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In Bosnia

NATO Bombings Show the Real Aims of the Great Powers

Revolutionaries like ourselves have been arguing for three and a half years that all the talk of "humanitarian missions", of aiding "peace" were nothing but lies to hide the real aims of each of the Great Powers to defend its imperialist interests. The NATO bombing of the Bosnian Serbian areas on August 31st is proof, even for the most sceptical, that we have been right all along. Not only were these bombings the first time that NATO has actually organised such raids since it was founded in 1949 but they were (according to the BBC News) the biggest bombing raids since the Second World War. Some peace, some humanity!

Imperialist Interests

Coming shortly after the successful US and German-backed Croatian offensive in the Krajina the NATO action is a victory for the US and Germany over the other three states in the so-called "Contact Group". Whilst the Russian Government has been left totally isolated in being the only power to continue to defend its Serb ally, the British and French ruling classes have also lost out. Their support for NATO bombings, a support which they refused to give wholeheartedly in the past, means the collapse of their attempts to maintain an independent policy in Bosnia.

All the way along the line the Yugoslavian conflict has been shaped by the activities and rivalries of the Great Powers. Despite all the ideology about being "allies" or about the need to "restrict the conflict" their main aims have been to defend their own imperialist interests - even when they were not really sure what those interests were! This is not illogical. It is part of the definition of a world dominated by imperialism. When we already have a global capitalist mode of production each national state has to attempt to control whatever it can in the way of influence, markets, raw materials and investments. Often the aim of their policies is to deprive rivals of total control over an area or to make sure that they have some strategic influence in an area. In the period 1880-1920 there was a great scramble for colonies by the leading capitalist nations despite the fact that only India of all the colonies gave significant returns (a fact used by smart-arse bourgeois historians to deny that imperialism has any economic motives whatsoever as an argument against marxist theory). But the imperialist powers grabbed colonies to prevent others gaining them and as a future investment. This explains why the policies of the Great Powers can often appear confused.

An American-German Alliance

In ex-Yugoslavia the US was hoping to benefit from the collapse of the USSR and wanted a

stable situation in order to reap the economic gains of the Cold War. This is why they backed the British and French efforts to buy off the Serbs. Backing the Serbs seemed the best way to prevent the whole of the Balkans unravelling. However the Germans were playing their own game at this point. It was they who bounced the EU to support Croatian (and Slovenian) independence as well as encouraging the



Workers everywhere bear the burden of war

Izetbegovic faction in Bosnia. At this point with East Germany collapsing the German bourgeoisie revived the dream of dominating a new *MittelEuropa*. It was a dream which was put on hold by US hostility and by the economic problems which re-unification with the East brought to the Kohl Government.

However the US now began to fear the revival of Russian imperialism. The Russian manipulation of the conflicts in Georgia (Abkhazia) and Azerbaijan to revive dominance there, their re-assertion of dominance over Belarus and finally the attack on Chechnya set alarm bells ringing in Washington. Yet another shift in policy followed. The Bosnian Government was secretly re-armed (long before any Congressional resolutions calling for it) and the Croats were given military and logistic support to attack the Russian allies, the Serbs. Not only did this represent an alignment with Germany but the US went a stage further by pushing the Bosnians into a closer federal alliance with Croatia.

The Franco-British Climbdown

The British and French have always been prepared to support a Bosnian Serb Republic and they, alone of the major powers, have had the troops on the ground to give them a leading say in the wrangling over what should be done about Bosnia. But the change in US policy has transformed their strength into weakness. Once the first NATO bombing raids took place (without consultation with the British and French) the British and French troops acting under the UN simply became hostages to US foreign policy. Major and Chirac did not immediately back out of Bosnia (why not if their "humanitarian mission" was impossible?). They hoped to retain their independent policy by setting up the Rapid Reaction Force. This was a reaction to the US rather than anything done by the Bosnian Serbs. What it did was to remove British and French troops from the political control of the UN. This had become a useless masquerade in any case since the US simply used NATO to blow a hole through UN decisions. The Rapid Reaction Force was more capable of defending itself and had heavy armour to carry out its own reprisals in the event of attacks on so-called "safe areas". It was hoped that this would stop the US using NATO planes in Bosnia.

This turned out to be a fond illusion given that the US was now orchestrating the war propaganda which claimed thousands of massacres when the Serbs took Srebrenica (but was silent on the murders in Krajina). This attack which had so humiliated the West had to be revenged if the US was to maintain its policeman's role in the new world order. The Bosnians began to become more confident on their attacks on the Serbs and when the Sarajevo town centre was shelled again the horror of 37 shattered bodies was seen around the world. The US now had the rationale for more bombings. Chirac, the French President enthusiastically committed the Rapid Reaction Force to the US attack since it was the only option left (and France did not want to miss out on an easy triumph). The British attempts to stop them failed and the only concession the British Government got was a few extra hours to get their most vulnerable troops out of Gorazde before the attacks on Pale and other Serb towns began.

Defending the Dogs of War

In Britain the response to this defeat is to rethink the issue. Whilst effete old moralists like Benn and Tam Dalyell call for the House of Commons to be recalled and debate whether

the NATO bombings are "legal" in terms of UN mandates there have been no shortage of editorials to justify the actions. Most strident of these was Will Hutton, *eminence gris* of the Labour Party's economic ideas (such as they have). In an article entitled "Why Britain must fight in Bosnia" (*The Guardian* 30.8.95) Hutton calls for even deeper British involvement. His reasoning is impeccably imperialist. One of the "great achievements of Western civilisation" is the recognition that "nobody is above the law"! Every person of working class origin and every victim of US imperialism this century will of course agree with that one! To this palpable bollocks he then adds the accurate statement that "there is an international order". What he doesn't say is that it is an international order dominated by Western and largely US imperialism. But he is saying what most of the Western bourgeoisie think.

The tragedy in Bosnia may seem a far cry from the world of jobs, investment and trade in comfortable western Europe and in North America but the menace to the international order which Bosnia represents, and the formidable consequences for the West if that order breaks down, are too little mentioned in judgements about the merits of forthright British and western intervention in Bosnia.

Hutton then throws in a bit of ill-digested history (the sort we got from Thatcher at the time of the Falklands War) that the situation is just like the 1930s when the League of Nations collapsed in the face of fascist aggression and this led to the Second World War. As if the Bosnian Serbs who are only marginally supported by the Belgrade regime were equivalent to a major imperialist power like Hitler's Germany! Bosnia is a civil war which the imperialist powers played a role in starting and have since played a role in prolonging and increasing the death toll. All Hutton is doing is scraping around to find justification (he later adds "honour, moral obligation and self-interest") for what British imperialism will be forced to do if it wants to have a part of the final say in Bosnia. Major has to follow Chirac in accepting the need for greater military intervention in the Balkans.

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New Labour - Capital's old reserve party

We are presently witnessing the emergence of a Labour Party being touted as the great new hope for government. It may be a common statement that the Tories are the 'natural' party of the bourgeoisie and capital and that Labour is, somehow, the 'anti-establishment' party, defending workers' interests to the detriment of business and profit-taking - but it is a nonsense. Similarly the idea that Labour is, somehow, the 'realistic' defender of workers' rights and interests as against the 'unrealistic' defenders of revolutionary social change, is another nonsense.

The bourgeoisie has the capacity to use or promote any political formation it feels is necessary for the administration of its interests - Tory, Labour, or whatever. The Tories may well have remodelled the economy, the 'Thatcherite' revolution overseeing the decimation of manufacturing, the huge rise in unemployment, the introduction of 'popular capitalism', the economic morality of greed, the equal decimation of nationalised industries, gutting the unions and progressively paring away the welfare state as and where they can. They have relied on a number of watch-words - the reduction of inflation, state spending, privatisation and so on. They have now run out of steam, for the tabloid version of politics this is in the face of a variety of problems from sleaze to internal divisions. The recent leadership election reflected the lack of positive solutions coming from bourgeois quarters. Whether to hearken back to the 'golden days' of Thatcher, taking an anti-European and pro-Atlantic line, as figureheaded by John Redwood. His most marked recent statement was to echo the US Republicans in talking of removing children from single mothers and forcibly putting them up for adoption - something which has been likened to a 19th century 'workhouse' policy. On the other hand, there are those who essentially sit on the fence not having any real solution to offer up, neither wholeheartedly supporting a pro-European, and more industrially based orientation, nor a pro-Atlantic solution. The Tories have no positive solution to the real problem facing them - **the profitability of capital.**

Blair and Labour

That grey lack of eminence, John Major, may have his days numbered, but Blair still has to forge a party with policies (or at least their appearance) which the bourgeoisie feels completely capable of supporting. (1) Hence we have seen his gradual disciplining of the Labour ranks and the wooing of the 'business community'. Part of this process will be the campaign undertaken after the TUC conference in September, particularly to explain the question of the minimum wage to sections of that 'business community'. We must also view the recent journey to negotiate with the victor of Wapping, Rupert Murdoch, in the same light. One thing which will be important to Blair is at least the 'neutrality' of large parts of the press, if not their active cooperation as elections loom, rather than the usual overwhelming support for the Tories from the British press. (2) They will be important, not only to aid election victory but then to feed a positive slant to the population concerning the prospects of the all too likely new Labour assault on working people. The media will be expected to feed workers the correct ideological gruel to ensure that Blair's Labour can successfully introduce the political and economic measures desired by the bourgeoisie. We should all remember that much as the Tories may appear as the so-called natural party of capital in Britain, the Labour Party is equally a party of and for the

bourgeoisie, it might be called the reserve party of capital. It stands ready to jump into the breach whenever it is needed, under cover of the idea that it is a party of and for workers, to continue, to deepen or to remodel the exploitation of the working class where capital needs that service.

We have witnessed quite a remodelling of the Labour Party over the past few months. It began with the rewriting of Clause 4 and has now progressed through a largely Tory education policy. The Labour leadership have made it plain just how far they will go to show that Labour is a party eager to espouse middle class aspirations and values under capital. In a statement in July centring on a promised review of the welfare state he made these points:

-that he (Blair) is taking a strong line on crime, truancy, juvenile offenders and anti-social neighbours,

This is what Labour used to be about before the aberration of parts of the 70s and 80s. This is all part of getting Labour back as the party of the mainstream majority.

there will be a reform of the welfare state, being against benefit fraud with real (sic) punishment for offenders, the right to benefit to be matched by the responsibility to seek work,

If the benefit system means that people are better off on benefit than they are in work, then it is failing.

-that he is reclaiming family values,

The family is the essential unit on which strong communities are based.

emphasising the protection of children and extending the role of the family, -there will be greater use of the private sector for services,

We must not be dogmatic about the territory between public and private sectors. Especially in the field of pensions, there will be the need to combine the two.

In other words he is going to take up the cudgel where the Tories have left off. Those on benefit can be assured of a welfare regime as punishing as this one, or worse. We can be assured that any Labour government, far from being one with workers' interests at heart, will continue the drive of the most vulnerable into the grip of low pay. We can see how the state will continue to divest itself of welfare responsibilities, handing more of them over to the family or the individual. It will cut its costs while the poorest sections of society become worse off. Capital can be assured of the shrinkage of the state sector giving it greater opportunities to make a buck, or two. These will not be benefits at all.

Limping left

Hobbling along behind the Labour Party comes that motley caravan of camp followers, the enemy of the working class we all know as the Left. Throughout the Blair leadership they have known that their own sacred cows have been under threat. At each stage they have drawn and redrawn a thin red line beyond which they will not retreat (their words) any further. They began with Clause 4 which they supposed defined the Labour Party as a socialist formation. As has been repeatedly made plain in these pages (see **Workers Voice 76 and 77**) nothing could be further from the truth. That

clause was written with one aim alone, at a time of class tension with the example of the October revolution beckoning all workers, it was there to divert and deflect workers in Britain from real struggle for their own interests. It was a defining element of Labour as a state capitalist formation, a party for capital and the bourgeoisie, not against them. From protestations that many of them would defend that principle to the bitter end, the loss of the fight has led many of them simply to redefine their own ground. Some fought for a different wording encapsulating many of their own leftist principles, as in questions of various rights for women, minorities, equal opportunities and so on. Some have redefined what is meant by the fight for 'socialism', as in the fight for a greater rather than smaller minimum wage, full employment and so on. Some ignore the defeat entirely. Socialist Organiser, as the Alliance for Workers Liberty, had this to say

We will continue to work inside Labour if Clause 4 is abandoned.

We do so because of what Labour is.

Labour is the political wing of the multi-millioned trade union movement....

The abolition of Clause 4 in itself will in itself do nothing to change that basic nature.

This linkage of Labour and the unions is precisely what is under threat. (3) To clearly show that Labour is in no way under the thrall of the unions, Blair has repeatedly laid down the law to them. In his speech of July 10th to the TGWU conference in Blackpool, he absolutely rejected the leading role of the unions stating:

Trades unions should do the job of trades unions. The Labour Party must do the job of government.

At this conference Bill Morris, head of the TGWU, called for the Labour-Trade Union link to be sacrosanct so as better to concentrate on the fight against the Tories. Blair, however, sees the unions in a subordinate role, their voice at conference to be reduced from 70% to 50% of the vote. They are simply to be the transmission belts for Labour's attempts to discipline the workforce. They are not to be allowed a significant voice of their own as formations within the capitalist system (the interests of union leaderships being simply to preserve their own position within the capitalist system). They are certainly not to be allowed to get in the way of Labour forging new links and a consensus with capital.

Similarly parts of the left have jumped onto the minimum wage bandwagon, seeing this as another line of defence of what they see as "socialism". Some have touted particular figures, as in the £4.15 per hour mentioned by various union leaders. Blair has been painstaking in his attempts to reassure the 'business community' that any figure set will be significantly below this. The minimum wage may well be a central pillar of Labour policy, as with the social chapter, but these will be used to keep the leftists quiet. The September campaign will explain just how benign a view of such policies Labour really has, assuring them they will not be hurt at all. The leftists will be kept dangling - having the idea that Labour still has some sort of 'socialist' credentials through such ideas as the union connection, notions of a minimum wage, full employment, or the social chapter.

As Tony Benn said in the first issue of 'New Left'

Everything Labour was elected on in 1945 is now being explicitly repudiated..

But of course! The Labour Party of 1945 faced a different situation compared with the Labour of 1995. Then Labour's purpose was to shepherd the working class into support for the reconstruction of a war-scarred country, the rebuilding of a battered economy. The state capitalist measures of those times fitted the needs of a capitalism looking forward to a new cycle of accumulation. Then capitalism could bear the costs of welfarism. Now that cycle of accumulation is coming to an end and crisis taking over. As a consequence the left of capital, Labour, has a different agenda - the attempt to introduce a new cycle of exploitation.

Socialism has nothing whatsoever to do with the state capitalist measures of the immediate post-war period. It cannot be equated with so many pounds per hour, nor an arbitrary series of rights or legislation. Socialism has nothing in common with leftism, which keeps the working class busy under capitalist masters. There are no beginnings of an independent working class within Labour or the unions. The independent movement of the working class must be just that, free of all ties to the capitalist system such as the Labour Party, the trade unions and their promoters, the leftists. **Clastre**

Notes

1. Some of this is perhaps supplied by the entourage of ex-SDPers Blair has engaged as advisors, people who had, at least at one time, a comfortable relationship with certain sections of the bourgeoisie and media.
2. Murdoch may be expecting a quid pro quo from all of this. He is known to want the abandonment of prospective laws restricting his pursuit of further acquisitions in the media as a whole, or even being forced to divest some of his media holdings.
3. For many of the leftists scrambling along on the coat-tails of Labour the link with the unions is sacred, the fact that unions regroup millions of workers is of prime importance. Labour and the unions are not seen in terms of the function they fulfill under capitalism as dragoons of the working class, policing it for capital. The pseudo-revolutionary trotskyst and social democratic left place more emphasis on having concentrations of workers at hand than the political programme being fought for. **Clastre**

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From Right to Left the ruling class are gradually building up a tidal wave of nationalist and war propaganda. If the nationalism doesn't get you the moral imperatives will! The working class obviously has no interest in this. There are no "good causes" to be found in any inter-imperialist conflicts in ex-Yugoslavia. Getting workers involved in war is always the final victory of the capitalists in any period of the class struggle (and this is why we condemn as anti-working class those Trotskyist organisations who supported one side or other in the conflict). The tragedy of ex-Yugoslavia is that most workers wanted no part of it but have been manipulated by a determined nationalist minority in each part of the ex-Yugoslavia who have managed to turn workers' apathy into impotence. Bosnia shows the international working class how easy it is for the ruling class to destroy class identity and class unity. Ultimately this orchestration of violence by the ruling class of all political shades can only be overcome by the united activity of the international working class.

Ireland

US Pressure Forces Major Government into Talks

The IRA cease-fire has now lasted a year; the total dead-end the loyalist factions have reached is shown by the fact that no paramilitary threat has succeeded in jeopardising peace in Northern Ireland and Jim Molyneux, the leader of the Ulster Unionists who had put his trust in Major has had to resign. As we write talks to the release of both loyalist and republican prisoners are far advanced and the British Government is backing down on its previous stance on no negotiations until IRA arms were handed in.

It may seem as though common sense has finally seeped through the skulls of politicians representing all sections of this conflict but as most of us know capitalism and common sense are hardly compatible. As we stated in WV74 peace is only possible now since it is :

...in the US's interest to establish a more stable world order for it to dominate.

The post cold war situation means that the US wants a "normalisation" of the situation in Ulster and so eventual unity with Eire is on the cards. This has come as a relief to that section of the British bourgeoisie who have always regarded Ulster as a financial drain. State expenditure on industry as well as the costs of the military presence must be especially galling for those who regard cutbacks in both areas as essential. Until now this faction was always silenced by the fact that any apparent military victory of the IRA in Northern Ireland might lead to an undermining of the state and the integrity of the UK as a whole. However the post cold war period has changed all this, and the idea of Ireland as part of a larger European Union under US control (just like Britain in fact already is) is now possible. In fact with both the EU and the US promising substantial investment it also looks like a very attractive option for the British bourgeoisie which cannot be missed.

This has not stopped some British foot-dragging. Britain's "special relationship" with the US has always been exaggerated and the recent little niggles which have emerged have shown the Americans that they can only have their own way most of the time rather than all of the time. Britain's insistence on the release of the murderer Lee Clegg, coupled with the sudden demand (which was news to Albert Reynolds) that part of the talks all along have depended on the decommissioning of arms by the IRA are both examples of this. However with Clinton set to visit Ireland in November a new round of armtwisting in London has been going on and the British are now gradually accepting that negotiations will precede disarmament.

The Left and Ireland

After years of campaigning by the Left for the cause of Irish Nationalism it now looks as though capitalism may finally fulfil their wishes, thanks to a Conservative Government bowing to the pressures of US imperialism. It's hardly surprising that the origins of a future united Irish state will lie in the machinations of imperialism, yet the Left will find this reality difficult to accept. They will, however, manage to pass this off as some kind of victory for socialism since they are consummate practitioners in the art of complete bullshit. They have thus far managed to fight for the most reactionary politics (those of Sinn Féin) by disguising it as revolutionary socialism and their campaigns for Irish nationalism are a perfect example.

One of the most consistent lies they have put

forward has been that somehow the IRA is anti-imperialist because it fights the British state. Although fine sounding political muddle is a trademark of the Left this particular argument is especially dazzling in its nonsense. For Marxists the term "imperialism" is a very specific one which refers to the relationship between stronger capitalist states and weaker ones in the final stage of capitalism. Ireland historically developed as two distinct economies with a predominantly rural south and a more industrial north east, and the latter grew as an integrated section of the British economy.

Although the relationship between Ireland and Britain has never been an imperialist one, a united Ireland as we have previously mentioned would fall within the orbit of US imperialism. As we have consistently argued over the past 20 years national liberation in the age of imperialism is impossible since the major imperialist powers will dominate. In WV3 (1981) we wrote:

A unified Ireland would be subject to US domination...just as much as Eire and Britain are today.

...and this is exactly what will happen. Independence from Westminster in reality only means greater dominance by the US who see obvious benefits from a highly skilled low wage economy. It will be interesting to see how the left will hail the future misery of the working class as a victory for socialism, but no doubt they'll manage it.

Although the IRA never damaged imperialism in the slightest it has caused untold damage to the Irish and British working class through years of sectarian violence and through particularly vicious methods of policing workers' areas. The IRA has not been fighting for their communities as the Left would have us believe but has spent years practising social division and butchery through their campaigns of terror both in Ireland and Britain. These are however extremely useful tools for capitalist rule and have provided further proof (if any were needed) of the IRA's anti-working class nature.

Marx and Ireland

As Marxists we are politically opposed to all movements which exist for the continuation of capitalism. The capitalist system has fulfilled its historical role already by creating the working class and by creating the material conditions to enable a future communist society to exist. This stage had been reached by the beginning of this century, and every decade that capitalism has existed beyond this has brought horror and despair to millions of working class people. So when the Left argue that they support the cause of Irish Nationalism because Marx supported it, this is a particularly nasty insult to Marxism.

For Marx there was no simple automatic right of nations to self determination and Marx judged the Irish question as he judged every other by asking how far it would help the working class grow and how far it would help the working class become united. Marx also supported nationalism where he believed it would weaken the forces of reaction, thus allowing capitalism to grow and create its own gravedigger in the proletariat.

None of these criteria now apply anywhere in the world. Workers today live in a capitalist economy which dominates the entire globe. Nationalism does not help the working class grow or unite with other workers; rather the

exact opposite is true. The Irish question Marx faced is not the Irish question we face today. Marx did not live to see the formation of Ulster and would not have supported any movement based on fostering the division of the working class. When Marx supported Home Rule he did so in the hope it would weaken divisions between Irish and British workers. Rather than weakening divisions amongst the working class Irish Nationalism has actively fostered it, creating further tensions between Catholic and Protestant workers and between Irish and British workers.

For communists today there is overwhelming proof everywhere that nationalism leads to a division in the working class and to its butchery. The political rallying of the working class to the idea of nationalism completely contradicts one of the basics of Marxism that the nation

state is "the negation of the proletariat". The winners in the fight for an independent Ireland will be the Nationalists who despise socialism, the multinationals who will exploit the cheap and highly skilled Irish workforce and US imperialism. When Marx wrote that the working class had no country to defend he was not describing an ideal but a political necessity. The longer capitalism survives the more demands will be made on the working class to sacrifice itself for the capitalist system. Workers will not only have to fight against these attacks but will also have to fight the organisations of the Left who will call for the defence of capitalism in the name of socialism.

RT

Train Drivers Fall Victim to ASLEF

If workers stopped paying their union subscriptions they may find that they have a larger net pay increase than they get from the lousy deals forced upon them by the unions. How many train drivers still think that they get anything worthwhile from ASLEF? The first deal put to the ballot by ASLEF; a 3% pay rise plus the possibility of a small reduction in the working week after two years, was roundly rejected by the drivers.

In order to retain some credibility amongst its members the union called for a further series of one day strikes. At the same time ASLEF worked frantically with British Rail to make sure that the strikes would not occur, particularly strikes which may have coincided with strikes of drivers on the London Underground. This would have brought real, albeit limited chaos to the metropolis and on a broader level would have illustrated that the class struggle has not disappeared. For the bosses and the unions, such strikes should be avoided at all costs. The union then came up with a second deal which was only a marginal improvement on the first in that the two hour reduction in the working week would start after one year. The unions also agreed to enter discussions on "restructuring" which is boss speak for job losses. The demoralised drivers realising that there was no point in losing money in one day stoppages if the union was not going to deliver anything worthwhile, accepted the second deal and the train drivers strikes were called off.

The role of the unions in sabotaging any possibility of militant actions is clear to see. The blocking of potential solidarity even with members of the same union is typical of the

tactics of the unions in the present period. By insisting that any strikes comply with the bosses legal rules for going on strike the unions further demoralise workers. After all these laws were passed for that very purpose and to ensure that the unions have complete control over industrial action. Furthermore no union wants to risk breaking the law and putting its assets at risk especially as the overwhelming proportion of union funds go to maintaining the union bureaucracy itself. Only a tiny proportion of union funds go are used for anything that actually benefits their members such as strike pay.

The lesson of the train drivers dispute is that workers who obey the union and the law are going to get completely shafted. We have seen this happen time after time when struggles remain within the limitations of trades unionism. The defeat of the miners in 1984 shows that in this period even a powerful group of workers cannot successfully challenge the bosses on their own. If workers are going to seriously challenge capital it will be necessary to go outside of and against the confines of the unions. All workers are facing generally worsening conditions in terms of reduction of wages in real terms, worsening job security and increased levels of exploitation. This situation demands that new forms of struggle which unite the class across trade and geographical boundaries are required. Trades unionism serves to imprison the class in isolated dead end struggles which invariably result in demoralisation and defeat. Communists and militants must expose the reactionary nature of the unions and point the way forward to effective class action.

PBD

Given all the talk of 'globalisation' it's worth asking what the term really means. After all, the capitalist economic system has been operating on a global basis throughout the present century. As long ago as 1915 Bukharin was explaining (in *Imperialism and World Economy*) how the law of value now operated on a global level where:

The level of prices is, generally speaking, not determined by production costs as in the case in local or 'national' production. To a very large extent 'national' and local differences are levelled out in the general resultant of world prices which, in their turn, exert pressure on individual producers, individual countries, individual territories.'

The initial globalisation of capitalism — the outcome of capital's accumulation process — was accompanied by the development of capitalist imperialism and eventually led to the 1st World War. In the period leading up to that first global war older, pre-capitalist ways of producing were increasingly undermined and brought into the capitalist cash nexus as European capital expanded overseas in the search for more profitable investment opportunities, cheap raw materials and markets. During the 20th century as a whole every corner of the globe has found itself increasingly drawn into the operation of the global imperialist system. No state in the world — whatever its formal political status — has existed outside of capitalism's global economy.

The present concern with globalisation is partly a more or less conscious attempt to deny this: part of the general propaganda onslaught against the very idea of communism. 'Globalisation', 'the free market' and 'privatisation' are presented as alternatives — the only alternatives — to 'nationalisation', 'the command economies' and 'statification'. In short, the collapse of the USSR ('communism') shows that capitalism is the only option (whether we like it or not). This sort of 'reasoning' means portraying any form of state intervention in a capitalist economy as socialism. (From nationalisation of the coal mines to laws to control the Stock Exchange.) It means pretending that bits of socialism can exist alongside and within capitalism. Above all, it means asserting that state planning is the same as socialism even when wage labour remains the basis of production and where the wage labourers have no say in the national plans (as in the old USSR). The working class is being saturated with the "there's no alternative to capitalism" propaganda and it will take time and, more importantly, the recovery of the class struggle before this begins to lose its impact.

However, there is more to globalisation than mere talk and propaganda. Behind the talk are economic forces which have made 'free market' ideology seem so irresistible to governments worldwide. "Monetarism", 'Thatcherism', 'Reaganomics', these are all the ideological rationalisations to justify politico-economic policies imposed by the wider economic situation which was, and still is, that of a crisis of profitability. In Britain, for instance, the realisation that "you can't buck the market" only came after decades of governments attempting to do so and once it became clear, to paraphrase Jim Callaghan's now famous dictum, that it was no longer possible for a national capital to "spend its way out of crisis". (The prospect of sky high domestic inflation and a devaluation of the currency on the world market being the only outcome.) With insufficient capital being generated at home to fund urgently required reinvestment in new capital equipment and the wholesale restructuring of the economy capital's natural tendency to seek alternative profitable investment outlets abroad came up against legal restrictions on the export of capital. In 1979 these were promptly dismantled, allowing huge amounts of financial capital (much of it in company pension funds) to legitimately seek ways of making a profit elsewhere. Last year Britain earned £11.2bn from "assets abroad".² This, of course, is by no means a trend limited to British capital. The search for more profitable investment outlets is universal. Moreover, although the bulk of cross-border investment is still amongst the advanced capitalist states the growing attraction of higher returns from so-called "emerging markets" meant that in 1993 alone "close to \$40bn was invested in emerging market equities by international investors, especially

Americans". This fact was noted by a *Financial Times* journalist whose article went on to comment:

The emerging markets boom can be seen as an inverse consequence of the slowdown of the developed world. As first the US and then Japan and Europe have decelerated, surplus savings have been generated. Now the capital is pouring into the emerging markets.³

The mixture as before?

For marxists there is nothing new about this. Over a century ago Marx saw how the search for a higher rate of profit encouraged 'surplus capital' (or rather surplus value) to go farther afield and in so doing helped to counterbalance the tendency for the general rate of profit to fall:

... capitals invested in 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 slaves, coolies, etc. permit a better exploitation of labour. We see no reason why these higher rates of profit realised by capitals invested in certain lines and sent home by them should not enter as elements into the average rate of profit and tend to keep it to that extent.⁴

Marx was thinking in terms of individual capitalists or companies and an average national rate of profit. Thirty years or so further on, with capitalist competition increasingly conducted between the various national monopolies backed by their respective states (the state capitalist trust), Bukharin saw how the same process of capital migration was leading to the formation of a global rate of profit.

The general direction for the movement is, of course, indicated by the difference in the rates of profit (or the rate of interest): the more developed the country, the lower is the rate of profit, the greater is the 'over-production' of capital, and consequently the lower is the demand for capital and the stronger the expulsion process. Conversely, the higher the rate of profit, the lower the organic composition of capital, the greater is the demand for it and the stronger the attraction. ... the movement of capital tends to bring the "national" rates of profit to one level, which tendency expresses nothing but one of the most general laws of the capitalist mode of production on a world scale.⁵

At the same time he noted the growing role of what today would be called the multinationals: the avoidance of "legal obstacles in a 'foreign' country" by setting up branches "under the guise of independent corporations" (German paint and paper companies in Russia and America; Swiss firms in Germany and France, US companies in Britain); the gaining of effective control over a local company by buying up shares and other methods; and the general increase in foreign-owned companies within the national borders of the most advanced capitalist powers.

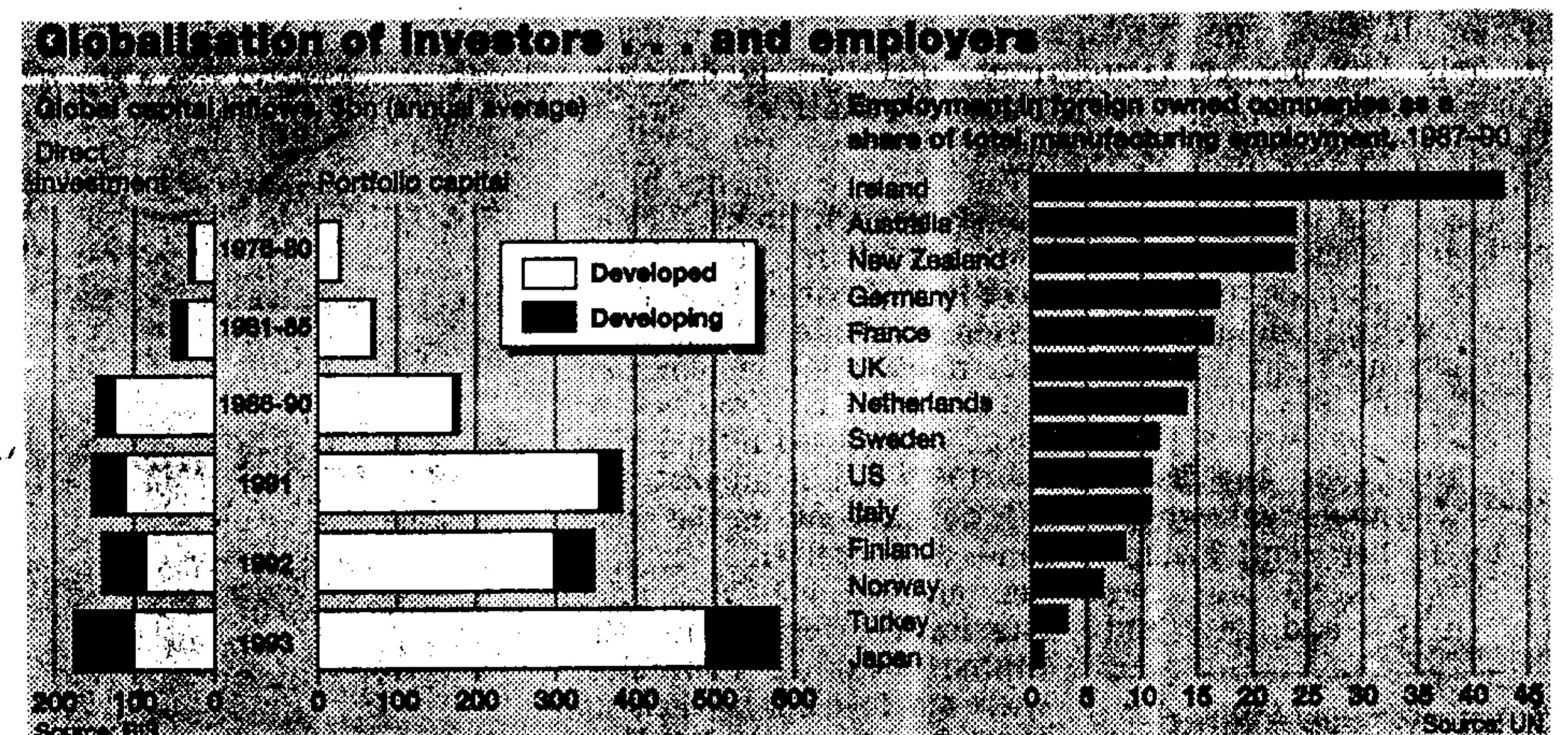
This is all a familiar picture which shows there is nothing new about the globalisation of capital. It can even be argued, as another *Financial Times* journalist has done, that:

In fact relative to world output, cross-border investment flows are only now approaching the level reached before the first world war. Foreign direct investment represented 9 per

Globalisation: An Overview

cent of world output in 1913, according to some estimates, compared to 8.5 per cent in 1991.⁶

Possibly this is stretching a point for it depends on the World Bank's distinction between 'direct investment' in a foreign company (over 10% of equity) and 'portfolio investment'



(less than 10% and therefore more easily and likely to be quickly transferred). This shows that essentially the same tendency for capital to seek a higher rate of profit abroad is at work today. It also brings us to a striking difference with the pre-1st World War globalisation process. As well as a massive heightening in the speed and scale of capital export an overwhelming proportion of today's surplus value seeking profitable outlets remains simply speculative capital and never reaches the world of productive investment. Strictly speaking it doesn't even begin to act as finance capital. Eighty per cent of transactions on the UK stock exchange, for example, have nothing to do with investment in industry or the movement of goods but are simply currency speculation. This is a quick and easy way for the booming 'financial services industry' to make their profits but in terms of the overall profitability of capital (i.e. the accumulation of surplus value) it represents no new surplus value but is rather a drain on the overall stock of surplus value. (In monetary terms to the tune of \$800bn per day.) This is in no way helping to offset the falling rate of profit but a portent of a future massive financial crash in store for world capital.

Even if this is the case, argue the modern pundits of globalisation, state boundaries have become so irrelevant to modern capital that a global financial crash would not herald a retreat to economic autarchy and preparations for a third world war. With over a third of world 'trade' being within companies and a similar level of world output directly controlled by transnational corporations with — it is said — no particular loyalty to any single state, the basis for old-fashioned intra-state imperialist rivalry is rapidly disappearing. (Stephanie Flanders, the *FT* writer quoted earlier, gives the example of Dutch multinationals which employ two-thirds more people in their foreign affiliates than at home.)

It is true that the shape of the world economy has changed dramatically in recent years. The ex-colonies are no longer simply a source of raw materials and primary products for the capitalist metropolises but contain significant productive capacity and skilled labour forces of their own. For the first time in history the bulk of humanity is not engaged in tilling the soil. However, it is a naive mistake to assume that the growing numbers of migrant rural workers seeking urban employment end up actually engaged in the productive process. The majority do not. Despite the creation of

12 million jobs over the years by transnational investments in the capitalist periphery (6 million in China!) this is nothing like enough to keep pace with the proletarianisation of the workforce.

Each job represents \$34,000 gross. At this rate it would require several centuries and thousand of billions of dollars to provide employment for a simple minority of the manpower of the Third World.⁷

There is no sign that this rate is going to change. As the chart below shows, the vast bulk of 'cross-border investment' is still, as in Bukharin and Lenin's day, within the capitalist metropolises. Despite the pundits, the 'Third World' is not going to be the new engine for global economic growth.

Even so, it may still be argued, whereas Bukharin was looking at a world where each of the advanced capitalist states competed on the world market as a "state capitalist trust" the deregulation and liberalisation of the last decade or so has changed all that. Instead of

a world where "... the various forms of 'protecting national industry' become more pronounced; state orders are placed only with 'national' firms; income is guaranteed to all sorts of enterprises, which present great risks but are 'useful' from a social point of view; the activities of 'foreigners' are hampered in various ways" (Bukharin), we now have a transnational economy, "a system of economic activities for which state territories and state frontiers are not the basic framework but mere complicating factors"; a world where it is "no longer as clear as it had once seemed that ... 'What's good for General Motors is good for the USA!' The words are from Eric Hobsbawm, one time favoured social and economic historian of the British Left.⁸ They follow the picture presented by the financial journalists. It is a kind of modern version of Kautsky's idea of ultra-imperialism which puts imperialist war off the agenda altogether and implies a new prolonged, if not eternal, life for a capitalism unfettered by artificial and unnecessary barriers. However, like Kautsky's in its day, this is an immediatist and superficial picture, if somewhat comforting for the capitalist class. It ignores the fact that the very mechanisms of 'liberalisation' operate in the interests of what still remains the world's strongest national capital — the USA. The strongest, and yet the most indebted of all the capitalist states survives by drawing surplus value from the weakest of the world's capitals via its control of the international debt mechanisms. At the same time, and ironically, Bukharin's description of the state capitalist trust is not a hundred miles away from describing the modern US which, despite all the talk of liberalisation makes sure that its control over the World Trade Organisation protects the interests of US Inc. There will come a day when this situation is seriously challenged by rival powers. It will then be interesting to see how much talk there is of the irrelevance of the capitalist state. In the meantime we can be assured of one thing: that capital's continued globalisation is creating

an ever widening reproduction of the relations between two classes — the class of the world proletariat on the one hand and the world bourgeoisie on the other. (Bukharin)

ER

Footnotes

See page opposite

Monopoly Capitalism is Decadent Capitalism

The real success story of the past 15 months in the utilities has, after all, been the introduction of competition into hitherto monopolistic areas.

This verdict was offered by a *Financial Times* editorial on August 10th. Even the so-called silly season can't account for this ridiculous comment on the so-called "success" of the privatised utilities. It was all the more inexplicable because the subject of the editorial was the failure of the British privatised water companies to maintain supplies despite operating from a rain-soaked island bordering on the North Atlantic! Whilst it is understandable that a capitalist rag like the *Financial Times* interprets "success" only in terms of the balance sheet of any company, its talk of the introduction of "competition" is pure propaganda or as Marx used to say "mere ideology".

The recent wave of privatisations of public utilities in Britain has been a result partly of this right-wing ideology but more precisely because of the incapacity of the bankrupt British state to invest adequately in maintaining its own infrastructure. Under the neo-liberal theories of the monetarists unleashed in the late 70s the introduction of free competition between companies should benefit everyone since it would lead to lower prices and better supply. Try telling that to those in the South West who have seen their water bills go skyhigh or those in Bradford who have standpipes in the street! For the Right the privatisation programme is also an exercise in nostalgia. They see it as a return to a healthy *laissez faire* capitalism which coincided with Britain's time as the leading capitalist nation in the world. But under modern decadent capitalism the ruling principle is not free competition but monopoly. Recent events have shown how this monopoly operates at different levels.

A Concrete Case of Price Fixing

At the lower level in an industry where there are a number of apparently competing companies there is the price-fixing cartel. This is usually regulated by the biggest company in the industry (the classical one being De Beers in the international diamond trade). They can threaten to bust anyone who breaks the agreement on price setting. Currently De Beers, which has run the international diamond cartel for over six decades, is having a little local difficulty with a former ally - the Russian state - which is now breaking its share quota due to its extreme economic crisis.

Not every multinational is big enough to be courted by governments so slavishly as De Beers. There are smaller operations within national boundaries and these have to make sure they don't fall foul of the pressure of other monopolies. This is what happened to the British ready-mixed cement cartel in August. This is an area in which a price-fixing cartel run by RMC, the biggest firm, has operated for years. In 1978 and 1979 they gave assurances to the state (via its courts) that the cartel had ended. However this summer the Office of Fair Trading successfully prosecuted all 17 companies in the cartel. They were fined a total of £8 millions which is a derisory amount considering the profits last year ran into hundreds of millions of pounds. Equally lenient was the fact that the directors of these firms could have faced gaol for contempt of court but were only given fines (gaol for contempt is only reserved for poll tax protestors and the like). None of this should come as a surprise since the regulation here is simply a slap across the wrist for some members of the capitalist club who were carrying their scam a bit too far (and as the building industry is in crisis it was no longer tolerable for them to accept the RMC monopoly pricing).

However the fact that the courts and the regulators have acted (after more than 20 years!) gives the impression to the citizenry that the state is protecting them from the worst monopoly practices. But before we get too carried away with the wonders of pluralism we should remember that in the "land off the free", the United States, it is the huge monopolies and multinationals who have run the state for more than a century. The USA pioneered "anti-trust legislation" under the direct influence of the monopoly interests of the likes of Standard Oil. Anti-trust laws are not to protect "the consumer" but to ensure that all the big companies play by the same rules in their relations with each other. Once capital reached this stage it was already beyond the idea of "the rugged individualist" so romantically touted by today's right wing. We had reached the era of monopolies, cartels and the new kingpin was the corporate lawyer. Now the only competition between the central players, who together dominate the US state, was over lucrative government contracts and patents.

Financial Capitalism: An Aspect of Capitalist Decay

Marx and Engels, followed by Lenin and Bukharin all pointed to the fact that capitalism tends towards concentration and centralisation of capital. Even before Engels death in 1895 it was clear that capitalism was fundamentally changing. As Lenin wrote in 1916

This transformation of competition into monopoly is one of the most important - if not the most important phenomena of modern capitalist economy...

Imperialism - The Highest Stage of Capitalism (Peking 1973) p.14

The *laissez faire* principles on which capitalism had been based in the nineteenth century were increasingly collapsing under the weight of monopolies which were operating on an increasingly international scale. However none of the great revolutionaries of the past could have foreseen how that international monopoly capitalism would translate itself into the present global economy. Lenin and Bukharin, to some extent, based their facts and figures on Rudolf Hilferding's *Finance Capital* (written in 1911). Hilferding saw that the greater the mass of capital involved in modern industry the more it tended to be dominated

by banks, or "finance capital" as he dubbed it. This domination Lenin took as the central feature of modern imperialism

It is characteristic of capitalism in general that the ownership of capital is separated from the application of capital to production, that money capital is separated from industrial or productive capital, and that the rentier who lives entirely on income obtained from money capital is separated from the entrepreneur and from all who are directly concerned in the management of capital. Imperialism, or the domination of finance capital, is the highest stage of capitalism at which this separation reaches vast proportions.

Imperialism - The Highest Stage of Capitalism p.69

Whilst much of what Lenin wrote in 1916 is now outdated (e.g. on the importance of the colonies), this feature has taken on greater significance in the present period. Those who make the greatest profits are no longer those who make and sell any commodity or service but those who can shift capital around rapidly. Apart from some peripheral gambling activities such as derivatives (see *Workers Voice* 77) these financial capitalists are totally unlike the early entrepreneurs. They do not put all their investment eggs in one basket and they work as consortia with other financial institutions so that they might only control 3% of the capital of any major firm thus sharing out the risk and the commitment. Today huge multinational producers are themselves reducing their workforces by contracting out their ancillary divisions. This cuts their fixed capital investment in both plant and raw materials. Instead, at the next level down, there are a host of medium and smaller firms vying for the contracts with the big producers(1). It is at this level that the competition exists since the finance capitalist looks only at the profits of the large producers in which they have a stake. At the end of a cycle of capitalist accumulation where there is low profitability and therefore low growth the main way of increasing profits is by cutting costs ever further(2). The small companies are therefore faced with shorter term contracts and if they fail to deliver the larger firms look elsewhere. It is now normal for tenders from subcontractors to be at a loss-making level with the hope that they can make up the difference on expenses and legal actions. This operates globally but in Britain it is not surprising that there were half a million bankruptcies last year.

Except in relative terms, the finance capitalists never lose. Their stage is a global one. Unlike the capitalists of the nineteenth century they have few fixed capital assets and no local loyalties. With governments all around the world now dwarfed by these international financial conglomerates it is little wonder that they prostitute themselves before them to waive workers' rights, give tax breaks and create special enterprise zones. This has, contrary to the capitalists' claims, not created enough economic growth to get them out of the crisis. It has created a pile of misery for workers around the world as capital is switched from one area to another with a speed not before seen in history.

Class Struggle is Global

This is the "success" the *Financial Times* talks about. Not that the services or goods offered are better or cheaper but that profit margins are higher and dividends and shares

rise(3). In a situation of economic stagnation such as the present one where there is an overaccumulation of capital the only way this can be done is by cutting costs. This means a reduction in both investment and the workforce. With the surplus capital the monopolists, including the former utilities like British Telecom and the gas, water and electricity companies, simply take part in the battle on the global financial stage for "acquisitions". In short there is little new investment (and certainly not enough for a renewal of the cycle of accumulation) but simply a redivision of the existing control over the productive process(3). This is why, after all the cuts in wages and workers over the last twenty years, after all the speed-ups and increases in productivity, growth rates remain pathetically small. In the short term capitalism offers more misery to the working class. In the longer term it is creating a class which is more truly international as it becomes aware that its capitalist adversary is global.

The central contradiction of capitalism identified by Marx is more clearly obvious than ever. The capitalists need to cut our wages but at the same time they want us to buy the commodities we create for them. There is no capitalist solution to this dilemma. Hilferding's allies in German Social Democracy like Karl Kautsky thought that the internationalisation of capitalism had gone so far that it had become "ultra-imperialism". By this they meant that there was no capitalist rationale for war any more. Wars that did take place were blamed on feudal leftovers. But this was an illusion which represented the opposite of the truth. In the epoch of monopoly capitalism, however globalised the system, the state acts for the general interests of all the monopoly capitalists. It is at this level that priorities about which investments and markets are to be sacrificed and which taken as central both economically and strategically to the national capital. The result is that war in the imperialist epoch is not lightly started but once undertaken its only rationale is the total defeat of the imperialist rival or rivals. This is the material reason why wars in the twentieth century have been the most bloodthirsty and atrocious in history (see the article on War and Decadence in *International Communist Review* 13 for more on this).

The only way out offered up by capitalism is - war destroying capital (on a big enough scale) and, of course, workers! The national state to which the multinationals repatriate the bulk of their profits takes responsibility for war preparations. Not least of these is propaganda, which aims to get the working class in each country to identify with the national capital and to see workers elsewhere as their competitors. This is the ideological battleground of the coming period. It is up to revolutionaries world-wide to unite their efforts to ensure that the working class reject all nationalist ideologies which leads them to accept the exploitation of their "own" national bosses and to recognise that the workers world-wide face the same class enemy. **Jock**

Notes

1. To some extent smaller and medium firms compete with the larger, but it is also the logic of current capital that the smaller **tend** to live off contracts from the larger, this being part of the reason for the rise and continued high level of business failures since the 70s.
2. There is also a greater incidence of speculation, with many firms having to do so defensively because of the higher level of speculation going on in general. This speculation is often an attempt to offset a lower rate of profit.
3. See *Internationalist Communist Review* 13.

Footnotes (from previous column)

* *Imperialism and World Economy*, Nikolai Bukharin. Merlin Press, 1972

1. op.cit. p.23.
2. According to the official balance of payments figures as reported by Victor Keegan in the *Guardian*, 3.4.95.
3. Barry Riley, in a *FT* survey on emerging markets, 7.2.94. He goes on to add that according to Barings Securities (!) "holdings of emerging market stocks by foreigners may now be worth \$160bn".
4. Karl Marx, *Capital* Vol. 3, Lawrence and Wishart, p.238.
5. Bukharin op.cit. p.45.
6. Stephanie Flanders in a *FT* survey on 'World Economy and Finance' 30.9.94.
7. Susan George in *Le Monde Diplomatique*, July 1995.
8. In his new book, *The Short Twentieth Century*,

Revolutionary Perspectives

For the Reconstitution of the Working Class

Just over ten years ago the CWO joined with Battaglia Comunista (the Internationalist Communist Party) to form the International Bureau for the Revolutionary Party. The Bureau was for the party but was not the Party. Its aim was to serve as a focus for those who wished to be part of the debate and development of the future world party of the proletariat. It was not a prematurely centralised organisation but one which tried to preserve the historic gains of the working class as the basis for further clarification of the nature of revolution in our epoch. This was why we started publishing what is called today Internationalist Communist Review. It was to be the English language theoretical journal open to contributions of members of the two organisations as well as other interested individuals and organisations. This seemed to make our theoretical journal of that time, Revolutionary Perspectives superfluous, and we ceased publication. However in its last issue we promised that it would one day be resurrected. That day has now arrived.

From our next issue Revolutionary Perspectives will replace Workers Voice as the main publication of the CWO. This is to meet what we consider to be the real political priorities facing the revolutionary working class today. Our analysis for the last decade has been that the working class internationally has been on the retreat both politically, and as a collective entity, resisting the effects of the capitalist economic crisis which brought groups like the CWO into existence twenty years ago. Today many of those groups have since disappeared and the collapse of the USSR has created a whole new set of theoretical tasks. A paper

like Workers Voice which had presumptions to be both an agitational and propagandist vehicle in the class struggle is not the most efficient for our present needs. The CWO will still respond agitationaly, as we have done in the past, to the sporadic outbursts of the class resistance but this will take the form of leaflets or where there is a more general movement with special editions of Workers Voice. However our main publication will be Revolutionary Perspectives.

The rationale for the adoption of Revolutionary Perspectives has been staring us in the face for some time but the enthusiasm of some correspondents from both UK and abroad for recent editions of WV, as well as the need to let all comrades fully debate this change, has delayed the decision. We have now decided to take the plunge into the revival of RP.

The fall of the Berlin Wall and the collapse of the USSR have not led workers (or even the politically advanced workers) to conclude that the Communist Left has been right for over six decades and to realise that Stalinism was not socialism. On the contrary the confusion created by counter-revolutionaries posing as socialists has increased. We have seen the emergence of disaffected Trotskyists who can now see that the basis of the Trotskyist analysis of the Soviet Union (socialist in property relations but politically deformed) cannot have ever been right since there has been no fundamental change in the ruling class or productive relations since 1991. But instead of recognising that the Communist Left have been right about the state capitalist nature of the USSR and its satellites the Trotskyists are

simply rewriting their past and trying to steal bits of our analysis to add to their own fundamentally social democratic nostrums. The result is a melange of confusion.

Into this have also arrived the "analyses" of those who are aptly called by the ICC "the swamp". Sitting between the traditional leftists but without recognising the work of the Communist Left they arrogantly assume that they are embarked on a new political journey but generally only take the paths of tired and defeated theories (such as those of Cardan) which basically deny the existence of the working class as the antagonist of the present mode of production.

A further step on from these but without any pretence at any theory whatsoever are the anarchist/libertarian activists who want to be "where it's at" but whose lack of a class analysis of any kind (even where they profess to have one) leads to reformism at best and downright reaction at worst. This is the fate of those who, for example, enter the leftists' anti-fascist circus without understanding that this was the slogan for mobilising support for imperialist war fifty years ago. Its logic today is that of support for the democratic state.

The confusionist antics of the left wing of capital has to be combatted as does the more general weight of lies of the bourgeoisie. These are even taking their toll of individuals in the Communist Left. Those who today succumb to the idea that the working class is somehow different from what it has always been in history are (like the former Communist Bulletin Group) themselves simply spreading

their own demoralisation. Capitalism may restructure and pass through any number of technological "revolutions" but the mode of production remains the same. It is one of exploitation and class antagonism. The prime task of Revolutionary Perspectives is thus - to aid, wherever possible, in the development of the consciousness of our class.

This task cannot be carried out through polemic alone but by a positive statement (or re-statement) and development of internationalist revolutionary ideas and marxist method. Avoiding both opportunism and dogmatism we hope to create a vehicle for real debate within the international working class. Revolutionary Perspectives will carry short topical articles, longer, more developed texts as well as letters, reviews and exchanges. **We call on all our sympathisers and supporters to participate both financially and through written contributions.** We do not choose the epoch of history into which we are born but in this period of capitalist restructuring and temporary retreat of the working class we must respond to the real situation which confronts us. Like the Communist Left in the 1930s and 1950s we have to maintain an independent class voice, and do everything we can to develop communist theory for the next great round of class confrontation so that the working class doesn't have to start from zero again.

Subscribers

Existing subscribers to Workers Voice will receive a generous credit to RP (which will have a cover price of £2).

Subscription rates will be £8 for 4 issues (including p&p) in the UK and £16 for subscribers abroad.

Supporters subscription (which entitles the subscriber to receive leaflets and some internal publications of the CWO/IBRP) is £20. We urge all supporters, sympathisers and previous subscribers to assist us by taking out a supporters subscription as soon as possible.

The Communist Workers' Organisation and the International Bureau for the Revolutionary Party

The Communist Workers Organisation was founded in the UK in 1975 but the political origins of our positions are much older. We regard ourselves as heir to a common tradition which goes from the Communist League of Marx and Engels through the First, Second and Third (Communist) Internationals to, most recently, those left currents which were expelled from the Third International in the 1920's as the process of Stalinisation developed.

We have always been opposed to all forms of capitalist exploitation and oppression as well as state capitalist currents such as Stalinism, Maoism, Trotskyism and all the other counter-revolutionary distortions of Marxism.

Since 1984 we have formed part of the **International Bureau for the Revolutionary Party** initiated by **Il Partito Comunista Internazionale** (*Battaglia Comunista*).

For contact and subscriptions write to

CWO
PO Box 338, Sheffield S3 9YX
or

Il Partito Comunista Internazionale,
CP 1753, 20101 Milano, Italy.

Our Basic Positions

1. We aim to establish a stateless, classless, moneyless society without exploitation, national frontiers or standing armies and in which the free development of each is the condition for the free development of all (Marx): COMMUNISM.

2. Such a society will need a revolutionary state for its introduction. This state will be run by workers' councils, consisting of instantly recallable delegates from every section of the working class. Their rule is called the dictatorship of the proletariat because it cannot exist without the forcible overthrow and keeping down of the capitalist class worldwide.

3. The first stage in this is the political organisation of class-conscious workers and their eventual union into an international political party for the promotion of world revolution.

4. The Russian October Revolution of 1917 remains a brilliant inspiration for us. It showed that workers could overthrow the capitalist class. Only the isolation and decimation of the Russian working class destroyed their revolutionary vision of 1917. What was set up in Russia in the 1920's and after was not communism but centrally planned state capitalism. There have as yet been no communist states anywhere in the world.

5. The International Bureau for the Revolutionary Party was founded by the heirs of the Italian Left who tried to fight the political degeneration of the Russian Revolution and the Comintern in the 1920's. We are continuing the task which the Russian Revolution promised but failed to achieve - the freeing of the workers of the world and the establishment of communism. Join us!

From the Second World War to Sarajevo millions of victims have died in wars waged by the world's ruling classes. The vast majority of its victims were workers. The recent commemorations of the end of the Second World War and the dropping of the atomic bombs on Hiroshima and Nagasaki have led to the revival of the debate amongst the various nationalist historians of the ruling class as to which actions were the most "criminal". For us it is a totally irrelevant debate since for workers

The Capitalists are All War Criminals

For the capitalists though the discussion has not been about the last war. It is mainly about preparing for the next war. The British can puff out their chests and say that British imperialism won in 1945 (despite the loss of its empire and its role as the world's leading financial capital). The Japanese can try to hide the brutality of their military dictatorship which applied codes of war which would have shamed Genghiz Khan, the sins of the Red Army have been largely hidden behind the massive suffering of the Russian working class (both at the hands of Hitler and Stalin) and the German ruling class long ago joined the rest in condemning Nazism. But in the United States, that citadel of freedom, any re-examination of their actions in the war with Japan has officially been halted.

"Enola Gay"

The Museum of Air and Space of the Smithsonian Institute in Washington planned an exhibition to coincide with VJ-Day. It was entitled "Enola Gay" the pilot's name for the bomber which attacked Hiroshima. It did not take the usual mythological view that the bomb was dropped to end the war and save up to half a million American lives. It simply stated that there was a controversy over the decision. It used quotations from two of the US Establishment's most honoured soldiers to support the idea that dropping the bomb was not really necessary. These are well-known to historians but not to the general public. The first was from Fleet Admiral William D. Leahy, Chair of the US Joint Chiefs of Staff during the Second World War.

It is my opinion that the use of this barbarous weapon at Hiroshima and Nagasaki was of no material assistance in our war against Japan. The Japanese were almost defeated and ready to surrender ... in being the first

to use it, we adopted an ethical standard common to the barbarians of the Dark Ages.

Dwight D. Eisenhower, the Commander in Chief of Allied Forces in Europe at the same time, and a later President of the USA also wrote in his memoirs

At that precise moment Japan was searching for face-saving way to capitulate... It was not necessary to hit them with that horrible thing.

The exhibition was originally cleared (and even praised for its scholarship) by US military historians. But it was too much for the Republican Right in Washington who did not want any other view but the official myth that the dropping of the atom bomb ended the war. The museum director was sacked and when the exhibition opened on the 28th June it presented only the usual defence for the dropping of the bomb.

This was just one episode in a whole summer which has seen nothing but a ferocious ideological onslaught on TV, Radio and in the newspapers justifying the dropping of the atom bomb. Every argument possible has been trotted out to defend the US. First came the "they deserved it" school of thought based on the horrendous treatment of prisoners of war and other slaves (mainly Asian despite the horrors visited on British and Australian soldiers. This does not stop to ask why the bombing of a city with few military targets and containing mainly women, the aged and children was striking back at the Japanese Army.

Then there is the "dropping the bomb gave us 50 years of peace" idea. Apart from the doubtful premise that the bomb ended the war the next fifty years saw almost constant warfare

around the planet which has claimed millions of deaths. Capitalism did not need, and does not need atomic bombs to take us all back to barbarism. The atomic explosions did not kill more people than, for example, the firebombing of Tokyo in January 1945. Bombing civilian targets as a deliberate act of terrorising populations was started by the RAF in Mosul (Iraqi Kurdistan today) in 1923 and became Nazi policy at Guernica in 1937. The destruction of Dresden and Hamburg in revenge attacks equalled anything that happened at Hiroshima. They certainly prepared the climate for the use of atomic weapons on civilians.

It was not the knowledge of "mutually assured destruction" which held back the USA and USSR in the Cold War. The real reason that there was no direct clash between the most dominant powers is that both the USA and the USSR emerged from the Second World War largely satisfied with the post-war settlement. The USSR had achieved security in Eastern Europe and was able to loot the best equipment from Manchuria and East Germany. The USA had emerged as the most powerful nation on earth, able to force its allies Britain and France out of their old empires (whilst US investments replaced the British in South America). Such relative satisfaction opened up the way for a long period of peace marred only by the fear on both sides that the other might extend its share of the spoils.

This brings us back to the real reason for the bombing of Hiroshima. Japan was a sitting duck. Its people faced increasingly intolerable living conditions. This was known to the US. The US Strategic Bombing Survey considered that even if the US did not attack Japan but blockaded it the Japanese would be forced to surrender by, at latest, the end of 1945. So why was the US Government in such a hurry to use a weapon that had only been tested a month

earlier? The answer was given by the Southern racist Secretary of State James Byrnes. He told US historian Herbert Feis in 1958 that Truman did not tell the Russians about the bomb because

he was afraid that if Stalin was made fully aware of the power of the new weapon he might order the Soviet Army to plunge forward at once.

In other words the US were going to use the bomb to end the war before the Russians were due to enter it (they had promised to declare war on Japan no later than three months after VE Day (May 8th). That would have been August 8th, Hiroshima was bombed on August 6th. The USSR declared war on Japan on August 8th and overwhelmed the Japanese Kwantung Army in Manchuria. The US nightmare that the Russians would make gains in the Far East at the expense of Japan had come true anyway and the people of Hiroshima and Nagasaki (bombed on August 9th) suffered in vain. The bombing of Hiroshima was not the last act of the Second World War but the first act in the Cold War. The totalitarian mentality which refuse to discuss the past honestly is part of the preparations for the next war. AD

continued from page 8

Iran...

there were mass riots in Gazveen and Tabriz. On 4th April, 1995 hundreds of thousands of workers in south Tehran (the shanty town of Islam Shahr) confronted the armed forces as they protested against the lack of drinking water and the rise in public transport fares. Within a few hours they were shouting, "Down with the Islamic Republic!"; "Down with Rafsanjani" (the 'moderate' President); "Down with Khamenei" (the hardline 'spiritual leader'). The police station, petrol stations, banks were set on fire. Anti-riot forces with helicopters were brought in from which they shot indiscriminately, killing fifty people. Hundreds more were arrested. Some reports indicate an active part played by youths returned from the war in these demonstrations and riots.

These are understandable outbursts of working class disillusion and anger. As yet there is no sign of them being followed up by more conscious political organisation. For revolutionaries in Iran and the Iranian working class as a whole a step forward would be to form their own independent communist organisation. Such an organisation would be able to give a political direction to the struggle in all situations and, by putting the class struggle at the core of all its policies, would steer a course of independent action during the sharpening conflict between the various capitalist gangs. As everywhere else in the world, revolutionaries will have to insist that the ultimate goal is world communist revolution. This means that we do not want to simply see the political overthrow of the barbaric Islamic Republic but also the overthrow of the system of exploitation on which it is based.. SD

Footnotes

1. From the Financial Times, 15th/16th July. Total only won the contract after American pressure forced the withdrawal of Shell.
2. Figures from *Le Monde Diplomatique*, June 1995, and the Guardian.

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The Crisis in Iran and the New World Order

US embargo against Iran

On 4th March 1994 the US oil company, Conoco, signed a contract with the Iranian government enabling it to exploit a vast offshore field. By 14th March President Clinton, under Republican pressure, had annulled the deal. The Republicans — led by Senator d'Amato — had mounted a campaign against US 'complacency'. They now proposed a new law for a general embargo on Iran and the imposing of sanctions against any states who did not comply with this. Clinton gave in to this pressure and a trade embargo against Iran became the official policy of what had quietly become Iran's third highest trading partner. Three main reasons were outlined for taking up this policy:

- Iranian support for international terrorism,
- Iran's opposition to the Middle East peace process,
- and finally, the Iranian pursuit of and capacity to make nuclear weapons.

Here briefly we shall look at the international response to this policy and examine the nature of that policy and the parameters that have brought it about.

Israel, Iran and the Middle East peace process

On 6th March 1995 Israel published a statement which estimated that Iran would have the

capacity to manufacture nuclear weapons in 7-15 years. Experts said that it could take 20 years, more realistically it could easily be far longer. A pro-Israeli lobbying group circulated a 74 page document from the beginning of April favouring an embargo on Iran. On 30th April, at a banquet of the World Jewish Congress, President Clinton announced a general embargo, not — as would be usual — at a press conference. (Details from *Le Monde Diplomatique*, June 1995.)

Since the 1979 Iranian revolution, the Israeli government has exploited any opportunity to overcome the loss of her most reliable ally in the region — the Shah of Iran. For eight years there was implicit support for Iran in its war with Iraq, making sure that Israel's number one enemy in the region, Iraq, was faced with nothing but absolute devastation to her economy. Now it is the Iranian opposition to the peace process which is the obstacle. For the Israelis the threat of Iranian nuclear capacity is real only in so far as it can be used to dismantle the Iranian position of support for such opposition groups as Hamas and Islamic Jihad. On the other hand, the Palestinian issue is real for Iran only in so far as it can make a better deal with the West. Iran will not hesitate to end its support for such groups if deals with the West require it. However, the West is no longer so wholeheartedly behind the US as it once was.

Losing out to its old allies

The days when the US state machine could use the threat of 'communism' as a means to discipline its NATO satellites and reinforce its own domination over the European powers have gone. In Japan and the EC the response to this US call for an embargo was basically non-existent. France, for instance, has recently won a \$1 billion contract (in the shape of Total)(1) to develop the Sirri offshore field, a fact which the Americans described as "disappointing" and "sending the wrong signal". The UK, with the hindsight of the Gulf war where the US had promised much but which brought it little, limited itself to the Rushdie affair (an issue not raised by the US!) and opted for a policy of 'critical cooperation' with the Islamic Republic of Iran. It is symptomatic of how far Britain does not want to follow the US and cut off relations with Iran that it has ignored the announcement by the Iranian Majlis (parliament) that the 'fatwa' (death threat) hanging over Salman Rushdie is not going to be lifted. Japan has taken a similar position and continued its policy of supporting the so-called moderate line of Rafsanjani. The response from the peripheral countries has been even less enthusiastic. The Foreign Minister of Pakistan, Sardar Asif Ahmed Ali, said in an interview:

"on some issues, Pakistan does not see eye to eye with the United States, for example, we don't agree with their policy on Iran..."

India did the same and *India Abroad* reported India's Foreign Minister, Pranab Mukherjee, as saying:

"No matter how the west sees Iran, and this will be from the point of view of their own strategic interests, the view from New Delhi will remain somewhat different..."

The Arab world, the Russians, Chinese and others, all did the same. It is in this international atmosphere that the US is pursuing her policy of embargo on Iran.

There are two fundamental reasons for this — Israel's need for the peace initiative in the Middle East to succeed; and secondly, the US loss of ground in Iran vis-a-vis its old imperialist allies. The 1979 revolution in Iran not only ended monarchist rule there, it also put an end to the US domination of the country which had continued since the coup in 1953 (26 years). The revolution had two basic meanings for the West. The first being its fundamentally anti-Soviet nature. The second being its hugely reactionary potential, its ability to put an end to the growth of an independent workers' movement in Iran and to mass activity.

Since then the scene has changed. The cold war is over, hence the first virtue of the 'Islamic Republic' is no longer of use. In the new order old allies are now rivals, the old enemies either do not exist any longer or may even be new allies. Moreover, the second objective has been fully realised. Iranian workers, after sixteen years of absolute oppression are living in one of the most difficult periods of their existence

The current situation in Iran

The once prosperous oil-rich Iran is now an indebted state. By the beginning of next year \$35bn of short-term loans have to be paid off. The Riyal, though, has fallen steeply. In 1979 it was worth 30 times more against the dollar than in 1988 and it is continuing to fall. Already in 1995 Iran's local currency has lost half its value with respect to hard currencies. GNP per inhabitant is 40% of its level of 20 years ago. Although some of this is due to the doubling of the population and the halving of the price of oil, production is stagnating. Unemployment levels have reached 33%, alongside at least 50% inflation (58.8% April-May 1995). Wages are falling and according to one estimate around half of Iranians receive a monthly salary of no more than \$50 (below the poverty line). The embargo, although largely ignored by major countries such as Japan, Britain, France and Germany, simply by being prosecuted by the USA alone affects \$4 billion in oil sales, 25% of Iran's oil exports.(2)

It is farcical to think that a country with an economy on the verge of collapse and an historical position on the periphery of world capitalism, can be thought of as playing the role of the enemy of the West. But the policy of the US in this post-cold war period is to fabricate such an enemy, so that it can at a later date be defeated by an alliance of forces. This is nothing short of an act of desperation by an imperialist power trying to maintain its control over the situation.

As for the millions of Iranian workers who have borne nearly 17 years of hardship and oppression, the scene has also changed. They have learnt how the 'third alternative', i.e., the Islamic Republic which lays claim to be the alternative to socialism and capitalism, and which lefties kept telling them was 'anti-imperialist' has turned out. They have experienced the hypocrisy of all political trends. Iranian workers have discovered what Khomeini meant when, in opposition to their first May Day celebration which gathered thousands of workers, he said: "Everybody is a worker, God is a worker". But today they witness Iran's rich mullahs and the members of Hezbollah (Party of God) living it up in the mansions of north Tehran. They see them making shopping trips or going on holiday to "decadent", "godless" Europe while their own conditions of life are so bad that they cannot even afford to feed themselves. Iranian workers now see what Khomeini, meant at the beginning of the war with Iraq when he mobilised them to fight by saying that the war had brought Iran goodness and self-reliance. They have seen what it meant in practice: a fortune for the bazaar and millions of deaths in working class families.

Today they are responding. There have been hundreds of strikes since the war and in 1994

Middle East Peace:

Another Phoney Deal to Bring Misery to Workers

Since the collapse of the Soviet Union curtailed the ambitions of Russian imperialism in the Middle East, the world order dominated by the USA has demanded that "peace" should prevail. This is nothing to do with any desire to make life more pleasant for the denizens of the region, but rather reflects the requirements of imperialism for the "peaceful" exploitation of the area's mineral resources and labour power. Another major consideration is the need for the USA to reduce the substantial costs of supporting Israel. With the demise of Russian influence, the role of Israel in defending US interests in the middle east is significantly reduced.

The recent signing of phase two of the Israeli - Palestinian peace accords clearly reveals "peace" to be a function of power rather than a substantial resolution of differences. When the state of Israel with its military might and still significant US financial backing is compared to Arafat's beleaguered, impoverished and minuscule Palestinian National Authority (PNA), it is clear whose interests are going to prevail. Yet the very fact that Israel has been forced to treat (as previously with American support, Israel could have contained the irritation of the Intifada indefinitely) indicates the limits of its autonomy in the face of US imperialism.

Under the latest agreement the PNA gets a few more towns on the West Bank whilst the Israelis maintain overall security. Crucial issues such as the Jewish settlements in the West Bank and the future of Jerusalem have been postponed for future consideration. Moreover the Palestinian entity has no chance of being economically viable without massive injections of foreign aid and investment which so far has failed to materialise in any significant degree. The Israelis maintain control of precious water supplies which are crucial to the development of agriculture and industry in this arid zone. Palestinian labour is largely dependant upon employment inside Israel and the Israeli practice of sealing the borders at will increases the impoverishment of the Palestinian proletariat. These economic problems would still prevail even in the unlikely event of the establishment of a sovereign Palestinian state.

The fate of Palestinian nationalism illustrates the impossibility of any real "national liberation" in this epoch. Whilst states may achieve independence on a formal level they cannot escape the economic domination of imperialism. The growing re-integration of several ex-Soviet states back into the Russian economy confirms this law of the imperialist epoch.

The bourgeois mind set tells us that the only alternative to the middle east peace is the rejectionist extremism of Hamas, Islamic Jihad and their Zionist counterparts. This is a false dichotomy which must be exposed by communist internationalists. The third way is one which cuts through all reactionary nationalist programs. Throughout the world all workers are exploited by capital. The advantages that one national group of workers may enjoy over another are minuscule compared to the objective class interests that unite them. It is the recognition of these common class interests that can create the potential for class struggle as opposed to national struggle.

Whilst the bourgeoisie can cobble together "peace" deals through the exercise of coercion, the peace will be fragile and liable to erupt into future conflagrations. Real peace is possible but can only be achieved in a world where nationalist and imperialist rivalries are replaced by the economic co-operation of producers, i.e. when the working class is able to make a revolution against capital and begin the process of creating a communist society.

PBD