

weekly worker



Silvio Berlusconi still in the dock despite running rings round the legal system

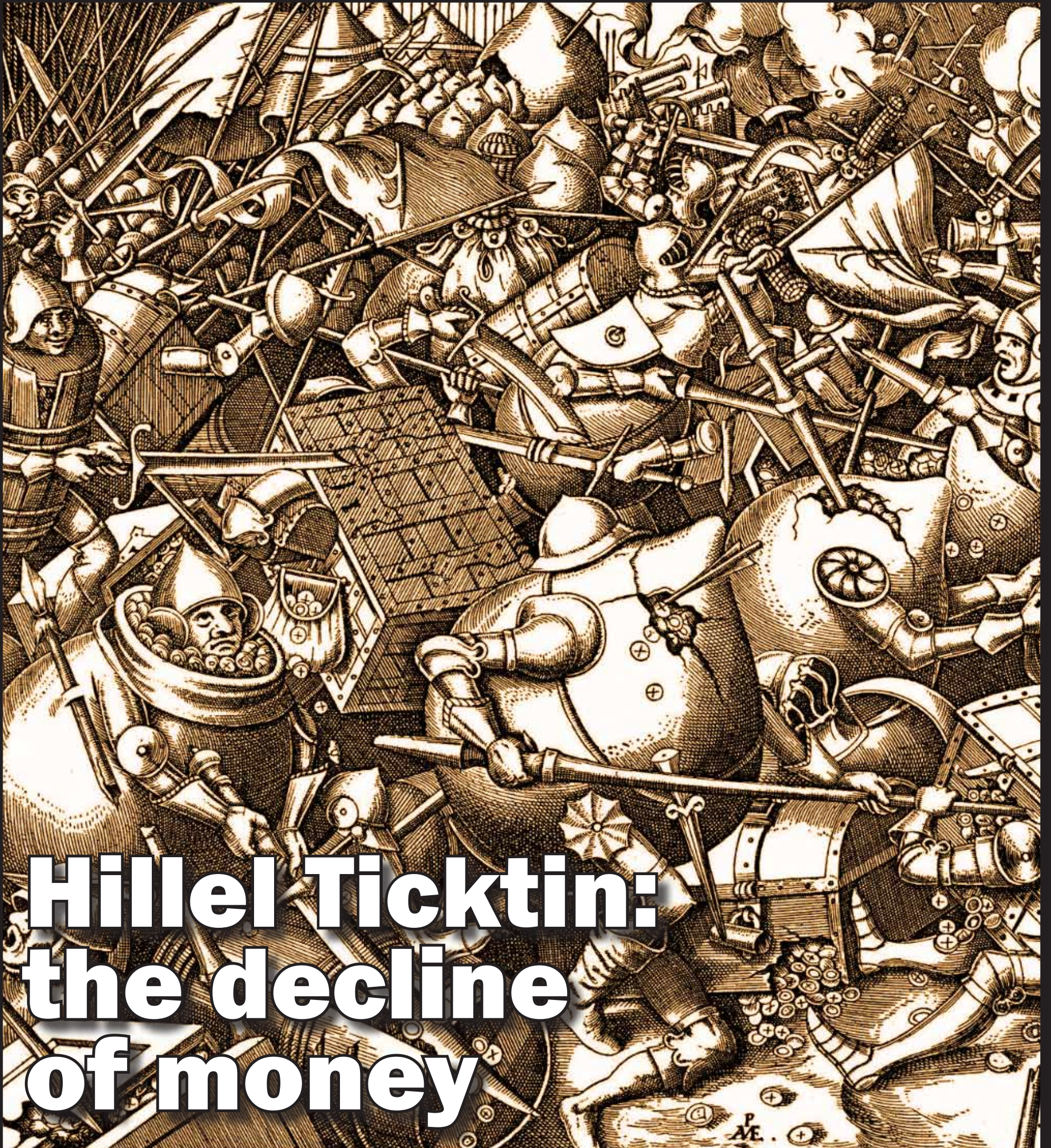
- Syria media hype
- Iran war drums
- Durham miners gala
- Debating Keynesianism

No 903 Thursday March 1 2012

Towards a Communist Party of the European Union

www.cpgb.org.uk

£1/£1.10



LETTERS



Letters may have been shortened because of space. Some names may have been changed

Amputator

Tony Greenstein blatantly contradicts himself in his reply to me about the recent expulsions from the Palestinian Solidarity Campaign (Letters, February 23).

He writes of the PSC expelled and co-thinkers: "I am not ascribing [their] erroneous views ... to racism. Indeed I said nothing about causation and I'm perfectly willing to accept that their holocaust denial views originate in their support for the Palestinians, rather than racism."

That might be the beginning of wisdom in analysing why an organic (and often Jewish) part of the Palestinian solidarity movement, along with many Palestinians both in exile and in Palestine itself, question not only the Zionist misuse of the Nazi genocide, but the truth of the event itself. But he contradicts that just a few lines earlier: "The last thing ... the Palestinians want is for the movement to be divided by racists and anti-Semites ..."

Whatever Palestinians may or may not "want", the only way these two statements could be reconciled would be if Tony considered that Palestinians had some attribute that turns people with the progressive motivation to support their rights into "racists and anti-Semites". Tony is not a Zionist, but only a Zionist could coherently argue that support for the Palestinians turns people into racists despite their anti-racist intentions.

For Zionists, Palestinian claims against Israel and their dispossession are themselves racist and anti-Semitic. So how has Tony, given that he is a sincere and dedicated anti-Zionist, managed to put forward two self-contradictory and mutually exclusive propositions that can only be reconciled coherently within the framework of Zionist ideology? A mixture of confusion, communalist distaste for Jews who feel guilty about being Jewish, and opportunist accommodation to soft Zionist sentiments in the British workers' movement is why.

Confusion is shown in Tony's analogy with Marcus Garvey meeting with the Ku Klux Klan to send black people 'back to Africa'. That comparison would only make sense if Jews today were an oppressed population. In fact, Israeli Jews oppress the Palestinians, and British and American Jews in large numbers support that. These 'rogue' Jews, from an oppressor people, going over to the oppressed (in a flawed way) are the opposite of Garveyism.

Distaste, tinged with communalism, is shown in his disparaging remark that, "instead of questioning Israel's self-description as a 'Jewish' state and the Zionist rationale for their deeds, they end up hating Jews and questioning the very fact of the holocaust".

No, they question the holocaust because they suspect it is a Zionist rationale for a Jewish state. Paul Eisen does not hate Jews; he is proudly Jewish. There is a spread of views about 'Jewishness' and the genocide among these people, but one of their key aims is to win over other Jews to (supposedly) 'real' anti-Zionism. They could not aim for this if they 'hated' Jews.

But, above all, it is opportunism before soft pro-Zionist sentiment in the British labour movement that has led Tony to such a position. The clue is in his phrase about the movement being "divided" by these people. The "division" Tony wants to avoid is with a putative mass base for the

PSC. As he says, "their motivation is unimportant. What is of more concern is the damage they can do." What Tony fears is complications with elements in the trade unions that have been won to support the PSC or at least some of its boycott initiatives, but are still soft on Israel and likely to listen to Zionists on how the Palestinian struggle is racist if these people are allowed to argue their case.

So to appease soft-Zionist sentiment in the British labour movement, serious supporters of the Palestinians have to be falsely accused of racism and purged. Tony quotes Omar Bhargouti in defence of these expulsions, but how does his democratic legitimacy compare with Hamas, the "anti-Semitic" Islamist party that won the last free elections in the territories?

Tony says "holocaust denial in western society is certainly racist", while admitting that these people are driven by events in the Middle East, not "western society". But racism in Britain has little to do with holocaust denial, which caused acute problems for unreconstructed neo-Nazis in decades past because of its association with Britain's imperialist enemy. The Anti-Nazi League exploited that without challenging British racism, "including anti-Arab racism that demonises Arabs as pro-Nazi", one iota. It was an effective, but opportunist tactic. Tony is going along with a similar ethos here. Rather than engage in a complex and difficult argument around why many Palestinians and their supporters are questioning these things, and debating this politically, Tony wants to amputate the problem. And, worse, that means an opportunist alliance with anti-democratic Stalinist forces like Socialist Action in the PSC (who Tony used to criticise sharply, but not any more) and even Zionists like Hope Not Hate.

But for the latter, for instance, there is no contradiction between mobilising, with Tony's support, to try to stop Gilad Atzmon playing at the Raise Your Banners event in Bradford last year and the more recent campaign to stop the Palestinian Muslim cleric, Haitham Al Haddad, from speaking at East London mosque. It is this bureaucratic opportunism that is in danger of discrediting the Palestine solidarity movement.

Red Scribe
email

Twisted

The letter exchange concerning the newly-declared mission statement/aims of the Palestinian Solidarity Campaign has been dragging on for too long, providing a good platform for Tony Greenstein to spout his venom against purported holocaust deniers, whose main "culprits" are no more, or have never been, members of PSC.

I have to admit that I do not completely understand Greenstein's twisted arguments, which equate holocaust denial (purported or otherwise) with anti-Semitism - especially as a number of the alleged holocaust deniers/anti-Semites (including myself) belong to the Semite race/ethnic/cultural group. However, Greenstein seems to have borrowed that false premise from the pro-Zionists, who use it for their own political purposes. Thus I, perhaps, should not be too surprised to have seen this supposition reiterated fallaciously by him.

Tony seems to ignore my main point concerning the far-reaching repercussions of the divisiveness of the PSC mission statement. He has been accusing me of being muddled, confused, stupid and an "idiot Atzmonite" (I am baffled by

the latter) in the same ferocious way the pro-Zionists have ganged up against me in the past and present. I have decided, therefore, to sum up my main argument - which I believe was clearly made, though not necessarily understood by TG, in my previous letters to the *Weekly Worker* (February 2, 16) and in my submission to the PSC executive.

By avowing to combat alleged/purported holocaust denial, the PSC executive and supporting members have unwittingly become a proxy of the Zionists' attempts to stifle a meaningful debate on the narrative of the holocaust, thus putting into action George Orwell's renowned phrase, "He who controls the present controls the past". In Israel, this aphorism finds expression in a recent law which denies official funding to outfits that openly commemorate the 1948 Palestinian *naqba* (catastrophe). Is the PSC going to tread the same slippery path of banning freedom of expression and taking action against those who dare challenge the narrative of the holocaust, with its all-embracing symbolic and nationalistic meaning?

The boundaries between being right and being self-righteous are sometimes very blurred. Sadly, the PSC executive was misguidedly led to cross those lines, claiming the high moral ground by having declared itself to be a gatekeeper who erects walls around the 'sanctified' narrative of the holocaust, thus fervently guarding the official version of a historical chronicle which underpins a false notion of Jewishness that has to be uniquely preserved by the unchallenged survival of a biblical Jewish state that practises apartheid and exerts brutal oppression of the Palestinian nation.

Having recently contributed to a new book entitled *Beyond tribal loyalties* (edited by Avigail Abarbanel), I sadly feel as if I am still struggling to free myself from the fettered chains of the tribe. But perhaps I was simply unaware that I was trying to counter, in vain, the last bastion of the Zionist 'house of cards'.

Ruth Tenne
Camden PSC

Public interest

While there is much to agree with in James Turley's article, 'Murdoch fights back', he fails to embrace fully the public rage that has arisen over the hacking scandal (*Weekly Worker* February 23).

It should, of course, be a given that the security forces - the Met's anti-terrorist branch (SO13), special branch, the security service (MI5), the secret intelligence service (MI6), etc - are listening in on our conversations. Our phones, emails and, thanks to omnipresent CCTV, even our outdoor lives are available for scrutiny by every agency that the British state possesses. If we are doing our job as revolutionaries, then we must expect that the secret state's minions are doing theirs.

But that does not mean we accept it. It flies in the face of rule by the majority, and opposition to the machinations and very existence of the secret state forms a basic democratic fight for us. As we all must understand, no depravity is beyond the bourgeois state in defence of its continued rule over the majority. Without doubt, all perceived threats are going to receive the state's attention: it brooks no restraint when its own existence might be at risk.

But to pretend, as the article does, that somehow the news media were, for example, countering Chris Huhne's hypocrisy totally misses the point. It makes not an iota of difference *politically* if Huhne is totally monogamous or a serial

philanderer or something in between. It is his *politics* that need tackling and whether or not he is a 'family man' is politically irrelevant: making these 'moral' claims or counter-claims is such low-level politics that it would be laughable were it not tragic. We need to grow up and grasp the real problems in society: for *by definition* the private is most definitely not political.

News International may have thrown around its money in a vain attempt at quieting the problem, after its reactionary rags illicitly and probably illegally exposed the private lives of scores of well-known individuals to public view without any good reason. But court cases are pending for at least another 180 people whose lives have been severely affected by these media scum, unless Murdoch and his crew manages to buy them off too.

However, we can occasionally get a glimmer of the deep-seated corruption of capitalist Britain, since not even the most astute bourgeoisie can keep a lid on things completely. And so it is that we sometimes get more than a glimmer: the present debacle over gutter press hacking of phones and emails. The latest developments, even extending to this week's House of Commons' adjournment debates, illustrate the establishment's *ménage à trois* entanglement of the bourgeois media, police and professional politicians.

A phrase in the article that the "exceptional use of phone hacking should not be ruled out in principle" is mealy-mouthed. Just because our ruling class and everything associated with it is corrupt cannot mean that we in any way endorse the foul actions of the mass media in hacking individuals' phones and emails. We do, of course, celebrate the public exposure of information that the state would like to keep secret, as in the admirable work carried out by Wikileaks. These are things that are political and therefore ought to be in the public realm. We want all public life to be open to discussion: reveal the secret treaties and obligations, and so on. But that is in no way the same as publishing tittle-tattle and salacious non-news

about individuals' private lives.

The *Weekly Worker* condemned the *News of the World* for exposing Max Moseley's consensual sexual activities to public view ('Max Mosley's morals and ours', July 17 2008). There was then, as is proving to be overwhelmingly the case where the bourgeois press exposes individuals' private lives to public view, nothing that suggested the private was political. If nothing else, the media's intrusion into private lives condemns the intruders utterly in the eyes of most of the public. People see more and more clearly the foulness that emanates from the media moguls' stables. We should cleanse those stables out of all recognition. Surely, then, we shed no tears when the *News of the World* closed, any more than we would were any part of the bourgeois media to falter. Why should we want to bolster the bourgeoisie's ability to tell lies?

Mass media do not expose the rule of capital. They would rather have us blinkered when it comes to politics. That was the pivotal role of the *News of the World* for the whole of its tawdry existence: crudely generating a 'public interest' in private or criminal lives and pretending that scandal is news. It's journalism, but not as we know it.

Jim Moody
email

Please explain

Although the Stop the War Coalition has for some years now not been the force it once was, I agree that organisations such as Hands Off the People of Iran and the Communist Party of Great Britain (Marxist-Leninist) should be allowed to reaffiliate. However, there is something I do not understand: why were Hopi and the CPGB(M-L) expelled or refused affiliation in the first place?

If somebody could explain the situation besides simply stating that the likes of the proto-Stalinists (John Rees and Lindsey German) wanted to keep control, I would appreciate it.

Red Anticapitalist Left
email

Fighting fund

Work aid

There's been a lot in the news this week about people working without pay for their own good. I'm talking about the government's latest 'work experience' scheme, of course, whereby youngsters have the privilege of stacking shelves, mopping floors and so on for a couple of months before going back to sitting at home. But their life experience will have been enriched as a result. Won't it?

Funnily enough, we at the *Weekly Worker* know quite a bit about voluntary, unpaid work. It's what we do to get the paper out each week. And you know what? For us it is rewarding. And inspiring. It involves putting out the same, consistent message - the need for Marxist unity within a single, democratic-centralist party - but it's not dull and tedious at all. Especially when our readers respond - both by joining in the debate and by sending in the money we need to continue with that work.

And that is what readers have done this last month. After the

disappointment of January, when we fell short of our new £1,500 monthly target, February has seen us break through that barrier with a total of £1,605. Not quite enough to make up for last month's shortfall, but very pleasing all the same.

Among the contributions over the last seven days were two hefty cheques of £60 (from TG) and £50 (RG), plus three PayPal donations via our website from PO (£30), GF (£20) and FT (£10). (Strangely, our online readership suffered a sharp drop last week, to 18,098 - more than 6,000 down on the week before. Don't ask me why.) And standing orders added a further £148 in all.

Anyway, thanks to all for making February's fighting fund a success. Now for March. Anyone fancy aiding our work and sharing our experience? ●

Robbie Rix

Fill in a standing order form (back page), donate via our website, or send cheques, payable to *Weekly Worker*

SYRIA

In imperialist sights

It is clear at this point that the Syrian uprising - met with such ruthless brutality by the Ba’athist regime - is in the process of being transformed into some kind of civil war. It is equally clear that imperialism has taken sides against the government of Bashar al-Assad. What is less clear is who exactly is fighting the Ba’athists.

The western media is positively bloated with stories of massacres and atrocities. A ‘constitutional referendum’, which would ostensibly limit the power of the Ba’ath Party, was pushed through on February 27 - but accompanied by another glut of deaths. The uprising has spread to many Syrian cities, and everywhere it has been met with the full force of the state. Car-bombings blamed by the government on the opposition are, in turn, denounced as state provocations (either option, it has to be said, is quite plausible). A new round of EU sanctions is in the offing.

We know all this, because the media is all over it; and the media is, and can only be, all over it with some degree of state support - whether that consists in helping to get journalists into the country, or simply feeding intelligence reports to the news desks.

This, in a sense, is remarkable. After all, it is not the first time that the Ba’athist regime has come under serious threat from a popular uprising. The Muslim Brotherhood was engaged in a sustained armed campaign against Assad’s father, Hafez, until 1982. It was put to an end the old-fashioned way - the Syrian town of Hama, a hotbed of Sunni revolt against the Alawi-dominated government, was subjected to scorched-earth military bombardment. Between 10,000 and 25,000 people were killed.

At the time, the bourgeois media was more circumspect in reporting it. Certainly, state regimes in the west were not clamouring to impose sanctions and otherwise rattling their sabres. That was not because imperialism *liked* the elder Assad; but he was in strategic alliance with the Soviet Union, and thus more or less untouchable.

Even a year ago, headlines from Syria - though they did appear - were rather drowned out by those from Tunisia and Egypt, and later Libya. With dictators collapsing left and right, and the strong probability (and now reality) of their being replaced by Islamists of various stripes, the US and - especially - Israel settled momentarily for a ‘better the devil you know’ policy. Assad was hardly an ally, but he was predictable.

Inasmuch as one can glean anything about the character of the Syrian opposition, is has to be said that Islamism is again prominent. The Hama massacre put an end to the Muslim Brotherhood’s armed campaign, but not to the Muslim Brotherhood. Sunni discontent against notionally secular but *de facto* Alawite rule has not dissipated. The ‘modified’ flag of the Syrian uprising - the conventional red stripe replaced with an Islamic green - is one sign. The fact that even the exiled Syrian National Council (subject to the same limitations of all imperialist-supported exile groups in terms of its relation to the actual movement) has had to play dirty to circumvent MB influence is another.

This change of heart on the part of the west has two main components. Firstly, the MB is no longer such an unknown quantity as it was in the spring of last year. As it proceeds towards some form of governmental office in Egypt, it will be in negotiations with representatives of the US state department at the very least.

Though its members largely despise Israel, the US will be pushing for a compromise; and the relatively benign attitude of the US establishment to the MB suggests that they have one in some form. Whether or not they keep their promises is another matter - after all, Ruhollah Khomeini promised to respect democracy and women’s rights in Iran after 1979.

Speaking of which, Iran - the second component - is clearly enough at the top of the US agenda for the Middle East, as it proceeds towards developing nuclear capability (that is, the ability to develop nuclear weapons within a relatively short space of time; indications are that the Iranian regime plans to stop there for the moment). This is significant primarily because it imposes limits on Israeli action in the region; the US is concerned that the balance of power could again shift away from itself and its allies.

Its response is partly targeted at the regime itself - more CIA dollars for ‘regime change’, more sanctions and threats, and more clandestine sabotage operations ... More importantly, however, it is necessary to isolate Iran as completely as possible. Thus, for example, European Union countries are equally under pressure to apply sanctions, which they are indeed doing, in spite of substantial French investments in the country.

As for the Middle East itself, Barack Obama is stuck with the disastrous legacy of George W Bush’s misadventure in Iraq. The end result of the removal of Saddam Hussein is a Shia Islamic regime in close alliance with Iran. Recent history limits Obama’s option here, so the buck falls to Syria.

The Syrian regime is perhaps not the most obvious ally of the Iranian state. The former, as noted, is a notionally secular regime dominated by the Alawite sect; the latter is a Shia theocracy, from whose perspective the Ba’athists are both godless and heretical. The apocalyptic falling out of the Syrian and Iraqi Ba’ath parties, however, led Syria to lend diplomatic support to Iran in the war with Iraq (as well as participation in the first Gulf War). Relations have remained close ever since.

Suddenly, then, Assad is not a minor irritation to American power, but a troublesome obstacle - and the widespread unrest under his regime an opportunity. If the Ba’athists can be displaced, then the immediate result will be a period of relative political instability in Syria, which will obstruct its ability to act in any way decisively in Iran’s favour. At the end of that, there is every possibility that a new regime can be manoeuvred away from Iranian influence - provided the theocracy has not been wiped out of existence by that point anyway. Islamist dominance of a future government should not deter the US - after all, the mediaeval theocratic trappings of Saudi Arabia have not prevented the latter from despising the Islamic Republic with some venom.

All this raises the question: where is the workers’ movement and the left? In Syria, alas, it is hardly in a position to challenge the Islamists for dominance of the uprising. Its largest sections, especially the Syrian Communist Party, are hopelessly compromised by the regime. To the left of the ‘official communists’, there are only small, nascent organisations, which as yet lack visible penetration into society at large. The uprising has involved political strikes, but not on any large scale.

The grim fact of the matter is that none of this is likely to change sufficiently in a short enough time for the left to have any decisive effect

on events. It will be caught between the blood-spattered regime and the Islamists, and will have to use every opportunity, no matter how meagre, to grow into a real independent force - or, at least, to avoid being wholly wiped out.

As for our own comrades on the British far left, the story is also somewhat dispiriting. *Socialist Worker* (February 25) is very keen to accentuate the positive in the rebellion, reporting demonstrations in that tone of forced breathless excitement we all know so well. The Socialist Workers Party still seems to be in ‘Tahrir Square mode’, unable to see that the forces contesting the legacy of the Arab awakening are more fragmental and, in places, more dubious than ever; realism, as ever, loses out to that starry-eyed optimism that no scale of disappointment seems to dissipate.

In any case, our first duty in Britain is to disrupt the game our imperialist rulers are playing with Syria - and what a dangerous game it is, involving not just the fates of Syrian protestors, but also the possibility of a truly horrific war on Iran. A pity, then, that political opportunism and cynical factional manoeuvres have left the anti-war movement in this country reduced to a desiccated, demoralised rump.

In this connection, it is worth discussing a laughably evasive piece in *The Guardian* by sometime SWP dissident Richard Seymour, the *Lenin’s Tomb* blogger. Why, he asks, are people not turning out on anti-war demonstrations, when polls reveal they oppose war? Because of a “more conflicted sentiment” than existed around Iraq, thanks to sympathy with the democratic movements in Syria, Libya and so forth. He also puts forward deflected Obamania and the end of the war in Iraq as reasons for anti-war demobilisation. On the other hand, this is not the “death spiral” of the anti-war movement - indeed, he claims that the general mood against war is a product of its successes (February 27).

Almost all of these claims are spurious. The sentiment around the beleaguered Iraqis under Saddam Hussein was quite as “conflicted” - and the hawkish press made much of it. As for Obamania taking tens of thousands off the streets: the most significant resurgence of anti-war demonstrations - to which comrade Seymour refers! - came in 2009 with the Israeli assault on Gaza, slap bang in the middle of Obama’s post-election, pre-office honeymoon period. No mention of the failings of the anti-war movement’s leadership, naturally, which have left the Stop the War Coalition on life support.

So keen to find ‘objective’ explanations for the bad, Seymour nonetheless has the gall to attribute the passive anti-war sentiment in the country to the STWC’s activity. I think, comrade, you will have to share the glory with George Bush and Tony Blair - Iraq and Afghanistan are quite transparently *disasters*, and the majority in the country would be suspicious of sustained military engagements today even if the entire Stop the War steering committee had died in a plane crash on February 14 2003.

Seymour is right that rebuilding the movement will require much open discussion and debate (how about letting Hands Off the People of Iran affiliate, then?); but it is a shame that, thanks *in part* to avoidable errors, we have to do so almost from scratch ●

James Turley

james.turley@weeklyworker.org.uk

ACTION

CPGB podcasts

Every Monday we upload a podcast of commentary on the current political situation. In addition, the site features voice files of public meetings and other events: <http://cpgb.podbean.com>.

Radical Anthropology Group

Tuesday March 6, 6.15pm: ‘Reproduction and spirit owners among the Miskitu Indians’. Speaker: Mark Jamieson. St Martin’s Community Centre, 43 Carol Street, London NW1 (two minutes from Camden Town tube). Organised by Radical Anthropology Group: radicalanthropologygroup.org.

Stop the War Coalition

Saturday March 3: Annual conference, University of London Union, Malet Street, London WC1. Organised by Stop the War Coalition: <http://stopwar.org.uk>.

No to workfare

Saturday March 3 Day of Action
Birmingham: 11.30am, Poundland, Union Street, Birmingham B2.
London: 11.30am, BHS, Oxford Street, London W1.
Brighton: 12 noon, Tesco, Jubilee Street, Brighton BN1.
Glasgow: 12 noon, Tesco, Maryhill, Glasgow G20.
Cardiff: 2pm, Poundland, Queen Street, Cardiff CF10.
Organised by Boycott Workfare: www.boycottworkfare.org.

No ‘joint enterprise’

Saturday March 3, 2pm: Inaugural meeting, National Joint Enterprise Casework Service, Welcome Centre, Nottingham Street, Sheffield S3. Defending people accused of a crime they did not commit on the grounds that they were part of a ‘joint enterprise’. Organised by National Joint Enterprise Casework Service: <http://jointenterprise.wronglyaccusedperson.org.uk>.

Stand up for justice

Monday March 5, 7pm: Meeting, Friends Meeting House, 173 Euston Road, London NW1. Speakers include: Alfie Meadows, Liam Burns (NUS), Rob Evans. Organised by Defend the Right to Protest: info@defendtherighttoprotest.org.

Kill the NHS bill

Wednesday March 7, 6pm: Rally, Westminster Central Hall, London SW1. Fighting to defend our NHS. Organised by Trade Union Congress: www.tuc.org.uk.

Stop the cuts

Wednesday March 7, 4.30pm: Rally against the cuts, Grey’s Monument, Grey Street, Newcastle Upon Tyne, followed by march to demonstration outside full council meeting, Civic Centre, Haymarket, St Mary’s Place, NE1, 5pm. Organised by Anti Cuts Network: anticutsnetwork@gmail.com.

Right to Work

Sunday March 11, 12noon: Emergency forum, Canterbury and Hughes Parry Halls, 12-26 Cartwright Gardens, London WC1. Speakers: Owen Jones, John McDonnell MP, Tony Kearns (CWU). ‘Austerity and resistance’. £5 waged, £2 unwaged. Organised by Right to Work: <http://righttowork.org.uk>.

Socialist films

Sunday March 11, 11am: Screenings, Renoir Cinema, Brunswick Square, London WC1. Eyal Sivan’s *Jaffa: the orange’s clockwork* (2010, 86 minutes); Serge Avédikian’s *Barking Island* (France 2010, 15 minutes). Organised by London Socialist Film Co-op: www.socialistfilm.blogspot.com.

Racism, the state and the police

Monday March 12, 7pm: Public meeting, Friends Meeting House, 173 Euston Road, London NW1. Speakers: Bob Crow (RMT), Weyman Bennett. Organised by RMT: www.rmtlondoncalling.org.

Unite the Resistance

Thursday March 15, 7pm: Public Meeting, Conway Hall, Red Lion Square, Holborn, London WC1. Speakers: Mark Serwotka (PCS), Steve Kelly (Unite). Organised by Unite the Resistance: <http://uniteresist.org>.

Palestine and the uprisings

Saturday March 17, 9am: Conference, Brunei Gallery, SOAS, Thornhaugh Street, Russell Square, London, WC1. Discussing the location of Palestine in the Arab uprisings. Entry: £12 (£10 concessions). Booking required. Organised by SOAS Palestine Society: www.soaspalsoc.org.

Trade Unionist and Socialist Coalition

Wednesday March 21, 7.15pm: Rally, 235 Shaftesbury Avenue, London WC2. Launch of Tusc GLA campaign with Bob Crow. Organised by Trade Unionist and Socialist Coalition: www.tusc.org.uk.

Roma nation day

Sunday April 8, 12pm: Demonstration, Hyde Park Corner, London W1. International solidarity to defend the Romani communities. Organised by Traveller Solidarity Network: travellersolidarity@riseup.net.

CPGB wills

Remember the CPGB and keep the struggle going. Put our party’s name and address, together with the amount you wish to leave, in your will. If you need further help, do not hesitate to contact us.

ITALY

Berlusconi still in the dock

The former premier may have been ‘cleared’ on a technicality, writes Toby Abse, but the repercussions of the whole affair persist in both the Italian and British establishments

The inconclusive verdict in Silvio Berlusconi’s trial for paying British lawyer David Mills a \$600,000 bribe for bearing false witness in earlier trials involving Berlusconi in 1997 and 1998 is a striking confirmation both of the utter absurdity of the official Italian claim that “The law is equal for all”, proclaimed on the wall of every courtroom; and of the marked degree of continuity between Berlusconi and the current prime minister, Mario Monti.

The two men had a very friendly lunch together at Palazzo Chigi, the prime minister’s official residence, three days before the February 25 verdict. Berlusconi let it be known through the press in advance of the lunch that he would be asking for “clarity about justice”, that he was hoping there would be no legislation about false accounting or “the conflict of interests” (taken to mean his ownership of three private television channels) and that he also wanted to discuss appointments to the leading positions in the state television channels (RAI).¹ A few hours later, at a dinner at the home of parliamentary deputy Melania Rizzoli on the evening of February 22, Berlusconi is said to have remarked that “Monti is a bourgeois [*borghese*] like us. He speaks well. He is able. I asked him to be minister of finance before he became prime minister.” Apparently Berlusconi added: “I know him very well. We often discuss things. I sent him to Europe. He owes me a lot, a very great deal.”²

Timed out

That Monti and his cabinet represent not just the bourgeoisie in the broad, continental sense of the word, but are very much part of the ‘one percent’ to which Berlusconi himself belongs, was confirmed on the day of the decisive lunch by the publication - or, to be more exact, the partial publication - of information about the incomes and property of the new cabinet ministers. Mario Monti himself earned €1,010,000 in 2011 - slightly down from the €1.5 million he earned in 2010. He owns 16 properties in Milan, Varese and Brussels, as well as co-owning an office and two shops in Milan. In addition he has €11 million-worth of shares - of which 5.3 million are in the Italian bank, Intesa Sanpaolo, and 4.6 million in the French bank, BNP Paribas. Moreover, his wife, Elsa Antonioli, earned €2,025,500 in 2011, almost twice as much as he did.

Whilst many had wrongly assumed that Corrado Passera, the minister of economic development and former head of the Banca Intesa, would have been the wealthiest member of the cabinet, his 2011 income of €3,529,602 was far exceeded by that of the justice minister and leading lawyer, Paola Severino, with her astonishing €7,005,649. Annamaria Cancellieri, the interior minister and former prefect, did not choose to reveal her income, but declared the ownership of no less than 24 properties in Rome and Milan. Elsa Fornero, the labour minister, received a measly €402,000, but owns five properties, which will doubtless ensure her a decent income in retirement. Giampaolo Di Paola, the defence minister and a retired admiral, received a platinum-plated pension of €314,522, as well as getting an additional €29,441 for service abroad. The foreign minister Giulio

Maria Terzi di Sant’Agata, previously ambassador to Washington, had as a public servant to make do on €340,000, although one assumes this did not include the expenses for the numerous dinners and receptions that go with the role, long regarded as the most prestigious embassy in the Italian diplomatic service.

The clear class character of the Monti administration is evident from the absolute figures given above, but it has been made even more conspicuous in recent days by the publication of Eurostat figures for Italian salaries. The Italian average of €23,046 is the lowest in the European Union apart from Malta, Portugal, Slovenia and Slovakia. It was no surprise that this was far lower than the German average of €41,100, yet many were a little shocked to see Italy below Spain (€26,316) and Greece (€29,160).³

It had been clear for some time that Berlusconi would never be definitively convicted of giving the bribe according to Italian law, since the case would be timed out under a statute of limitations that Berlusconi’s own government had altered for his personal convenience in 2005. The relevant time period was reduced to 10 years (from the previous 15) long before Berlusconi had exercised his right to appeal to both the Court of Appeal and the Supreme Court (Cassazione). And the Cassazione judges did indeed rule that the statute of limitations had expired.⁴

However, the possibility of a guilty verdict at the end of the trial itself (in Italy a verdict is not regarded as binding until every appeal is complete, in contrast to English or Scottish law) was a very real one and this was causing Berlusconi acute anxiety. He felt that an initial guilty verdict, irrespective of the fact it would be overturned on a technicality, would weaken him politically, especially internationally, and undermine his legal position in the three ongoing trials he faces - such as the Ruby case, in which he is accused of having sex with an underage prostitute.

It is perhaps worth pointing out that this is the sixth occasion on which Berlusconi has escaped any legal penalty through a statute of limitations, and that of the 17 criminal trials in which he has been a defendant, only four have ended in a straightforward acquittal. On two occasions the crime has been wiped out by an amnesty and in another two cases, involving false accounting, he benefited from the decriminalisation of this offence by one of his own governments. As Antonio Di Pietro of the populist, anti-corruption Italia dei Valori party pointed out after the verdict in the Mills case, “In all these years Berlusconi has simply passed a series of laws to avoid being convicted. But how is he an innocent man? He is an unpunished guilty man, because if he was really innocent he would renounce the protection of the statute of limitations and let himself be tried.”

Whilst Di Pietro was more forthright than most leaders of the ex-‘official communist’-dominated Partito Democratico (PD), few of them were as indulgent towards Berlusconi as Matteo Renzi, the PD mayor of Florence (a fanatical neoliberal, who tried to end the May Day bank holiday for shop workers in his city). Renzi’s absurd claim - that “Silvio Berlusconi has been acquitted and I hope this puts an end to the era of the football terraces (*curve*) and

ultras”⁵ - has been endorsed by very few others.

Mills farce

Although many of the cases involving Berlusconi have a farcical side, the Mills case is arguably the most farcical of those that have reached any sort of conclusion. It was a simple case of one man - Berlusconi - bribing another - David Mills - to give false, or any rate incomplete and wilfully misleading, evidence, and the bribe-taker has been found guilty of taking the bribe. Given the attempt by Mills, supported by a wide-ranging coterie of Blairites in British politics and the media,⁶ to suggest that his conviction was actually overturned, it needs to be reiterated, at the risk of tedium, that this is not the case.

David Mills was found guilty of receiving the \$600,000 bribe at the end of his trial in October 2008 and sentenced to four and a half years in prison, which under Italian law only becomes operative at the end of an unsuccessful appeal process (should the defendant choose to mount an appeal - which most poverty-stricken petty criminals do not, regardless of any flaws in the prosecution case against them). Mills, a man of very substantial means, did indeed appeal, but the verdict was upheld by the Court of Appeal in September 2009. He then went on to take the case to the Cassazione in February 2010. The judges dealing with the case confirmed that Mills had been a corrupt witness, but annulled the penalty on the grounds that the case was timed out by the statute of limitations.

Whilst as a result Mills has not had to spend any time behind bars, it is hard to believe that his insistence in recent times on describing himself as a *former* lawyer is not because this man, who in his time qualified as both a barrister and a solicitor, realises that the British legal system would regard him as unfit to practise either profession. What makes the Mills case particularly droll is that this notoriously devious and slippery operator was convicted as a result of his own letter, to his own accountant, which admitted the crime in question in a bid to avoid paying tax on the sum. The letter included the subsequently notorious phrases about having “turned some very tricky corners, to put it mildly”, which “had kept Mr B out of a great deal of trouble that I would have landed him in if I had said all that I knew”.

Mills had made a full confession to the Milanese magistrates on the night of July 17-18 2004, when unexpectedly presented with the text of this incriminating letter. The confession, although subsequently retracted, with predictable allegations that it had been extorted under duress by dastardly, politically motivated foreigners, made a lot more sense than the elaborate story that Mills eventually concocted - and shamelessly reiterated when eventually, after postponements due to alleged ill health, he finally gave evidence via video link from London in Berlusconi’s own trial. Mills claimed to have received the money from another client, businessman Diego Attanasio, who told the court at Mills’ original trial: “I have never lent or given \$600,000 to the lawyer, Mills” and pointed out that, since he was in prison on corruption charges in July 1997, he would have been in no position to transfer anything to Mills.

The Mills case has, of course, far

greater international ramifications than the vast majority of Berlusconi’s misdemeanours. David Mills is the (allegedly estranged) husband of Labour MP and former cabinet minister Tessa Jowell, who played a central role in the New Labour establishment. She undoubtedly paved the way for the very close friendship that once existed between Berlusconi and Tony Blair, immortalised in that photograph of the two men and Cherie Blair. In that photo, taken during the Blairs’ infamous Sardinian holiday at Berlusconi’s residence, which subsequently hosted so many bunga-bunga parties, Berlusconi was wearing a bandana to cover his recent hair transplant.

Whilst all this may in part explain Berlusconi’s willingness, despite the massive Italian opposition to the Iraq war, to involve Italian forces in the occupation of Iraq alongside the British army, its clearest legacy for Londoners is the 2012 Olympics. It may be remembered that Britain won the nomination in July 2005 on the fourth round of a secret electronic ballot of the International Olympic Committee by a wafer-thin margin of 54 votes to 50. This unexpected narrow victory over the French favourites undoubtedly involved some last-minute vote-switching. Traditionally the Italians would have voted for their Latin sister, but it is widely believed that Berlusconi prevailed on the Italian representative to abandon his Parisian preference at a time when Tony Blair was British prime minister and Tessa Jowell was minister for sport.

PM and president

Nonetheless, if any external pressure was brought to bear on the Milanese judges in the last few days,⁷ it seems far more likely to have originated within Italy. Whilst Monti may perhaps wish to ingratiate himself with David Cameron as a counterweight to the German chancellor, he is hardly likely to need any favours from Blair. If the Monti government is set on a confrontation over the removal of working class rights in article 18, it will need more consistent support from Berlusconi’s Popolo della Libertà (PdL). There are growing cracks within the PD, which has so far been siding with Monti, with some leading figures on the PD’s more social democratic and pro-trade union left at least flirting with the idea of participating in the demonstration against the government in defence of article 18 called for March 9 - a stance which former leader Walter Veltroni had denounced in no uncertain terms.

Such support for Monti would not have been forthcoming from the PdL if Berlusconi had felt the game was up for him on the legal front.⁸ The employers’ confederation, Confindustria, went on the offensive over article 18 the day before what one might guess was the most important lunchtime meeting Berlusconi and Monti had ever had. On February 21 Confindustria leader Emma Marcegaglia was speaking at a conference of Federmeccanica, the traditionally very hard-line engineering employers’ federation, where she had said: “We would like a trade union that does not protect chronic absentees and thieves, those who don’t do their job.” She added: “Confindustria does not want to abolish article 18, which ought to remain for discriminatory sackings. But there must be the possibility of

sacking those who don’t do their job.”⁹

Finally, Monti is not the only prominent Italian political figure who might, perhaps, have wished for the judges to take a lenient view of Berlusconi. It should never be forgotten that in the days when Italy’s current president, Giorgio Napolitano, was the leader of the rightwing *miglioristi* current in the former Partito Comunista Italiano, the *miglioristi* were always anxious to keep on good terms with the notoriously corrupt Socialist Party leader, Bettino Craxi - even during the period when Enrico Berlinguer, the PCI secretary general, took up a principled stance of total opposition to Craxi and his entourage. Napolitano wrote a very long letter to Craxi’s widow, Anna, in 2010 on the tenth anniversary of her husband’s death, in which he said the deceased had been treated with “a harshness without equal” and drew attention to criticisms of the verdict in one of Craxi’s trials,¹⁰ made by the European Court of Human Rights.

It might be noted that Craxi was not always so generous to Napolitano and, in one trial in which the socialist did appear in court, he accused Napolitano of keeping silent about the ‘illegal financing’ of the PCI. This should probably be taken as a reference to Italian entrepreneurs rather than payments from the Soviet Union, about which the fervently anti-Soviet Craxi is unlikely to have had any inside knowledge. Of course, it is generally accepted that Berlusconi made illegal payments to Craxi, although it is harder to believe that he would have financed the communists, even in Milan, or that Napolitano would have known about it if he had done so ●

Notes

1. *La Repubblica* February 22. Some might be surprised at the blatant way he drew attention to his desire to discuss such personal matters rather than claiming to be concerned about the economic situation, electoral reform, industrial relations or some other issues about which it would have been easier to justify a discussion between a sitting premier and a former prime minister, who nominally commands a majority of the deputies.

2. *La Repubblica* February 24.

3. These Eurostat figures are taken from *La Repubblica* February 27. It is not clear whether the Greek figures take account of the recent and drastic pay cuts imposed during 2011.

4. The reasoning behind the verdict reached by the three female judges will be revealed within 90 days. My understanding is that, if they had decided that Berlusconi was innocent, that would have had precedence over the statute of limitations and that such a verdict of outright acquittal was what Berlusconi’s lawyers were seeking.

5. *La Repubblica* February 27.

6. Whilst Mills and his wife, Tessa Jowell, used to be, and perhaps still are, personal friends of leading figures on *The Guardian*, which has never shown much enthusiasm in following up any story about the couple, David Mills’ daughter by his first marriage, Eleanor Mills, has long had an important role on Rupert Murdoch’s *The Sunday Times*.

7. One of the three judges, Francesca Vitale, had been part of a bench that acquitted the Popolo della Libertà Lombard regional president, Roberto Formigoni, in 2006, so the interpretation of the statute of limitations may reflect their own inclinations.

8. It might be argued that the PdL had no interest in bringing down the Monti government and precipitating an early general election, since, according to an IPSOS poll cited by *La Repubblica* (February 27), the PdL is down to 22% in the polls, and a hypothetical and increasingly unlikely centre-right bloc of the PdL, Lega Nord and hard-right Destra would only get 33%, as against 37% for a possible alliance of the PD, IdV and SEL. However, such rational calculations take no account of the way Berlusconi might react if he felt he was cornered.

9. *La Repubblica* February 22.

10. Craxi, like Berlusconi, had no great inclination to appear in court. However, Craxi took this stance a bit further, fleeing the country and taking refuge in Ben Ali’s Tunisia, where he eventually died.

PARLIAMENT

Iran: all options remain on the table

Rhetoric about Iran is all too reminiscent of the prelude to the 2003 invasion of Iraq, warns **Ben Lewis**

On Monday February 20 parliament debated the prospect of military intervention against Iran. This against a background of increasingly bellicose rhetoric from the United States and Israel, as well as the recent report of the International Atomic Energy Agency.

The debate was initiated by Conservative MP John Baron, perhaps the only Tory MP who opposes an attack on Iran. His motion was simple and straightforward: "This house believes that the use of force against Iran would be wholly counterproductive and would serve only to encourage any development of nuclear weapons; and calls upon the government to rule out the use of force against Iran and reduce tensions by redoubling diplomatic efforts." Malcolm Rifkind, Tory chairman of the intelligence and security committee, moved an amendment that completely changed its content. The amendment deleted everything except "This house" and replaced the rest of Baron's motion with: "... supports the government's efforts to reach a peaceful, negotiated solution to the Iranian nuclear issue through a combination of pressure in the form of robust sanctions, and engagement led by the E3+3 comprising the UK, US, France, Germany, China and Russia; and recognises the value of making clear to Iran that all options for addressing the issue remain on the table".

It was perhaps no surprise that a cross-party consensus quickly formed around the Rifkind amendment, which was passed by an overwhelming majority of 285 to 6. Those who voted against the amendment were Labour MPs John McDonnell, Paul Flynn and Dennis Skinner; Jonathan Edwards of Plaid Cymru; Mark Durkan of the Social Democratic and Labour Party; and Baron himself.

That meant, of course, that an overwhelming majority of Labour MPs lined up for war. Michael McCann deserves particular mention: "diplomacy and sanctions should not be our only options - nothing should be ruled out". Diane Abbott, who has often spoken out against war and occupation, voted *for* the Rifkind amendment: ie, in favour of "robust sanctions" and against clearly spelling out that military intervention was off the cards. But then Abbott is now one of Ed Miliband's shadow ministers.

It would appear that we are now closer to some sort of strike against Iran than we have been for quite some time. Reinforcing the sense of urgency, Baron reminded us that, given "tough new sanctions, state-sponsored terrorism and naval forces in the Gulf", this "may be the only opportunity" to debate Iran before an Israeli air-strike, perhaps even a "regional war".

Baron's speech in support of his motion criticised "yesterday's failed policies" of "sanctions and sabre-rattling". Contrary to the stated aims of those supporting them, he said, sanctions and threats of military action only had the effect of strengthening the regime, particularly the "hard-liners". He also did a good job of pointing out the shortcoming of the IAEA's report



Israel could strike at any moment

on Iran, highlighting that there is not a shred of "concrete evidence" of an Iranian nuclear *weapons capability*. Given the utter disaster that ensued following the questionable evidence concerning Iraq's supposed "weapons of mass destruction" in 2003, we should be very wary of another disastrous war, said Baron. His request to foreign secretary William Hague to say where the evidence of Iranian nuclear weaponry could be found in the IAEA report fell on deaf ears.

That said, his case was significantly weakened by the fact that he questioned whether Iranian president Mahmoud Ahmadinejad had actually called for Israel to be "wiped off the map" - apparently, the complexities of Farsi might mean that he was simply calling for "regime change". The problem with this kind of apologia for the theocracy's impotent rhetoric is that it buys into the 'logic' of the warmongers in Israel, the US and the UK: if the mullahs *do* want Israel "wiped off the map", they must be prepared to launch a nuclear strike on that country, which means they must be developing the ability to do so, which means other Middle East powers will rush to develop nuclear arms themselves, which means there will be a "second cold war".

Anti-war case

As Hands Off the People of Iran supporter John McDonnell was able to point out, the notion that the current sabre-rattling results from Israeli fears of a nuclear holocaust is frankly absurd. While it is "open to doubt" that Iran is close to having nuclear weapons, the issue "is really about nuclear *capability* - which is a threat only if one believes that nuclear weapons will be used". And no-one does really believe that. If we are anxious about nuclear proliferation, he said, we have to "start with the root cause", which is "Israel illegally gaining nuclear weapons". The way forward had been spelt out by former British ambassador to Iran, Richard Dalton, said McDonnell, when he called for a "nuclear-free zone across

the Middle East". But that would mean facing up "the issue of Israel holding nuclear weapons".

Comrade McDonnell pointed out that he is no friend of the regime: he has consistently tabled motions supporting campaigns like those of the Tehran bus workers and against the persecution of film director Jafar Panahi. But sanctions and the threat of military action "are strengthening the hard-liners in Iran and hurting the Iranian people, who are desperate to throw off the yoke of that theocracy".

Sanctions represent "a siege of Iran", which means we are "already at war by proxy". As a result, Iran's currency is collapsing, imports of grain are drying up and "people are becoming impoverished". This is hardly "undermining the regime". On the contrary, it is "hardening support for it by giving it the excuse that an external enemy is causing the impoverishment and hunger".

Finally he referred to Israel's "own domestic political agenda": the "crisis atmosphere suits Netanyahu and the hawks who surround him". Which was why there have been "covert military actions" carried out by organisations and individuals trained by Mossad. These acts "have prompted more terrorism around the world through Iran-sponsored attacks", while the Israeli-sponsored "cyber-war" has "provoked even more retaliation".

However, the eight-hour debate was dominated by the ratcheting up of threats. Labour MP Michael Mann was keen to draw on the example of Nazism and portray Ahmadinejad as the new Adolph Hitler. Apparently a recent conversation with one of his constituents who was present as the Nazis marched into Vienna had reminded him of Edmund Burke's vacuous remark: "All that is necessary for evil to triumph is for good men to do nothing." Absolutely sickening stuff.

With those on the 'opposition' benches going to such hawkish lengths, Rifkind's case for leaving "all options open" sounded highly

restrained by contrast. He made the rather odd point that if Baron's motion were adopted then this would, paradoxically, *increase* the likelihood of military intervention against Iran. Why? Well, the Israelis would feel deserted by their allies and thus compelled to act unilaterally. At this point, John McDonnell intervened with a timely and well-aimed question: what sanctions would be imposed on Israel, were this to happen?

None, of course. In fact an Israeli strike might not be such a bad thing: "The Israelis acted unilaterally against Iraq when they removed the Osirak reactor, and both the western world and the Arab world breathed a huge sign of relief. It would ultimately depend on how successful the Israelis could be, and that is a separate question."

That said, for the most part both Rifkind and foreign secretary William Hague were particularly keen on stressing two things: that the US was the "key country" in thinking about these questions (ie, the US will ultimately decide, and Britain will follow its lead) and that they would, of course, prefer a "peaceful" solution based on sanctions and "dialogue": ie, negotiations with a pistol pointed at the head of those on the Iranian side of the table. After all, diplomacy requires "carrots and sticks".

Rifkind stated that if it did come down to US-sanctioned military action, the "adverse consequences" would only be "relatively temporary", with "short to medium-term" effects for a "few days, weeks or possibly even months". The alternative, however, was the "permanent" prospect of an Iranian state with nuclear weapons. The circumstances under which such 'pre-emptive' military action might take place were, of course, a "military question" that should not be discussed in parliament.

According to Hague, "Our quarrel emphatically is not with the Iranian people" - although it is fine to wreck their lives through sanctions, it seems. No, "we want them to enjoy the same

rights, freedoms and opportunities as we do and to live dignified lives in a prosperous society". But "the Iranian government's current policies endanger the interests of the Iranian people themselves, as well as undermining global security".

This government celebrated the Arab spring a year ago by sending a delegation of British arms dealers around the Middle East - led by the prime minister - so they could ply their wares to a series of dictators. David Cameron showed himself more than willing to continue selling rubber bullets, tear gas and heavy arms to Kuwait, Bahrain and Yemen immediately after his visit to Egypt in February 2011. Weapons to be used against those fighting for some sort of "dignified" existence in the face of "appalling" abuses of their human rights.

Behind all the delusional, self-righteous crap, though, lies an undeniable drive to war. Labour rebel Paul Flynn made the obvious point that the debate and the rhetoric deployed by the politicians has a distinct feeling of 2003 about it. This should be of enormous concern to all of us committed to any notion of democracy and progress in the Middle East and beyond. Almost 10 years on, and after the trail of death and destruction in Afghanistan, Iraq and Libya, our rulers are now contemplating a repeat.

We must do our utmost to oppose any such intervention. What is more, we must highlight the *real* motives behind the rhetoric: the US, through its main regional ally, Israel, is attempting to regain full control over a region that is going through extremely rapid change. We need the biggest, most militant and most daring show of opposition to their project. At all times we must expose the duplicitous lies of 'our' leaders and strengthen the force that *can* stop wars and a further descent into barbarity: the international working class movement ●

ben.lewis@weeklyworker.org.uk

THEORY

The decline of money

If we are to understand the present crisis we need to grasp the decaying relationship between money, production and value. Hillel Ticktin discusses the growth of fictitious capital and impossibility of getting money to make money

The problem when looking at Marx's analysis of money is that he discusses it everywhere. Right from the beginning in the *Economic and philosophic manuscripts* (1844) there is a detailed discussion of money, though in completely different terms from what we see later. In the *Grundrisse* (1857) we have another discussion, which goes on right the way through. And, of course, in *Capital* itself (1867-83) this is continued in great detail. In other words, a huge volume of space would be needed to do justice to all that Marx writes about money. It is not as though he can be accused of repeating himself in all these works. So the most I can do here is give my own understanding on what he did write and piece together various statements as an introduction to the subject.

Let us start with the *Economic and philosophic manuscripts*, where money is examined from the point of view of power. 'Power' is a word that Marx hardly ever uses in his work, but he uses it here in relation to money. As soon as one thinks of it, it seems very obvious that what he is talking about is the way in which money, seemingly, can transform the human being from A to B - if the process can be paid for. You can pay to look like somebody else, you can pay to look lean and lovely, you can pay for scriptwriters, so people think that you are a great orator coining famous phrases (such as "military-industrial complex", which, of course, was not invented by Dwight D Eisenhower, but the president's speechwriter). So money has this amazing ability to transform the apparent form of things a notion that anticipates Marx's ideas on 'commodity fetishism'. The peculiarity of money is its seeming ability to do almost anything. In connection with this he quotes Shakespeare and Goethe - it is interesting that he links literature very closely to the issue - and in the case of Shakespeare the source is *The life of Timon of Athens*, which is supposed to be Shakespeare's most 'leftwing' work. If it is possible to say such a thing.

The power of money lies in its ability to become the driving force within the society. It is from this point of view that Marx tries to understand it: what it is, where it comes from, how it is employed. The point, of course, is the form of the commodity - as exchange-value it becomes dominant within the society. When we say 'form', we are talking about the way in which society changes the way to produce wealth. In pre-capitalist modes of production there were different forms, but in capitalism it is exchange-value in the form of the commodity.

Universal equivalent

Money is defined by Marx as the "universal equivalent". Now just think about what this means. He uses this term in the first chapter of *Capital*, as he goes through the different forms of interchange. The "universal equivalent" argument is based on the fact that the exchange-values of commodities interrelate through money. Of course, this can only apply to modern society, because before



Money: but can you call it capital?

this it is quite obvious that in ancient societies or under feudalism or the Asiatic mode of production there was no commodity that could interchange with everything else, as there is under capitalism. In other words, from this point of view, money only fully comes into being with capitalism. The term 'exchange-value' can only be usefully employed in a society where it is dominant - where there is a universal equivalent.

It is not that there were no gold coins before capitalism. It is not that there were no forms of exchange or personal credit. But clearly it all existed on a lower scale and was not universal. The unique feature of capitalist money is its ability, in principle, to exchange with everything. Its final form is described by Marx as "world money", which he says comes into being in the 16th century. It certainly did not exist before.

There is a difference between the universal equivalent and the "general equivalent". The general equivalent implies there is a measure of exchange, but that it is not generalised to the whole of society and all possible commodities. To a degree one can always find exceptions even within capitalism itself, but where certain commodities are excluded from potential interchange the term might apply. So, for instance, one could imagine a Stalinist society where the means of production were nationalised but everything else was not - in which case there would be commodities, but the product of nationalised industries would be regarded differently. In such circumstances one might say that 'money' fulfilled the role of 'general

equivalent'. So in China today one might argue that money functions in this way.

Another example one can take which makes very clear the nature of the universal equivalent is the Soviet Union. Some people have tried to argue that there was a general equivalent, but I think that even this is very hard to sustain. When the Soviet Union collapsed, the economists who had praised Stalin and said how wonderful the system was then declared that the USSR had never had money - which was quite correct. If you had a rouble you could exchange it for some object if you were prepared to stand in a queue. Which was more important: handing over the rouble or standing in the queue? The latter, of course. So what does it mean to have the rouble under those conditions? It could not be used as a means of planning and if, say, a member of the elite wanted a car, they would get it by direct order, similar to how they received their grocery supplies. So the rouble may have looked like money, but it was no such thing. To qualify as money it must fulfil the role of universal equivalent. It has to be able to command commodities.

If one takes the apogee of capitalism as 1914, money at that time could, in general, exchange throughout the world. Insofar as there were countries where that did not apply, it was because there was no exchange-value at all in those societies. It is the same with China today. On the one hand, China is used by the bourgeoisie and, on the other, it is regarded as a problem. Why? It is not because the Chinese are not

pro-capitalist. It is because China is outside the capitalist system to the degree that practically all the main means of production are owned by the state. Countries that partially or wholly fall outside the world market must be opposed because by its nature capital has to expand through money and to the extent that money is not money there is a problem for the world market, for capitalism.

Since capitalism's apogee, one could argue that money has been in decline. One can speak of certain commodities being excluded from the world market, and in that sense money is going out of being. If one thinks about it, that is what one should expect: money comes into being, over time exhibits itself in its fullest form and then begins to go out of being, as I believe is happening now.

What lies behind exchange-value is value itself and what constitutes value is abstract labour. Without abstract labour there can be no value, no exchange-value and therefore no money. That was the situation in the Soviet Union, where there was no real money. Similarly in feudalism there was no abstract labour. So the nature of money in such societies was highly restricted. One is talking more about money coming into being rather than already existing. That becomes obvious when one considers the serf who performed services, did not have to be paid and yet could be entirely within subsistence. Insofar as there was trade, it was not based on production or value at all. So one is also talking of value coming into being.

In other words, one cannot talk about value as if it has always has

existed. Not even in capitalism was there value based on abstract labour from the beginning. Quite evidently, while in the early period there was factory production in, say, the Italian city-states, what existed was mainly artisan labour. Abstract labour was very limited. It is only with the industrial revolution that abstract labour can really be said to exist. The logic is that the fullest development of money only occurs with the fullest development of capitalism - and capitalism develops to its fullest only with industrialisation. Before that period money exists only in a limited sense - it is necessary to study its role as a separate historical entity. Therefore those Marxist economists who say there can be a general theory of money, covering all modes of production as some sort of abstraction, are in my view talking nonsense. There can only be a theory of money in relation to capitalism: capitalist money.

Evolution

The next point relates to the evolution of money, which begins to come into being with the end of feudalism. If you start with the proposition that money is the root of all evil, then you are not saying very much. The fact is that the coming into being of the sale of labour-power, as opposed to slavery or serfdom - that is to say, forced labour - marked a tremendous step forward for humanity. Again the comparison would be with the Soviet Union, where there was a species of forced or semi-forced labour.

It is true that under capitalism labour is indirectly forced. Marx actually does refer to wage labour

in such terms. But it is different, in that wage labour gives the worker a degree of freedom that does not exist under the directly forced labour of feudalism and slavery. When market fundamentalists or market ‘socialists’ make such statements, they have a point in relation to the past, but not in relation to the present. However, it is certainly the case that the introduction of the market and of money represented a step forward. I did not make this up, by the way: this is what Marx argues.

In the *Grundrisse* Marx spends some time talking about the different stages of independence and he sees the introduction of money as a providing a new possibility that did not exist under feudalism. Of course, we know that such independence is limited - the theory of commodity fetishism plays a crucial role in understanding its limits. Nevertheless, the provision of money, the sale of labour-power, the possibility of the movement of labour - all that was a step forward. No-one should have any problem in making this point - after all, we also said that this progressive period has now come to an end. Marx says capital raises productivity and that is the price humanity has had to pay in order to reach the abundance required for socialism. Through money it also provides a level of independence that would otherwise not have been the case and provides a springboard effectively to go beyond that, to a society where the individual is truly free.

That is the evolutionary aspect of money, which is not usually discussed, but which I think is essential to understanding its nature. Marx discusses it in terms of a measure of value, which he separates from a standard of prices. (Obviously there is a difference between price and value and Marx went into quite some detail on why that is the case.).

Circulation

The second function of money that Marx describes is as a medium of circulation which can lead very easily into finance capital.

Marx makes a distinction between the circuit C-M-C, where commodities exchange for commodities through money, and M-C-M’, where in capitalism money is an end; in this form of circulation the beginning and end of the circuit is money, and not use values. Here money is invested, and commodities are manufactured and sold for a greater quantity of money. This process in fact remains part of the evolution of capitalism to the present day. Of course, in M-C-M’ the aim is to make money, and this may be done via raising productivity. Today, however, money can be made without doing so, although this is hardly a sudden development. Marx says in the *Grundrisse*: “The accumulation of knowledge and of skill, of the general productive forces of the social brain, is thus absorbed into capital, as opposed to labour, and hence appears as an attribute of capital, and more specifically of *fixed capital*, in so far as it enters into the production process as a means of production proper. *Machinery* appears, then, as the most adequate form of *fixed capital*, and fixed capital, in so far as capital’s relations with itself are concerned, appears as *the most adequate form of capital* as such.”¹

You will notice that Marx refers to “the most adequate form”. In other words, he was not shy about using abstract words and as a materialist he did not think one could speak of a concept playing a controlling role.

Marx goes on: “In another respect, however, in so far as fixed capital is condemned to an existence within the confines of a specific use value, it does not correspond to the concept of

capital, which, as value, is indifferent to every specific form of use value, and can adopt or shed any of them as equivalent incarnations. In this respect, as regards capital’s external relations, it is *circulating capital* which appears as the adequate form of capital, and not fixed capital.”²

Now Marx does not resolve that or go into a discussion of how it could be resolved. He says that the selling of commodities for money stands in contrast to simply trying to make money from money, from circulation. This is still adequate to the concept of capital, but now the surplus appears to leap freely from the sphere of exchange, not the sphere of production, and the capitalist gets their profit in circulation. The problem, of course, is that the profit must originate in production, from M-C. But here Marx is providing a basis to talk about finance capital as a separate entity: a part of capitalism that has broken away.

Accumulation

I say this in order to give the background to the discussion of finance capital which took place 20 or 30 years after Marx died. It is inherent in Marxist theory that the processes of production and circulation will probably break apart. But they will only break apart when the capitalist decides they just want to make money rather than do anything else. The aim, of course, of the whole process of accumulation is to make more and more money - when Marx originally referred to the power of money, he was really talking about the fact that the aim of a capitalist society is to make as much money as possible. Accumulation becomes an inherent drive within capitalism that cannot be reduced, removed or abolished. So if there is any problem in the production process, it is logical that capital would turn to the simple process of making money from money in an attempt to control the process of accumulation. And this is the third function of money: as a means of accumulation, of making more money. This is where the theory of credit originates.

Having said all that, the natural form of money would be a commodity which could itself be produced with labour-power and would therefore have its own value. And that, of course, is gold. Gold remained the basis of the world monetary system until the World War I, when Britain came off the gold standard. As you know, today there is no gold standard. There is no question that the rightwing market fundamentalists, starting under Reagan, have wanted the restoration of gold - books have been written about the importance of restoring gold in lieu of paper money.

The difference between the two is that paper money is issued by governments and controlled by governments. It is effectively a nationalised form of money. It is not a spontaneous form, as with gold. And it has all the attributes of a nationalised form - it is controlled by the government and the ruling class, but is subject, in the developed countries, to the electoral process. It is not surprising therefore that there should be a propaganda drive to remove money from this uncertainty.

No reason is ever given, by the way, why money has to be controlled by the governor of the central bank rather than being subject to a democratic process. Why it has to be run by a so-called technocrat, who is, like every other technocrat, a fully paid up member of the ruling class. This has been part of the attempt to ensure that the issuing of money is more closely controlled by the ruling class. In the absence of the gold standard there had to be a central bank and its board of governors appointed by the government in the form of a nationalised institution.

But nationalised control stands in contradiction to the nature of capitalism itself. Fairly evidently, by controlling money, the expansion or contraction of the economy can be controlled, up to a point.

Fictitious

However, this nationalised form means that money is not really money as we understood it. One cannot say that £1 is equal to so much abstract labour. It is decided by governments and whomsoever is actually dealing with the money supply - obviously too the class struggle plays an important role. We have seen in the recent period so-called ‘quantitative easing’ - the massive issuing of cash - but interestingly it has not had much effect. Which, of course, indicates that one cannot just take money out of its context. The reason why it has not had much effect goes back to finance capital: the corporations and the wealthy literally have too much money; they have nowhere to invest it. So the issuing of a lot more money can make no difference.

This is connected to an argument referred to by Marx in great detail in *Capital*: how one can relate the quantity of money to the price level and to value. Ernest Mandel pointed out that on one level Marx accepts the quantity theory of money, but on another he rejects it.³ MV=PT is the straightforward bourgeois formula for the quantity theory, where M is money supply, V is velocity of circulation, P is price level and T is transactions.

The basic idea is that one can expand M, but if V is low it will have no effect, which is actually the case today. When the velocity of money circulation is low, then one can pump in any amount of money and inflation will not result - that is standard bourgeois economics. The question is, what role does money circulation actually play in Marx’s analysis? It does not act as an independent entity, despite the insistence of bourgeois economists: it is a reflection of the economy as a whole, a second-order concept. That is why the huge input of money by governments can make no difference. It has not caused inflation, as one might have expected, because the capitalists are not investing the extra money - they are not prepared to expand.

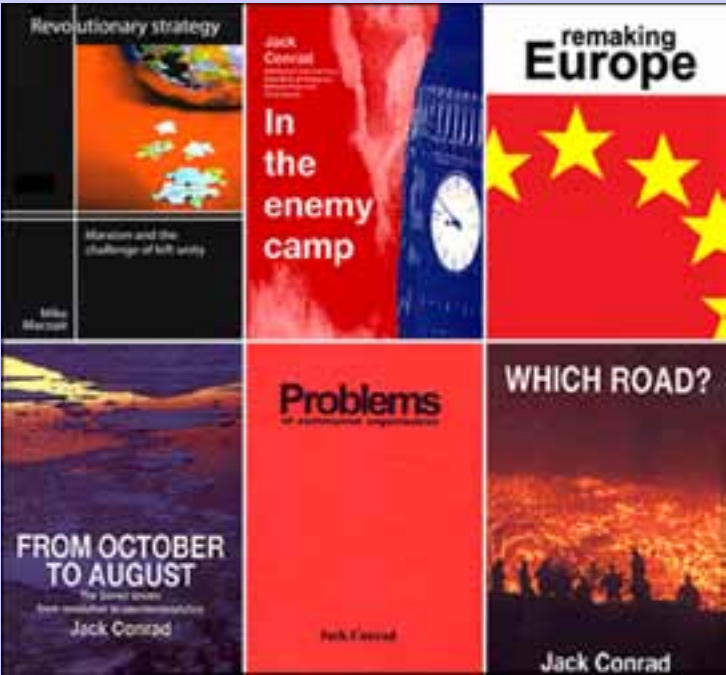
What results is a huge pile-up of money - \$25.9 trillion dollars is being held by just one bank⁴ under administration! What does one call such sums? It is money, but is it capital? Marx calls it “fictitious capital” - it proceeds through M-M’, and, since it has not gone back to value, it has not returned to exploit the worker. So in effect you have fictitious profits too. To repeat, today there is an abundance of money, as opposed to capital.

Capital is used by the capitalist class to invest, to accumulate, to make more money, to raise productivity, but none of that is happening. The bourgeoisie is just sitting on this money - and is being charged by the banks for the privilege. The result is stagnation. Money now appears to stand over society, *against* society ●

Notes

1. K Marx *Grundrisse* Harmondsworth 1973, p694: www.marxists.org/archive/marx/works/1857/grundrisse/ch13.htm.
2. *Ibid*.
3. “This does not mean that in the case of paper money, Marx himself has become an advocate of a quantity theory of money. While there are obvious analogies between his theory of paper money and the quantity theory, the main difference is the rejection by Marx of any *mechanical automatism* between the quantity of paper money emitted, on the one hand, and the general dynamic of the economy (including on the price level), on the other” (E Mandel, Internet Archive: www.ernest-mandel.org/en/works/txt/1990/karlmarx/6.htm).
4. www.bnymellon.com/about/companyprofile.html gives the figure of \$1.26 trillion under management and \$25.8 trillion under custody or administration; the latter figure is shown as \$25.9 trillion for the third quarter of 2011, however, at www.bnymellon.com/news/factsheet.pdf.

Communist
Party Books



■ **Revolutionary strategy**
Marxism and the challenge of left unity. Mike Macnair critically examines the strategic ideas of socialists since Marx and Engels. **£7.99/€9.50**

■ **Remaking Europe**
Jack Conrad argues that the working class can and must establish a fully articulated programme with a view to winning our own, social, Europe. A Europe stamped by the working class, which is ready for its domination and rapid emancipatory extension. **£5.00/€6.00**

■ **Which road?**
The programmes of ‘official communism’ were designed to serve those in the workers movement who had no interest in revolution, those who preferred compromise with capitalism rather than its destruction. **£6.95/€8.30**

■ **From October to August**
Articles by Jack Conrad, charting the rise and demise of the USSR from Stalin’s monocratic dictatorship to the twists and turns of Gorbachev’s perestroika and Yeltsin’s counter coup. Throughout the stress is on the necessity for democracy. **£6.95/€8.30**

■ **In the enemy camp**
Examines the theory and practice of communist electoral work. Particular attention is paid to the Bolsheviks anti-boycottism and their strategy for revolution. Vital for principled activists. **£4.95/€6.00**

■ **Problems of communist organisation**
What is the correct balance between democracy and centralism? Jack Conrad explores this thorny issue and shows that unity in action is only sustainable when minorities have the right to organise and become the majority. **£4.95/€6.00**

Buy all 6 books for **£30/€36** and save **£6.79/€8.10**
Delivery free within the United Kingdom

Please send me a copy of:

- Revolutionary strategy ☐
- Remaking Europe ☐
- Which road? ☐
- From October to August ☐
- In the enemy camp ☐
- Problems of communist organisation ☐

I enclose a cheque payable to CPGB for £/€ _____

Name _____

Address _____

Email _____

Send payment to: BCM Box 928, London WC1N 3XX

REVIEW

Still marching proud

David Temple **The Big Meeting: a history of the Durham Miners' Gala** TUPS books, 2011, pp243, £14.50 plus £3 p&p

James Connolly said that the cause of labour was the cause of Ireland, and the cause of Ireland was the cause of labour.

To a great extent this is also true of the politics of coal, and the position of the Durham miners within that. In times past coal, and by extension the miners and their union, was poised over the jugular of the empire and the expanding capitalist 'workshop of the world'. What miners thought and did mattered and the Durham coalfield was the epicentre of that whole strategic ensemble. Since 1871 and the first Durham Miners' Gala, through to the days when a quarter of a million miners and their families marched to *claim wa reets*, through to last July's 100,000-plus gathering, the 'Big Meeting' has always been, and remains, one of Europe's largest labour movement events. Other mining areas, of course, had galas, demonstrations, picnics or eisteddfods, but none ever compared in size or importance with Durham. It was in Durham where union and labour leaders aspired to appear - for many it was a step towards high office.

Dave Temple's book is much, much more than the story of the Big Meeting - though a comprehensive history of the event 141 years down the line had been long overdue. Dave uses the gala, the composition of the platform, the content of the speeches, the temperament of the crowd, to examine the working class movement as a whole. This is history the way we learned it - as kids, as political teenagers - from the knee, via the preceding generations and via the banners and their illustrations. Capturing moments from the past, the banners portray yesterday's leaders, yesterday's struggles, each decade and each generation adding a little more to the ongoing story: lockouts, strikes, reform, revolution. Illustrations of our work, from picks, ponies and thin seams, to massive tunnelling machines and coal cutters.

This history, like my own, I suppose, rambles, but where? Through branches and tributaries of the main path, into fascinating asides. The rank-and-file miner, the man at the pithead, not simply the leader in the suite. The bloke and his wife in the field rather than just those standing on the platform. The militant movement of miners' wives organising a county-wide boycott of butchers who put up their prices, and attacking those who defy the common cause. Explosions, disasters, pit work and crack.

The first Big Meetings predated independent working class political representation, and it was radical liberalism that often dominated the platforms. But developing from and alongside that trend were the physical-force wing of northern Chartism, standing for revolution, for passionate internationalism; and the exponents of Irish home rule, a united Poland, Garibaldi's red shirt campaign ... they too joined the voices of moderate Methodism and industrial coexistence. The first galas saw tens of thousands making their way to Durham, many marching 15 miles each way, others hiring fleets of special trains. These were real meetings, with real resolutions and speeches, and votes for and against. The crowds were so great, two platforms were organised simultaneously.

The great desire of the 1870s was

that the vindictive and rapacious coal owners would go and the mines would belong to the miners directly. At first Durham miners started to deposit large sums of money with the aim of buying the pits, and running them as cooperatives. Forty years earlier, at the dawn of the union, miners had talked of seizing the collieries and running them themselves.

By 1947, however, we had entered a 'new era', with nationalisation of the industry, a leftwing, reforming government and an end to all that had been pre-war. The CPGB spectacularly misjudged the mood of the post-war population and despite a massive growth in membership to 50,000 on the back of the popularity of the Soviet Union's contribution to defeating fascism, called for a national government under the leadership of Churchill! The masses swept him from No10, voting for Clement Attlee and 'socialism' - though it was clear something far more radical had been in the wings.

The book's chronology of speakers, each selected by ballot of the lodges, is a revelation. Charles Bradlaugh, who spoke on 11 occasions in the 1870s and 80s, was the most popular speaker of the period and darling of the gala crowds. A militant republican, atheist, champion of women's rights and an independent Ireland, he was a Liberal who passionately campaigned for land reform, and against all imperialist adventures. The far-left, radical and revolutionary wing of the Liberals easily outflanked subsequent moderate leaders of the yet-to-be-formed Labour Party. Together with Annie Besant, his comrade on the *National Reformer*, Bradlaugh was convicted of publishing material likely to deprave and corrupt in the shape of Charles Knowlton's work on birth control. Annie was a darling of the gala, despite imploring the miners to reject ruinous strikes and seek arbitration. She was the first woman invited to speak in 1884.

Joseph Cowen advocated

working class power, trade unionism, education, cooperation, internationalism - and the bomb and the gun. Prince Peter Kropotkin, Europe's most famous anarchist, was "probably the most remarkable man to speak" at the Durham Miners' Gala (in 1882). We could list name after name of Chartists and radicals (and Dave does, of course), and few platforms were without Irish home-rulers.

In 1906 the Labour Representation Committee became the Labour Party proper, and Liberals were ousted from the platform. Keir Hardie has been the patron saint of the gala and miners' banners nationwide ever since. But those elected to speak included syndicalists and communists. The invitation of communist MP Shapurji Saklatvala in 1928 reflected the great growth in membership and influence of the CPGB following the General Strike, which saw Saklatvala jailed for two months for making a speech in support of striking miners. According to the author, "When Communist Party members marched in uniform formation onto the racecourse in 1928, it marked the end of the united front tactic." Now the Labour Party was the enemy. When Peter Lee, Labour MP and much loved moderate, attempted to mount the steps of the platform, he found his path barred by uniformed CPGB members.

In 1932, despite depression, 70,000 unemployed miners and many more on short time, 200,000 marched and danced at Durham. The *Durham Advertiser* reported: "The procession through the streets of bands and banners, followed by the continual stream of humanity, of men carrying their children upon their shoulders and young men and maidens dancing gaily to the music en route, formed a spectacular that it is not soon possible to forget. All cares and worries were thrown to the wind for this one day."

There was one big change that year: the proudly displayed portraits of Ramsay MacDonald were removed from all the banners, following the

formation in 1931 of the national government headed by the Labour traitor: "Some had been painted over with the portrait of a different leader, others displayed just a blank space, while on one a white sheet had been neatly sewn to obliterate his image."

In 1947, with some former miners' leaders now in the offices of the National Coal Board, Hugh Dalton, chancellor in the most reforming Labour administration before or since, addressed a crowd of 250,000. If this was to be the dawn of a brave new world, it was met by a strange reception. Dave notes that the reporter from the *Durham Advertiser* was "perplexed" by the crowd's reaction:

"It is true the Durham miners were meeting on a day a new era is dawning, but they did not demonstrate [it]; there was no fanatical cheering when the subject was referred to. The chancellor must still be wondering why there was almost complete silence when he proclaimed slowly and deliberately, 'Today the coal mines belong to you and I'. He waited a moment or two, but there was no vocal response from the crowd, not any sound of hand clapping. This epoch-making declaration was received in stony silence."

Dave comments correctly that this was not the 'workers control' or miners' ownership we had fought for. Besides which, the self-same gaffers sat behind the self-same desks. In the words of one National Union of Mineworkers lodge in South Shields, "It is just a different play with the same old actors." Nonetheless, Aneurin Bevan spoke for many when he declared we had seen the back of the hated coal owners: "This gala marks the end of a black era and the beginning of a brighter one. Young miners need never fear unemployment again or suffer victimisation at the hands of vicious colliery owners." Just two decades later unemployment was stalking the coalfields and mines were going down like nine pins. Four decades down the line and the vicious 'black list' was back. A short time later, so were the coal owners.

Despite our cynicism at the time and now the benefit of hindsight, by the 1950s the industry had changed. Wages, conditions and especially safety were improving. Decent pithead baths and canteens, union rights and educational facilities went hand in hand with new council estates, better schools and the belief that the balance of class justice would never tip back to the dark days of the 19th century, or even the 20s and 30s. The galas reflected that optimism, and the belief that this was just the start of unending improvement, reform and redistribution.

By the end of the 50s, 'youth culture' had emerged as a distinct phenomenon and young miners embraced the rock era with a passion. The gala was described as a "teddy boys' picnic" by the local media bemoaning drunkenness and violence. As the 60s wore on, the new outrage was sex: couples in their hundreds were in the woods and on the river banks like some brass band version of Woodstock. But, if truth be known, the gala had always been a place to 'strut your stuff' - photos from the 20s and 30s show 'flappers' and the Charleston and young men in their straw boaters and Oxford bags.

We are taken via the Big Meeting

through the period when the miners storm back centre-stage in the 70s, smashing wage restraints, bringing down a government and retaking the title they were given in the 1920s as the "storm troops of the TUC". By the Great Strike of 84-85 and the final encounters at the beginning of the 1990s, the Durham miners and the Labour leadership had parted company. Neil Kinnock was the last Labour leader to address the gala in 1989 - to a crowd that simply melted away as he spoke, the contempt was so palpable. Despite the assurances of both Miliband boys that if elected leader they would be on the platform, bringing Labour back to the masses, last year Ed refused to appear unless Bob Crow was 'uninvited'. With tremendous principle the Durham miners' leaders told Ed that they did not pick the people who spoke on this platform: the miners did that and they had picked Bob.

The last pit in Durham closed in 1994 - the shafts of the giant coalfield, which still holds stocks of rich coal seams to last half a millennium were sealed and that ought to have been the end of the story. But mining is not just a job; it is not just work at the pit - mining and the miners' union is woven into the DNA of Northumbria. While old traditions, cultures, values and inspirations are swept away, hard-nosed Thatcherism is embraced by New Labour, traditional industry dies the death, union strength fades and there is no new clarity of vision for socialism, this tradition refused to die. In fact something strange started to happen. The crowds started to return, bands were revived, and banners were reconstructed, resurrected from history by new generations. The trade union movement now marches at the side of the miners - though it did not do so when we needed them most, during the decade of strikes and resistance.

Last July 100,000 people turned out at Durham, for the 144th year of the Big Meeting, ancient old banners with timeless messages were to be seen alongside union giant inflatables and modern images and flags. The big fair ground which left the scene for some years is now back, and big and scary as ever. The chip stalls still fry all day, the drink and songs and dancing are still there, and that platform is still engulfed. The crowd is still attentive, though not always quiet (it never has been), and the speakers are still looked to for inspiration and vision. Dave has done us a great service with this book, and this review could only ever touch on the depth and colour of its story.

As well as the fully comprehensive list of speakers from its inception, *The Big Meeting* also contains samples of many of their speeches. If I had one criticism. It would be the annoying lack of footnotes and individual references; only generic general source titles are offered.

This year's Big Meeting is in Durham city on July 14. The first bands will start coming in at 8.30am, so get there early! ●

David Douglass

The Big Meeting is available from Durham Miners Association: PO Box 6, Red Hill, Durham DH14BB. Cheques and POs to Durham Miners Gala Book Project.



1920s: but still huge despite destruction of mining industry

DEBATE



Marshall Plan: was it bourgeois internationalism?

Neither advocate nor oppose

What should be the attitude of Marxists to Keynesianism? **Arthur Bough** responds to Mike Macnair

In his recent two-part article on Keynesianism, Mike Macnair argues that (a) Keynesianism is inherently nationalistic, (b) it is internally incoherent, (c) it did not actually work during the post-war boom, (d) the conditions causing the post-war boom are not reproducible, and so (e) Keynesian policies cannot work today.¹

He concludes that Marxists should not support Keynesian solutions. Instead, he argues the need for the adoption of a set of minimum demands, and the rebuilding of working class organisations on a European-wide basis. Despite arguing that Keynesian/statist reforms cannot work, and that capital has no reason to concede them, he argues for raising demands for continued and expanded provision of things such as education by the state.

Inflation and wages

Mike says Keynes emphasised his agreement with the marginalists on the necessity to reduce real wages. The real question is whether it is essential to Keynes's theory, and whether the contradiction Mike feels exists is real or not. Mike is correct to say that Keynes talks about wages being "sticky downwards", and argues that a means around this is via a degree of inflation. But is this the same as arguing for a reduction in real wages? Not necessarily.

In the depression, prices fell significantly. Wages also fell, but not by as much as prices. In fact, little of that had to do with workers resisting the fall via strike action, because they were usually not in a strong

enough position to do so. Rather it was due to frictions and rigidities in the labour market. For example, employers, having trained workers, tend to hoard them and continue paying existing levels of wages where possible rather than risk losing them. There was also the fact that, during this period, in parts of the country, such as the Midlands and south-east, new industries like motor manufacture, electronics and pharmaceuticals arose which paid quite high wages to their new, relatively skilled workers. It was to get round this kind of situation that rises in inflation were intended to provide a solution.

However, this does not necessarily mean a reduction in real wages. It depends on what happens to the value of labour-power: ie, on changes in productivity and the price of wage goods.² Keynes's point is that capital needs to obtain the benefit of this change in a higher rate of profit, which can only arise if wages fall accordingly. In fact, the whole basis of Fordism, of which Keynesianism was, in a sense, an ideological reflection at the level of the state, is that it is possible to share the benefits of this higher productivity. Indeed, what Ford recognised was that, not only did raising the wages of his workers mean that he was able to retain them, having trained them, but a steadily rising standard of living for those workers was a precondition for creating the kind of mass consumer market required to absorb mass-produced consumer goods.³ The prevention of falls in nominal price levels - which is extremely damaging to oligopolistic industries - was one of the main functions of central banks, such as the US Federal Reserve, which was set up in 1913.

And, if we look at the experience of where Keynes's ideas were applied during the 1930s - in the US, during the 'new deal' - we see something very much like that. Alongside the public works programme, Roosevelt also introduced minimum wages, as well as legislation to strengthen the power of trades unions. In fact, there was nothing new in this. As Marx points out in *Capital*, even during the 19th century industrial capitalists had recognised the need for the state to protect them from themselves.⁴ That was why Wedgwood and other potters petitioned parliament to introduce a maximum working day, because competition was destroying workers.

Engels made the same points in his various prefaces to *The condition of the working class in England*,⁵ where he writes that the big capitalists became the champions of those very social democratic ideas that workers had proposed earlier in the century, that they were able to accept the costs involved in improving conditions in the factories, etc, because these were now insignificant compared with the ability to extract relative surplus value. In fact, these kinds of social democratic reforms favoured the big capitalists precisely because they could accommodate them, whereas their smaller brethren could not. It facilitated the concentration of capital. When Churchill introduced a minimum wage and wages councils in 1909, he stated: "The good employers must be protected from the bad..." In fact, it's not Uncle Joe Stalin who workers had to thank for their rising living standards in the 1950s, as Mike argues, but Henry Ford and Frederick Taylor.

Keynes believed that the deficit

spending by the state should be recovered, once full employment had been restored. In effect, what his theory amounts to is a compulsory deduction of surplus value in the short term to fund state investment, which is then recouped in the following period. That can be accomplished by various means. Unused surplus value can be taxed, or, more usually, the government can run a deficit, borrowing the difference. The additional borrowing means higher average interest rates in the longer term, which constitute a deduction from surplus value and require higher future taxes to pay back borrowing, again implying a deduction from surplus value. But, if the intervention cuts short the recession, and the destruction of capital this entails, the total sum of surplus value remains higher. This is one reason that capital is prepared to accept such a strategy during a period of long-wave boom, but why it cannot work in a period of long-wave decline.

During a period of long-wave boom, any recession tends to be seen as temporary. By intervention, the state is able to cut short the recession, because a proportion of surplus value that might otherwise have left the circuit of capital is forced back in as state investment. The incomes and employment this creates then cause firms and individuals to confirm their view that the recession is temporary. Individuals feel more confident to consume, and reduce savings; firms, on the back of rising demand, are more prepared to invest. However, in a period of long-wave decline this becomes increasingly difficult. The main reason for the conjunctural shift from long-wave boom to decline (which is not an actual decline, but only below-

average growth) is that the growth in the sphere of exchange value has slowed down.

The main driver of this is the fact that the range of industries and products that drove the previous boom have become mature. Businesses increase production, but find it more difficult to sell their products at prices that guarantee a sufficient level of profit to ensure that capital can be reproduced. In a long-wave boom, this problem is overcome by the fact that capital can move to a range of new industries and products that arise due to the innovation cycle. It can also move geographically to new markets and economies where new sources of labour-power can be exploited. But in a period of long-wave decline this is more difficult. As Marx puts it, if an additional investment of capital produces no more, or even less profit than before it was invested, then there is an absolute overproduction of capital.⁶

At the height of the long-wave boom, this is intensified by the fact that the expanded scale of production means that demand for labour-power and constant capital are at a relatively high point, thereby pushing up wages and the cost of capital. Trade within economies and between economies becomes constrained. When the state draws off surplus value now to invest, the duration of the recovery it promotes is shorter, and the strength of the recovery is diminished. Increasingly, it is the recovery that is seen to be temporary. As a consequence, any upturn in demand is seen by firms, not as a basis for renewed optimism and investment, but as an opportunity to raise prices, leaving supply at existing levels - this is facilitated the more the economy is dominated by

large oligopolistic enterprises. In turn, where the Keynesian fiscal stimulus is accompanied by an increase in money supply, this rise in prices is also a cue for workers to demand compensating wage rises. The consequence is the kind of stagflation that arose in the late 1970s.

But, even were it the case that Keynes was arguing for a fall in real wages, is this incompatible with his argument that what is required is to stimulate aggregate demand? Clearly not. If, the fall in real wages/consumption arising from that is less than the increase in wages/consumption consequent upon a rise in employment, then clearly the 'consumption' element of aggregate demand can rise, and can also stimulate further rises in aggregate demand via the multiplier in investment and further increases in employment. In fact, part of Keynes's argument, in relation to so-called "animal spirits", similar to the argument Trotsky put forward in *Flood tide*,⁷ is that this increase in employment changes both workers' and businesses' confidence and willingness to spend.

Failure?

Contrary to Mike's argument that Keynesian interventions did not work during the 1950s-60s, it is quite clear that they did. Mandel cites the comparison between the 1929-32 depression, and the recession of 1957-58 in the US. The latter lasted just a year, whilst the former lasted more than three years.⁸ As Mandel states,

An attentive study of the successive recessions since World War II permits the effects and limits of the anti-crisis techniques to be indicated clearly. They can prevent neither the outbreak of crises nor their initial gravity. But they can muffle their effects over time: ie, they can prevent their cumulative development into a 'snowball effect'.⁹

And this was confirmed after the financial crisis of 2008. That crisis was worse even than the 1929 crash, both in terms of scope and intensity. Its consequences for economic activity were equally powerful. If Mike's thesis were correct, then, just as in 1929, we would have expected to see that Keynesian intervention was powerless. But the opposite was true. As in 1957-58, a coordinated Keynesian intervention, on an international level, combined with a similar monetary intervention, ended the recession within just over a year.

But Mike accepts neither the existence of the long-wave cycle nor the fact that capitalism is currently in a period of boom. He argues that the duration of the cycle is so flexible as to mean it could just be down to fitting the statistics to meet the criteria. Kondratiev argued that the cycle lasted between 40 and 60 years, with an average of 54 years. But, as has been pointed out by others, the normal trade cycle in the 19th century varied between seven and 11 years. On a *pro rata* basis that is a greater degree of variation than that of the long wave! Mike says that proponents of the long wave do not agree on whether we are currently in a boom or downturn, but this is no argument. Marxists disagree about their definition of fascism, but that does not mean that fascism does not exist.

The simple fact is, as I have previously set out, the data quite clearly shows that we are in a period of boom, and that is quite marked over the last 10-12 years.¹⁰ If there is one piece of data I have seen recently which not only bears that out, but shows it is a boom greater than anything in previous human history, it is this. Of all the goods and services produced in the history of mankind, nearly 25% have been produced in just the last 10 years!¹¹

One requirement of any hypothesis is that it should be able to predict future events. Kondratiev argued that the long-wave boom that began in the early 1890s ended in 1914-20. On his periodisation the new boom should have begun around 1940-50. It is generally accepted that the last boom began in 1949. Similarly, on his periodisation, that boom should have ended around the mid-1970s. The 'second slump' is generally accepted as beginning with the crisis of 1974. Finally, on that periodisation a new boom should have begun around the late 1990s. I have provided data previously showing the marked change in the growth of global trade around 2002, as well as the bottoming of primary product prices in 1999, the secular rise in gold prices from that point, etc.

A look at the rise in primary product prices, from copper to food, since 1999, which long-wave theory predicts, indicates just how powerful the boom has been, and the extent to which it has created massive new demand in the global economy, as tens of millions of new workers have been created every year. The further consequence of that has been the stimulation of economic activity in primary producing countries, including the development of agricultural production in parts of Africa on an industrial scale. In the past, neo-classical economists argued, in the same way that Mike does, that crises arose due to the effects of exogenous causes. They could never explain why these exogenous causes always seemed to occur in such regular cycles!

Nationalism

On the point about Keynesianism and nationalism, I have some sympathy with Mike's argument in relation to the position of the left Keynesians. But there is no reason that Keynesian intervention *has* to be nationalistic. In fact, the adoption of Keynesian positions after World War II was far from being nationally based.

The whole basis of the new international state bodies established at Bretton Woods, such as the International Monetary Fund and World Bank, was precisely to be able to implement Keynesian intervention and regulation at an international level, primarily in the interests of the US industrial multinationals.¹² It was Fordism at an international level. On the one hand, the IMF was intended to provide liquidity, whilst the World Bank provided the basis for restructuring and investment. The strategy for economies that ran structural deficits was clear. These economies needed to restructure, in order to create a sector of the economy that was large enough to either provide import substitution or produce goods for export that would be globally competitive. That is why IMF lending was always accompanied by demands for austerity that would reduce levels of domestic consumption. One of the clearest examples of it was the Marshall Plan.

We saw something similar after 2008. Largely under the leadership of Gordon Brown, the leading capitalist states introduced massive Keynesian intervention on a coordinated, international level. All of those economies that continued this policy - including the UK into 2010 - saw their economies recover, and in the case of the US continue to recover.

If the European Union were to follow the example of the US and adopt a similar Keynesian stance, in what way would that be nationalistic? Over the last 10-20 years, the EU has developed an economic bloc with the Middle East and North Africa, (which is one of the reasons the area's growth increased significantly, creating the large middle classes in Egypt and elsewhere that have spawned the

Arab spring), and has proposed a similar Marshall Plan for that area, particularly to help secure bourgeois democracy. There seems little reason why, given the necessary political agreements, such an approach cannot be adopted across southern Europe, the Middle East and north Africa as a strategic plan for growth.

Mike argues that such a coordinated approach across Europe is not possible. It would only be possible, he says, if Europe itself acted nationally, if it adopted various protectionist measures, and if it adopted policies of "financial repression", such as controls over capital movements. In fact, we already have "financial repression" in its wider sense. That is to say, we see holders of money and money capital being prepared to deposit it in various asset classes (US and other safe-haven government bonds) or accounts (BNY Mellon), where the return on that capital is lower than the rate of inflation. They are doing so, not because of the kind of financial repression (narrow definition) that Mike describes, but simply in order to protect themselves from any large capital loss that might arise from riskier investments in a climate of uncertainty. There is \$15 trillion of uninvested money sitting on the sidelines in the US alone.

Contrary to Mike's argument, there is lots of evidence of similar situations in the past. In the early 1960s and into the 1970s, for example, many people in the UK, US and elsewhere bought houses for the first time. One of the reasons people of that generation appear to have done relatively well is precisely because the capital value of the mortgages they took out on those properties was rapidly eroded by the inflation of the subsequent period, when, although interest rates rose, they did not rise by the same amount as inflation.

What is odd about Mike's argument in this regard is that there are now so many organisations of the global capitalist class who are arguing the need for some kind of coordinated stimulus to promote growth. Mike is right to say that politicians such as all those social democrats in Britain, France, Portugal, etc, as well as Obama in the US, may not reflect the views of capital or its state. But the fact is that it has been representatives of the US state that have also made such calls to Europeans. It has been the actual bureaucrats of the international state bodies, such as Olivier Blanchard of the IMF, who have openly said that the Tories' austerity measures are counterproductive, whereas it is the political representatives of these organisations - Christine Lagarde - who have attempted to be more diplomatic. Even conservative organisations like Standard and Poor's have come out to argue that austerity measures in Europe are killing the potential for growth, which is the only means of paying down debt. I am reminded of what Marx said in the *Eighteenth Brumaire*:

The parliamentary party was not only dissolved into its two great factions, each of these factions was not only split up within itself, but the party of order in parliament had fallen out with the party of order outside parliament. The spokesmen and scribes of the bourgeoisie, its platform and its press - in short, the ideologists of the bourgeoisie and the bourgeoisie itself, the representatives and the represented - faced one another in estrangement and no longer understood one another ...

Far more fateful and decisive was the breach of the commercial bourgeoisie with its politicians. It reproached them not as the legitimists reproached theirs, with having abandoned their principles,

but, on the contrary, with clinging to principles that had become useless.¹³

And, when we come to look at the interests of the dominant sections of capital, it is not at all clear what would be gained by protectionism. After World War II, it was multinational industrial capital that was dominant, and which pressed both for increased free trade and for the establishment of more powerful international state bodies. Over the last 30 years, whilst those multinationals have located more of their production around the globe, and consequently become increasingly separated from any one nation-state, the newly powerful financial capital followed its lead, establishing banks and financial trading platforms on a global basis too. The huge profits of these companies rely on the continuation of the free-trade relations, the ability to move large volumes of capital across borders for their profits. That is not to say that there are not pressures for protectionism, but those pressures come from national electorates pressing down on politicians, from nationally based small capitalists, and from reformists and nationalists in the labour movement, who prefer to blame foreigners for their problems than to wage a revolutionary struggle against the real source of their problems, capitalism.

Programme

However, I agree with Mike that Marxists should not advocate Keynesian solutions. Our task is to show that they are capitalist solutions designed to meet the needs of capital, not workers. Moreover, under other conditions, such as those of the 1980s, such solutions cannot work for capital either. We argue for socialist solutions as the only means of providing lasting answers for workers.

But then we have a similar situation to our attitude to the EU and other such developments. Does the fact that we do not call for such capitalist solutions mean that we are opposed to them, or neutral? Clearly, the answer has to be no. If capital has a choice of adopting Keynesian solutions, which raise employment levels, and thereby strengthen the position of workers, why would we oppose that? The situation is rather like that which confronted Marx and Engels in relation to the question of free trade and protectionism. Both were strategies that capital could adopt for its own reasons under different conditions. However, that did not mean that Marxists were agnostic between the two.

As Marx says,

But, in general, the protective system of our day is conservative, while the free-trade system is destructive. It breaks up old nationalities and pushes the antagonism of the proletariat and the bourgeoisie to the extreme point. In a word, the free-trade system hastens the social revolution. It is in this revolutionary sense alone, gentlemen, that I vote in favour of free trade.¹⁴

To the extent that Keynesian measures demonstrate that, even within the confines of capitalism, there is an alternative to austerity, we should highlight that fact. To the extent that stimulus measures place workers in a stronger position, we should not oppose them. On the contrary, they can act as a basis around which to build a European-wide labour movement. They can form a basis for arguing for common rates of pensions and benefits across Europe, for common lower retirement ages, and so on. Although I believe that workers should not rely on the capitalist state and should build their own alternatives to its provision, I, of course, agree with the comment made by Werner Bonefeld that, given

the existence of these large areas of state provision, "If 'Don't rely on the state' means taking away benefits, that is not just brutal, but also profoundly disadvantageous to everybody, because it tends to drive down wages."¹⁵ But, in the same way that we do not say to workers, simply, 'Stop working for your employer and set up a co-op instead!', so we do not argue for abandoning such state provision without first establishing alternatives to it. As Marx put it in the *Grundrisse*, "As the system of bourgeois economy has developed for us only by degrees, so too its negation, which is its ultimate result."¹⁶

But, unlike Mike, I do not fetishise any of these areas of state capitalist provision. I think Marx's actual position provides us with the basis of how to develop a transitional strategy. Mike is wrong in his interpretation of Marx's position in relation to education, for example. In the *Critique of the Gotha programme*, Marx writes: "Elementary education by the state" is altogether objectionable." And, he makes clear that he is *not* simply talking about the existing Prussian state here saying, "(and one should not take refuge in the rotten subterfuge that one is speaking of a 'state of the future'; we have seen how matters stand in this respect) the state has need, on the contrary, of a very stern education by the people."¹⁷ Marx makes clear his attitude to education in the programme he wrote for the First International, and in the speech he made, cited by Mike.

Marx wrote:

The working man is no free agent. In too many cases, he is even too ignorant to understand the true interest of his child, or the normal conditions of human development. However, the more enlightened part of the working class fully understands that the future of its class, and, therefore, of mankind, altogether depends upon the formation of the rising working generation. They know that, before everything else, the children and juvenile workers must be saved from the crushing effects of the present system. This can only be effected by converting social reason into social force, and, under given circumstances, there exists no other method of doing so than through general laws, enforced by the power of the state. In enforcing such laws, the working class do not fortify governmental power. On the contrary, they transform that power, now used against them, into their own agency. They effect by a general act what they would vainly attempt by a multitude of isolated individual efforts.¹⁸

In other words, the workers obtain a law that provides them with a right - no different than the right to belong to a trade union - but, it is up to them to enforce that right by their own action. The details of the right are set out in law, which establishes the minimum requirements, curriculum etc. But, nowhere does Marx contradict himself by calling on the capitalist state to provide this education.

On the contrary, he writes, setting out the employers' responsibility for providing education:

Proceeding from this standpoint, we say that *no* parent and no employer ought to be allowed to use juvenile labour, except when combined with education ... A gradual and progressive course of mental, gymnastic, and technological training ought to correspond to the classification of the juvenile labourers. The costs of the technological schools ought to be partly met by the sale of their products. The combination of paid productive labour, mental education

bodily exercise and polytechnic training, will raise the working class far above the level of the higher and middle classes.

And, in his speech on education to the International, Marx once again indicates that it is not the state, but civil society that Marx looks to as being the actual provider of education. He describes the situation in Massachusetts:

The question treated at the congresses was whether education was to be national or private. National education had been looked upon as governmental, but that was not necessarily the case. In Massachusetts every township was bound to provide schools for primary education for all the children. In towns of more than 5,000 inhabitants higher schools for technical education had to be provided, in larger towns still higher. The state contributed something but not much. In Massachusetts one-eighth of the local taxes went for education, in New York one-fifth.

Marx’s main concern about the system in Massachusetts was that, being local, it failed to provide equal standards across society. To get round that he proposed not provision of education by the state, but only that it set national standards. He writes:

Education might be national without being governmental. Government might appoint inspectors whose duty it was to see that the laws were obeyed, just as the factory inspectors looked after the observance of the factory acts, without any power of interfering with the course of education itself.

And this education was to be limited in scope to only what could be taught without ideological bias:

Nothing could be introduced either in primary or higher schools that admitted of party and class interpretation. Only, subjects such as the physical sciences, grammar, etc, were fit matter for schools. The rules of grammar, for instance, could not differ, whether explained by a religious Tory or a free thinker. Subjects that admitted of different conclusions must be excluded and left for the adults to such teachers as Mrs Law, who gave instruction in religion.¹⁹

In all of this I think we can see just how hostile Marx was to the state (and not just the existing state), which is in stark contrast to much of today’s left. In the *Eighteenth Brumaire*, rather than looking to enhance the role of the state, he writes:

All revolutions perfected this machine instead of breaking it. The parties, which alternately contended for domination, regarded the possession of this huge state structure as the chief spoils of the victor.

The way he sets out his ideas here, I think, provides a template for the way we should design our own minimum programme: ie, to the extent that we make demands upon the state, it should be only to remove its foot from our neck, to exclude it as much as possible from interference in aspects of social life, and to create general laws that act to provide workers with a legal framework of rights within which to undertake their own self-organisation and activity.

It is around this self-activity that Marxists need to develop a transitional programme that both meets the immediate practical needs of workers across Europe, and which subverts existing property forms and relations, and which thereby creates the material conditions upon which new social relations and ideas can develop.

Cooperation

Central to this is to stop treating the working class as a victim, and return to the idea that it is a conscious agent in its own history: indeed is the revolutionary agent of historical progress. That means ceasing seeing every consequence of the contradictions of capitalism as a threat to be obstructed, and instead seeing it as

an opportunity to be seized. Capitalist enterprises that are going to be closed should not be seen as something to be saved, but as an opportunity for workers to regain the means of production for themselves. The inability of the capitalist state to provide the vital services required by the working class should be seen as an opportunity for the workers to see that they can provide these services better under their own ownership and control.

Marx recognised in his analysis of the state that it continually attempted to set itself free from civil society, and to stand over it. That is what Bonapartism is. It can only be held in check by a strong and secure ruling class. But the working class can never be in that position. In respect of the capitalist state it is an oppressed class and, even after the revolution, its position as ruling class is necessarily neither strong nor secure. By the time it is strong and secure, the need for such a state no longer exists. It can never be in the interests of workers then to make the state strong by ceding to it increasing amounts of economic power, from which it derives social and political power. Lenin seems to have realised that too late in relation to the Russian Revolution. In 1923, in his speech ‘On cooperation’, he said:

We went too far when we reintroduced NEP, but not because we attached too much importance to the principle of free enterprise and trade - we went too far because we lost sight of the cooperatives, because we now underrate cooperatives, because we are already beginning to forget the vast importance of the cooperatives ...²⁰

It is in this respect that I also think that Mike constrains the role of cooperatives by rejecting the idea that they can perform a progressive function, and be successful with the continued operation of the market. Marx, in the *Critique of the Gotha programme*, for instance, argues that it is not the existence of the market that is the problem, but the fact that the means of production are monopolised in the hands of the capitalists. In *Capital*, he argues for the gradual extension of cooperatives by the use of commercial credit. Lenin, too, in his speech above saw the market continuing for some considerable time - up to 25 years - in the form of New Economic Policy, and saw competition playing an important role, acting as a whip to generate greater efficiency, which is why he attempted to get foreign, large capitalist enterprises to invest in Russia.

It is quite possible for cooperative enterprises to compete against each other through the market and yet still develop increasing levels of cooperation between them, as I set out in ‘The economics of cooperation’.²¹ That is, through a cooperative federation it is possible for competition to drive up efficiency, with the workers of each enterprise obtaining the benefits, in part through a share of the firms’ profits. But, through a system of benchmarking and sharing of best practice, these benefits can be quickly extended throughout the cooperative sector, and can provide the basis for increasing integration of production plans, etc. In fact, for so long as these cooperatives are operating in a capitalist environment, they will have to accept the continued existence of the market, and learn to operate efficiently within it. That is all the more true, if we seek to build such a cooperative sector, and cooperative federation, on a European basis.

Conclusions

The policy of austerity being pursued by rightwing, populist governments are detrimental not just to the interests of workers, but also to big industrial capital. To the extent that industrial capital seeks instead to pursue a policy of fiscal expansion, we should critically support such a course, pointing out its limited nature, as a capitalist solution. We should raise demands that can unify workers across Europe, such as demands for equal pensions and benefits, retirement age, working conditions, minimum wages etc.

At the same time, we should raise political demands that strengthen the

position of workers to defend themselves and fight for the above. That means demands to remove restrictions on trade union activity and to provide additional rights. It means demands to extend political rights. That includes demands for consistent democracy within the nation-state, and within the EU.

But, we recognise that all of these demands are limited within the realms of capitalism. Real revolutionary change can only arise upon a change in ownership of the means of production. Until such time as the working class in its vast majority has become sufficiently class-conscious as to seize ownership of the means of production, such changes can only occur on a piecemeal basis. At every opportunity, therefore, we should encourage workers to establish cooperatives.

The recent agreement between the biggest US trade union, the United Steel Workers, and the Mondragon cooperatives to extend worker co-ops across North America, and to develop a new trade union model for co-ops, is a useful development in this direction.²² These cooperatives should be united through a Europe-wide cooperative federation. Such federations already exist, such as the International Cooperative Alliance.²³ Mondragon provides on a smaller scale the kinds of development that such a cooperative federation could achieve, and at the same time meet some of the ideas developed by Marx. Mondragon with a turnover of more than €16 billion also has its own university, its own social security scheme and provides far better pensions for its workers than any capitalist state scheme. This indicates the way, in which workers could begin to claw back the control that the capitalist state has established over these important areas of workers’ lives.

As with their activity in the trade unions, in community organisations, etc, it is necessary for Marxists to work in such organisations in order to develop them on the basis of an adequate politics, tied in to the class struggle. In order to carry out such work effectively, a fundamental requirement is the establishment of mass workers’ parties, and of a Europe-wide mass workers’ party ●

Notes

1. ‘Promoting the national economy divides workers’ *Weekly Worker* February 9; ‘Global fight for reforms’, February 16.
2. Suppose, using Marx’s notation, there is a production function such as $C\ 10,000 + V\ 1,000 + S\ 1,000 = E\ 12,000$. This gives a rate of profit of 9.1%. Assume that the 1,000 V is equal to a wage bundle amounting to 1,000 units. Now, if productivity or other factors bring about a reduction in the value of this wage bundle such that it can be produced in half the time, we would have $C\ 10,000 + V\ 500 + S\ 1,500$. Here nominal wages would have fallen by half, but the real wage would have remained the same: it would buy the same 1,000 units.
3. So, if we then had, $C\ 10,000 + V\ 750 + S\ 1,250$, real wages would have risen, whilst the rate of profit would also have risen to 11.63%. It would be quite possible to achieve these value relations without nominal wages falling from 1,000 to 750, through an appropriate level of inflation.
4. www.marxists.org/archive/marx/works/1867-c1/ch10.htm#82.
5. www.marxists.org/archive/marx/works/1892/01/11.htm.
6. www.marxists.org/archive/marx/works/1894-c3/ch15.htm.
7. www.marxists.org/archive/trotsky/1924/ffyci-2/06.htm.
8. Comparing just the first nine months of each crisis shows the difference. Giving the 1929 figures first, we find: Employment -6.5%, -4.2%; GNP -5.5%, -4.1%; Industrial production -15.9%, -13.1%; Volume of retail sales -6.1%, -5.1%; Orders for durable goods -26.5%, -20% (E Mandel *The second slump* London 1976, p63).
9. *Ibid*.
10. ‘The crisis is financial; it is not economic’ *Weekly Worker* October 13 2011.
11. Payden and Rygel ad on CNBC.
12. <http://boffyblog.blogspot.com/2009/04/imperialism-industrialisation-trade-and.html>.
13. www.marxists.org/archive/marx/works/1852/18th-brumaire/ch06.htm.
14. www.marxists.org/archive/marx/works/1848/01/09ft.htm#marx.
15. ‘The ordoliberals and Adam Smith’s invisible hand’ *Weekly Worker* February 23.
16. www.marxists.org/archive/marx/works/1857/grundrisse/ch14.htm.
17. www.marxists.org/archive/marx/works/1875/gotha/ch04.htm.
18. www.marxists.org/archive/marx/works/1866/08/instructions.htm#04.
19. www.marxists.org/archive/marx/iwma/documents/1869/education-speech.htm#462.
20. www.marxists.org/archive/lenin/works/1923/jan/06.htm.
21. <http://boffyblog.blogspot.com/2009/03/economics-of-co-operation-part-1.html>.
22. www.usw.org/media_center/releases_advisories?id=0234.
23. www.ica.coop/al-ica.

What we fight for

■ **Our central aim is the organisation of communists, revolutionary socialists and all politically advanced workers into a Communist Party. Without organisation the working class is nothing; with the highest form of organisation it is everything.**

■ **The Provisional Central Committee organises members of the Communist Party, but there exists no real Communist Party today. There are many so-called ‘parties’ on the left. In reality they are confessional sects. Members who disagree with the prescribed ‘line’ are expected to gag themselves in public. Either that or face expulsion.**

■ **Communists operate according to the principles of democratic centralism. Through ongoing debate we seek to achieve unity in action and a common world outlook. As long as they support agreed actions, members have the right to speak openly and form temporary or permanent factions.**

■ **Communists oppose all imperialist wars and occupations but constantly strive to bring to the fore the fundamental question - ending war is bound up with ending capitalism.**

■ **Communists are internationalists. Everywhere we strive for the closest unity and agreement of working class and progressive parties of all countries. We oppose every manifestation of national sectionalism. It is an internationalist duty to uphold the principle, ‘One state, one party’. To the extent that the European Union becomes a state then that necessitates EU-wide trade unions and a Communist Party of the EU.**

■ **The working class must be organised globally. Without a global Communist Party, a Communist International, the struggle against capital is weakened and lacks coordination.**

■ **Communists have no interest apart from the working class as a whole. They differ only in recognising the importance of Marxism as a guide to practice. That theory is no dogma, but must be constantly added to and enriched.**

■ **Capitalism in its ceaseless search for profit puts the future of humanity at risk. Capitalism is synonymous with war, pollution, exploitation and crisis. As a global system capitalism can only be superseded globally. All forms of nationalist socialism are reactionary and anti-working class.**

■ **The capitalist class will never willingly allow their wealth and power to be taken away by a parliamentary vote. They will resist using every means at their disposal. Communists favour using parliament and winning the biggest possible working class representation. But workers must be readied to make revolution - peacefully if we can, forcibly if we must.**

■ **Communists fight for extreme democracy in all spheres of society. Democracy must be given a social content.**

■ **We will use the most militant methods objective circumstances allow to achieve a federal republic of England, Scotland and Wales, a united, federal Ireland and a United States of Europe.**

■ **Communists favour industrial unions. Bureaucracy and class compromise must be fought and the trade unions transformed into schools for communism.**

■ **Communists are champions of the oppressed. Women’s oppression, combating racism and chauvinism, and the struggle for peace and ecological sustainability are just as much working class questions as pay, trade union rights and demands for high-quality health, housing and education.**

■ **Socialism represents victory in the battle for democracy. It is the rule of the working class. Socialism is either democratic or, as with Stalin’s Soviet Union, it turns into its opposite.**

■ **Socialism is the first stage of the worldwide transition to communism - a system which knows neither wars, exploitation, money, classes, states nor nations. Communism is general freedom and the real beginning of human history.**

■ **All who accept these principles are urged to join the Communist Party.**

office@cpgb.org.uk

Become a
Communist Party
member

Name _____

Address _____

Town/city _____

Postcode _____

Telephone _____ Age _____

Email _____ Date _____

Return to: Membership, CPGB, BCM Box 928, London WC1N 3XX

Printed and published by: November Publications Ltd (07950 416922).
Registered as a newspaper by Royal Mail. ISSN 1351-0150. © March 2012

weekly worker

No to unpaid 'work experience'

A small victory against workfare



Slave labour: bad for image

Government ministers have gone into denial after their February 29 humiliating workfare climbdown. In the morning Iain Duncan Smith, work and pensions secretary, was insisting that "The kids love it, the public love it, companies love it and we love it." Protestors against the 'work experience' scheme were dismissed as mere anarchists and job snobs. Come the afternoon, though, the government announcement that those leaving the *hated* scheme would no longer face an automatic loss of benefit.

The fact of the matter is that the "kids" do not love workfare and nor does the "public". As for the companies (and charities), they increasingly found themselves embarrassed. Being associated with *forcing* young people to work for nothing for eight weeks without any guarantee of a job risked damaging, destroying their hugely expensive reputations as caring, sharing capitalists. Hence the decision by Tesco and others to distance themselves.

However, while we have scored a small victory, the 'work experience' scheme remains intact. Of course, government ministers, Tory and Liberal Democrat, make a song and dance about getting young people used to self-discipline, getting up on time and dressing smartly. But for what? The unemployed are being told to work up to 30 hours a week, all the while surviving on their Job Seekers Allowance (plus travel costs). As if surviving on an increasingly meagre dole (while inflation continues to rise) is not hard enough on its own, the coalition government still expects young people to present themselves as an exploitable commodity.

So far the schemes have been

limited in scope. They are 'optional' for those aged 16-24; not that this is always made clear. Any older and you may be unlucky enough to qualify for Mandatory Work Activity: six to eight weeks unpaid labour, with 'non-compliance' rewarded with the removal of benefit for 13 weeks - 26 weeks if the generous offer is refused a second time. Tens of thousands have already been through this programme. The trajectory of the attack is clear: a move to a welfare system in the style of the United States, with benefits time-limited, and contingent on doing what the government damn well tells you.

Such an outcome would lead to a further weakening of working class organisation in Britain. The struggle

of the unemployed and precariously employed to just survive would be so tough as to make political and even trade union commitments very difficult. Unions organising the unskilled and semi-skilled will tend to become even more sectional under these circumstances - concerned with protecting their current members' interests, as against those of the competition from the swelling ranks of the unemployed.

Doubtless, there is a desire to aid small and medium enterprises that participate - providing unpaid labour to help boost their meagre turnover. No doubt some will take advantage, but it is hardly likely to yield much. Slave labourers have no incentive whatsoever to carry out even simple,

unskilled tasks diligently, efficiently and fully. For many companies such schemes are more trouble than they are worth - diverting supervisory staff to oversee work of dubious value.

But crucially there is the politics of reputation. Last week Tesco was found advertising one of the unpaid placements at a branch in Suffolk - on the Jobcentre Plus job search website. Effectively rubbing salt into the wound of those looking for an actual, proper job - one where you got paid and stuff. The Twittersphere went crazy, and the discovery prompted the Socialist Workers Party to hold a protest at a London branch of Tesco under the banner of Right to Work.

Within a short time dozens of companies, having agreed to give

16-24-year-olds 'work experience', were having second thoughts - especially when it was revealed that those who dropped out after the first week of their placement (up to eight weeks) would be docked two weeks benefit as punishment. This was hardly the kind of publicity that firms like Waterstones, Maplin and Burger King were looking for. Giving youngsters a helping hand as they enter the world of work is one thing. But being condemned for first exploiting them and then leaving them penniless is quite another.

The media actually showed up to the actions organised by RTW. On one level the SWP was lucky - it regularly pulls such stunts to keep the morale of the troops up. But one can hardly begrudge the comrades their moment in the limelight or the role they have played in highlighting these attacks. The Tories, of course, were quick to dismiss RTW as a front for the SWP (an allegation not entirely without foundation) and congratulated themselves on avoiding the political argument. Granted, when the bosses of that temple of human advancement, Poundland, were calling the scheme "unethical", the balance of the argument is kind of tilting in your favour. And scores of other companies began pulling out, foreseeing a PR disaster.

Not that we should be uncritical. The SWP's message has left something to be desired. To say the least. Placards emblazoned with the demand, "A fair day's work for a fair day's pay", actually buttress one of the central planks of the ideology of capitalism. Of course a "fair" day's pay, if it is to mean the worker getting the full value of their labour, is something we know to be impossible under *any* mode of production. And a "fair day's work"? By most people's definition, eight hours a day is still too bloody long.

More importantly, what we Marxists fight for is an end to wage-slavery - the condition where the mass of the population present themselves to capital as owners of nothing but their ability to labour ●

Laurie Smith

Subscribe here

UK subscribers: Pay by standing order and save £10 a year. Minimum every 3 months... but please pay more if you can. Your paper needs you!

Standing order

	6m	1yr	Inst.
UK	£25/€28	£50/€55	£200/€220
Europe	£30/€33	£60/€66	£240/€264
Rest of world	£60/€66	£120/€132	£480/€528

**New UK subscribers offer:
3 months for £5**

Name _____

Address _____

Post code _____

Email _____ Tel _____

Send a cheque or postal order payable to 'Weekly Worker' to:
Weekly Worker, Box 928, London WC1N 3XX, UK.

I enclose payment:

Sub £/€ _____

Donation £/€ _____

Total £/€ _____

Date _____

To _____ Bank plc _____

Branch Address _____

Post code _____

Re Account Name _____

Sort code _____ Account No _____

Please pay to **Weekly Worker**, Lloyds TSB A/C No 00744310
sort code 30-99-64, the sum of £ _____ every month*/3 months*

until further notice, commencing on _____

This replaces any previous order from this account. (*delete)

Signed _____ Name (PRINT) _____

Date _____ Address _____