions in parliaments instead of exposing their real function. Nevertheless, the tactical participation of communists in elections to the bodies with real influence and under certain circumstances where a successful outcome is foreseeable, is not to be excluded on the grounds of principle.

Unions

30. Unions emerged in the industrialising countries in the 19th century. They were workers' organisations which defended their immediate interests, protected their living standards, and opposed the bourgeoisie's continual attempts to lower wages under the minimum below which existence was impossible and to increase the working day to an unbearable extent. Even where these unions were initially linked with the political movement of the working class struggling for political power, the purely reformist tendency gradually won the upper hand. This tendency no longer questioned wage labour but instead delivered the workers to the continual perspectiveless see-sawing of the struggle for wages and reforms. The material origin of this tendency is to be found partly in the accumulation of strike funds which led to the establishment of an apparatus of functionaries which became more and more alien to the working class and, finally, used the workers' funds as capital. The bourgeoisie's endeavour to make the workers' movement sell off its revolutionary political content contributed greatly to reinforcing this tendency. Hence it is not by any miracle that the union apparatus in most industrial countries was the bourgeoisie's most willing assistant in putting the machinery of production in the service of the First World War. After they had made themselves dependent on the bourgeoisie they became themselves a part of the bourgeoisie and became imperialists.

31. Until the end of the First World War and the start of the revolutionary proletarian uprisings of 1917-18 the communists struggled determinedly against the traitorous reformist tendency which had delivered the proletariat to the bourgeoisie's tender mercy and led it into the war in which over ten million workers bled to death. Once the communists had clearly separated themselves on the political level from official social democracy - which represented the party political expression of the traitorous bourgeois tendency in the unions - they then attempted to return the unions to the path of revolutionary class struggle and to maintain their character as unitary workers' organs by working within them. Under the blows of both the White and Stalinist counterrevolutions which finally led to the degeneration of the workers' movement, this policy could not succeed.

32. The bourgeoisie recognized that the union apparatus and its influence on the working class could be suitable instruments for the subjection of the working class to bourgeois policy on all levels in the workplace, where social contradictions found their sharpest expression. With the support of the reformist social democratic, Stalinist and Trotskyist elements and the collapse of the independent workers' movement nothing stood in the way of the full integration of the unions into the economic and state system. With the end of the Second World War and the consequent new and sharpened stage of competition on the world market, which made it necessary for the bourgeoisie to have a permanent and as near as possible disturbance-free mobilisation of all social forces for their contingent national policies, the unions were definitively integrated into the apparatus of bourgeois domination. In addition, the formal "independence" of the unions at present is in optimal correspondence to the bourgeoisie's needs (it disguises the real relations) and it is also an expression of the customary freedom of an important fraction of the bourgeoisie.

33. Reviving these unions as true organs of proletarian struggle is impossible. On the contrary, in the course of the working class's revolutionary struggle they will have to be smashed as part of the bourgeoisie's repressive state apparatus. The workers are already experiencing today that the unions hamper their struggle for even the smallest and most immediate demand and sabotaging the unity of the working class necessary for that struggle. Thus in many countries there are workers' efforts to create a new unity in struggle outside and against the traditional unions. Communists see these endeavours as an important step for struggling workers to move

away from the vice of these unions, and support all tendencies, no matter what form they give themselves, which facilitate the unity of workers on the basis of their real interests and do not limit themselves to the struggle for capitalist reforms.

34. Communists regard the basic principles of the traditional unions as unsuitable for waging revolutionary class struggle. In them workers are split into nations, branches and even according to different jobs in the same production line; in them are organised not only combative workers, but also a mass of undecided workers; this enables the functionaries to play workers off against each other and so sabotage their struggles. They use the more backward sections of the workers to put the brakes on the most combative sections and simultaneously prevent the more backward sections from learning to trust the working class's own power through struggles that promise success. The opinion of communists is that a workers' mass organisation can consist only of fighting proletarians. The position defended by those unions that pretend employers and workers are "partners with equal rights", reducing all action to the immediate level of quarrels within a firm or a branch, blurs the class character of the capitalist state and represents it as "standing above classes". A union which does not question wage labour and therefore does not make the state and the political power a target for its attacks, cannot be a genuine workers' organisation. Thus communists reject every form of entryism, of infiltration with the aim of conquering the traditional unions, which are an effective part of the state apparatus for watching and suppressing the workers "from below". The revolutionary unity of struggling workers emerges outside and against these unions.

Death to Fatherlands! Class Struggle!

35. For the proletariat, a universal class, there is no fatherland, no nation to be favoured. Through the proletarian revolution the nation ceases to exist together with capitalism. The communist movement has never had "national tasks" to fulfil, even though it could not oppose, especially in the last century, the construction of the national states through the bourgeois revolutions. This was because the bourgeois national state developed in opposition to the old feudal order and created for the first time the real pre-conditions for the proletarian revolution in that it became the instrument which freed the productive forces and consequently made the proletariat a mass class. The growth of nation states and the accompanying nationalisms are therefore products of bourgeois interests and are indissolubly linked with the capitalist mode of production. Where the bourgeois national state had been established against the feudal order the bourgeoisie lost its progressive character on the spot and became the worst reaction against the aspiring, revolutionary class of workers. In Western Europe this process was finished by 1872 and in the remainder of Europe by 1918. In parallel to this the subjection of the entire globe to the capitalist mode of production occurred. Even pre-capitalist modes of production were woven into the framework of capitalist economic relations and subjected to the law of value with the advancing extension of the world market, irrespective of their "internal workings".

The areas affected in this way atrophied and became the dependants of the European national states.

36. Once the capitalist relations of production and exchange became the dominant relations across the world, they led to an increasing sharpening of the contradictions between the capitalists themselves. This is shown not only by two devastating world wars in the advanced world but also by the struggle of the metropolitan bourgeoisies against their successors, both theoretically and in practice, in the periphery. The metropolitan bourgeoisies opposed the aspirant bourgeoisie of the colonial countries with an alliance with "precapitalist" local despots. In this way, they gave rise to strong bourgeois national movements "against imperialism" in these countries, which enabled the new bourgeoisies in the capital-

ist periphery to herd wide layers of the people behind their interests. The anticolonial struggle of the peripheral bourgeoisie was therefore still progressive to the extent that it was forced to destroy local precapitalist structures. In no other way did these bourgeoisies distinguish themselves from their metropolitan teachers: wage-labour, impoverishment and the bloodiest repression characterises their long march into the ranks of the world bourgeoisie up till today. The anticolonial movement ended largely in the period 1965-75. After the defeat of the revolutionary workers' movement in 1925-6 and the accompanying disintegration of the communist movement which saw the communists reduced to a few hundred, there could be no connection between the workers of the colonies and those of the metropolises. The absence of real class struggles in the metropolises drove the workers of the periphery directly into the arms of their bourgeoisie. The nationalism of the metropolitan working class found its parallel in the nationalism of the workers in the periphery. After the end of the anticolonial movement, which simultaneously signalled the closure of the expansion cycle of world capitalism bound up with it, and thus completing the extension of the chief social contradiction, that between wage labourers and capital, to the world scale, all illusions in a national class alliance advantageous for the proletariat are being gradually destroyed and the communist world revolution remains the sole perspective.

37. With the sharpening of the world-wide contradictions between the various bourgeoisies and the heightened competition between national capitals, in all countries there emerge oppositions between different factions of capital which develop in varying political forms into struggles for domination of the state. In the formation of the capitalist periphery these oppositions are especially crass and often take the form of military conflicts and coups. Thus, in some countries there emerge "national liberation movements" which are but the attempt of a bourgeois faction to tag onto the traditions of the anticolonial struggles and make use of "anti-imperialist" phraseology for their own plans for exploitation. These represent a particular form of left bourgeois reformism. In other countries it is a question of a revival of nationalism or regionalism as an expression of the sharpening competition within an existing bourgeois state, with the aim of winning the bourgeois leadership of these movements greater advantages within the already existing state or independence from it. Such movements are the result of the exceptional prosperity, or the decline, or the forced backwardness of a region. In all cases, nationalist movements have a bourgeois character and are anti-proletarian, without any progressive nature, for the victory of such a movement will not bring any decisive advantages to the communist revolution. For workers of all countries, the proletarian world revolution is the only way.

38. For the class-conscious proletariat, for communists, there is no abstract "right of nations to self-determination". The nation is nothing but the product of the bourgeoisie depicting itself as the representative of the entire people and exercising its control over the "people" through the state constituted as the nation. Hidden behind all the phrases about "national unity" there is nothing but the claim of capital to exercise its power over all other social classes. The proletariat's answer to bourgeois nationalism is internationalism. In practice this means, amongst other things, striving under all circumstances for the defeat of one's "own" nation - that is, of one's own bourgeoisie. This revolutionary defeatist principle of communists and class-conscious workers can, in concrete cases, mean the recognition of the "right to separate" of a newly emerging bourgeois nation from the old framework of the state, but only by the workers of the immediately "oppressing nation", if this appears necessary for the production of the unity of the international proletariat, that is, when class consciousness is underdeveloped among the workers of the "oppressed nation" and national prejudices exist. On the other hand, the class-conscious workers in the

"oppressed nation" determinedly struggle against the nationalist endeavours of their "own" bourgeoisie and call upon their class comrades to struggle side by side with the proletarians of the "oppressor nation" against all forms of bourgeois domination, for the international communist revolution.

39. The racial hatred stirred up by the bourgeoisie, the special oppression of human beings on the basis of their race or their belonging to a particular people (nationality) is as old as capitalism itself. Under the conditions of the capitalist mode of production, that continually give rise to and sharpen competition, there can be no equal rights for different racial groups since the bourgeoisie is forced to split the working class in order to act in its own interests. To this purpose it utilises cultural differences among people and attempts to set them at each other's throats. Only the proletariat, struggling for its own interests, is able to overthrow the artificially created contradictions between racial groups through its world revolution. In the communist world no distinctions of race or nationality are drawn, no language is preferred to others. Communists agitate equally in all living languages and forms of writing, in so far as this is possible. In addition, they especially work towards "national minorities" represented in the proletariat of a given country as, for example, immigrants. The actual character of the communist movement is anational.

40. The recent supranational organisations involving several countries, like the EEC, ASEAN, CARICOM etc, the significance of which is that the participating countries experience a strengthened reciprocal economic penetration, necessarily lead in one way or another to the subjection of the individual nations to the supranational structure, unless this collapses under the weight of the internal contradictions between the bourgeoisie. These organisations are in no way precursors of the reconciliation of peoples under the mantle of capitalism, but reproduce the bourgeoisie's congenital nationalism on a higher plane. The bourgeoisie's supranational organisations are nothing but the expressions of a sharpened competition between capitals, which now clash against each other in larger territorial units. The attitude of communists regarding these supranational structures is no different to that regarding individual nations. The communist revolution will leave not a trace of them, as they are an integral part of the bourgeois state apparatus.

The Question of Women in the Class Struggle

41. The question of women is part of the great social question. The proletarian revolution is only fully complete, really proletarian, when it is able to supersede the special oppression of women workers and of women in general. In fact, there can be no classless society, no communism, so long as any form of women's oppression persists. What lies behind women's oppression is the first division into social classes, arising from the naturally emerging division of labour in primitive society. Contrary to the subsequent division into classes, this was not antagonistic. This had the effect that, with the further decomposition of society into classes, the contradiction between man and woman became a burden both within the ruling and oppressed classes and only then became an especial oppression. Capitalism sharpened this oppression and simultaneously provided the conditions for its abolition - through the integration of women into social activity. For proletarian women this means escaping from the ghetto of the kitchen and nursery, but at the expense of an immense double burden. Even in the workplace women workers are rarely taken seriously but are given the most monotonous work, are completely underpaid and on top of this they are exposed to sexist attacks by lower and upper management and male colleagues lacking in class consciousness.

42. These relations cannot be abolished within the capitalist framework but get even worse, especially in times of crisis. The bourgeoisie gains from these conditions, as they are an important element for the division of the working class. The liberation of

women and the liberation of the entire working class are therefore indissolubly linked. The struggle against the special oppression of women is not just a woman's matter but a concern for the entire working class. Hence communists support all workers' struggles against women's oppression. They see these as necessary steps towards workers' unity. Simultaneously, communists take all necessary organisational steps to facilitate the individual participation of class conscious women workers in the communist movement. They refer themselves in this to the tradition of the proletarian women's movement and the women's international.

43. On the other hand, the bourgeois women's movement - or feminism, which is another expression for the same thing - is opposed by communists. It is the expression of the contradictions between men and women inside the ruling and privileged classes. Feminism primarily represents the attempt to resolve these contradictions within the framework of capitalist relations. The emancipation of bourgeois women within the privileged classes is possible, as the oppression of the working class exists. Hence the women of the privileged class can free themselves from housework - on the backs of the proletariat, by using underpaid working women. Radical feminism, which claims to be revolutionary, is nothing but the petty-bourgeois imitator of its bourgeois counterpart, and in its resolute demand for "paid housework" shows that its perspective is one of extending wage slavery.

Proletarian women can therefore expect nothing positive from the feminist movement. Feminism's, and especially radical feminism's, repeated and hopeless striving to sink roots in the working class, is objectively nothing more than a further bourgeois attack on the unity of the working class and an attempt to yoke women workers to the egoistic interests of female careerists and capitalists.

Proletarian versus Bourgeois Violence

44. Communists are the most decided opponents of violence as a means of regulating conflict between human beings. But in contrast to the holy apostles of the bourgeoisie and petty bourgeoisie whose readiness for peace exhausts itself in moral appeals to conscience and who call up the muscle of the state as soon as there is the smallest attack on their privileges, communists know that every society that is divided into classes can only be maintained by violent means. Whoever wants to do away with violence must first use violence, revolutionary violence for the overthrow of the class domination of the bourgeoisie, of that exploiting minority in society which will never voluntarily give up its privileges.

45. The overthrow of bourgeois power is not sufficient to remove violence from the world. When the working class establishes its dictatorship it will be the dictatorship of a majority against a small minority of bourgeois forces desiring the reintroduction of the old repressive social conditions. Consequently, the workers' revolutionary violence against the dictatorship of the bourgeoisie will remain necessary after the revolution to secure the fruit of class struggle against the forces of the bourgeoisie. Only when all counter-revolutionary currents have been defeated and the material conditions for a classless society have been created will violence and the state disappear from social relations.

46. Under the conditions of class society acts of violence cannot be equated with other acts of violence without taking into account their class character. The working class is compelled by conditions to accept proletarian violence as a means for doing away with oppression resting on violence once and for all. As against this, bourgeois violence is a means for holding the working and productive classes in chains and conducting wars with millions of proletarians to secure overlordship for one or another bourgeois faction. All the pacifist racket, no matter what pious wishes accompany it, thus represents nothing but a dangerous disarmament campaign directed against the proletariat and has long been part of the bourgeoisie's ideological arsenal for opposing insurrection. Pacifists

are the errand boys of bourgeois state violence.

47. Like all historical revolutions, the workers revolution will be fought out with gun in hand, when the situation is ripe. The initially spontaneous and limited moves by the proletariat to arm itself during sharpening crises are supported by communists. The world communist party which is recreating itself in the meantime will have the task of giving the insurrectionary movement encompassing several countries or regions a single leadership, uniting the efforts of the workers and thus forming a combative international Red Army.

48. Communists fight everywhere in the front line, wherever the workers defend themselves from the attacks of the state, or of fascist, democratic or Stalinist gangs, whether or not violence is used. On the other hand, communists reject the terrorism of left bourgeois groups, as they do all politics that relies on individual violence isolated from the working class rather than the organised revolutionary violence of the working class. Such politics have not overcome bourgeois individualism but instead are its acme. They are worthless for the advancement of working class organisation and hinder it by elevating individual action over the class movement. They are, in the final analysis, contemptuous of the working class. All politics based on individual action leads inevitably to joining the front of their ideological initiators: the bourgeoisie.

War on War

49. In case of war communists defend the chief commandment of class conscious workers: revolutionary defeatism, which means working for the defeat of ones "own" bourgeoisie. All workers' efforts must be directed in time of imperialist war towards the transformation into the revolutionary class war. Instead of mutually smashing each other's heads in on both sides of the war front for the benefit of the bourgeoisie, which can only mean that the workers of all sides lose, workers' guns must be turned on their "own" bourgeoisie instead of on their class comrades. The war industries must be crippled. For workers there is no reason to defend "their" nation; this would mean maintaining their own slavery. "Working men", as it said in the "Communist Manifesto" as long ago as 1848, "have no country".

If there is a civil war between two bourgeois factions within one country and the conditions for a victorious proletarian insurrection are not to hand, the valid slogan is proletarian self-defence against both of the bourgeoisie's factions, without working with either.

50. The bourgeoisie prepares for its wars well in advance in many ways: through arms production, the maintenance of a standing army, through the pollution of the population with nationalist and chauvinist slogans, through the glorification of wars in films and toys, through military bands and the cult of the soldier etc. All these activities of bourgeois society can be summed up in the expression "militarism". All struggles against imperialist war would be dubious were they not already contained within a struggle against militarism. But these struggles can only be won through a victory over capitalism. Communists reserve a large part of their activity for the struggle in this sense against militarism and war fever and the bourgeois pacifist babbling against them. This is even more important now the bourgeoisie of all countries has joined in the song of "peace" and "disarmament". In reality, what lies behind the "disarmament proposals" of both East and West is nothing other than the modernisation of weapon systems, to reshape their armies to meet the new demands of the up-to-date conduct of war between the great powers. They are reproducing their ability to make the proletariat and semi-proletarian layers pay for the next world war.

The Relationship of the Proletariat to other Classes

51. Although communists consciously and completely unilaterally represent the working class's entire historical interests and there-

fore constitute the proletarian party tendentially (if not yet formally), this certainly does not mean that individuals from other classes cannot stand fully on the basis of proletarian class struggle and become genuine members of the proletarian party even although this is only rarely possible. On the other hand there are wide strata of people dependent on wages who are nevertheless not yet workers but whose conditions are becoming ever closer to the workers'. These semi-proletarian social strata join the workers' developing class front on the basis of their interests, which are no longer any different from those of the proletariat, and are absorbed in it. A similar thing can happen with these strata in the as yet partially industrially developed countries, where they stand ready as a large, as yet unused, reserve army for capitalist industry. The precondition for all this is that the contradictions in capitalist relations clearly unfold and the central layers of the proletariat take up the determined international class struggle once again.

52. Apart from the proletariat, there is no other social class capable of the revolutionary transformation of the relations of production. The interests of non-proletarian classes are always reactionary: precapitalist classes want to recreate precapitalist conditions and struggle against their own unavoidable disappearance as classes; the bourgeoisie aims only to maintain the existing relations and to repress the proletarian class movement (which today is the sole progressive social force); the traditional petty bourgeoisie wants an impossible return to an earlier stage of capitalism and so give itself the chance of joining the bourgeoisie; the new petty bourgeoisie, created on a mass scale by developed capitalism, has no aim outside of creating a better position for itself in the existing relations and because of its direct dependence on the bourgeoisie it supports it in its sharpening of the exploitation and repression of the working class; the rural petty bourgeoisie, the peasants, have interests which are no different from those of the traditional petty bourgeoisie, unless they belong to the poorest peasant strata who have been compelled to work as part-time wage labourers or have been pressed into the great industrial reserve army.

53. From all this three things emerge. First, the proletariat is the sole class that is forced by its social position to overturn conditions in order to emancipate itself, to liberate itself from the grasp of capital which is destroying it and in order to have at its disposal the wealth created by its work alone, as against the situation under capitalist relations where the workers own labour brings them nothing but instead increases the power and privileges of the exploiters.

Second, individuals from strata other than the proletariat or semi-proletariat must radically break with the interests of their class of origin, must become "class traitors" in order to genuinely participate in the proletarian struggle.

Third, the proletarian movement cannot take up the interests of other classes opposed to the proletariat and can only agree to alliances with other classes when they unambiguously subordinate themselves to the communist programme.

Communist revolutionaries are those who have been hardened by their common struggle against the degeneration of the proletarian movement, and they must be firmly convinced of the revolution without relying on it to settle their debts and giving way to doubt and demoralisation if it is delayed by a single day.

Revolutionaries are - in our opinion - those for whom the revolution is as certain as that which has already happened.

Amadeo Bordiga.