

WORKERS VOICE

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**COMMUNIST
WORKERS
ORGANISATION**

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South Africa in Turmoil

NATIONALISM & IMPERIALISM ENEMIES OF THE WORKING CLASS

The massacre by South African police of 43 blacks at Langa was only one of many similar events which have been occurring continuously throughout the last seven months. Within this period, according to the government's own figures, its police have shot dead over 200 people. The failure of the regime to stabilise the situation despite brutal repression on this scale, illustrates the extent to which the capitalist economic crisis is tearing the social structure to bits. Unemployment and short time working are throwing masses of people into widespread social struggle. The present turmoil is bringing far more sections into struggle than was the case in Soweto 1976, and the struggle is far more widespread. The general current of this struggle is nationalist and aims to elevate the black bourgeoisie to power, and to replace the outmoded "apartheid" organisation of capitalist exploitation by the liberal democratic method - as exists in Europe. Within this struggle, however, there is a strong working class current and it is vital that this current finds a communist voice and separates itself from the african nationalists - otherwise south african workers will be used as cannon fodder in a racial war serving the interests of the bourgeoisie and imperialism.

WORKERS AND THE STRUGGLE

The two main centres of recent unrest have been the Crossroads squatter camp outside Capetown, which contains 65000 people who are mostly workers from the cape peninsula and the Eastern cape region which is the centre of the motor industry. Both areas are affected by massive unemployment resulting from sharp cutbacks in government spending caused by the low gold price, the cost of the war in Angola and the funding of guerrilla organisations in neighbouring states. The slowdown in industries, such as building, has thrown tens of thousands of workers onto the streets. The more capitalised industries have also suffered, and the car industry is fairly typical. The main manufacturers in the Eastern Cape, General Motors, Ford & Volkswagen are all working 3 day weeks and have sacked thousands of workers.

Workers who are unemployed get no unemployment relief and their desperate condition fuels the unrest. It has been in areas where the crisis is hitting hardest that there has been the most unrest. Those workers with jobs have also shown they were prepared to strike in support of wider political aims - despite the consideration that striking often leads to strikers being sacked. Strikes of this nature occurred in the car plants at

Uitenhage where the trade unions called a one day strike, which took place on the day of the Langa massacre and which was in protest at the banning of a funeral for those gunned down the week before. A similar strike was the successful 2 day general strike in the Transvaal against rent increases. The danger facing these class actions is that they will be channelled into the general stream of African nationalism.

The fundamental conflicts within South African society are class conflicts; these will remain even if power passes to the aspiring black bourgeoisie. The lot of the working class will not be fundamentally improved as is illustrated by events in Zimbabwe, where strikes are crushed and their leaders and trade unionists imprisoned under the infamous 'Emergency Powers' laws of the Smith regime, laws which the black bourgeoisie finds most useful in dealing with the class struggle. Pay and conditions are as bad as under Smith. Victory for african nationalism in Zimbabwe has benefitted only the black bourgeoisie who have given themselves the spoils of power - high salaries, the best housing, private schools for their children and various other privileges. The gains for the workers, and the peasantry are negligible.



Black protestors at Crossroads meet violence of the South African state.

THE IMPERIALIST DIMENSION

S. Africa is strategically vital to western imperialism and acts as its policeman in southern africa. Its primary role is to prevent Russian gains in this area of the continent. It is to this end that U. S. policy is ultimately directed. The treaties which S. Africa has signed with Mozambique (Nkomati accords) and with Angola (Lusaka agreement) were directed at driving out Russian influence and dictated to S. Africa by the US. Since the Nkomati accords the US has granted Mozambique \$1M of military aid and restored diplomatic relations while in Angola it has achieved an undertaking to withdraw some of the Cuban troops.

S. Africa's flagrant violations of both treaties and endless procrastination over Namibian independence has once again raised the possibility of renewed Russian gains in the area. This has led to a fresh intervention by the US resulting in the withdrawal of S. A. troops from Angola, and ambiguous moves towards independence in Namibia, also officers in the S. A. defence forces have been officially 'disciplined' for continuing to supply the Mozambique resistance movement.

It is, however, vital for the West to stabilise the internal situation in S. A. and modernise its system of exploitation, otherwise western imperialism could be faced with another situation like Iran 1979. The options facing western imperialism are basically these; firstly for the S. A. bourgeoisie to institute a process of reform leading to majority rule; secondly to see majority rule come about by military victory of the african nationalists; thirdly to introduce limited reforms and keep the situation as it is by coupling this with savage repression. The first option is not at present possible and US imperialism will not tolerate military victory of the nationalists. This is because the African National Congress (ANC) the main guerrilla organisation is backed by Russian imperialism and a military victory would be coupled with an enormous increase in Russian influence in the area. The third option therefore appears the only alternative and it is this that we are seeing at present.

Thus, whatever happens the national struggle will develop along the lines dictated by world imperialism and will be fought for the interests of imperialism, just as in the neighbouring countries or S. E. Asia. This is an inevitable result of the division of the world between two imperialist blocks. Such a struggle can never benefit the working class and is not worth a drop of workers blood.

CLASS RESPONSE

As the turmoil in S. A. increases and the bourgeoisie have less room to manoeuvre, workers should exploit the regime's weakness for improvement of their conditions and abolition of the oppressive apartheid laws. However, they should separate themselves politically from the nationalists and should condemn them for their capitalist programme including the so called 'socialist' aims which are simply state capitalist aims. Workers should put forward their own programme - the communist programme - calling for unity of workers of all races against the bosses and against capitalism in all its forms, for united action with their international class brothers for the communist revolution.

ALBANIA AFTER HOXHA

The death of the world's longest-serving Stalinist ruler, Enver Hoxha of Albania, occurred in April. We record this fact, not to add our voice of condolence to those of the scattered remnant who see in Albania the only "true" socialist country on earth, but rather to speculate upon the perspectives for the development of state capitalist Albania now that Hoxha's 40-year rule is over.

Albania was a creation of German-Austrian imperialism in 1913. Their aim was to prevent Serbia, which had overrun the territory hitherto under Turkey, from gaining an outlet to the sea; this was because Serbia was a client of rival Franco-Russian imperialism. The Austrian threat of war forced a Serbian evacuation, and the creation of the new state, most of whose tribal inhabitants were unaware that it had come into existence. The collapse of the expansionist Balkan schemes of the Central Powers led to chaos in Albania, and at one time the existence of a dozen rival governments in a country the size of Wales. Finally control over most of the country, apart from the tribal highlands fell to an incredible King Zog I (there were to be two).

For most of the 20s and 30s, Albania was a fief of Italian imperialism (the head office of the Bank of Albania was in Rome), but Mussolini's dreams of a new Roman Empire called for outright conquest of a country one commentator said "could be conquered by a well-equipped fire brigade". Alas, Mussolini could only conquer the coastline, and had to be bailed out by German imperialism, which overran the country. It was from the tribal highlands that Enver Hoxha was to fashion a guerrilla movement that benefitted from the vacuum created by German withdrawal, and took power in 1944. The country he inherited was more like an African than a European one; no railways, no industry, and agriculture largely

subsistence pastoralism.

At first, Hoxha was fanatically pro-Russian, denouncing Tito loyally as a "fascist" for accepting US Marshall Aid. Partly this was inspired by fears of Yugoslav expansionism, since the latter is the heir to old Serbia. Hoxha, isolated physically from the other Warsaw Pact and Comecon countries, saw Russian protection against Tito as a necessity. Partly too was Albania desirous of Russian aid to develop its economy; it was the Russians who provided the capital and technicians for the railway from Tirana to the sea.

But events in the 1950s were to cause a rift between Albania and Russia. Firstly Khrushchev's denunciations of Stalin were paralleled by his efforts to overcome what he saw as one of Stalin's greatest errors; the rift with Tito, and Hoxha feared he might be sacrificed in a pawn for rook move. Secondly, the terms of trade between Albania and Russia, like all Comecon trade, were in the "socialist motherland's" favour. Hoxha began to denounce the low prices she received for her goods, and in particular Russia's failure to help with the food shortages in the later 1950s. But this was the time of the Sino-Soviet split, and the emergence of a huge China as an alternative protectress gave the Albanian rulers a port in a storm. In 1961 Hoxha broke all ties with Comecon and the Warsaw Pact, and steered his boat in the path blazed by the "Great Helmsman", Mao Tse-Tung. Albania was able to do so because, like Yugoslavia, and unlike the rest of Eastern Europe, it had no Soviet troops on its soil after 1945, neither did it have any vulnerable border with a Warsaw Pact country.

The next decade and a half saw the weird spectacle of the world's most populous country, and one of its least populous (Albania has 3 million people) try-

ing to engage in autarchic economic development in collaboration. Even at the height of its illusions, China could afford little help to Albania, and the collapse of the Great Helmsman's attempts at autarchy, and the drift of China towards the camp of US imperialism, caused consternation in Tirana. Denunciations of Chinese revisionism and its capitalist road followed, and led to Hoxha's second break with an erstwhile socialist fatherland, in 1977. Now Albania was completely alone; without foreign alliances or any foreign debts, and virtually without foreign trade.

But while Albania's defenders point to this as proof of its "socialist" nature, it is clear that there are divisions in the leadership, divisions evidenced by the mysterious death of Mehmet Cehu, Hoxha's second in command, in 1982. For Albania's autarchy has left it very vulnerable; the explosion of unrest in the neighbouring Yugoslavian region of Kosovo (which is 75% Albanian) in 1981 led to angry recriminations with Yugoslavia. GDP per head is only 840 dollars per year, a cruel price for autarchy, and attempts have been made to boost foreign trade. Though still small, this is increasing, and 96% is taken by Comecon (mainly nickel and chrome). After 40 years of glorious independence, Albania lacks the military means to defend itself, or the capital to develop its economy. It can only do so if it finds its imperialist master again, and the siren calls from Moscow are already beginning; the price to be paid in aid would be small compared to the prize-berthing facilities for the Soviet Fleet in the Adriatic.

Albania's zig-zags, and her likely evolution, offer confirmation of our thesis that in the epoch of imperialism, real national independence and economic development are impossible.

MASS STRIKES IN DENMARK

Police cars overturned, ministers prevented from reaching the Parliament building, police refusing to go on to the streets to combat demonstrators, mass pickets moving from factories to offices, from nurseries to bus depots until they had created the biggest strike in Denmark for over 30 years; clearly, as far as the ruling class was concerned there was "something rotten in the state of Denmark". So rotten indeed that hardly a word about it appeared in the British press which instead enlightened us with diversionary gossip about the dead Nazi father of a minor member of the monarchy. This silence is no accident and repeats the normal pattern for this period of world capitalist crisis. Since the miners' strike finished the torch of class struggle has been handed on to workers in Spain, the Netherlands, Australia and Brazil who have responded with a militancy which was rare only a couple of years ago but which is becoming the norm today. Like the Danish struggles these have been ignored by the capitalist press which hopes that its black-out of the real news will hide the fact that the struggle of workers in Britain is not just an isolated phenomenon, peculiar to Britain, but part of an international intensification of the class struggle.

THE MARCH--APRIL EVENTS

This struggle has taken a dramatic form in Denmark. In a country of 5 million people, 300,000 came out on strike in the private sector alone on March 24th. Food and fuel supplies were crippled, buses, planes and ferries were at a standstill, postal services, schools and hospitals were closed. After a week of paralysis the Prime Minister Schlueter decided to pass a law through parliament which made the government's 2% wage offer binding on all workers (including the private sector). This provoked a massive blockade of parliament by 150,000 workers in Copenhagen. Nine bridges were seized and it took police an hour to get the 90 MPs needed for a debate to be held, into the building. Once the strike was declared illegal the union leaders called it off but the struggle did not end there since an unofficial strike, involving even more workers than

before, began. This was effective enough to paralyse the economy for a further week, giving rise to such new tactics as using local radio to call up pickets and the blockading of motorways.

Such are the bare facts of the matter but they don't tell the full story which reveals how the inexorable advance of the capitalist crisis is provoking greater and more militant responses from workers everywhere, and how this militancy more and more runs up against the barrier of the trades unions role as the first line of defence of the capitalist system.

DENMARK'S DEBTS

It is only a couple of months since the press lackeys of capitalism were hailing "Denmark's small economic miracle" (*Financial Times* 12.2.85) Manufacturing output had increased by 11% in a year making Danish economic growth "faster than any other in Europe". However, as Denmark has been borrowing heavily for over a decade, this was not enough "because the foreign debt is so large, the cost of servicing continues to tick up alarmingly quickly ... A very rapid improvement is needed just to keep the external account from becoming worse." In fact, according to the OECD over 36% of Denmark's Gross Domestic Product is used to pay these debts. With unemployment at 10% and inflation at 5.6% the key to the issue was the reaction of the Danish working class to more austerity.

THE UNIONS AGAINST THE WORKERS

In Denmark the unions are further along the road to integration into the state machinery than in Britain. Economic planning is based on long-term contracts negotiated for nearly all industries, nationalised and private, between the Danish TUC and the government. In traditionally non-militant Denmark this has allowed the unions to negotiate wage increases below the rate of inflation for years, all "in the national interest". But the Schlueter government needed even more draconian cuts in real wages (offering a 2% rise this year and 1½% next compared with 4½% in 1984), forcing the unions, like unions everywhere to call what they thought would be a token strike. What they got was 3 weeks of mass strike

which was outside their control. The unions tried to end the strike after a week when it was declared illegal. Hiding behind the law they also told workers that the only way changes could take place was via the ballot box. By telling the workers to go home and wait for the elections the unions were doing their bit to prevent any questioning of the existing capitalist order. At the same time as stifling the self-activity of the workers they also lost no opportunity to divide them. Engineering workers were told that if they returned to work they could do special deals with individual employers for £20 a week more, whilst the less militant were reminded that they should return to work before Easter to save their holiday pay. The remarkable fact is that even these tricks didn't work and the union was forced to call a further strike on April 10th before it was able to regain control of the struggle and impose an uneasy truce upon it.

ORGANISING FOR THE FUTURE

It is easy to see that the unions have saved the Danish bosses bacon but their ability still to do this, an ability which this strike showed to be increasingly fragile, is a function of the present level of consciousness of the workers. Whilst the present series of strikes are bringing out many workers who have never been on strike in their lives, and are demonstrating a new capacity of the workers to spontaneously develop new tactics in the struggle, and even, by blockading parliament (described by the Justice Minister as "an attack on democracy") implicitly attacking the capitalist state, revolutionaries should not mistake what is from what they think ought to be. The truth is that the workers have not yet thrown off the ideological chains of the counter-revolution, in the sense that they still see the unions, labour parties etc as their allies and not their enemies within the capitalist system. The fact that the present struggles are defensive in character, that most of them do not make even immediate gains, and that they tend not even to take place simultaneously but rather in succession, shows that the ruling class in every country has hitherto been relatively successful in containing the class struggle. To fail to recognise the

SUDAN-THE PALACE REVOLUTION

The coup in Khartoum, which placed General Swareddahab and a military junta in power, and overthrew the regime of Numeiri, has received a glowing press in the western imperialist camp. A crew of tinpot generals, who served quite happily, and profited, in the previous regime of the "corrupt and despotic" Numeiri, are portrayed as a collection of Messiahs, who will lead the Sudan to a new promised land. As usual, a chorus of promises to clean up on corruption, and to restore political liberties, serves as an overture to the inevitable preservation of the status quo.

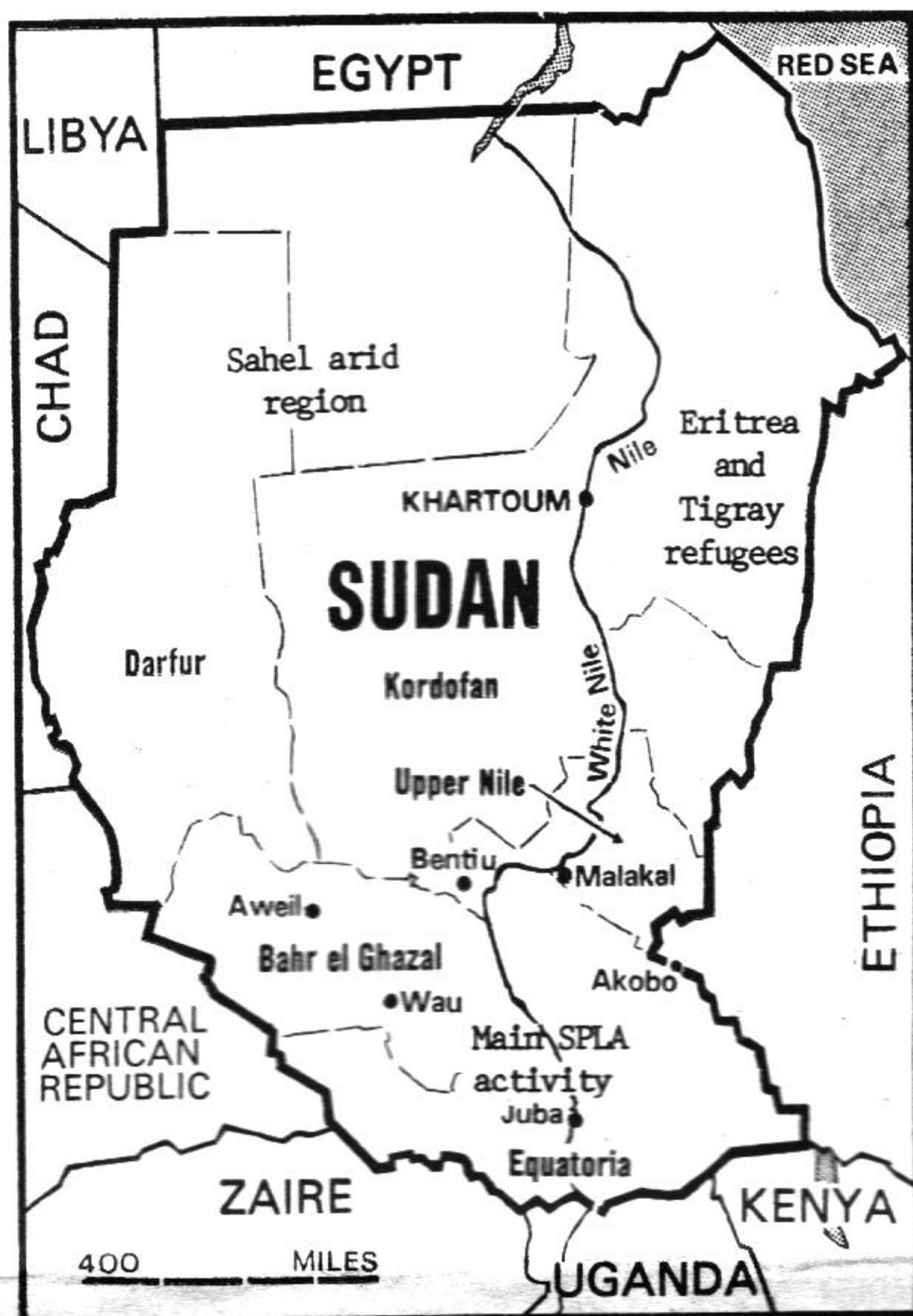
And that status quo, is the subordination of the Sudan, like all underdeveloped countries, to the interests of imperialism and a small local elite tied to it, and the impoverishment of the mass of the population. The statistics are depressingly familiar; an illiteracy rate of 85%, and an infant mortality one of almost 10%. Exports cover only 30% of imports and the foreign debt, at 8 bn. dollars equals a years GNP. Economic development is virtually non-existent, and for every industrial proletarian, there are nearly 900 rural inhabitants. What proletariat exists, is limited to the transport industries. In fact, except in the growth of a parasitic military and bureaucratic apparatus tied to the regime, the country has changed little from the time when it was ruled by the Ottoman Turks.

Nevertheless, imperialism does have interests in the Sudan, which have involved it ever since the first tentative British effort to take over the area occurred in 1885 with Gordon's expedition to Khartoum. This was defeated by Islamic dervishes, led by the Mahdi, and the power vacuum in the area posed an opportunity for French imperialism. One of the key areas for British imperialism at this time was Egypt, where there were huge British investments, loans to the local ruler, and ownership of the Suez Canal to protect. The Sudan then as now, is the key to Egypt, flanking the Red Sea, and controll-

ing the headwaters of the Nile. A British military expedition confronted a French one at Fashoda in 1898, and definitively put an end to the French threat, bringing the Sudan under joint Anglo-Egyptian rule. Thus it remained until 1957, not a profitable imperialist fief in itself, but a necessary military outpost to protect other, profitable fiefs, and whose "faux-frais" were well worth paying.

THE SUDAN UNDER NUMEIRI.

Numeiri himself came to power in a coup in 1970, and after a brief "Nasserite" period, rapidly became known as the west's best friend in Africa. He benefitted from this, by



failings as well as the strengths of the present struggles is to give ourselves over to fantasy and later to fall prey to demoralisation as has happened with all varieties of anarchists and councilists in the past.

Until now the capitalist class has concretely demonstrated greater international solidarity (Polish and Russian coal for Britain, W. German loans to Poland etc) than the proletariat. We can only speak of a new level of consciousness of our class when there are more co-ordinated and not simply simultaneous strikes and more concrete examples of solidarity (e.g. blacking all scab exports to any area in struggle) on an international level

Events in Poland, Britain and now Denmark show that this process is beginning, even in the heartlands of capitalism. In such circumstances revolutionaries "cannot and dare not wait in fatalist fashion, with folded arms, for the advent of the 'revolutionary situation'" [Rosa Luxemburg] but must instead develop a strategy for intervention which widens the influence of the political vanguard at the same time as weakening the control of the unions. As events in Denmark show even that mass movement was not wide enough to break the union fetters for more than a few days, and at its high point there existed no political organisation significant enough and clear enough to point the way forward. By creating workplace groups of internationalist communists and anti-union workers we are today preparing the ground for an organisation capable of giving explicit political leadership to the whole movement in the future mass strikes of the working class everywhere.■

becoming the largest single recipient of US aid in the continent. Once again, as with Britain a century before, Egypt figured large in US calculations. With a reconciliation with Egypt in progress, Washington wanted no hostile state in the south, which could threaten the Red Sea life-line, or possibly cut water supplies to Egypt by damming the Nile. But imperialism began to suspect that the Sudan might have economic wealth after all; US oil companies were given rights to explore for oil, and at the same time the Arab states poured in money for the development of the southern Sudan into the Arab world's "bread basket", by draining the Bahr el-Gazal marshes.

But while the Sudanese ruling elite waxed rich on the corruption resulting from the inflow of foreign capital, life for the mass of the population worsened. In the Muslim northern Sudan, which is in the Sahel region, drought and over-grazing gave rise to the now-familiar soil erosion, declining food stocks, and drift of population to the shanty towns round Khartoum and Omdurman. There was no agricultural development here, since it would only have allowed the population to feed itself, and not led to export earnings and imperialist profits. Faced with rising discontent, Numeiri resorted to political repression, filling the jails with Baathists, followers of Gaddafi and of the Sudanese Communist Party, and turned to the Islamic groups, imposing Sharia, Islamic law. Now, while the regimes supporters could cream off millions with impunity, the beggar had his hand amputated for minor theft.

The imposition of Sharia posed problems in the south of the Sudan, which is mainly Christian. Here there had been a rebellion led by the local tribal chiefs in the 1960s, but Numeiri had ended it in 1970, by granting them limited autonomy. However, any wealth the Sudan may have lies in the south; it is their marshes and swamps that hold out the prospect of becoming grain fields and oilfields. Numeiri decided the south would only be secure if it were Islamicised, so he withdrew its autonomy, and imposed the Sharia there also, and sent in the Army. But this plan backfired, and a rebellion erupted, led by the Sudan People's Liberation Army, which was armed and financed by Ethiopia, now a Russian ally. The war cost

350 million dollars in 1984, ie more than the total of US aid in that year, and was also preventing the capitalist development of the riches of the region. Sudan's plight was made worse by an influx of refugees, estimated at 250,000 from Ethiopia, where Numeiri was supporting the Muslim "liberation groups" against the regime of Mengistu.

THE RECENT CRISIS AND NUMEIRI'S FALL.

Faced with the social and economic crisis, Numeiri had no choice but to go cap-in-hand to his imperialist masters for cash. The US dominated IMF agreed to give the Sudan an emergency package of 180 million dollars in loans, and to step up food shipments, but on condition Numeiri imposed "austerity", ie ended subsidies on basic foods, and relaxed his Islamicisation as a sop to "human rights". Numeiri obediently distanced himself from the Islamic Brotherhood, and ordered a revision of all sentences passed since the Sharia was introduced, and at the same time announced wholesale price rises. Petrol went up by 66%, bread by 33%, with other rises to come.

A wave of anger greeted those measures. This began in the shanty-towns around the major cities, and led to 1,500 arrests and several deaths. They were soon replaced by a widespread strike of Sudan's professional groups; lawyers, doctors, civil servants, etc., openly calling for the Army to replace Numeiri, and fearing the chaos which could undermine their privileged position in the state. With Numeiri in the USA, trying to negotiate a relaxation of the IMF austerity measures, the Army had a golden opportunity for a bloodless coup, and a chance to bring the unrest to a halt.

At the moment the Army appears to have calmed the situation. By widespread arrests of selected figures in the old regime, and by freeing political prisoners, it has gained the support of the powerful professional groupings, who have called off further protests. At the time of writing, the new regime had also gained a temporary ceasefire with the southern rebels in the SPLA, by promising concessions, as yet undefined. This, with the apparent relaxation of the IMF's tough line, and repeal of some of the price rises, could give the new government the time to stabilise itself, allow the current wave of anti-Americanism to run itself out, and emerge as a potentially more stable client of US imperialism in the region. The loss of the Sudan would be a disaster for the US, leaving Egypt flanked on three sides by hostile states, with at least a foot in the Russian camp; Libya, Ethiopia, and the Sudan itself. It is thus safe to assume that Swareddahab will be given every chance by Washington to prove himself.

What has been most noticeable in the recent events has been the lack of any proletarian content to the movement. The small Sudanese working class seems to have participated, if at all, as the tail of the professional groups' dog, eg the Khartoum railway workers. Though the crisis in areas like the Sudan can add to the turmoil of the world capitalist system, by straining its credit mechanism further, we should not expect to see the beginnings of an answer to the crisis facing humanity, coming from areas like the Sudan. It is from the semi-developed areas of the periphery, where the proletariat is a significant force, that movements with the capacity of linking with the class struggle in the heartlands, can emerge. The inevitable palace revolutions in areas like the Sudan offer only the continuation of war, oppression and famine.

PUBLIC MEETINGS

CWO READERS' MEETING IN LEEDS

REVOLUTIONARIES AND THE TRADE UNIONS

Time: Wednesday 22nd May

Place: Leeds Trades Club, Savile Mount, Leeds 7

COMMUNIST REVIEW 2

Organ of the International Bureau for the Revolutionary Party

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80p

JUST OUT



MULTINATIONALS AND THE CRISIS

The operations of imperialist finance capital have dominated the headlines in recent years. The slide of many crisis hit third world economies towards default, by a drain on their surplus value through foreign loans, has sent tremors through the international financial system. To this process we have devoted some attention, notably in Workers Voice 17, "The Crisis of Finance Capital".

Yet, an equally important component of imperialist exploitation, the operation of the multi-national corporations, receives much less attention; the visibility of the operations of finance capital contrast with the invisibility of the extraction of extra-profit by the multinationals. The development of these capitalist units, with manufacturing bases in several countries, has reached staggering proportions since the last imperialist war.

In 1981, total outstanding world debt was estimated at 735 bn. dollars; in the same year the US Dept. of Commerce estimated that holdings of US multi-nationals in the developed countries alone amounted to 360 bn. dollars. If a conservative figure of 140 bn. dollars for US direct investment in the Third World is added, then some idea of the scale of the operations of the multi-nationals is gained. In addition, the United Nations Centre on Transnational Corporations estimates US foreign investment at about half the world total. So, a modest estimate of the total value of the assets of multi-nationals world wide, would be around 1,000 bn. dollars. Thus it seems likely that the value of direct investment exceeds that of loans worldwide; consequently the drain of surplus value to the more developed areas, from the least developed, takes place more through direct investment, than through the operations of finance capital.

CAPITAL EXPORT: COMMON CAUSE, CHANGING NATURE.

Capital export is of course, no new phenomenon. Like all other phenomena in the capitalist economy, the export of capital - of which the growth of multinationals is but a phase - is rooted in the overproduction of capital, and the tendency of the rate of profit to fall. Capital seeks maximum profit and will always vacate areas where its sphere of operations is limited, and go where returns are greater. Marx had already noted this tendency while it was in its infancy,

"If capital is sent to foreign countries it is not done because there is absolutely no employment for it to be had at home. It is done because it can be employed at a higher rate of profit in a foreign country." (Capital Vol 111, p295.)

With the onset of imperialism, the rate of capital export speeded up; European foreign investments increased by 400% in the 30 yrs. before World War One, to a figure of £4,000m. In Britain, the most advanced capitalist country at this time, between 25 and 40% of all new capital formation in these years was accounted for by overseas investment. This capital export helped to offset the fall in the rate of profit in the domestic economy; in Britain for example, while industrial profits fell throughout the period after 1875, the rate of profit on overseas investment was generally 25 to 50% higher.

But what is significant about these developments, is that the bulk of foreign investment at this time was portfolio investment. That is, it took the form of loans to governments, colonial infrastructural developments, etc. Only about one third went into direct investment, and even here the bulk of it was in extractive industries, such as mining and plantations. There were some firms who engaged in direct investment, mainly to get round tariff barriers; but prior to WWI only about 10% of all foreign investment was in manufacturing industry.

Since WWI, and especially since 1945, this situation has been dramatically reversed.

"Direct investment now comprises two-thirds of private UK foreign assets, and five-sixths of private US foreign assets, the remainder being portfolio investment. The positions were the reverse in 1929 in the case of the UK, 50/50 for the USA." (The Economics of Imperialism, Barrat-Brown, p205.)

And within this direct investment, there has been a switch from extractive to manufacturing activities.

U.S. FOREIGN INVESTMENT BY SECTOR (%)

	1949	1968
manufacturing	33	41
oil	29	29
mining	10	8
utilities	11	4
other	17	18.

The concentration of capital, and the emergence of huge firms enjoying oligopoly conditions in the home market is the tap root of the export of capital. Prior to WWI only a few firms like Nobel and Singer had the resources to operate on a global level; today huge units like General Motors, with assets on a par with the biggest banks can do so with ease, in fact, must do to survive and grow. And, though the nature of foreign investment may have changed, its motives and consequences have not. Today capital export by the multinationals serves as a means of offsetting the falling rate of profit of a capitalism in crisis. It has been estimated, for example,

"The average rate of profit in the United States has been in decline since 1966, while that of US capital invested overseas has been rising; 10 per cent in 1966, 16 per cent in 1973, 21 per cent in 1979 and 14 per cent in 1981" (World View 1985, p. 156).

Though the figure for 1981 shows that even the export of capital suffers from the same pressures of the crisis on profit rates, it should be compared with the domestic figure of 6% for the same year. But how and why is capital export in its multi-national form able to appropriate to itself extra profit, and what are the consequences for the world capitalist economy?

THE OPERATION OF THE MULTI-NATIONALS.

Some capital export takes place for contingent reasons, eg. to get round tariff barriers or quotas (Nissan's recent car plant in the U.K.). Some takes place to be near to a vital raw material, etc. But most does not, and can only be understood by applying the Marxist law of value. When the trend was in its infancy, Marx supplied the framework for an understanding of capital export within commodity production,

"Capitals invested in foreign trade are in a position to yield a higher rate of profit because, in the first place, they come into competition with commodities produced in countries with lesser facilities of production, so that an advanced country is able to sell its goods above their value, even when it sells them cheaper than the competing countries...on the other hand, capitals invested in the colonies, etc., may yield a higher rate of profit for the simple reason that the rate of profit is higher there on account of the backward development, and for the added reason that coolies, slaves etc permit a better exploitation of labour." (Capital, Vol 111, p.238)

Multi-nationals invest in areas where the organic composition of capital is lower than at home, but with the "home" technology. They can thus produce commodities cheaper, but sell at the local average market price, thus reaping an "extra-profit", which is a deduction

from the local profit "pool". US cars, for example, are much dearer in the UK than they are in the USA, since here they compete with lower organic composition, higher price, B.L. cars. Also available is an "extra-profit" via the lower value of British labour power; operating the same technology the British employee of a US multi-national earns from 60-75% of U.S. wages. The same logic governs British foreign investment, in South Africa for example.

In addition to these economic sources of "extra-profit", which arise simply from the operation of the market, the multinationals are able to avail themselves of additional sources of "extra-profit", through the use of their political clout, which is not available to companies operating in a national framework. The tremendous impact the decisions of the multi-nationals can have on employment, balance of payments etc., means that they are able to gain tax exemptions, or even outright grants; the UK government gave Hoffman-La Roche £40m. to set up a vitamin plant in the U.K., rather than in Eire. Some countries go even further, and abolish all taxation, rent/rates etc., for foreign capital for a fixed period; in Eire for 10 years. In the more extreme cases, permanent "export zones" are created where the multinationals operate tax free; examples are Batan in the Philippines, Singapore, Taiwan amongst others. While the combination of economic and extra economic forces explains the higher profit rates of these companies, it has to be stressed that no new value has been magically created, but that the concessions, and the competition they offer, are a burden on local capital, spread over the whole economy and over a long time.

The bulk of US foreign investment is still in the highly capitalised countries of its own bloc, such as Canada, Europe, Australia. Here stable, pro-US governments guarantee the political conditions for the extraction of surplus value, and a pool of skilled labour and an already existing infrastructure exists. This creates a tremendous concentration of US economic power. In Canada the bulk of manufacturing is in US hands, and in the UK 15% of all industrial output (with a far larger concentration in key sectors like cars and computers) comes from US firms. The US military presence in Europe is as much to protect its vast and profitable investment as for anything else.

In the periphery conditions are different. Though still a minority stake, the share of US direct investment going to the semi-developed periphery, and particularly to the countries of the Pacific Basin area, has been increasing in the 1970's. In these locations an enclave development takes place, and low transport cost items are manufactured (eg. computer parts) for shipment back to the multinationals home base. The reasons for this development are not hard to find:

AVERAGE HOURLY EARNINGS: U.S. DOLLARS.

Country.	Electronics	Garments.
Hong Kong	0.97	1.03
Korea	0.91	0.59
Philippines	0.30	0.17
Singapore	0.90	0.80
U.S.A.	6.96	4.57.

(Source: I.L.O. Yearbook, 1981)

In these areas, super exploited labour, mostly female, is herded into compounds, socially and sexually segregated and abused, and discarded when it becomes exhausted around the age of 30. But even here the extraction of extra-profit, backed up by the armed force of the client state can run into problems, as was shown in the explosion of discontent in the Batan export zone in the Philippines in 1982, when over 30,000 struck. To combat this, in areas like the Pacific Basin and Brazil in Latin America, the multinationals are reverting to the most primitive methods of exploitation, characteristic of

the birth of capitalism. Here the revival of the domestic system, of sub-contracting at piece work to "self-employed" home workers is gaining ground.

In the periphery, finance capital works hand in glove with direct investment capital. With one or two exceptions, it is those countries in the periphery which are the main locus of multi-national investment, that are at the same time the major recipients of US aid and loans; Korea, Philippines, Taiwan, Brazil etc. This is necessary since these areas lack the stable political conditions which exist in the more developed areas, for the extraction of extra profit. This lack must be supplied by brutal military repression, for which large outlays of finance capital are a necessity, providing the wherewithal for the purchase of masses of military equipment to deal with "the enemy within".

Thus imperialism here profits many fold; from the extraction of extra profit due to the exploitation of low cost labour power, from the realisation of profit on arms sales and from the interest payments on loans to the local client imperialist state.

MULTI-NATIONALS: EXTENSIONS OF NATIONAL CAPITAL.

The term multi-nationals in some ways a misleading one, since it implies an organisation floating above national boundaries. Many bourgeois commentators argue that they have created an international economy which makes the nation state obsolete. In fact, multi-nationals are extensions of specific national capitals, operating outwith national boundaries and they require the political/military protection of a national state to advance their interests.

All multi-nationals have a legal domicile, which guarantees their corporate status, and where they pay tax etc, and the overwhelming majority of shares in these companies are held in the country of domicile; the majority shareholding of IBM(UK) for example is the parent IBM company in the US. Not only is ownership centred within a national capital, but the bulk of profits are repatriated to the home base. Between 1950 and 1962 a multi-national capital outflow of 16 billion dollars resulted in a repatriation to the US of 29 billion dollars in profits, fees and royalties. For Latin America alone in the same period a 3 billion dollar outflow resulted in a 6.8 billion repatriation.

"Protection" for the operation of these companies does not simply take the form of finance capital ensuring the free flow of arms to local client states, by making large loans available. In its own back yard the US has often used direct military intervention to protect its interests, eg Guatemala in 1954. And in the case of Chile, when the state capitalist plans of Allende threatened the interests of the U.S. multi-nationals, they required the protection of their "own" state, acting through political and financial methods, to "destabilise" a government hostile to the interests of US imperialism, and ensure that a large part of the surplus value taken from the Chilean proletariat would continue to flow to US stockholders.

Not only do the multi-nationals need the protection of a capitalist state, but they do not simply control this state in the way often portrayed; the US government is not simply a tool of the multi-nationals. The role of the capitalist state is to protect the perceived interests of the national capital, of which the multi-nationals are an important, but not the only, part. Thus when Carter was trying to woo the MPLA in the Angolan civil war, he forced Gulf Oil to stop financing rival guerilla groups, and pay royalties to the MPLA in Cabinda. Similarly Reagan banned participation by US companies, eager for the opportunity in the Urengoi gas pipeline to Europe, because of the overall interests of the US-dominated Western imperialist bloc. Here as elsewhere in the conflict between different capitalist units (state capital, finance capital, the multi-nationals, domestic private capital, etc.) the state imposes order, and a policy which is felt to be in the overall interests of the national capital. But because of the specific weight of the multi-nationals in the economy, their interests are seldom lost sight of; generally the maxim is "What's good for General Motors is good for America".

MULTI-NATIONALS AND THE CRISIS.

Though no sector of capitalism can escape the effects of the crisis, yet it does not hit all sectors with equal intensity at all times. Some countries are hit harder and more immediately than others, and certain

sectors of each national economy are able to "ride out" the crisis for longer. This is clearly the case with the multi-national corporations.

The multi-nationals have a flexibility in relation to the crisis not open to firms operating mainly in a national framework. Their enormous assets and reserves mean that they can endure price cutting wars longer, and often compensate in one area for price cuts by raising them in another where near-monopoly conditions prevail. Thus IBM(UK) was able to virtually eliminate ICL as a rival in the computer industry, and thus were the international airlines able to kill off Laker's bid to break into the lucrative international airline routes. After a cheaper and simpler method, is to simply purchase outright a rival in difficulties, and then eliminate competition by the reduction of "excess capacity"; thus the Volvo-Saab merger, and the Dunlop-Pirelli fusion. Both methods have the same result; the reduction of competition, and the ability to recoup of price-cutting, by once again lifting sale price.

Though figures are difficult to come by, it is clear that the crisis has led to a growth of the multi-nationals' share in world industrial production, and thus a confirmation of Marx's predictions about the concentration of capital in fewer hands. Even before the crisis, concentration gathered pace; the 100 largest US firms accounted for 44% of output in 1929, and 58% in 1962. It is now estimated that 2% of the world's firms control 70-80% of the world market in manufactured goods, and even bourgeois commentators argue that by the turn of the century some 200 giant firms will own more than half of the world's assets.

Since the onset of the crisis, concentration in key industries has been significant. In 1984 Texaco bought Getty oil for 10 billion dollars, the biggest takeover in history, and this followed the previous record purchase of Concoco by Du. Pont. The seven largest oil companies increased their share of world oil markets to 52% by 1982, compared with 42% before the oil crisis. And their combined monopoly position during the oil crisis of 1973 allowed them to increase their profits,

"In 1973, a black year for world industry, the biggest companies in the (oil) sector registered profit increases of an average of 80%, with the highest being 150% (Exxon). ("Crisis and Imperialism". Communist Review Nol. p.26).

In the world's biggest industry, the manufacture of motor vehicles, the crisis has seen an increase in the market share of the seven largest manufacturers, to 70% of the 37 million vehicles sold in 1982. Significantly, the least successful large car company - British Leyland, which is still making huge losses - is the only volume maker which is not a multi-national. 1983 saw the three largest US car makers making virtual record masses of profit (though still a low rate of profit), with even previously badly hit Chrysler turning round into the black. In the world's fastest growing industry, computers, the story is the same. IBM accounts for over 70% of the world market in mainframe computers and doubled its profits from 1978-83 from 20 to 40 billion dollars. Even in the new area of personal computers, launched by new firms, IBM has been able to use its resources to drive the pioneers (Osborne, Apple etc) to the wall or into severe difficulties. It(IBM) produced no personal computers in 1982, had 20% of the market by 1983, and aims to have over half by 1990.

Certainly the stability and resilience of the huge multi-national empires can be seen by the fact that only three of the top companies left the magazine Fortune's list in the 1970s, which comprised the world's top 45 companies. But the resilience of these corporations does not only result from their power in the market place against their rivals. Just as they can get tough with rivals they tolerate in boom conditions, so they can "get tough" with local governments, demanding greater "extra-economic" concessions to invest, or to avoid a pull-out of production.

The multi-nationals can also get tougher with the working class. Their ability to switch production during strikes from one area to another, gives them a weapon to resist wage demands that national companies do not have; eg. the recent breaking of Ford's strike at Halewood, by increasing production in Spain allowed Ford to meet all market needs.

The carrot of a new model, or threat of closure can be dangled in front of the workforce, to get acceptance of rationalisation. In 1982, GM got its workers to accept a 30-month wage freeze, and the elimination of 9 days holidays, by threatening to close nine factories and switch production to Asia.

Companies operating on an international level are also more immune to currency fluctuations, than those operating within the framework of a national currency. The fall or rise in value of currencies can be turned to advantage by investment decisions, curtailing or expanding production in specific locations, and so forth. And the multi-nationals, especially the American ones, have the advantage, due to their market power, of being generally able to demand payment in overvalued currencies, eg. dollars, and paying many of their costs in devalued currencies.

All these factors combine to mean that the multi-nationals are less hard hit by the crisis; another indication of this is the fact that most of the multi-nationals are still self-financing in their investment. The well-publicised exceptions to this, eg Chrysler and Peugeot which had to be rescued by the banks, are exceptions. The lions share of industrial debt in the developed countries is held either by nationalised corporations, or by national companies, from the smallest through to the largest, and not by the companies we have been discussing. But again, the ability of the multi-nationals to profit from the crisis, maintain their mass of profit, and centralise capital, is at the expense of the rest of world capital, and creates no value in addition to the already existing pool.

A CLASS FIGHT AGAINST THE MULTI-NATIONALS.

Many leftists and sectors of the national bourgeoisie not connected with the multi-nationals attack them from a bourgeois standpoint. Their argument is not that they are capitalist, but that they are "unpatriotic". They attack foreign multi-nationals for "plundering the nations wealth", and start campaigns against foreign investment, or for tougher controls over it. Such a standpoint is common with leftists in the peripheral capitalist areas, while in the metropolises the same indignation at the multi-nationals lack of patriotism takes a different form. The Labour Party and many leftist groups attack their own multi-nationals for exporting capital and "causing unemployment at home", and suggest controls on the export of capital as a remedy for the ills of the national economy. Such utopian schemes, of each nation patriotically administering its own capital, often allied with schemes for import controls, offer no solution to the crisis of the capitalist economy, which has long outgrown the patriotic national boundaries so dear to the leftists.

The real problem for the working class is how to fight the multi-nationals on a class basis. Many multi-nationals in the boom years had the profits to pay their workers above the going national wage rate (since this was still cheaper than the home base wage rate). But their greater resources to sit out strikes, switch production and so forth, give them greater powers to impose wage restraint and redundancies in the crisis. And threats to withdraw can be effective, and are not always bluff; the withdrawal of Singers, an original multi-national, from its 100 year old manufacturing base in Scotland shows that no multi-national ever becomes naturalised.

Deprived of international organisations, workers find that the piecemeal nature of the multi-nationals plans are very difficult to fight. This is in stark contrast to the austerity schemes of finance capital; these need an immediate and general attack on the class in a specific country, and can thus provoke an immediate and general response, eg. in Poland in 1976, or in Brazil in 1984. Since such a fight will not be taken up by the unions, and will be taken up on an erroneous political basis by the leftist groupings, it falls to communist forces to take a leading role in attempts to organise international solidarity between workers across national boundaries, and against the restructuration plans of the multi-national corporations. To do this makes it all the more necessary for communists in the various countries to seek an implantation in the life of the class, and not simply to limit themselves to issuing generalities from the sidelines of the class struggle.

CLASS CONSCIOUSNESS AND THE ROLE OF THE PARTY

INTRODUCTION

Since publication, in Revolutionary Perspectives 21, of "Class Consciousness in the Marxist Perspective", the discussion between revolutionaries in Britain on the real issues dividing them, has come sharper into focus. In particular, it has allowed a debate to take place between our current and the International Communist Current (ICC), in both print and public meetings, where the fundamental differences between the Marxist view of class consciousness, and that of the ICC, has been clearly highlighted.

As the debate proceeded, it became a reference point for some communists in Britain, who had as yet failed to really appreciate the significance of the disputes between the CWO and the ICC; equally importantly, these differences were highlighted in a concrete way during the year long miners strike, which overlapped the consciousness debate. The comrades from Belfast, whose correspondence we print here, were among those who decided that the theoretical and practical divergencies showed that the only serious pole for political work in the UK is the CWO.

In the correspondence we are printing, the comrades make a decisive break with academicism and dilettantism, so prevalent in today's difficult political situation; they also show a welcome modesty, in rejecting the idea that entry into revolutionary politics means the fashioning of some new and "brilliant" insights, and the creation on these, of yet another ephemeral pseudo-group. The comrades also mention that they may have made, through inexperience, some political imprecisions, and we would like to make some points to clarify areas where this may indeed be the case, without detracting in any way from the positive overall thrust of their statement.

One of the many methods the ICC has used to obscure debate, has been to accuse the CWO of Bordigism, later neo-Bordigism, now "shamefaced" Bordigism. We have shown again and again, that this is NOT so, most recently, and definitively, in P.P.22, and Communist Review, 2. On the other hand, we have never said the ICC is councilist; we have said they "inclined towards councilism", "shared common ground with councilism" etc, since we believe their positions are an amalgam of councilism and Marxism. We have also said that eventually, they will move in one direction or the other; in this context, we do not hold their recent attempts to cover their tracks to be as positive as the Belfast comrades think. What the ICC have done is issued anathemas against councilism, not rooted in from their armoury, and there is thus no guarantee that they will not "pass that way again" (see W.V. 20 "W.R.'s Sixth Congress; Marginal Notes.") As we have written elsewhere, the confusions of the ICC on this question bear all the hallmarks of a terminal disease.

This letter, which highlighted the weak point in the ICC's armoury, ie its inability to see the need, never mind furnish itself with the means, of becoming an active factor in the concrete class struggle, provoked an interesting response. After being somewhat slow to relate to the comrades, the ICC responded to their move towards the CWO by sending post haste, a huge box of red herrings; the reply to this shows that the comrades wisely chose to avoid political indigestion, since the issues they insisted that the comrades debate, only have meaning if the ICC's basic premise is accepted. That premise is that the class is unconsciously communist, and that ONLY bourgeois manipulations prevent the outbreak of revolution. All the other labyrinthine convolutions of that tendency - on the course of history, on the left in opposition, on subterranean consciousness - are just irrelevant if that basic postulate is rejected. And that is what the comrades have done. Unfortunately their desire to be "fair" has caused them to let the ICC off the hook a little. The ICC has been shamefully "Euro-centric", and eclectic in its method of characterisation of groups, such as the ex-UCM, and will bear a heavy responsibility in the event of their ultimate demise. That this is no isolated incident can be seen from their slanderous attack on the Indian "Revolutionary Proletariat" group, on the absolutely definitive grounds that they... are unclear on

the union question! Partly this stems from their incorrect analysis that the proletarian revolution cannot start in the semi developed periphery (which is exactly the opposite of their position in the early 1970s, which stated that there could be "proletarian bastions in Burundi" - and that IS a quote! Exactly in the same way that their left in opposition "science" is the exact opposite of their view 10 years ago that ONLY left governments could hold back the proletariat.) Partly it stems from the view that any old stick will do to beat the CWO and PCInt.

One small point which needs clarification, to avoid the ICC making undue mileage out of it is the reference to "radical stewards" in the British steel strike of 1980. The ICC demonology had programmed its neophytes that shop stewards were all conscious agents of the bourgeoisie; in the strike the ICC roving circus met many confused stewards who wanted to win the strike, but couldn't understand the union prison they were in. The transition to acolyte from neophyte came for those who were able to understand that this was simply a yet more devious plot of the bourgeoisie; those who were simply confused left, and began questioning the ICC analysis of the unions. (For a much fuller analysis of the ICC's actions in the steel strike, see R.P.17.) We have omitted an introductory preamble from the first letter, and very brief statements on economics and the state in transition. From the second a couple of paragraphs which, unlike the rest, would be obscure without the ICC's own exercise in obfuscation and slander. Otherwise, we give the texts as we received them.

1. LETTER TO CWO/ICC

Since our introduction to the politics of the proletarian milieu coincided with the beginning of the debate on the most central problem facing revolutionaries - the development of class consciousness and the role of communists in the process - we have concentrated on this while making references to other, less major issues requiring our clarification.

All parties concurred that until recently polemics on class consciousness had been somewhat inadequate; dealing with abstractions or consequences of theory rather than the various conceptions themselves, allowing for the possibility of ambiguity or confusion as to where each organisation actually stood.

The willingness of the CWO and the ICC to discuss this question is to be welcomed, for, perhaps more than any other, it has crucial practical implications for organisation and intervention, both in today's struggles and eventually in the communist revolution itself. For us the main perimeters of the debate have been framed by the theoretical articles of the two organisations, the series of exchanges and elaborations in Workers Voice and World Revolution which followed the public meeting of February 1984, and clarifications provided in face-to-face discussions with representatives of both groups. In the fraternal spirit which should be the hallmark of the communist milieu, we present the following outline of our joint conclusions which represent a 'balance-sheet' of our approximation to the two organisations.

First of all let us deal with the unhelpful labels which have emerged in the course of the debate; these caricatures have for us only obscured the real points of divergence.

The CWO is not 'Bordigist'. Not only does it recognise mass revolutionary consciousness as the objective of communist intervention, it sees workers' experience and consciousness gained from struggle as essential contributions in this process (they are not immune to the idea of the class at times being in advance of the Party and educating its political minorities). In addition, the CWO's 'organising' role of the Party isn't 'substitutionist'; rather it must be seen as part of the totality of the concrete tasks of the revolutionary party.

The ICC is not 'councilist'. While it is true,

and was admitted by an ICC comrade to us, that traces of this did exist in the organisation's rather ambiguous position prior to 1984 (i.e. the charge that they occupy a 'middle' position between councilism and marxism), they are now much clearer. The intervention of an internationally centralised communist avant garde is an essential feature of the proletarian revolution.

So while formally agreed on the indispensable leadership role of the Party what really separates the organisations is their conceptions of the dynamic which animates the development of consciousness within the working class. The elaborate analyses which the ICC has been developing in recent years, and which have provoked the accusations of councilism, involve a 'subterranean maturation of consciousness' through 'peaks and troughs' of struggle and almost seem to bestow on the class struggle an internal dynamic, as if it were the motor force of the period. This is what binds the ICC's conception together and is where their political edifice stands or falls. And while it may comfort the optimist to rely on a vague subterranean mass memory to generate increasingly combative proletarian responses, we can only concur with the CWO that marxists must look to the maturation of the crisis to explain the successive waves of class activity which have shaken the capitalist heartlands. While the ICC portray the crisis as the 'proletariat's greatest ally', today's struggles, however militant, remain purely defensive. Will they deny that it is the deepening of the crisis of the economy which still holds the 'initiative', via the increasing attacks of the bourgeoisie?

The conflicts brought about by these attacks can raise class consciousness (or class identity, i.e. a realisation of being a 'class-in-itself') to a certain level, dependant on specific circumstances. This will lead to a certain demystification with regard to production relations, the impossibility of a 'solution' to the crisis, or even of the nature of the unions and left parties. But this still will be far from a positive communist consciousness, the best guardians of which are the proletariat's political fractions who base themselves on the historic and international lessons of the class struggle. However, it is not a matter of educating the 'dunt' masses; class identity and communist consciousness are qualitatively different but closely related; one is a function of the other, and indeed lessons must cross from the real movement of the class.

The ICC's past failure (and present weakness) in recognising the true vanguard role of the Party is in many ways a consequence of its undialectical view of the historic course being exclusively towards revolution. In the wake of this have come the hypotheses on the 'Left in Opposition' and the consciousness of the bourgeoisie generally, which 'explain' the ability of the ruling class to stave off the conditions for the mass strike and the revolutionary confrontation. Although the ICC has poured scorn on the CWO for paying scant attention to these related perspectives we, after considerable deliberation, must agree with the 'dismissive' approach. We do, however recognise that they form a coherent (if erroneous) whole, being a concretisation of the organisation's views on the development of class consciousness, and that they now play a central role in ICC analyses.

As we see it, no one can deny general tendencies towards left or right governments (dependant on the needs of the economy, the balance of class forces etc). No one can deny that even the most inexperienced bourgeoisie is to some extent aware of its needs regarding the economic crisis it's imperialist interests or the threat of the working class. Where the ICC wavers from marxism is in not seeing the folly of trying to fit these phenomena into a rigid 'scientific' framework. Several basic truths remain to be confronted by the ICC:

- Hypotheses about plots and bourgeois class unity are unscientific. The ICC itself admits they cannot be proved or disproved by testing, because definite evidence does not exist.

- Despite statements to the contrary, ambiguity has always existed in ICC articles about the influence of intra-bourgeois divisions and the necessarily mystified ideology of the exploiting class. Often the Current seems to attribute to the bourgeoisie a historical materialist understanding of the world.

- The 'left in Opposition' is a scholastic question. In practise the left is always going to be a 'major obstacle', whether it is in power or not. In past years we have seen the ICC struggle to announce the implications for revolutionaries of the contortions of the capitalist superstructure which have seen both left and right teams in power in all the major Western European countries.

However, it is in practical intervention that we see the logical corollary of the ICC's increasingly abstract approach. They propagandise on the basis of union manipulation and 'levels of consciousness'. There is a tendency in leaflets and press to dwell on truisms without taking full account of the possibilities of a given situation, i.e. formally correct demands or analyses that lack impact because of their abstract nature.

The CWC has no 'magical' solution to the problem of intervention either, but in our opinion it is not weighed down by a so-called 'overall-framework' for analysing current events which in reality restricts analysis within the strict bounds of a peaks and troughs theory. The CWO's approach allows for formally correct, though abstract political positions, to be translated into concrete interventions. For example, we had the spectacle late in the miners' strike of the ICC denouncing the NUM and calling for generalisation (formally correct) while the CWO, in attempting to judge the real possibilities, concentrated on power supplies as the key to avoiding abject defeat and demoralisation.

The differing styles of Workers Voice and World Revolution are again concretisations of the groups' views of class consciousness, as are attitudes to the factory group concept. As in the above example the ICC are of course formally correct to say that mass proletarian consciousness is our aim, but factory groups are a valid attempt to overcome isolation and at least form a sound basis for educational work. There is no compromise in the platform - it simply concentrates on anti-unionism as the minimum basis for agitational activity (the question which the ICC also recognises as the key in Western Europe).

We do not pretend that this statement of our views says anything especially new or profound, and doubtless it may contain some misformulations of the specifics of particular political positions. However, what we think it does illustrate is, that after thinking clearly about the vital issues which divide the organisations, we defend the basic positions of the CWO whose perspectives, which are a challenging synthesis of conceptual marxist analysis and formative experiences in the class struggle, represent the greater political clarity and revolutionary coherence.

2. LETTER TO ICC

Dear Comrades,

We respond here to some of the questions raised in your letter of 20th March, which in turn was a reply to our joint statement of 12th March.

Comrades, you make great play of the fact that you are pleased to see us take an initial stance. For us, although our contribution may seem to be a first step it is not simply the 'beginning' of discussion; it implies theoretical rift with certain fundamental tenets of your argument. We have established positions to defend and are no longer seeking clarification in the 'dictionary sense' (i.e. we now know where you stand)...

The progress of debates within the proletarian camp over the last ten years somewhat devalues your rather general argument about initial positions and exploring the communist programme. Thankfully, a considerable amount of theoretical spade work has already been done by both yourselves and the CWO. This does not mean that we swallow unthinkingly a particular organisations's positions on the Russian Revolution, unions etc; far from it. But it does mean that we can tackle at an early stage the crunch issues which divide the milieu, and it was these which were the main concerns in our bilan.

This having been said, you will understand a certain reluctance on our part to comment in

detail on some of the issues raised in your reply to our letter. For example, if we fundamentally reject your thesis that the working class does not have to be won for communism, but is being barred from consciousness by the left apparatus, what more can we say about the historic course, 'left in opposition' etc. The ICC's voluminous texts on these subjects are testimony that you can always justify yourselves within your own terms. For instance, you cite numerous examples of bourgeois class unity and ideological manipulation to divert workers' resistance, and many of these display excellently the deadly flexibility of the class enemy. But to repeat, what we reject is the elevation of such phenomena into a framework, which is a function of your erroneous views on class consciousness, where the proletariat is straining at the subterranean leash for power (the old remark about communism being alive and fighting to be born also comes to mind in this context). As we stated in our 'bilan' it is the above bloated political edifice (basically around the 'subterranean maturation' theory) which separates the two principal communist currents. Our problem is avoiding the many blind alleys of discussion your reply invites us to enter, and picking out the important questions with which you confront us.

You ask for our position on the relationship between the consciousness of communist minorities and the consciousness of the proletariat, and say that we did not touch on it in our bilan. We believe we did deal with it. But we affirm once again that the political minority or the party is the bearer of revolutionary communist consciousness which it brings to the mass of the proletariat through its programme, slogans etc. This consciousness, of course, has an enormous and crucial input from the class consciousness of the workers, which is particularly important in shaping party tactics and alerting it to the potentialities of the period. This is why the two qualitatively different types of consciousness have a close unity, the party being built on the lessons of the class struggle (the analogy which sees the programme as a computer processing the significance of the struggle and delivering results back to the class is appropriate in many respects).

Yes, communist consciousness can be produced outside the 'confines of the struggle'; is this not the lesson of the sterling work and 'immense theoretical leaps' of isolated revolutionaries in the 30's and 40's? They were of course 'processing' the lessons of the earlier revolutionary period, but only if we were in the ICC would we dub this 'subterranean maturation' on a giant scale. As it is your label does not interest us.

You ask us to comment on the maturation of consciousness with regard to lessons which may be kept alive within the class between struggles. However, we know of no serious communist tendency which "implies that every new struggle starts afresh". Why fetishise developments of consciousness as subterranean, and worse, why give your analysis the status of a mechanism which you attempt to apply to every upsurge of struggle, no matter how cumbersome the fit? Without going into detail we can take your example, Poland, and see that workers were receptive to the adoption of new forms of struggle partly because they were aware of the dangers of physical repression. '70 and '76 were relatively recent and 'legendary' events, with the lessons especially alive in the strike crucibles of 1980 (e.g. Gdansk, Gdynia). No doubt you would also accuse us of concessions to empiricism or even bourgeois individualism if we pointed out the initiating influence of militant elements, such as those grouped in the Lenin Shipyard. We note you are slower to draw into your subterranean maturation model the facts of the disastrous defeat in Poland - not every lesson from the earlier confrontations was assimilated!

But then as has been pointed out elsewhere (and by such divergent elements as your councillist splitters and the CWO) even struggles as significant as the above fit neatly into the ICC's model of maturing conditions for the revolutionary confrontation. Analysis of the influence of specific struggles, especially defeats, is limited in favour of the higher 'truth' - the 'global' proletariat is historically 'undefeated' and barring the path to World War Three.

In the wake of the ICC's tighter and tighter grip on their historic course analysis have come the allegations of inadequacy of analysis from all quarters. These are well documented elsewhere and we see no need to elaborate here, other than to state that you on the one hand tend to underestimate the dangers implicit in

today's inter-imperialist conflicts (including your concept of 'phoney wars'), while being deaf to many lessons to be learned from specific struggles (e.g. radical stewards in the steel strike, the importance of demands with a potential to unify - something the CWO has laid particular stress on).

You ask us about the progression of the class struggle since 1968. For us, as for the CWO, the most important thing to be considered is the fundamental change in the character of the struggle - from the inspirational earlier mass movements, where demands often seemed secondary, to more corporatist campaigns around pay claims or redundancies. This is what lies behind the CWO's genuinely changed attitude to intervention and demands which consciously attempts to contrast with a tendency to lapse into abstract truisms about generalisation etc which your publications and leaflets have sometimes shown. The results of this revised strategy you caricature as reminiscent of 'economic blockade' tactics when you know the CWO are explicit and strong on the question of sectoral power and the permanence of gains. As elsewhere in your reply you are knocking down a straw man.

On the 'weak link' our brief statement was careless and misleading for which we apologise. It should not have been inadequacies in your approach to emerging communist elements which concerned us but the potential dangers of a 'Euro-centrist' political approach. (The latter we feel also has its roots in your theory of the development of class consciousness - the idea of the most experienced bourgeoisie, whose barriers to consciousness it is most important to overcome).

Nevertheless we feel we must confront you over your slur on the CWO/Battaglia when you imply gross opportunism in the SUCM affair. Our contention would be that the comrades were genuinely critical of the SUCM (a notable example being over the democratic revolution) and that they attempted to judge the group on the dynamic of its politics (as is the correct criteria for emerging elements).

You of course fixated on what you saw as the SUCM's proximity to national liberation positions while at the same time writing lengthy texts trying to save Programma (who always held the Third International's position on national liberation!) from its headlong slide into leftism. It was precisely the perceived move away from this terrain which prompted the CWO/Battaglia to relate so positively to the SUCM.

You will obviously consider the above wholly inadequate according to the criteria you outlined in your reply, and we don't pretend it deals with every issue raised, or even in detail with the points we do tackle. However we do not seek debate to discover academic or philosophical truths; our discussions are not a correspondence course where we have to 'prove' ourselves on every subject. 'Revolutionary clarity' implies restraint in debate when it is a wild goose chase ('left in opposition' etc), especially since we have drawn the organisational and practical conclusions of our bilan viz. the process of integration with the CWO.

Communist greetings,
Belfast.

positions of the C.W.O.

* Every country in the world today is capitalist - including the so-called Communist states (for example Russia and China).

* Trade unions and shop stewards cannot defend the interests of the working class.

* The struggle for communism cannot be waged through Parliament, but must be carried out through workers' councils with recallable delegates.

* The working class can only come to power through the creation of its own political party: the international communist party.

* The capitalist system is in crisis and irretrievable decline. It can only offer inflation and unemployment and it cannot be reformed. The only choice for the future is war or revolution:

BARBARISM or COMMUNISM

WORKERS VOICE

CLASS STRUGGLE

AFTER THE MINERS STRIKE

The end of the miners' strike has resulted in a massive setback for what was hitherto the backbone of the British working-class. Despite the heroism and dedication of the vast majority of the miners, the return to work in March cannot be described as anything but a total defeat for the miners.

The first demands of the miners, at the centre of the dispute since the outbreak of the strike at Cortonwood, was for an end to the pit closure programme. Having refused to yield on this, and having starved the miners back to work, the NCB is now in a position to return to the piecemeal closure programme, that will close 20 pits short term, and another 50 in the longer term. With little publicity, two pits have been closed since the strike ended, one in Wales and another in Scotland, while many individual faces at other pits have been shut-down, in preparation for future closures.

Although it tended to slip into the background, the issue of pay was also central to the dispute. The overtime ban, which led to the NCB provoking the strike while stocks remained high, was in rejection of an NCB 5% wage offer. The situation now is that the miners have had a wage freeze for over two years. The NCB adopted a dictatorial line; no wage negotiations, unless the overtime ban is ended, i.e., unless the miners undermine their own negotiating position further. In order to try to combat the massive debts most miners ran up during the strike, they have sullenly resumed overtime working, and await the paltry wage rise the NCB can "afford" after the strike. Whatever the rise, it will do little to counteract the miners slide from being the best paid proletarians, to ones not even in the top league, in the last decade.

But the bitter fruits of the defeat go further than this. Hundreds of the most combative workers, who were in the forefront of the struggle, have been thrown into jail with savage sentences. Almost 10,000 miners were arrested in the course of the dispute, and of these over 700 have been sacked from their jobs. Despite the NUM's claim that they would "Fight from within" for these men, they have been

abandoned, and left to pursue their cases individually, through NCB appeals procedure etc. Thus the NCB has saved not only £15 million in redundancy payments, but has also weeded out the most militant miners.

The managements determination to show that it has the upper hand, and is boss in its own house, has been shown by other events. Since the end of the strike, dozens MORE workers have been sacked, for "intimidation" of scabs, most notably at the South Wales anthracite plant. A strike in response led the NUM to persuade the men to return to work, and promise to "take up the case" of the sacked men with the Coal Board. They remain sacked. Further humiliations have been inflicted on the miners; men arriving minutes late have been sent home without pay, and whole shifts similarly treated when the men tried to insist on rigid safety standards. So confident are the coal bosses, that they have cancelled contracts to National Bus, whose men supported the miners, and now insist on miners being carried to work in buses which carried scabs to work during the strike. It is no wonder that in Scotland for example, 3,000 men have opted for voluntary redundancy since the end of the strike.

The result of these facts is that, the broad mass of miners, who felt that they were going back to work to "carry on their fight from within", have had their illusions shattered. The NCB has quickly nipped any such tendencies in the bud, and imposed an iron grip on the workforce in the mines. But it is with the ending of the strike that the NUM has revealed its nature. During the strike, it adopted a "radical" posture, and managed successfully to control all but the most militant sector of the miners. But as the strike ended, and the NUM distanced itself from the advance guard of the miners, eg the Kent men who wanted to carry on, some miners began to be critical of the NUM leadership, and both Scargill and McGahey were mobbed by groups of miners. Since the strike has ended, the NUM has not only washed its hands in Pilate fashion over the sacked men, but has organised an end to the overtime ban,

and helped smother any last ditch struggles such as that in South Wales. With a small minority (and it is wishful thinking to see it as more) of miners beginning to question the union, a small breach opens up for revolutionary work.

It is still too early to see what effect the ending of the miners' strike will have on the evolution of the class struggle in the UK. Clearly the bourgeoisie is delighted about the miners' defeat, and this, combined with the rally by the pound, has restored their confidence. Attacks on the social wage are being stepped up; huge increases in health charges have recently been implemented, and there are plans to "reform" the entire system of social security, a product of the boom years. The message of the bosses is that all this medicine is necessary as a price to pay for economic recovery, and that to fight to maintain living standards is hopeless.

But there is still movement in the class. Even a relatively pampered section, like the teachers, has continued its campaign of strikes in the wake of the miners' defeat, enraged at the erosion of their "professional" salary to the level of a deckhand's wage. There has also been unrest amongst customs officials, and the beginnings of a campaign of industrial unrest on the railways. April also saw the outbreak of a wildcat strike at Mount Pleasant sorting office, against the introduction of new sorting technology and the prospect of redundancies. Though this was squashed by the UCW, by the usual method of taking the issue through official channels, it was another indication that for the class the issue is not whether to fight, but how to fight, for the austerity plans of the bosses really leave them with no choice. It is our task to intervene in these struggles, giving both a short term perspective on how to fight and a longer term one of the communist revolution as the only alternative to capitalist austerity and war.

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The deepening of the crisis and the corresponding aim of communists to deepen our intervention in the working class lead to an increasing burden on the practical and financial resources of the CWO.

To continue and improve our work, we urgently need more modern printing equipment. We are therefore launching an appeal fund for:

£2000

We depend entirely upon the contributions of members, supporters and sympathisers, and appeal to our readers to give generously. All donations will be acknowledged.

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