

Workers of the world, unite!

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CAPITALISM IS BANKRUPT

We Need to Overthrow It

There was a time, not so long ago, when revolutionaries were greeted with scepticism or mockery when they argued that the capitalism system was heading towards catastrophe. Today, it's the fiercest partisans of capitalism who are saying the same thing. "Chaos is there, right in front of us" (Jacques Attali, previously a very close associate of President Mitterand and former director of the European Bank for Reconstruction and Development; now an adviser to President Sarkozy, quoted in the *Journal du Dimanche*, 27/11/11). "I think that you are not aware that in a couple of days, or a week, our world could disappear... we are very close to a great social revolution" (Jean-Pierre Mustier, bank director, formerly at the Société Générale. www.challenges.fr/finance-et-marche). It's not with any joy in their hearts that these defenders of capitalism are admitting that their idol is on the

way out. They are obviously shattered by this, all the more so because they can see that the solutions being put forward to save the system are unrealistic. As the journalist reporting Jean-Pierre Mustier's words put it: "as for solutions, the cupboard is bare". And with good reason!

Whatever their lucidity about what's in store for capitalism, those who think that no other society is possible are not going to be able to put forward any solutions to the disaster now threatening humanity. Because there are no solutions to the contradictions of capitalism inside this system. The contradictions it is confronting are insurmountable because they are not the result of 'bad management' by this or that government or by 'international finance' but quite simply of the very laws on which the system is founded. It is only by breaking out of these laws, by replacing capitalism with another

society, that humanity can overcome the catastrophe that is staring us in the face. It is only by putting forward this perspective that we can really understand the nature of the crisis that capitalism is going through.

The only solution: free humanity from the yoke of capitalism

Just like the societies which came before it, such as slavery and feudalism, capitalism is not an eternal system. Slavery predominated in ancient society because it corresponded to the level of agricultural techniques which had been achieved. When the latter evolved, demanding far greater attention on the part of the producers, society entered into a deep crisis – the decadence of Rome. It was replaced by feudalism where the serf was attached to his piece of land while working for part of his time on the lord's land or giving up part of his harvest to the lord. At the end of the Middle Ages this system also became obsolete, again plunging society into a historic crisis. It was then replaced by capitalism which was no longer based on small agricultural production but on commerce, associated labour and large industry, which were themselves

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BOURGEOIS ELECTORAL CAMPAIGNS

The Political Crisis is Permanent

As the Republican primary elections dominate the media, the battle for the White House next fall is finally beginning to take shape. It's pretty clear that the main factions of the U.S. ruling class are pushing for an Obama vs. Romney presidential election contest. After months of a chaotic Republican primary contest in which a series of conservative and Tea Party inspired candidates dominated the polls only to fall to one of their many rivals in short order, the field of candidates has finally narrowed. Currently, Romney's only serious challenger for the Republican nomination is Newt Gingrich, the disgraced former Speaker of the House of Representatives who is seemingly poised to emerge as the consensus candidate of Re-

publican right wing. Although the Catholic conservative Rick Santorum and the extreme libertarian Ron Paul continue to complicate the race, with the Republican establishment lining up behind Romney, it appears that the main factions of the U.S. bourgeoisie will likely get the presidential election match-up they want. Nevertheless, the race remains highly volatile and the unpredictable Republican electorate may yet throw a wrench into the works, forcing the Republican Party to take drastic measures in order to make the presidential election competitive.

Behind all this drama over the Republican primaries stands the much deeper political crisis facing the U.S. bourgeoisie, a crisis

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that has only deepened in its gravity since the debt-ceiling debacle of last summer. Readers of *Internationalism* will recall the series of articles we have published since the mid-term elections of 2010 analyzing this crisis. This series builds on the analysis we have developed since the contested Bush/Gore presidential election of 2000, according to which the main factions of the U.S. bourgeoisie have been facing growing difficulties manipulating the outcome of the electoral process in order to bring the best possible ruling team to power for the historical moment and reinforce the democratic myth among the population. Although the U.S. bourgeoisie was able to obtain a temporary reversal of this trend in producing the “historic” election of Barack Obama in 2008, the political crisis has only deepened since his election, threatening to destabilize the two-party ideological division of labor and the entire democratic-electoral apparatus of U.S. state capitalism along with it. In our view, the evolution of the internal life of the U.S. bourgeoisie since the 2010 mid-term elections has confirmed this analysis.

In this article, we will review the main developments in this political crisis since the debt-ceiling debacle and show how they are narrowing the bourgeoisie’s room for maneuver in an historic moment in which the grave economic crisis it faces stubbornly refuses to go away and the working class is becoming increasingly restless.

The Aftermath of the Debt Ceiling Debacle: Obama Turns to the Left

The debt-ceiling debacle of last summer was an absolute catastrophe for the entire U.S. bourgeoisie ⁽¹⁾. The nation and the entire world beyond was treated to a weeks long spectacle of brinkmanship in which the full faith and credit of the United States was put into question. If the debt ceiling was not raised, the U.S. government could have failed to meet its payments to creditors, social security checks might not have been mailed and even U.S. military personnel might have gone without paychecks. The prospect of a global economic calamity threatened, as the Tea Party caucus in the House of Representatives vowed to vote against any deal to raise the debt ceiling.

¹ See our article In *Internationalism* #160, “The Debt-Ceiling Crisis: Political Wrangling While the Global Economy Burns.”

While public opinion polls consistently showed the population believed the Republican Party to be most at fault for the debacle, President Obama took his lumps too. He was roundly criticized within his own Democratic Party base for failing to be tougher in his negotiations with the Republican and Tea Party obstructionists and for appearing far too quick to put Social Security and Medicare on the chopping block to appease the right-wing desire for drastic spending cuts. Media pundits began to talk about a crisis of the American democratic system itself. Clearly, the population was fed up with both parties and just about all the institutions of government. More and more, the American state appeared to be completely unresponsive to its citizens, its agenda determined by ideological hacks on the one hand and corporate stooges on the other. Nobody – not President Obama, not Speaker Boehner, neither Democrat, nor Republican – seemed to have the interests of the ordinary American in mind.

In many ways, the debt-ceiling debacle was the logical conclusion of the unleashing of the Tea Party insurgency on the U.S. political system. Hell bent on reducing the federal government to a shell and taking orders from ideologues obsessed with the free market fundamentalist meme of “starving the state,” the Tea Party has proven itself to be just as destructive as its opponents feared. So far, the trappings of power and the lure of incumbency have not tamed the Tea Party in any significant way. Having ridden the Tea Party insurgency to victory in the 2010 mid-term elections, the Republican Party – already having made a major turn to the right – is now largely beholden to it. Committed to opposing President Obama at every turn – a man whose Presidency many in the Tea Party constituency believe is illegitimate – they have made it virtually impossible for the U.S. state to get anything done. As long as the Tea Party Republicans control Congress, there would appear to be no hope of passing comprehensive immigration reform, no new revenues with which to pay down the deficit and appease the population’s growing class for tax fairness, and no legislation of any real significance that does not cow toe to their extreme ideology. In the aftermath of the debt-ceiling debacle, it appears to have finally donned on the Obama administration that the current situation is unworkable. Something would have to be done

to bring the Tea Party insurgency into line and revitalize the image of the U.S. state or risk the rapid decay of the institutions of American state capitalism itself and the further discrediting of the democratic illusion in the eyes of a population beginning to stir.

It has been in this context that the Obama administration has made a serious tack to the left in the aftermath of the debt ceiling crisis. If the Republican Party has largely discredited itself in the eyes of a large swathe of the population as a party of ideological bankruptcy, Obama’s rather tepid approach to the economic crisis and his closeness to Wall Street were having a similar effect of calling the Democratic Party into question as well – thus threatening the traditional ideological division of labor between the two parties. Since the debt-ceiling debacle, the Obama administration has set about attempting to repair the Democratic Party’s image and revitalize his own persona in preparation for the fall presidential election.

In November, the much-vaunted “Super Committee,” set-up to find additional spending cuts in the aftermath of the debt-ceiling debacle, came to naught and was revealed for the political farce it always was. However, the Democrats were allowed to trumpet the fact that major cuts to Social Security and Medicare have for now been avoided. Later, faced with the threat of a Republican initiated government shut down, Obama took a much harder stance with the House Republicans refusing to back down and forcing them to agree to continue funding the government. Obama then followed this up with a dramatic showdown over the payroll tax exemption – forcing the Republican Party, the party of “no new taxes,” to come out in favor of a tax hike on the working-class at Christmastime. Next, the President utilized Congress’ holiday break to appoint Ohio Attorney General Richard Corday to run a new Consumer Financial Protection Agency (CFPA) and appoint several “labor friendly” figures to the National Labor Relations Board (NLRB).

Attempting to consolidate his turn to the left and revitalize the image of his administration as an agent of the common man, Obama used his annual State of the Union address in January to announce his support for raising the capital gains tax, ensuring that the richest American who make their money off of investment income and carried interest pay a tax rate

similar to their working class employees – a move clearly aimed at his most likely Republican challenger, billionaire Mitt Romney. Currently, Obama – without explicitly endorsing the movement—is taking up the language of Occupy Wall Street (OWS), seeking to give his presidency a new gloss of legitimacy, and paint his second term as one in which he will fight for “fundamental fairness” in the economy.

It is beginning to appear that faced on the one hand with a Tea Party insurgency that is making it almost impossible to govern and with a growingly restive population on the other – a restiveness that exploded in the Occupy Movement during the fall – the main factions of the U.S. ruling class would prefer to maintain the Obama administration in power for another term. Although historically in times of rising class struggle the ruling class has usually opted for a policy of putting the left-wing of its political apparatus in opposition so as to better control the rising militancy of the working-class, these are not ordinary times. In today’s chaotic environment, it appears that the main factions of the bourgeoisie are counting on a more progressive appearing Obama administration to play the game of the left opposition from within the state itself, in order to give the population the illusion that there is a party within the state that is fighting for the common man against the sheer insanity emanating from the right-wing.

Faced with a choice between trying to enact a more traditional ideological division of labor and attempting to revitalize the image of the state in the context of Occupy Movement, the main factions of the ruling class appear to be moving towards a decision to maintain Obama in power. A second Obama term will be used to try to convince the population that they have a friend in power, even if he is besieged by the right wing on all sides, and thus a stake in the bourgeois state. This rather unorthodox tactic stands as stark evidence of the gravity of the political crisis the U.S. bourgeoisie now faces.

The Presidential Campaign: The Fragility of the Ideological Division of Labor in the Midst of Electoral Chaos

Even as it emerges that the main factions of the bourgeoisie are moving towards a preference for a second Obama term, this doesn’t mean they will get it.

As we have analyzed since the disputed Bush/Gore election, as a result of the centrifugal weight of social decomposition on the political system, the main factions of the bourgeoisie are having increasing difficulty manipulating the electoral system to achieve the desired outcome. Therefore, it is of the utmost importance that Obama’s Republican opponent be a candidate that the main factions of the bourgeoisie could live with, if the election does not go the way they want it to.

Whatever maneuvers are put into place, regardless of the media campaigns launched on his behalf, the main factions of the bourgeoisie know full well that there is no guarantee Obama will be re-elected. Despite a growing media campaign around a supposed “economic recovery,” unemployment remains very high with young people (Obama’s electoral base) bearing the brunt of the much discussed “jobs crisis.” In addition, a highly politicized, strongly motivated, Tea Party-oriented faction of the electorate wants Obama out at all costs. This constituency promises to be among the most die-hard voters in the fall and they most certainly won’t vote for the President. However, the biggest wildcard in the Presidential campaign remains the highly volatile world economy with the threat that a European meltdown and/or Middle East volatility could send shockwaves through the U.S. economy in the summer and fall making it incredibly difficult for the President to win re-election. In such circumstances, the main factions of the bourgeoisie need a viable Republican candidate, who can govern with at least a veneer of competence and flexibility, should they find themselves in office in January 2013. Currently, there is only one candidate in the Republican race who fits this bill: Mitt Romney. It is not surprising, then, that by and large the Republican establishment has been lining up behind Romney in an attempt to make sure he is the Republican nominee.

However, unfortunately for the main factions of the U.S. bourgeoisie, this has not proven to be such an easy task. Despite all his advantages in campaign money, name recognition and the backing of the main figures of the Republican establishment, the overwhelming majority of Republican voters despise Romney. Poll after poll has consistently shown less than one-third of Republican voters support Romney’s candidacy. All throughout the summer and fall, the Republican pri-

mary campaign resembled a three ring circus with a series of conservative and Tea Party backed candidates rising to the top of the polls as the anti-Romney candidate, only to suffer a dramatic fall from grace. So far, Romney’s best ally in his campaign for the Presidency has been the erratic and unpredictable behavior of the Republican Party’s right wing, as it struggles to coalesce around a single candidate to unseat Romney as the party’s presumptive nominee. Nevertheless, despite the media’s unabashed attempt to build an aura of inevitability around Romney’s campaign following his eight vote victory in the Iowa caucuses and first place finish in the much more moderate New Hampshire primary, the Republican electoral base has proven stubborn. The day before the South Carolina primary, in which Gingrich trounced him, it was announced that Romney had actually lost Iowa to Rick Santorum! This set off widespread panic in the Republican establishment as Romney’s coronation was postponed out of growing fear that the caustic and erratic Gingrich might actually win the nomination.

Currently, although Romney won over Gingrich in the crucial primary state of Florida, several national polls continue to show the former House Speaker leading the Republican field. While a Romney nomination continues to be the most likely outcome of the Republican primaries, this remains far from certain. It is indeed a worrisome time for the main factions of the U.S. bourgeoisie as a Newt Gingrich (or Rick Santorum) Presidency would simply be imponderable. Some pundits have hinted that should Romney fail to win the nomination through the primary process, the Republican Party establishment would have to intervene at the party convention this summer to install their own candidate. Clearly, these are not the best of days for the U.S. democratic mystification!

If the Republican primary chaos has served to give the main factions of the bourgeoisie pause, they have also probably worked to strengthen their commitment to Obama’s re-election this fall. For all the cynical race baiting, Dickensian rhetoric and downright crazy talk coming from Gingrich and Santorum ⁽²⁾ on the

² And this is to say nothing about Ron Paul; indeed, the image of a Republican Party Presidential candidate slamming United States imperialism in every debate certainly does give the impression

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campaign stump, the fierce primary campaign has only served to push Romney to the right, calling his image as a moderate, sensible and flexible Republican into sharp question. Moreover, his rivals have taken advantage of his enormous wealth to paint him as an out of touch billionaire, tax cheat and “vulture capitalist.” In the course of the campaign, Romney has become the virtual embodiment of the “one-percent” itself, making the prospect of his Presidency that much less attractive. In this context, it appears more and more likely that the main factions of the bourgeoisie would prefer to take their chances rehabilitating the image of the Obama administration than risk a direct provocation to the growing revolt of the population against the unfairness of the system and the possibility that this revolt could radicalize into a more direct response to capitalism itself on the working class terrain.

While the main factions of the bourgeoisie may very well get the Presidential election match-up they want in the end, this will not put an end to the seemingly interminable political crisis that further complicates its ability to manage the economic crisis and advance the interests of the overall national capital. Even if Obama is re-elected in the fall, he will most likely still have to deal with an obstructionist Congress that will resist his attempts to govern. Will the Tea Party representatives be more likely to compromise with the President in his second term? It is not possible to say at this time, but it is difficult to envision this taking place in an environment where they will remain beholden to right-wing interests backed by billionaire benefactors like the Koch brothers, hell-bent on advancing the most revanchist agenda. These moneyed interests have now been given free reign by the Supreme Court to flood the political process with money, qualita-

of a political system that has lost its moorings.

tively worsening the unpredictability of the electoral process ⁽³⁾.

On the other hand, if Romney wins the election, this would put the bourgeoisie in a perhaps more precarious position. How would a moderate Republican President deal with the ideologues in his own party? Would he be able to resist their calls to indiscriminately slash and burn the federal government bureaucracy and annihilate the remaining vestiges of the social wage, perhaps provoking an even stronger reaction from the working class than we have seen with the Occupy Movement? If he were to try and govern in a more centrist manner, could this risk the definitive break-up of the Republican Party itself and send the two party system into a definitive crisis? We do not have the answers to these questions at the moment, but, frankly, neither do the main factions of the bourgeoisie. Their developing anxiety over the increasingly tenuous state of the two-party system and the democratic illusion itself is well grounded.

So what is the working-class to make of all this chaos, all this electoral maneuvering? In the end, regardless of the outcome of the elections, the imperatives facing the winning party will be the same: austerity, scaling back of the remaining

³ The hue and cry emerging from the bourgeois media over the Supreme Court’s decision in the Citizens United case likely reflects a very real fear among the main factions of the bourgeoisie that the unregulated influx of cash into the electoral process will only lead to more and more unpredictable outcomes. Currently, it is emerging that the Gingrich candidacy is only kept alive through the largesse of one rich casino mogul. On another note, the increasing politicization of the judiciary itself, in particular the right-wing of the Supreme Court, is a growing concern for those factions of the bourgeoisie concerned with the health of the democratic image of the state. Ominously, the Supreme Court is set to decide two of the most controversial legal battles in recent history this summer in the midst of the Presidential campaign: the SCOTUS’ anticipated rulings on the constitutionality of Obama’s health care law and the Arizona anti-immigration bill threaten to add a further element of destabilization to the political system.

social wage and the general management of the historic decline of the U.S. national capital. While it may be true today that, from the standpoint of the bourgeoisie as a whole, the Democrats would likely be able to carry out these tasks with better practical acumen, and they are therefore better capable of serving as the governing party, this does not put them into a fundamental opposition with the Republicans as far as the working class is concerned. While its true that the Republican Party has been largely taken over by a deeply regressive faction of the bourgeoisie with little sense of the overall interest of the national capital, this does not mean that the Democrats will govern in the interests of the working-class. On the contrary, neither party has a solution to the economic crisis. Neither has an alternative to the ultimate imperative for further austerity. In this regard, it is quite telling that whatever the steps the Obama has taken to turn to the left and give itself the aura of populism, he has never backed down on his willingness to put Social Security and Medicare on the table in his quest to work out a deficit reduction deal with his Republican rivals. There is no reason to think this will change in his second term.

In response to the bourgeoisie’ ongoing, and now permanent, electoral campaigns, the working-class can only oppose its own autonomous struggles to defend its living and working conditions. The Occupy Movement was an important step in developing this struggle, but we will have to go much further in the period ahead as the attacks against our class continue to mount. In the meanwhile, we must refuse to be taken in to by these incessant election campaigns and recognize that whatever their differences, in the end both parties are obliged to carry out the attacks the capitalist system’s historic crisis demands.

Henk, 01/28/2012

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The struggle against capitalism is a struggle between classes

Resistance against the present social order is spreading, from the huge social revolts in Tunisia and Egypt to the movement of the 'indignant' in Spain, to the general strikes and street assemblies in Greece, the demonstrations around housing and poverty in Israel, and the 'Occupy' movements across the USA, now echoed on a smaller scale in the UK. Awareness that this is a global movement is becoming sharper and more widespread.

In Britain, on 9 November, students will again be demonstrating against the government's education policies, and on 30th November up to three million public sector workers will be on strike against attacks on their pensions. For weeks now electricians have been holding noisy demos at building sites in defence of their jobs and conditions and will also be out in force on 9 November.

Not yet a revolution, not yet the 99%

The word 'revolution' is once again in their air, and 'capitalism' is once again being widely identified as the source of poverty, wars and ecological disasters.

This is all to the good. But as the exploited and oppressed majority in Egypt are being made painfully aware, getting rid of a figurehead or a government is not yet a revolution. The military regime that took over from Mubarak continues to imprison, torture and kill those who dare to express their dissatisfaction with the new status quo.

Even the popular slogan of the Occupy movement, 'we are the 99%', is not yet a reality. Despite widespread public sympathy, the Occupy protests have not yet gained the active support of a significant proportion of the '99%'. Millions feel anxious about the uncertain future offered by capitalism, but this very uncertainty also creates an understandable hesitation to take the risks involved in strikes, occupations and demonstrations.

We are only just glimpsing the potential for a real mass movement against capitalism, and it is dangerous to mistake the infant for the fully-grown adult.

But those who have already entered the struggle can also be held back by their

own illusions, which the propagandists of the system are only too eager to reinforce.

Illusions such as:

'It's all the fault of the bankers and/or neoliberalism'

Capitalism is not just the banks, or a 'deregulated' market. Capitalism is a social relation based on the wage system, on the production of commodities for profit, and it functions only on a world wide scale. The economic crisis of capitalism is a result of the fact that this social relation has become obsolete, a blockage on all future advance.

Regulating the banks, bringing in a 'Robin Hood Tax' or extending state control does not uproot the essential capitalist social relation between the exploited and their exploiters, and gives us a false goal to fight for. The unions' call for 'growth' is no better: under capitalism this can only mean the growth of exploitation and environmental destruction, and in any case, today it can only be based on the racking up of huge debts, which has now become a major factor in the deepening of the economic crisis.

'Right wing politicians are our main enemies'

Just as the bankers are the mere agents of capital, so politicians from right to left are instruments of the capitalist state, whose only role is to preserve the capitalist system. Cameron's Tories begin where Labour left off, and Obama, despite all the hype about the 'hope' he represented, continues the Bush administration's imperialist wars and assaults on living standards.

'We need to make parliamentary democracy work better'

If the state is our enemy, demands for its reform are also a diversion. In Spain 'Real Democracy Now' tried to get people to fight for an improved parliamentary list, more control over the selection of MPs etc. But a more radical tendency opposed this, recognising that the general assemblies which were everywhere the organising form of the protests could themselves be the nucleus of a new way of organising social life.

So how can the struggle advance? By

recognising and putting into practice certain basics:

That the struggle against capitalism is a struggle between classes: on the one hand the bourgeoisie and its state, which controls the majority of social wealth, and on the other hand the working class, the proletariat – those of us who have nothing to sell but our labour power.

The struggle must therefore spread to those parts of the working class where it is strongest, where it masses in the largest numbers: factories, hospitals, schools, universities, offices, ports, building sites, post offices. The examples are already there: in the strike wave that broke out in Egypt, when 'Tahrir Square came to the factories', and they were forced to dump Mubarak. In Oakland in California where the 'Occupiers' called for a general strike, went to the ports and got the active support of dockers and truckers.

To spread the struggle, we need new organisations: the practice of forming assemblies with elected and mandated delegates is reappearing everywhere because the old organisations are bankrupt: not only parliament and local government, but also the trade unions, which serve only to keep workers divided and to ensure that the class struggle never exceeds the legal limit. To overcome union divisions and keep struggles under the control of the workers, we need assemblies and elected committees in the workplaces as well as on the streets.

To get rid of capitalism, we need revolution: The ruling class maintains its power not only through lies, but also through repression. Class struggle is never 'non-violent'. We have to be prepared right now to defend ourselves from the inevitable violence of the cops, and in the future, to overthrow the state machine by a combination of mass self-organisation and physical force.

The only alternative to capitalism is communism: Not state-controlled exploitation like under the Stalinist regimes, not a return to isolated communes exchanging their goods, but a worldwide association of the producers: no wages, no money, no borders, no state!

ICC, 05/11/11

Capitalism is bankrupt: we need...

made possible by progress in technology (the steam engine for example). Today, as a result of its own laws, capitalism has in turn become obsolete and must give way to a higher system.

But give way to what? Here is the key question being posed by more and more people who are becoming aware that the present system has no future, that it is dragging humanity into an abyss of poverty and barbarism. We are not prophets who claim to describe the future society in all its details, but one thing is clear: in the first place, we have to abolish production for the market and replace it with production whose only aim is the satisfaction of human need. Today, we are confronted by a real absurdity: in all countries, extreme poverty is growing, the majority of the population is forced to go without more and more, not because the system doesn't produce enough but because it is producing too much. They pay farmers to reduce their production, enterprises are closed down, wage earners are sacked en masse, vast numbers of young people are condemned to unemployment, including those who have spent years studying, while at the same time the exploited are more and more forced to pull in their belts. Misery and poverty are not the result of the lack of a work force capable of producing, or of the lack of means of production. They are the consequences of a mode of production which has become a calamity for humanity. It is only by radically rejecting production for the market that the system that succeeds capitalism can put on its banner "From each according to their means, to each according to their needs".

The question then posed is this: "how do we get to such a society? What force in the world is capable of taking in charge such a huge transformation in the life of humanity?" It is clear that

such a transformation cannot come from the capitalists themselves or the existing governments who all, whatever their colouring, defend the present system and the privileges it gives them. Only the exploited class under capitalism, the class of wage labourers, the proletariat, can carry out such a total change. This class is not the only one that suffers from poverty, exploitation and oppression.

For example, throughout the world there are multitudes of poor peasants who are also exploited and often live in worse conditions than the workers in their countries. But their position in society does not enable them to take charge of constructing a new society, even if they also have a real interest in such a change. More and more ruined by the capitalist system, these small producers aspire to turning back the wheel of history, to go back to the blessed days when they could live from their own labour, when the big agro-industrial companies didn't take the bread from their mouths. It is different for the waged producers of modern capitalism. What's at the basis of their exploitation and their poverty is wage labour – the fact that the means of production are in the hands of the capitalist class (whether in the form of private owners or state capital), and the only way they can earn their daily bread and a roof over their heads is to sell their labour power. In other words, the profound aspiration of the class of producers, even if the majority of its members are not yet conscious of this, is to abolish the separation between producers and means of production which characterises capitalism, to abolish the commodity relations through which they are exploited, and which are the permanent justification for the attacks on their income since, as all bosses and govern-

ments say: "you've got to be competitive".

Therefore the proletariat has to expropriate the capitalists, collectively take over the whole of world production in order to make it a means of truly satisfying the needs of the human species. This revolution, because that's what we are talking about, will inevitably come up against all the organs capitalism uses to preserve its rule over society, in the first place its states, its forces of repression, but also the whole ideological apparatus which serves to convince the exploited, day after day, that capitalism is the only possible system. The ruling class will be determined to stop by all possible means the 'great social revolution' which haunts the banker mentioned above and many of his class companions.

The task will therefore be immense. The struggles which have already begun today against the aggravation of poverty in countries like Greece and Spain are just the first necessary step in the proletariat's preparations for the overthrow of capitalism. It's in these struggles, in the solidarity and unity that they give rise to, in the consciousness they engender about the possibility and necessity to get rid of a system whose bankruptcy is daily becoming more obvious, that the exploited will forge the weapons they need to abolish capitalism and install a society finally free of exploitation, of poverty, of famine and war.

The road is long and difficult but there isn't another. The economic catastrophe on the horizon, which is creating such disquiet in the ranks of the bourgeoisie, will bring with it a dire worsening of living conditions for all the exploited. But it will also enable them to set out on the path of revolution and the liberation of humanity.

Fabienne 7/12/11

The Unemployed Struggles of the 1930's, the Working Class Must Draw the Lessons

In this two-part series of articles about the employed and unemployed workers' struggle of the 1930's we have looked at what seem to us to have been the strengths and weaknesses of that movement. We think that this kind of assessment is important in the context of the present economic crisis and the struggles that it has given birth to, especially regarding the development of protest movements such as Occupy Wall Street. In this first part we will look at the present attacks against the working class, and especially the unemployed. Then we will start the examination of the strengths and weaknesses of the movement of the 1930's. In the next article, we will focus more in detail on its weaknesses and broach the question of what lessons to draw for the present and future struggles of the class.

Unemployment in the XXI century— the bourgeoisie hides the reality

The ruling class finds reason to believe that the recent release of statistics regarding unemployment can give its lie about the economic 'recovery' a boost: apparently, the unemployment rate has dropped from hovering above a stubborn 9% national average to 8.6%. The working class, by contrast, has every reason to continue to feel skeptical of the ruling class' reassurances as to the 'recovery' which supposedly started two years ago, and of any rosy perspectives for the future. Such drop does nothing to quell the uncertainty and anxiety about the future of one's employment and it does nothing to console the throngs of those who are still collecting unemployment benefits, have given up looking for a job altogether, are currently working part-time jobs for lack of anything better, or are about to enter the labor force, either as young college graduates, returning war veterans, or retirees whose pension or social security checks cannot keep pace with the rate of inflation or need to help pay for their unemployed children's student loan or credit card debt or mortgage. Behind the rhetoric that peddles the lie about the 'recovery' there are several calculated manipulations of the statistics. For example, it is not a secret that the method used by the Bureau of Labor Statistics to calculate the official unemployment rate is bogus. There was a time when 3% unemployment rate was considered 'acceptable', but with the explosion of the economic crisis in the 70's that number was pushed up to 5%, which was then called 'natural unemployment'. It is not unlikely that, as the present recession seems to be taking on a permanent character, that figure will be 'adjusted' once again. Al-

ready, states whose unemployment rate currently drops to 6.5% no longer qualify for benefits, demonstrating how the ruling class has started de facto to regard that rate as 'natural unemployment'. The current rate calculation excludes those who have stopped seeking work, those who settle for part-time work when they would rather work full-time, and the military. By an alternative measure of unemployment that the same Bureau produces, the unemployment rate jumped to 15.6% as of last November 2011 when those who have looked for work in the past 12 months and those who work part-time even though they would like full-time jobs are included. We can rest assured that even that estimate is conservative. The picture becomes all the more grimy when we add that 43% of all unemployed – 5.7 million people – have been out of work for more than 27 weeks.

Congress has passed extensions on the limit of unemployment coverage several times since the onset of the economic crisis, amidst bitter disputes between Democrats and Republicans. Over the last two years, members of Congress repeatedly have clashed over continuing the current 99 weeks of extended benefits. Although Congressional leaders relented in December to a two-month extension of the current 99 weeks of benefits, there has been no support for providing additional help for those who have exhausted their aid. As part of its ongoing campaign about the 'recovery', the ruling class also has to justify the cuts to benefits it is forced to pass. The bourgeoisie has fashioned a venomous attack against the jobless by portraying them as 'loafers', shiftless people who "live off other people's money", and who rely on government's handouts because they do not

want to take the 'opportunity' of the 'new jobs' that have supposedly been created during the 'recovery'. Clearly, for the ruling class there must be joy to be drawn from the humiliating and dehumanizing situation of dire economic need which forces millions to stand in the unemployment lines and welfare offices, once the handouts afforded to them by the capitalist state are over. This demagoguery aims at dividing the jobless from the employed, and scapegoats the former for the huge deficits of the federal and states' governments. It also reveals the racism of the ruling class, which it uses as a dividing tactic to pit black and white workers against each other. But behind their quite blunt racism we find the rabid scorn the bourgeoisie has for the entire working class, for fear that one day it will unite against its rule. This reactionary ideology is the other side of the same coin. While the reactionary faction openly advocates draconian cuts to benefits, the more 'liberal' faction of the ruling class score points on the issue of tying the workers to the state by posing as the champions of the exploited, who are unable to do more for them because of their reactionary brothers, and not because capitalism is rotting on its feet.

Behind this shameful posturing and mud-slinging, the necessity to reduce benefits in the face of the economic crisis, the need to divide the workers among themselves, and the necessity to keep them mystified as to the reality of unemployment are very real. In the words of an unemployed worker, "*The recently passed two-month extension to unemployment benefits (UE) is a maneuver to further manipulate the statistics regarding the real number of unemployed people. Since the extension does not apply to people that have used the maximum 99 weeks allowed under the present extension program, many of those unemployed people will not be counted as unemployed, and will simply... disappear*" (<http://www.unemployed-friends2.org>). This is clearly an attempt at further manipulating the statistics regarding the true numbers of jobless workers. At the end of February, when the current two-month extension expires, it is certain that if any

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other extension is passed, it will be with all sorts of strings attached. Proposals are made ranging from requiring unemployed workers to have a high school diploma in order to be eligible for benefits, or meet with caseworkers for “re-employment assessments”, to making permanent changes to the structure of the program. These changes would loosen federal restrictions on how states administer the benefits. Under a Republican proposal, states could opt to use federal unemployment insurance funds for something other than benefits. As the two-month extension is passed, a number of states, strapped with cash after several cuts to their budgets, look for ways by which they can avoid or restrict the amount of money the unemployed could collect. Here are a few examples:

- In South Carolina unemployment rate is 9,9 percent and has not been below 9 percent in three years. The average unemployment benefit payment there is \$235, ranking 45th nationwide. The maximum someone can receive is \$326 weekly, which equates to a salary of less than \$17.000. Under a new policy, the longer someone is unemployed, the lower the salary they must accept in a job offer. After four weeks, they must take a job offering 90 percent of what they were making. The percentage drops every four weeks, to 70 percent after 16. After federally paid extensions kick in at 20 weeks, it would eventually drop to minimum wage. Another policy change cuts length of benefits for employees let go for absenteeism, poor attitude, violating policies or poor work quality. Yet, Maj. Gen. Abraham Turner, the South Carolina Department of Employment and Workforce’s director, said, “*We’re trying to prohibit that person drawing unemployment from sitting back and not aggressively going after the jobs. The jobs are there.*” In his view, continued benefits just discourage people from looking for jobs, and two years of jobless benefits should be enough for someone to find a job. Never mind the unemployment rate and the fact that there are, on average, four workers looking for any job advertised nationwide.

- In Minnesota soon it will no longer be possible to be eligible for 13 weeks of extended jobless benefits. The loss of benefits has to do with the state’s unemployment rate. The state’s three-month unemployment rate dipped below

6,5 percent making it no longer eligible for the Federal-State Extended Benefits. Minnesota is among nine other states that no longer qualify. Statewide, the Minnesota Department of Employment and Economic Development estimates 7.000 Minnesotans will be impacted by the change. Locally, Southeastern Minnesota Building and Construction Trades President Mike Krahn said an estimated 30 to 40 percent of his union’s members are unemployed.

- In California, the number of jobless workers who have exhausted their 99 weeks of unemployment benefits is approaching 600.000, the state Employment Development Department reports. By EDD’s latest count, more than 599.000 had been booted off the unemployment rolls as of Jan. 10.

From the point of view of the working class, it is necessary to openly denounce the recently released statistics about the ‘drop’ in unemployment, the continued mystification around the economic ‘recovery’, the latest two-month extension of unemployment benefits, and the revolting racist demagoguery of the ruling class for what they are: attempts to fog the rising consciousness of the exploited regarding the obsolescence of capitalism, its inability to offer any perspectives for the future, and the urgency to do away with this moribund social system and build a new world. It is vital for the working class to go back to its own history and draw the lessons from its past struggles and clearly understand how and why they were defeated. What were the weaknesses and strengths of those struggles? What did the ruling class do to confront the militancy of the working class? What can the working class do today to avoid the traps of the past and forge a more coherent, better prepared way forward in the context of the present economic crisis and the attacks against the unemployed and unemployment benefits?

The last time the ruling class was faced with mass unemployment, during the Great Depression of the 1930’s, the workers and unemployed waged courageous and very militant battles in defense of their economic interests. However, as we will see, the historic moment and situation were not in favor of a development of a strongly politicized movement which could put in question the continued existence of the capitalist mode of production. To a large extent, the strug-

gles of the 1930’s limited themselves to a call for relief. This is the fundamental reason why the state was able to blunt the class struggle through the creation of programs and unemployment benefits, until then non-existent. Today the perspective is no longer toward the establishment of programs such as the Works Progress Administration or National Recovery Act, but rather toward a drastic reduction of existing benefits, no matter what the present campaign by the liberal faction of the bourgeoisie wants us to believe. The struggles of the unemployed and employed workers of the 1930’s were fatefully impaired by the world-wide failure of the revolutionary wave that had started in Russia in 1917 and the ensuing counterrevolution. We cannot get into an explanation of this here, but the ICC has written extensively on the Russian Revolution, the causes of its failure and the international repercussions on the working class and its struggles. Our readers may want to refer to our articles on our website. The ruling class today looks back at those times to draw the lessons of how to deal with possible or contingent social unrest, but it cannot ‘invent’ a historical defeat of the proletariat such as this had experienced in the 30’s. This historic fact can potentially play in favor of the working class. However, the ruling class’ weapons will be strongly ideological. Its preferred weapon will be that of divide and conquer, a tactic that the U.S. ruling class has great experience with. It will also try to strengthen the presence of the unions within the ranks of the workers, as it did in the 1930’s. We cannot here write about why we think that the unions are the ruling class’ shop-floor police and the working class’ hangman, notwithstanding the idiosyncratic tendency of certain factions of the bourgeoisie to be at times vehemently against the unions. We invite our readers to read the many articles we have published on this issue. These are not the only obstacles the workers are confronted with. It is then of the utmost importance that, as the working class looks back at its own history and struggles, it draws all the lessons to make it powerful to confront the traps its exploiters lay. The fact that the working class has not suffered an ideological and historical defeat as in the years following the failure of the revolutionary wave that had started in Russia in 1917 certainly makes it more difficult for the rul-

ing class to manipulate the consciousness of the workers with nationalist ideology. But this will not help the working class much unless it will be able to surpass the other wrenches the ruling class throws in the works of the class struggle and the development of consciousness that can result from it, and unless the workers learn from their own past shortcomings.

The historic background to the struggles of the 1930's: the role of the American workers' movement

While it isn't the aim nor the scope of this article to show the historic origins of the workers movement in the U.S., or to develop an in-depth analysis of its strengths and weaknesses, familiarity with it is indispensable to place the struggles of the 1930's in their proper perspective. We then invite our readers to read our series of articles on the history of the workers movement in the U.S. which we published in *International Reviews* 124 and 125. Here we will merely summarize some important points to help us better understand the historic context in which the struggles of the 1930's developed.

- First and foremost, we recognize the IWW of the years between its founding in 1905 and its disbanding in 1921 as the most important and serious organization of the workers movement in the U.S. The historic context of the founding of the IWW in 1905 is discussed in the *International Reviews* afore mentioned. Here, we want to draw attention to the international context of the time, which placed the formation of the IWW at the watershed between capitalism's ascendance and decadence. In large part, its internal debates, divergences, and sometimes contradictory positions were the reflection of the effort to understand the implications of how the change in historic periods impacted the political positions and forms of a revolutionary organization. Its response to these changes was its practice of revolutionary syndicalism. (See our series of articles on revolutionary syndicalism in *International Reviews* 118 and 120). It was a reaction to the opportunism of the socialist parties and the unions which had infected Social Democracy abroad and the AfoL here.

- Certain historical 'specificities' of the development of capitalism in America must be taken into account. For example – the Frontier, which provided opportu-



nities for the ruling class to diffuse social discontent about the conditions of exploitation by dispersing the working class over a vast geographical area

- the immigration and racial questions, which the ruling class used from very early on to divide the exploited among themselves
- the particularly vicious and brutal use of repression by the ruling class against the working class' mobilizations and struggles, which led the IWW to regard political action futile and subordinate it to the economic.

These conditions help explain the difficulties of the birth of a unified working class in America and accompanied the IWW's reluctance toward political action and its theorization that the form of class organization should be revolutionary syndicalism, i.e. the idea that the industrial union should be one with the unitary organization of the workers and that of the revolutionary militants and agitators – or the party. Fundamentally, the IWW's conception of itself as a mass unitary organization, and not a political party, made it vulnerable in the face of the repressive onslaught the U.S. ruling class unleashed as it prepared to enter World War I. Instead of focusing on closing ranks and preparing for clandestine work, the view of a majority of the General Executive Board in the voice of Haywood, was that the war was a distraction from the important work of union building. Its focus on union-building to the detriment of the theoretical development of political principles and organizational forms and practices left it unprepared and hesitant as to the direction to take in the face of WWI at a time when other revolutionary organizations abroad were drawing the theoretical implications of the entry of capitalism in its decadent phase, taking a clear internationalist position against the

war, and helping the class wage its most daring attempt to date at seizing power. The American working class was left virtually leaderless and without clear orientations during the revolutionary wave that was sweeping Europe and Russia in the first part of the century and in the face of the terrible counterrevolution that was to follow the failure of the revolutionary attempts of 1917 in Russia and 1919 in Germany. When the massive wave of unrest and struggles by the unemployed and employed struck in the 1930's, the working class was to pay the price of the workers' movement weaknesses. The weaknesses of the workers' movement in America and the defeat, at the international level, of the great revolutionary wave that had started with the Russian Revolution, help us understand why, notwithstanding the tremendous militancy which the American working class displayed in the struggles of the 1930's, it could not properly confront the reformist and democratic traps that the Roosevelt administration laid in front of it. Without a clear political orientation, the working class could not assert its own historic project of overthrowing capitalism by seizing political power and only got petty reforms which were immediately wiped out at the slightest relaxation of workers' militancy.

The unemployed and workers struggles of the 1930's – their power

The years of the Great Depression saw the largest mobilization of the unemployed in the history of the U.S. The first step in this mobilization was overcoming the ideological and demagogic weight of the bourgeois credo according to which there is shame in being jobless. In this view, joblessness is itself a condition born of one's own deficiency or laziness, not of the anarchy of capitalist production,

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the competition that drives this mode of production, and the crises that it inevitably engenders. At the time of the Great Depression, there was no unified or centralized structure or program to provide relief to the indigent. Whatever handouts were given, mostly provided by charities, 'philanthropists', or in any case in a very fragmented manner, they were difficult to qualify for – only orphaned, widowed, and the crippled could get it – and were very meager. If one happened not to be orphaned or widowed or crippled, but plain and simple destitute, in most cases one would be incarcerated in almshouses and workhouses. It was not rare that orphans would be indentured on condition of providing whatever labor they could in exchange for being fed. These practices are no longer in place today, but as the examples offered above of proposals to restrict access to jobless benefits suggest, the bourgeoisie is still concerned with both: 1. How to mystify the workers as to the real reasons for their poverty, and 2. How to make use of the indigence created by the capitalist mode of production and the humiliation meted out by capitalism's mode of relief to terrorize the rest of the working class into submission to the barbaric laws of laboring under capitalist exploitation. Indeed, while it is true that the prospect of joblessness can be a disincentive to enter open struggle, it is also true that a continued, persistent economic crisis lays the foundation for mass unemployment, which makes it difficult today for the bourgeoisie to legitimize its continued existence. This is why it has to resort to demagoguery, mystification, and the tactic of divide and conquer. This was true in the 1930's as well. The exceptional hardship created by the Depression was bound, inevitably, to cause social unrest. This possibility was echoed many times by several politicians and union leaders. In September 1931, the American Legion announced that "...the crisis could not be promptly and efficiently met by existing political methods" (1). The idea that communist ideas were getting a hold of the masses was widespread. The Republican governor of Washington declared, "We cannot endure another winter of hardship such as we are now passing through" (2). Edward F. McGrady of the AFL told the

1 *Poor People's Movements, Why They Succeed, How They Fail*, by Frances Fox Piven and Richard A. Cloward. Vintage Books edition, 1979.
2 *Idem*.

Seante Subcommittee on Manufacturers, "I say to you gentlemen, advisedly, that if something is not done... the doors of revolt in this country are going to be thrown open" (3) and John L. Lewis even pronounced, "The political stability of the Republic is imperiled" (4). The social situation was indeed explosive. In all major cities of the U.S., from Chicago to San Francisco, Los Angeles, Detroit, New York, Philadelphia, Cleveland... the earliest uprisings occurred among the unemployed. As unemployment rose, many families found it impossible to pay their rent. In New York City some 186,000 families were served dispossession notices during eight months ending in June 1932. In Philadelphia in 1933, 63% of the white families and 66% of the black were in arrears. San Francisco did not fare better, and in five industrial cities in Ohio eviction orders were issued against nearly 100,000 families between January 1930 and June 1932 (5). This explosive social situation was happening at a time when the ruling class had not yet had a need to mobilize the capitalist state through a myriad of programs, bureaucratic practices, and, above all, the unions apparatus to contain social unrest. In other words, the capitalist state was not prepared to confront this novel situation. This helped create the conditions for the birth of unemployed councils which formed more often than not on the spur of the need of the moment and which had the aim of preventing marshals from putting furniture of evicted families on the streets, or going to the relief offices to request immediate release of cash. This ad-hoc, spontaneous form of the struggle, as we know, is the embryonic form of the workers' councils, which were formed in 1905 and then again in 1917 in Russia and elsewhere during the revolutionary wave. These forms of organization are the living proof of the fact that, as we shall see in the next part of the article, the formation of permanent mass organizations in the current period is always the prelude to their incorporation in the state or the democratist ideology of the state. The state repression which was often unleashed on the committees and demonstrations or marches, was a burning reminder of the necessity to maintain the ad-hoc form of organization.

3 *Idem*.

4 *Idem*.

5 *Idem*.

In the beginning, rather than discouraging the unemployed from creating their councils, state repression inflamed them even more, resulting in ever wider protests. From the onset, the earliest expressions of unemployed unrest took on a mass character, with marches and demonstrations at times so threatening that the mayors of some cities were forced to promise the collection of funds to be distributed to the unemployed. Unemployed groups also supported and united with striking workers, whose numbers also were swelling under the pressures of the economic crisis. The most well-remembered examples of this tendency toward unifying the struggles of the working class are the Toledo Auto-Lite strike and the Milwaukee Streetcar strike of 1934. In both instances, the support of thousands of unemployed was crucial in breaking the bosses' resistance. In Toledo it was A.J. Muste's radical Unemployed League who helped reinforced the employed workers picket lines with large numbers of unemployed. When the auto parts company obtained a court injunction limiting picketing and barring the League from picketing, the League, along with some local Communists, violated the court order and instead called for mass picketing. The striking workers were inspired by the solidarity and militancy shown by their jobless brothers and sisters, and their numbers started to grow. Auto-Lite hired 1,500 strikebreakers and Toledo police, unwilling to have a direct showdown with the workers because of the great sympathy for the strikers even among the police ranks, deputized special police paid for by Auto-Lite. The resistance was so fierce that, the Ohio National Guard was called in to evacuate the strikebreakers from inside the factory, which had been surrounded by 10,000 workers and their sympathizer. Notwithstanding the intervention of the Ohio National Guard with machine guns and bayoneted rifles, the killing of two people and the wounding of scores, resistance continued, with workers gathering again and coming back the next day for a pitched battle against the National Guard. The crowd, armed with bricks and bottles would not disperse. Workers started to threaten a general strike, and finally Auto-Lite agreed to a 22 percent wage increase and limited recognition for the union.

(...to be continued)

Ana, January 2012

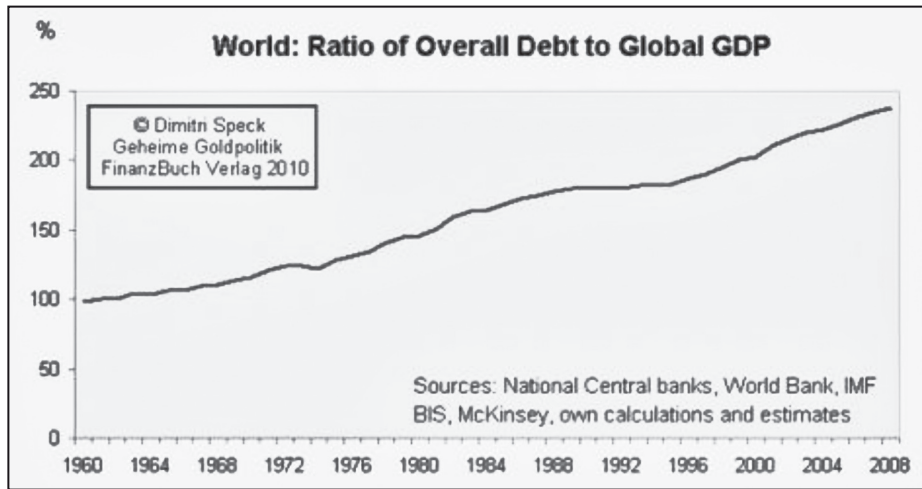
Why is capitalism drowning in debt?

Economic Crisis

The global economy seems to be on the brink of the abyss. The threat of a major depression, worse than that of 1929, looms ever larger. Banks, businesses, municipalities, regions and even states are staring bankruptcy in the face. And one thing the media don't talk about any more is what they call the "debt crisis".

When capitalism comes up against the wall of debt

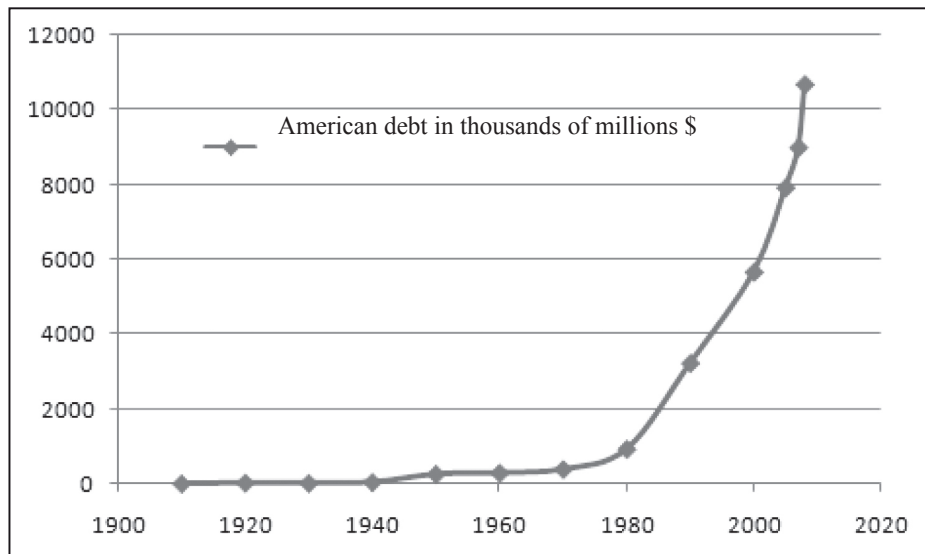
The chart below shows the change in global debt from 1960 to present day. (This refers to total world debt, namely the debts of households, businesses and the States of all countries). This debt is expressed as a percentage of world GDP.



According to this chart, in 1960 the debt was equal to the world GDP (i.e. 100%). In 2008, it was 2.5 times greater (250%). In other words, a full repayment of the debts built up today would swallow up all the wealth produced in

two and a half years by the global economy.

This change is dramatic in the so-called "developed countries" as shown in the following graph which represents the public debt of the United States.



In recent years, the accumulation of public debt is such that the curve on the previous graph, showing its change, is

now vertical! This is what economists call the "wall of debt." And it is this wall that capitalism has just crashed into.

Debt, a product of capitalism's decline

It was easy to see that the world economy was going to hit this wall eventually; it was inevitable. So why have all the governments of the world, whether left or right, extreme left or extreme right, supposedly "liberal" or "statist", only extended credit facilities, run bigger deficits, actively favoured increasing the debts of states, firms and households for over half a century? The answer is simple: they had no choice. If they had not done so, the terrible recession we are entering now would have begun in the 1960s. In truth, capitalism has been living, or rather surviving, on credit for decades. To understand the origin of this phenomenon we must penetrate what Marx called "the great secret of modern society: the production of surplus value". For this we must make a small theoretical detour.

Capitalism has always carried within it a kind of congenital disease: it produces a toxin in abundance that its organism cannot eliminate: overproduction. It produces more commodities than the market can absorb. Why? Let's take a simple example: a worker working on an assembly line or behind a computer and is paid £800 at the end of the month. In fact, he did not produce the equivalent of the £800, which he receives, but the value of £1600. He carried out unpaid work or, in other words, produced surplus value. What does the capitalist do with the £800 he has stolen from the worker (assuming he has managed to sell all the commodities)? He has allocated a part to personal consumption, say £150. The remaining £650, he reinvests in the capital of the company, most often in buying more modern machines, etc.. But why does the capitalist behave in this way? Because he is economically forced to do so. Capitalism is a competitive system and he must sell his products more cheaply than his neighbour who makes the same type of products. As a result, the employer must not only reduce his production costs, that is to say wages, but also increase the worker's unpaid labour to re-invest primarily in more efficient machinery to increase productivity. If he does not, he cannot modernise, and, sooner or later his competitor, who in turn will do it, and will sell more cheaply, will conquer the market. The capital-

Economic crisis

ist system is affected by a contradictory phenomenon: it does not pay workers the equivalent of what they have actually produced as work, and by forcing employers to give up consuming a large share of the profit thus extorted, the system produces more value than it can deliver. Neither the workers, nor the capitalists and workers combined can therefore absorb all the commodities produced. Therefore capitalism must sell the surplus commodities outside the sphere of its production to markets not yet conquered by capitalist relations of production, the so-called extra-capitalist markets. If this doesn't succeed, there is a crisis of overproduction.

This is a summary in a few lines of some of the conclusions arrived at in the work of Karl Marx in *Capital* and Rosa Luxemburg in *The Accumulation of Capital*. To be even more succinct, here is a short summary of the theory of overproduction:

- Capital exploits its workers (i.e. their wages are less significant than the real value they create through their work).
- Capital can thus sell its commodities at a profit, at a price which, greater than the wage of the worker and the surplus value, will also include the depreciation of means of production. But the question is: to whom?
- Obviously, the workers buy commodities... using their entire wages. That still leaves a lot for sale. Its value is equivalent to that of the unpaid labour. It alone has the magic power to generate a profit for capital.
- The capitalists also consume... and they are also generally not too unhappy about doing so. But they cannot alone buy all the commodities bearing surplus value. Neither would it make any sense. Capital cannot buy its own commodities for profit from itself; it would be like taking money from its left pocket and putting it in its right pocket. No one is any better off that way, as the poor will testify.
- To accumulate and develop, capital must find buyers other than workers and capitalists. In other words, it is imperative to find markets outside its system, otherwise it is left with unsalable commodities on its hands that clog up the capitalist market; this is then the “crisis of overproduction”!

This “internal contradiction” (the natural tendency to overproduce and the necessity to constantly seek out external markets) is

one of the roots of the incredible driving force of the system in the early stages of its existence. Since its birth in the 16th century, capitalism had to establish commercial links with all economic spheres that surrounded it: the old ruling classes, the farmers and artisans throughout the world. In the 18th and 19th centuries, the major capitalist powers were engaged in a race to conquer the world. They gradually divided the planet into colonies and created real empires. Occasionally, they found themselves coveting the same territory. The less powerful had to retreat and go and find another territory where they could force people to buy their commodities. Thus the outmoded economies were gradually transformed and integrated into capitalism. Not only the economies of the colonies become less and less capable of providing markets for commodities from Europe and the United States but they, in turn, generate the same overproduction.

This dynamic of capital in the 18th and 19th centuries, this alternation of crises of overproduction and long periods of prosperity and expansion and the inexorable progression of capitalism towards its decline, was described masterfully by Marx and Engels in *The Communist Manifesto*: “*In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity, the epidemic of overproduction. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilisation, too much means of subsistence, too much industry, too much commerce.*”

At this time, because capitalism was still expanding and could still conquer new territories, each crisis led subsequently to a new period of prosperity. “*The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establishes connections everywhere ... The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensively obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what is called civilisa-*

tion into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image ...” (*ibid.*).

But already at that time, Marx and Engels saw in these periodic crises something more than an endless cycle that always gave way to prosperity. They saw the expression of profound contradictions that were undermining capitalism. By “the conquest of new markets”, the bourgeoisie is “*paving the way for more extensive and more destructive crises, and by diminishing the means by which crises are prevented*” (*ibid.*). Or: “*as the mass of products and consequently the need for extended markets, grows, the world market becomes more and more contracted; fewer and fewer new markets remain available for exploitation, since every preceding crisis has subjected to world trade a market hitherto unconquered or only superficially exploited*” (*Wage Labour and Capital*)

But our planet is a small round ball. By the early 20th century, all lands were conquered and the great historic nations of capitalism had divided up the globe. From now on, there is no question of making new discoveries but only seizing the areas dominated by competing nations by armed force. There is no longer a race in Africa, Asia or America, but only a ruthless war to defend their areas of influence and capturing, by military force, those of their imperialist rivals. It is a genuine issue of survival for capitalist nations. So it's not by chance that Germany, having only very few colonies and being dependent on the goodwill of the British Empire to trade in its lands (a dependency unacceptable for a national bourgeoisie with global ambitions), started the First World War in 1914. Germany appeared to be the most aggressive because of the necessity, made explicit later on by Hitler in the march towards World War II, to “Export or die”. From this point, capitalism, after four centuries of expansion, became a decadent system. The horror of two world wars and the Great Depression of the 1930s would be dramatic and irrefutable proof of this. Yet even after exhausting the extra-capitalist markets that still existed in the 1950s, capitalism had still not fallen into a mortal crisis of overproduction. After more than one hundred years of a slow death, this system is still standing: staggering, ailing, but still standing. How does it survive? Why is this organism not yet

Continued on Page 16

Don't let the unions block the struggle

Electricians have been protesting against the proposed 35% pay cut for 4 months. Vociferous early morning protests in London, Manchester, the North East, Glasgow and elsewhere, blockading or occupying building sites run by the 7 firms trying to impose a change in pay and conditions, a demonstration in London on 9th November coinciding with the students and wildcats and blockades of sites on 7th December.

In spite of this militancy, in spite of the fact that sparks were being asked to sign their new contracts by early December or lose their jobs (now put back to January), the Unite union did not ballot for strike action until November, and then only for its members working for Balfour Beatty, seen as the employers' ringleader, and only for a limited strike. Even with an 81% majority that vote was challenged and Unite are repeating the ballot, preventing an official strike on 7th December – but not the unofficial strikes and blockades at Grange-mouth, Immingham, Cardiff, Manchester, London and many other places. In places workers refused to cross the pickets lines and despite heavy police presence many building sites were shut down.

The struggle so far

The strikes and protests which have gone on since 8 employers announced they wanted to leave the Joint Industry Board and impose lower pay and worse conditions through BESNA have been characterised by:

- repeated wildcat strikes;
- meetings outside building sites to ensure all sparks are aware of the threatened pay cut and to try and involve them in the struggle, and sometimes brief occupations or blockades. These meetings have become a focus for sparks to show their determination to struggle, and for others to show their solidarity. An open mic has allowed a real discussion;
- a determined search for solidarity within the construction industry and beyond it. There has been a recognition that they need to get the solidarity of workers in other trades, and that they would be next if the pay cut is imposed on the electricians. Workers inside and outside



Electricians Strikes in Britain

the union would need to be involved, although this is seen in terms of getting them to join the union. And there has been a significant effort to seek solidarity of workers in other industries expressed in the strikes and demonstrations on 9th November to coincide with the student protest and the proposal to do the same on 30th alongside the public sector workers. At Farringdon on 16th November, although the numbers outside were smaller, some workers – including a group of Polish workers – refused to go in;

- supporters from Occupy London have been welcomed, and several hundred electricians marched to St Paul's to show solidarity with their protest.

The action on the 9th November showed all these tendencies, starting with a rank and file protest outside the Pinnacle near Liverpool Street after blocking the road it moved off to visit several other construction sites run by BESNA companies and held open mic sessions before joining the main Unite demonstration at the Shard. Several hundred sparks decided not to go to the union lobby of parliament but to join the students. They were immediately kettled and despite their best efforts most were contained and searched – apart from a few who escaped through a coffee shop. The ruling class really do want to keep us apart!

On December 7, as well as calling on sparks to come out the picket at Balfour

Beatty at St Cath's Birkenhead sought out NHS Estates workers to explain why they were picketing – and got a sympathetic hearing.

There is a media blackout of all this. Nothing on the pay cut. Nothing on the protests, blockades and occupations. Virtually nothing on the demonstration on 9th November, despite the notion that lobbying parliament would attract the media. It is typical of the media to keep quiet about a struggle that the ruling class think is a bad example to other workers. And what the sparks have done so far is certainly an inspiration.

No information passed through union channels either, despite platonic assurances of support from other unions – I tried asking pickets outside Great Ormond Street Hospital on 30 November and they knew nothing of the attack on the sparks, nothing of their struggle. We shouldn't be surprised.

Difficulties developing the struggle

Jobs are scarce, living standards are falling as inflation eats away at real wages, and all these attacks are presented as painful but necessary by politicians and media. This is true for the whole working class, but the difficulties faced in construction are much more acute. Thousands of militant workers have been blacklisted, and many of them remain unemployed, and this is a real intimidation against the whole workforce. Then there is the dif-

UK international struggle

difficulty getting regular work, many are forced to subcontract (subbies) or work through an agency with appalling effects on their pay and conditions, and the potential for divisions among workers along these lines. Hardly surprising that many workers hesitate: *“Most of the lads are still not up for the unofficial action, a few boys are going down to London though ... The lads are coming round to the idea of the official strike. They are looking out for their jobs which is understandable”* (post on ElectriciansForum.co.uk).

This situation shows that the electricians’ need to fight far more than the 7 or 8 BESNA firms that want to impose a 35% pay cut next year. The agencies already pay less, as do a large number of firms which are not part of the JIB, and those that are only fulfil its rules when it suits them: *“The JIB/SJIB set up is NOT working as it should, pure and simple!”* (post on the same forum).

Unite – are we really the union?

With the original deadline for workers to sign the new agreement looming and no official strike called sparks are getting extremely frustrated with the union. *“I day out wont in my opinion cause much harm, these firms will have plenty of notice of when & how many... IT MAY ALREADY BE TOO LATE”, “people are reluctant to join a union that is run by ‘noddors’ that will sell its members down the river for personal gain”, “I do not trust Unite one single bit to negotiate a deal that satisfies us. I have seen too many of their sweetheart deals in various industries. It is imperative that Rank and File members are party to any negotiations that take place”.* The union has been described as “contemptible” for its inaction and absence from the protests. On the other hand *“the union is far from perfect but it is all we have”*, there can be

no Rank and File without the union and no union without the Rank and File.

So why do the unions keep behaving like this? One of Unite’s greatest defenders on the forum tells us *“ffs stop the union bashing, they will be the ones around the table negotiating the deals..we all play our own part in one way or another but its Unite who will do the main stuff”* and *“Unite are there to make deals with union lads whose companies have a relationship with Unite, they are there for their members, Unite is not there to represent a whole industry or an agency”.* This is precisely the problem. Unions are there to negotiate with the bosses – workers have a walk on part, in the ballot or on militant demonstrations, but the main union business takes place behind their backs. And they are limited to making deals with unionised companies. The unions limit our struggle, divide it by job, by membership of this or that union, by this or that employer. But sparks are facing a 35% pay cut across the whole industry, on workers in or out of a union. And it is only one part of the attacks on the whole working class which needs to unite across all the divisions of trade or profession, of employer, regardless of membership of any particular union or none.

Rank and File Group

The struggle so far has been organised by the Unite Construction Rank And File Group, headed by a committee elected at a meeting in Conway Hall, London, in August and which has held meetings up and down the country. They took the view that *“It is now widely accepted that we can’t and won’t wait for the ballot, though we will all be glad when it comes. But until then we must step up the campaign to one of even more unofficial action, walkouts on sites with solidarity action from others”* (<http://>

siteworker.wordpress.com). In September 1,500 electricians walked out of Lindsey oil refinery to join a demonstration of electricians. Like the national shop stewards committee the Rank and File Group takes a very militant stance – at times at arm’s length from the union and at times arm in arm. *“We are working for the same goals both the Rank & File Committee and the official unions. We are working for the same objective. Don’t allow people to divide us”* said Len McCluskey outside the Shard on 9 November, despite the fact that Unite leaders have been conspicuous by their absence from most of the protests, apart from a few token showings, such as at Blackfriars in October.

The efforts of the Rank and File Group show the sparks’ militancy, the determination of a minority to resist this attack. It also shows their attachment to the union and its methods of struggle, including the view that the aim of the struggle is negotiation between BESNA and Unite, and that convincing workers to struggle means recruiting them into the union. The dynamic of the struggle, as we have seen, goes far beyond trade union methods and even in a completely different direction with the attempts to link up with workers in other trades whether in a union or not and with other struggles, rather than confining the struggle to Unite members and their employers. The sparks’ total rejection of the cut in pay and apprenticeships contrasts with Unite’s assurance that they will discuss modernisation.

General assemblies to run the struggle, mass meetings open to all workers regardless of union membership, are the way for workers to take the struggle into their own hands, and to spread it to other workers.

Alex 9/12/11

Continued from page 18

Drug trafficking and the decomposition of capitalism

were reduced. The bourgeoisie, through the government, backed the dominance of one of the cartels in order to gain a better control of the situation. This did not mean a solution to the barbarity, only that it was pushed into a region which the state did not control and onto other countries. In Mexico’s case, the bourgeoisie will try

to find a conciliation of interests, but in the context of the approaching elections (2012), which will produce even greater struggles over economic and political control at the national level, these differences and the struggle of “each against all” will only get worse, there is no possibility that the bourgeoisie will find a solution to the

growing decomposition and corrosion of its system. only the revolutionary activity of the working class can put an end to the nightmare we are living in. what engels (1892) said about the choice facing HUMANITY – “socialism or barbarism” – is truer than ever.

Tatlin 6/11

Syria, Iran, Iraq

After a car bomb exploded in Damascus on 6 January the Syrian government rushed to blame it on al-Qaida. From the arrival of the Arab League mission on 26 December 2011 until an announcement from the UN on 10 January 2012, the number of deaths was running at forty a day. From the so-called 'al-Qaida' bomb alone 26 died and dozens were injured. As far as the Assad regime is concerned this is all acceptable in the attempt to hold onto office.

After counting more than 5400 deaths in the Syrian state repression that dates back to March 2011, the UN has given up trying to give figures as it can't reliably monitor the extent of the crack-down. US President Obama has denounced the "unacceptable levels of violence". Mind you, he was already saying that the "outrageous use of violence to quell protests must come to an end" last April. This is typical hypocrisy from the man who was authorising the bombing of targets in Pakistan within four days of being sworn in as President.

This is how the bourgeoisie operates. It uses brutal military force, as well as propaganda and diplomacy. Army deserters are massacred while Assad blames 'foreign terrorists', as he has throughout the last ten months. At the same time he has had no problem in accepting the backing of the Iranian government. Because of the Tehran-Damascus connection, Syrian oppositionists see Iranians as valid targets. Most recently eleven pilgrims were kidnapped on the road to Damascus; in December it was seven workers involved in building a power plant in central Syria.

The mission of the Arab League has achieved nothing. Its intention was to put pressure on Assad, but with little expected beyond some nominal reforms. Their plan for power to go to an interim government run by one of his deputies before eventually holding elections for a government of national unity was a compromise between very different approaches. Qatar has been very loyal to the US, proposing to send in Arab troops and accept US military aid. Egypt and Algeria have been resistant to any proposal that might affect the status quo.

As January drew to a close there

was an escalation in government attacks, especially in the areas of Homs, Idlib, and Hama. Elsewhere, including in the suburbs of Damascus, there are increasing clashes between army deserters and the regime's troops. The only foreseeable prospect for Syria is the continuation of violence, which any intervention from the United Nations can only exacerbate.

Undeclared war against Iran

If there were suspicions over the 'al-Qaida' bomb in Damascus there was little doubt about who was responsible for the bomb that killed an Iranian nuclear scientist in Tehran on 11 January. While the Iranian state inevitably blamed the CIA, experienced observers and those with sources in the Israeli state identified Mossad, the Israeli intelligence agency, as being behind the attack. It is the fourth murder of an Iranian nuclear scientist in the last two years.

The assassinations of scientists are part of a campaign to stop, or at least delay, Iran acquiring a nuclear weapons capability. In an undeclared war, using the many means at their proposals, nuclear powers such as the US, Britain and France are trying to prevent Iran joining their club, and undermine its position as a regional power.

The EU boycott of Iranian banking was a significant, but not a devastating attack on the Iranian economy. However, the EU embargo on Iranian oil sales – no new contracts, and the end of existing contracts by 1 July – is to be taken seriously. A measure of the seriousness of the measure was that, the day before the announcement, six warships from the US, France and Britain entered the Strait of Hormuz. A small fleet including a nuclear-powered aircraft carrier, a frigate, a guided missile carrier and two destroyers, following on from a ten day US Navy exercise in the Strait either side of New Year, was there to back up the oil embargo. The Diplomatic Editor of the Guardian (23/1/12) said that this "sets a potential time bomb ticking". This is because "Unlike previous sanctions on Iran, the oil embargo would hit almost all citizens and represent a threat to the regime. Tehran has long said such actions would rep-

resent a declaration of war, and there are legal experts in the west who agree".

If Iran tries to close the Strait of Hormuz its opponents are prepared. A fifth of the world's oil in transit passes through the Strait. There is a serious question as to whether the US would use force to keep it open. The US Fifth Fleet is in the Gulf. 15,000 of the US troops that were in Iraq are now based in Kuwait.

"The Iranian military looks puny by comparison, but it is powerful enough to do serious damage to commercial shipping. It has three Kilo-class Russian diesel submarines which run virtually silently and are thought to have the capacity to lay mines. And it has a large fleet of mini-submarines and thousands of small boats armed with anti-ship missiles which can pass undetected by ship-borne radar until very close. It also has a 'martyrdom' tradition that could provide willing suicide attackers.

"The Fifth Fleet's greatest concern is that such asymmetric warfare could be used to overpower the sophisticated defences of its ships, particularly in the narrow confines of the Hormuz strait, which is scattered with craggy cove-filled Iranian islands ideal for launching stealth attacks.

"In 2002, the US military ran a \$250m (£160m) exercise called Millennium Challenge, pitting the US against an unnamed rogue state with lots of small boats and willing martyr brigades. The rogue state won, or at least was winning when the Pentagon brass decided to shut the exercise down. At the time, it was presumed that the adversary was Iraq as war with Saddam Hussein was in the air. But the fighting style mirrored that of the Iranian Revolutionary Guard.

"In the years since, much US naval planning has focused on how to counter 'swarm tactics' – attacks on US ships by scores of boats, hundreds of missiles, suicide bombers and mines, all at once" (op. cit.).

While "swarming" has been identified as a problem, "ultimately, the US response to swarming will be to use American dominance in the air and multitudes of precision-guided missiles to escalate rapidly and dramatically, wip-

Syria, Iran, Irak

ing out every Iranian missile site, radar, military harbour and jetty on the coast. Almost certainly, the air strikes would also go after command posts and possibly nuclear sites too. There is little doubt of the effectiveness of such a strategy as a deterrent, but it also risks turning a naval skirmish into all-out war at short notice” (op. cit.).

These are the considerations of the military specialists of the ruling class. They consider every possibility because not every imperialism can draw on the same resources, but will do anything that it can to defend the national capital, regardless of human cost.

Not just sabre rattling

There are those who minimise the effects of war in the Middle East. For example, in a recent article in the *New York Times* (26/1/12) you can read that *“Israeli intelligence estimates, backed by academic studies, have cast doubt on the widespread assumption that a military strike on Iranian nuclear facilities would set off a catastrophic set of events like a regional conflagration, widespread acts of terrorism and sky-high oil prices.*

“The estimates, which have been largely adopted by the country’s most senior officials, conclude that the threat

of Iranian retaliation is partly bluff. They are playing an important role in Israel’s calculation of whether ultimately to strike Iran, or to try to persuade the United States to do so.”

These ‘calculations’ all sound very rational. The article continues *“‘A war is no picnic,’ Defense Minister Ehud Barak told Israel Radio in November. But if Israel feels itself forced into action, the retaliation would be bearable, he said. ‘There will not be 100.000 dead or 10.000 dead or 1.000 dead. The state of Israel will not be destroyed.’”*

In Iran they have also done their sums. They say they can cope with an oil embargo, as ‘only’ 18% of Iranian oil exports go to the EU, and what doesn’t go to Europe will go to China. In an act of defiance a new law is to be debated in the Iranian parliament that could halt oil exports almost immediately. This would have an immediate impact in Greece, Italy and Spain where they are still looking for alternative suppliers. Although, while it’s claimed that Iran could easily shut the Strait, the economic effects of a blockade would be likely to hurt Iran more than anyone else as, according to some sources, 87% of its imports and 99% of its exports are by sea.

In reality, not only is capitalism not ra-

tional, it has also shown its capacity to escalate conflicts from minor skirmishes into all-out war on numerous occasions. The Iranian military might be ‘puny’ but its forces have shown a capacity to intervene in a number of conflicts. Whether supporting the government in Syria, or oppositional forces in Iraq and Afghanistan, Iran seems never far away from the scenes of war. In the Guardian article cited above an Iranian journalist specialising in military and strategic issues is quoted: *“I recall a famous Iranian idiom that was quite popular among the military officials: ‘If we drown, we’ll drown everyone with us’.”* That applies to the capitalist ruling class in every country across the globe. This is not just at the level of the official military apparatus but in the desperate actions of terrorists. In Iraq, for example, following the US exodus, conflict continues, with suicide car bombs killing dozens in crowded locations on a regular basis. Whoever is behind them is not part of the resistance to capitalism but just adding to the precariousness of life in Baghdad and elsewhere. None of this behaviour is rational, but the bourgeoisie is not going without a fight, whether against other imperialisms or against its mortal enemy, the working class.

Car, 28/1/12

Continued from page 12

Why is capitalism drowning in debt?

totally paralysed by the toxin of overproduction? This is where the resort to debt comes into play. The world economy has managed to avoid a shattering collapse by using more and more massive amounts of debt. It has thus created an artificial market. The last forty years can be summed up as a series of recessions and recoveries financed by doses of credit. And it’s not only there to support the consumption of households through state spending ... No, nation states are also indebted to artificially maintain the competitiveness of their economies with other nations (by directly funding infra-structural investment, by lending to banks at rates as low as possible so they in turn can lend to businesses and households...). The gates of credit having been opened wide, money flowed freely and, little by little, all sectors of the economy ended up in a classic situation of over-indebtedness: every day more and

more new debt had to be issued... to repay yesterday’s debts. This dynamic led inevitably to an impasse. Global capitalism is rooted in this impasse, face to face with the “wall of debt.”

The ‘debt crisis’ is to capitalism what an overdose of morphine is to the dying

By analogy, debt is to capitalism what morphine is to a fatal illness. By resorting to it, the crisis is temporarily overcome, the sufferer is calmed and soothed. But bit by bit, dependency on daily doses increases. The product, initially a saviour, starts to become harmful ... up until the overdose! World debt is a symptom of the historical decline of capitalism. The world economy has survived on life supporting credit since the 1960s, but now the debts are all over the body, they saturate the least organ, the least cell of the system. More and

more banks, businesses, municipalities, and states are and will become insolvent, unable to make repayments on their loans. Summer of 2007 opened a new chapter in the history of the capitalist decadence that began in 1914 with the First World War. The ability of the bourgeoisie to slow the development of the crisis by resorting to more and more massive credit has ended. Now, the tremors are going to follow one after the other without any respite in between and no real recovery. The bourgeoisie will not find a real and lasting solution to this crisis, not because it will suddenly become incompetent but because it is a problem that has no solution. The crisis of capitalism cannot be solved by capitalism. For, as we have just tried to show, the problem is capitalism, the capitalist system as a whole. And today this system is bankrupt.

Pawel 26/11/11

Drug trafficking and the decomposition of capitalism

It has been calculated that between December 2006 and April 2011 the “war on drugs” cost more than 40 thousand deaths (amongst drug dealers, military and civilians). The cost in torture and robbery is incalculable. This is a war waged as much by the politicians and military as the mafia gangs. The bourgeoisie tries to pretend that this is a problem outside of its system, but the truth is that the spread of drugs and crime stems from the same root as any war around capitalist competition to win markets. At the same time it shows the difficulty of the ruling class to act in a coherent, unified manner. The bourgeoisie’s lack of political control, the growing conflicts within the ruling class itself, brutally and clearly express the advance of capitalism’s decomposition.

The weight of decomposition has certainly taken on growing dimensions in the least developed countries, where the bourgeoisie is less able to control its differences. Thus we see in countries such as Colombia, Russia or Mexico that the mafia has merged into the structures of government in such a way that each mafia group is associated with some sector of the bourgeoisie and defends its interests in confrontations with other fractions, using state structures as their battlegrounds. This exacerbates the whole struggle of “each against all” and accelerates the rot in the social atmosphere.

This does not mean that the more industrialised countries are immune to the process of decomposition. Although the bourgeoisie in these countries, for the moment, can to a large extent push some aspects of decomposition onto the periphery and act in a relatively more orderly way to damp down its differences, it is not exempt from this dominant tendency. If the specter of drug trafficking has not become a dead weight for them, there are other aspects of the advance of decomposition that effect them, for example terrorism. It is important to understand that the advance of decomposition, even though it dominates the whole capitalist system, does not unfold in a homogeneous way. Nonetheless, given the circumstances affecting the whole world,

we can still affirm that the social disintegration we are seeing in countries like Mexico is the horizon towards which the rest of the world is heading.

Without a doubt it is the advance of barbarism that dominates the present world situation. This is deeply connected to the impoverishment that is being accelerated by the crisis.

The advance of capitalism’s decomposition

At the beginning of the 90s we said: *“Amongst the most important characteristics of the decomposition of capitalist society, it is necessary to underline the bourgeoisie’s growing difficulty in controlling the evolution of the situation at the political level”*⁽¹⁾. The reason for this lies in the difficulty that the ruling class is having in ensuring its political unity. The diverse fractions into which the bourgeoisie is divided are confronting each other, not only at the level of economic competition, but also (and fundamentally) politically. Faced with the drawn out economic crisis, there are some unifying tendencies, which are mediated by the state; but they only take place around short-term economic aims. At the level of political leadership, the worsening of competition caused by the crisis provokes the widespread dispersal of the bourgeoisie’s forces. On the international scale there is a growing tendency towards the struggle of “each against all”, a generalised lack of discipline at the political level, which prevents the imposition of the order that the old imperialist blocs were able to maintain during the Cold War. The atmosphere of “every man for himself” which defines the international situation is repeated in the activity of the bourgeoisie in each country. It is only in this framework that we can explain the enormous growth in drug trafficking.

Decomposition did not begin on this or that day, but is a series of phenomena that were already present in the previous phases of capitalist development and

¹ ‘Decomposition: the final phase of capitalism’s decadence’, point 9, *International Review* no 62, 1990.

which have increased during the period of capitalism’s decadence. But it is in the last decades of the 20th century that they were magnified and became dominant. Drug trafficking is a graphic example of this “progress”.

In the middle of the 19th century, during the phase of the ascendancy of capitalism, the business of drug trafficking had an impact. The trade in opium created political difficulties that led to wars, but in these cases the state was directly involved and the ruling class was not threatened by any resulting instability. The “Opium Wars” directed by the British state are a historical reference point, but were not in themselves a dominant element during that period.

The importance of drugs and the formation of mafia groups with an underground life (with connections of the state, but secret ones) has taken on increasing importance during the decadent phase of capitalism, although at the beginning it did not have the same dimensions it has today. In the first decades of the 20th century the bourgeoisie certainly tried to limit and control through laws and regulation the cultivation, preparation and traffic of certain drugs, but only because it wanted to gain better control of these commodities.

If you think that “drug dealing” is something that the bourgeoisie and its state repudiate, you would be wrong. It is this class that has encouraged the spread of drugs and has made good use of them. Methamphetamine, for example, was developed in Japan in 1919, but it was in the Second World War that its production and use expanded as the Allied and Japanese armies used it to hype up their soldiers and to exacerbate aggressive attitudes.

Until the last quarter of the 20th century the state did not have too many problems controlling drugs. But in the 60s, with the war in Vietnam, some derivatives of cocaine were given to attack-dogs, and then heroin was distributed amongst the troops to placate demoralisation and to make use of the ferocity that it can awaken. With this use Uncle Sam incubated

Mexico

a demand for the drug, and it was the same North American government which encouraged drug production in the countries of the periphery, even supplying its own laboratories.

And although the effect of social degradation began to spread in the US, this still did not worry the bourgeoisie very much. President Nixon did declare the “War on Drugs” in 1971 but he knew that most drug production and sale was still under the direct or indirect control of the US state and of the states that were allied to the bloc under its command.

The states in control of drugs

In the middle of the 20th century in Mexico, the production and distribution of drugs was still not important. Nevertheless it was strictly controlled by part of the state. Not only did the police guard and protect the incipient mafia (as was the case of “Lola La Chata” famous drug dealer in the Federal District during the 40s), but there was a whole confusion between state structures and the mafias. For example, a character like Mazario Ortiz, who stood in as the governor of Coahuila and was a founding member of the PNR and Secretary of Agriculture, made good use of his “investiture” in order to freely distribute opium. The DFS (Dirección Federal de Seguridad, which functioned as a political police) began life headed by military men who controlled drugs as personal businesses.

In the 80s it was the North American State, once again, which wanted to increase the production and consumption of drugs. In the “Irangate” affair (1986) it came to light that the Reagan government, facing limitations on the budget for aid to the military opposition groups in Nicaragua (known as the “contras”), used resources provided by the sale of arms to Iran, but above all, by CIA funds derived from the sale of drugs. In this tangle, the US government pushed the Colombian mafias to increase production, at the same time assuring material and logistical support from the governments of Panama, Mexico, Honduras, El Salvador, Colombia and Guatemala. The same government, in order to “expand the market”, produced “derivatives” of cocaine that were cheaper and therefore easier to sale, though more destructive.

This is what the big boss did in order to bankroll similar adventures in the rest of Latin America. In Mexico the US was

behind the “dirty war”, which was the war of extermination that the state carried out during the 70s and 80s against the guerrillas, led by the army and paramilitary groups, who were given carte blanche to kill, kidnap and torture. Much of this was funded by money from drugs. Projects such as “Operation Condor”, presented as operations against drugs production, were used in order to attack the guerrillas and protect the cultivators. During this period, according to figures obtained by Anabel Hernandez, it was the same army and Federal Police who, in association with the mafia groups, controlled the operations to do with drugs ⁽²⁾.

As the above demonstrates the production and distribution of drugs has been constantly under the control of states: what has changed though is that there have been a quantitative and qualitative growth in the indiscipline amongst the different bourgeois groups that have been integrated into the state apparatus. In Mexico the period of the Cold War was associated with the monolithic power of the PRI, which from its foundation (1929) had the task of holding together the “revolutionary family” by distributing sinecures and fragments of power in order to ensure harmony between bourgeois fractions. With the ending of the Cold War, the breakdown of the alliances of the various imperialist powers has been replicated within each country (with their specificities). In Mexico’s case this has been generally expressed through open disputes between fractions of the bourgeoisie. In order to try and overcome this situation there was a change of the governing party and the “decentralisation” of the reins of power. This meant that the state governors and municipal presidents consolidated their own regional power bases, and according to their interests, each of them linked up with one of the mafia gangs, leading to the growth of these groups and at the same time feeding the confrontations between them.

Is there a solution to capitalism’s decomposition?

The acceleration of the barbarity that marks drugs trafficking and the “war” associated with it, which brings death and suffering to the many and higher profits to the few has been generated by capitalism. The entire ruling class is undoubt-

edly involved in this conflict, which does not mean that it suffers the consequences. However it does know that the worst effects fall upon the workers and it is more than willing to use this in order to assure its control over the exploited. Thus it is the exploited masses that are being killed or are abandoning the land due to fear or direct threats. The bourgeois uses this atmosphere to spread fear, to paralyse all discontent or push it towards desperate actions.

The bourgeoisie, cosseted in its own mystified world, believes that the existence of this problem can find a solution through political action and strategies against drugs. An example of this is the “Global Commission on Drugs Policy” which criticises the policies sponsored by the USA since the 70s, and instead proposes as a solution the revision and reform of the classification of drugs, with the aim of legalising the use of some drugs and ensuring better control of their production and distribution. There are other proposals, even put forwards by sections of the non-exploiting classes, such as the peace movement led by Javier Sicilia ⁽³⁾, which although reflecting real discontent and a rejection of the present barbarity, also expresses a dead-end desperation. Javier’s 4th June declaration exemplifies this, talking about the need... “to reach out and touch the head of the political class, those of the criminals and to get them to transform their lives into ones of human beings in our service. They have the possibility of change if they change their hearts”. Thus despite the reality of Javier’s pain and discontent, as that of many of those who participate in his caravan, this approach ends up placing confidence in the bourgeoisie’s ability to carry out compassionate actions and to solve the system’s growing putrefaction.

In reality, the only solution open to the bourgeoisie in seeking to limit the further explosion of barbarism is to cohere around one of the mafia groups and thus to marginalise the rest. This is what happened in Colombia where the crimes and outrages

³ Javier Sicilia is a famous Mexican poet, novelist, and journalist whose son Juan was killed, with six other people, by a drugs gang in March 2011. In response Sicilia has led a protest movement in many Mexican cities called “We have had it”, which has mobilised 10.000s of people in demonstrations calling for the end of the “the war on drugs”, the removal of the military from the streets, the legalisation of drugs and the sacking of President Felipe Calderón.

² *Los Señores del narco*, Editorial Grijalbo, 2010.

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Political positions of the CCI

Internationalism is the section in the USA of the International Communist Current which defends the following political positions:

- Since the first world war, capitalism has been a decadent social system. It has twice plunged humanity into a barbaric cycle of crisis, world war, reconstruction and new crisis. In the 1980s, it entered into the final phase of this decadence, the phase of decomposition. There is only one alternative offered by this irreversible historical decline: socialism or barbarism, world communist revolution or the destruction of humanity.
- The Paris Commune of 1871 was the first attempt by the proletariat to carry out this revolution, in a period when the conditions for it were not yet ripe. Once these conditions had been provided by the onset of capitalist decadence, the October revolution of 1917 in Russia was the first step towards an authentic world communist revolution in an international revolutionary wave which put an end to the imperialist war and went on for several years after that. The failure of this revolutionary wave, particularly in Germany in 1919-23, condemned the revolution in Russia to isolation and to a rapid degeneration. Stalinism was not the product of the Russian revolution, but its gravedigger.
- The stratified regimes which arose in the USSR, eastern Europe, China, Cuba etc and were called “socialist” or “communist” were just a particularly brutal form of the universal tendency towards state capitalism, itself a major characteristic of the period of decadence.
- Since the beginning of the 20th century, all wars are imperialist wars, part of the deadly struggle between states large and small to conquer or retain a place in the international arena. These wars bring nothing to humanity but death and destruction on an Political positions of the ICC ever-increasing scale. The working class can only respond to them through its international solidarity and by struggling against the bourgeoisie in all countries.
- All the nationalist ideologies – “national independence”, “the right of nations to self-determination”, etc. – whatever their pretext, ethnic, historical or religious, are a real poison for the workers. By calling on them to take the side of one or another faction of the bourgeoisie, they divide workers and lead them to massacre each other in the interests and wars of their exploiters.

- In decadent capitalism, parliament and elections are nothing but a masquerade. Any call to participate in the parliamentary circus can only reinforce the lie that presents these elections as a real choice for the exploited. “Democracy”, a particularly hypocritical form of the domination of the bourgeoisie, does not differ at root from other forms of capitalist dictatorship, such as Stalinism and fascism.
- All factions of the bourgeoisie are equally reactionary. All the so-called “workers”, “Socialist” and “Communist” parties (now ex-“Communists”), the leftist organizations (Trotskyists, Maoists and ex-Maoists, official anarchists) constitute the left of capitalism’s political apparatus. All the tactics of “popular fronts”, “anti-fascist fronts” and “united fronts”, which mix up the interests of the proletariat with those of a faction of the bourgeoisie, serve only to smother and derail the struggle of the proletariat.
- With the decadence of capitalism, the unions everywhere have been transformed into organs of capitalist order within the proletariat. The various forms of union organization, whether “official” or “rank and file”, serve only to discipline the working class and sabotage its struggles.
- In order to advance its combat, the working class has to unify its struggles, taking charge of their extension and organization through sovereign general assemblies and committees of delegates elected and revocable at any time by these assemblies.
- Terrorism is in no way a method of struggle for the working class. The expression of social strata with no historic future and of the decomposition of the petty bourgeoisie, when it’s not the direct expression of the permanent war between capitalist states, terrorism has always been a fertile soil for manipulation by the bourgeoisie. Advocating secret action by small minorities, it is in complete opposition to class violence, which derives from conscious and organized mass action by the proletariat.
- The working class is the only class which can carry out the communist revolution. Its revolutionary struggle will inevitably lead the working class towards a confrontation with the capitalist state. In order to destroy capitalism, the working class will have to overthrow all existing states and establish the dictatorship of the proletariat on a world scale: the international power of the workers’ councils, regrouping the entire proletariat.

- The communist transformation of society by the workers’ councils does not mean “self-management” or the nationalization of the economy. Communism requires the conscious abolition by the working class of capitalist social relations: wage labour, commodity production, national frontiers. It means the creation of a world community in which all activity is oriented towards the full satisfaction of human needs.
- The revolutionary political organization constitutes the vanguard of the working class and is an active factor in the generalization of class consciousness within the proletariat. Its role is neither to “organize the working class” nor to “take power” in its name, but to participate actively in the movement towards the unification of struggles, towards workers taking control of them for themselves, and at the same time to draw out the revolutionary political goals of the proletariat’s combat.

Our Activity

Political and theoretical clarification of the goals and methods of the proletarian struggle, of its historic and its immediate conditions. Organized intervention, united and centralised on an international scale, in order to contribute to the process which leads to the revolutionary action of the proletariat.

The regroupment of revolutionaries with the aim of constituting a real world communist party, which is indispensable to the working class for the overthrow of capitalism and the creation of a communist society.

Our Origins

The positions and activity of revolutionary organizations are the product of the past experiences of the working class and of the lessons that its political organizations have drawn throughout its history. The ICC thus traces its origins to the successive contributions of the Communist League of Marx and Engels (1847-52), the three Internationals (the International Workingmen’s Association, 1864- 72, the Socialist International, 1884-1914, the Communist International, 1919-28), the left fractions which detached themselves from the degenerating Third International in the years 1920-30, in particular the German, Dutch and Italian Lefts.