

AURORA

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Affiliate of the Internationalist Communist Tendency

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Faced with Crisis, Exploitation and War:

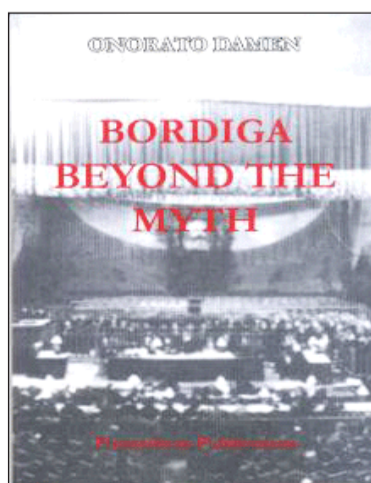
It's Time to Organise

We live in an increasingly dangerous world. Capitalism is in its deepest crisis for 80 years. The falling rate of profit has led to a worldwide stagnation in investment. Its effects are visible everywhere. At the same time the ecological destruction of the planet increasingly threatens the future of life on earth itself.

Around the world, governments relentlessly attack working class living standards in a futile attempt to reduce the debt burden called forth by financial speculation. Simultaneously, the economic crisis has led to acts of aggression and military threats in many regions of the globe. Whether in the South China Sea, the Middle East or Ukraine — everywhere the imperialist powers are flexing their muscles in anticipation of an open conflict.

War and Growing Barbarism

It appears that we are in an embryonic phase of a global war where the front line of the imperialist conflicts runs through every location, as the bombings of the last few months in Brussels, Baghdad, Beirut, Istanbul and Ankara have shown. The terrorism of Islamic fundamentalism is an expression of the conflict between imperialist powers, and/or those who want to become such. Initially sponsored and supported by the USA against the Soviet Union and certain Arab nationalist regimes, IS then found favour with the oil monarchies of the Arabian Peninsula and enjoyed the silent complicity of Turkey. Nevertheless, it escaped the control of its backers and now plays its own game on the international



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chess board.

Today, IS is the central reference of all the fundamentalist forces. It may be conducting an asymmetrical war, but the same logic lies behind the bombs of ISIS as its "Western" enemy. While the latter butchers defenceless shepherds and peasants with the most modern weapons of warfare, IS busies itself in killing defenceless people on their way to work by using more rustic brutal methods.

However, the aim and content are the same. The sole difference is that one side hides its aims behind affirmations of democracy, while the other relies on an especially reactionary and obscurantist version of religion. But these are merely two sides of the same coin. Both are based on the exploitation and holding down of the working class. In the particular shape of Islamic fundamentalism this is achieved by resorting to mediaeval forms of repression.

Yet even though Islamic fundamentalism stinks of putrefaction, it finds sympathy among proletarianised immigrant youth. Growing up in the miserable suburbs of big cities, exposed to almost daily racist discrimination, they live a precarious existence characterised by unemployment and low-wages.

It is a bleak life, without hope of change. The legacy of state capitalism, which, to the joy of all reactionaries, masqueraded as "communism", and the bourgeoisie's massive propaganda campaigns have led to all kinds of mystifications and confusions. Social dissatisfaction and frustration are deep-seated, but for many people an alternative is scarcely imaginable, let alone tangible. The "Arab Spring", which initially stirred great hopes, led to no positive change. In this climate of socially empty existence, powerfully-funded fundamentalist propaganda found fertile ground amongst some youth. The prospect of a life once more given meaning, albeit an outrageous and destructive one as cannon-fodder (against themselves and others) for the economic and strategic interests of one of the most reactionary segments of the world bourgeoisie. This dramatically shows how, given the absence of an organised political reference point in the working class, the anger of broad parts of the proletariat can be seized by the bourgeoisie and used against the proletariat inside intra-bourgeois conflicts.

War, Misery and Migration

War increases the importance of an essential aspect of proletarian existence which has always been there: migration. Throughout the entire history of its development, the working class has been a class of migrants, a class of people who have been forced to leave their homes to sell their labour-power wherever capitalism needed it. This was, and is, the only alternative to hunger and misery in a social system where only submission to a merciless law of profit makes life possible.

In addition to these "traditional" migrants there are the millions of people who are trying to flee horrific imperialist wars. They end up in the hands of unscrupulous human traffickers. If they make it to the "rich" countries, they are forced to work in those sectors where exploitation is particularly brutal, wages exceptionally low and working conditions especially hard. They are held hostage by racist residence conditions, which are a powerful weapon in the hands of the employers, keeping the migrants down and weakening the ability of the class as a whole to fight. For this reason, a few capitalists play the humanitarian and welcome the migrants. By contrast, others — who, of course, do not reject the exploitation of migrants — make a scapegoat of them for social misery. Their strategy is to fuel the widespread anxiety and hysteria in society, including amongst the working class, who are unsettled by the crisis and, who, because of the lack of a tangible political and social alternative, are completely disorientated. In this situation, it is not difficult for right populists, nationalists and neo-fascists to unleash propaganda against "migrants" and "Moslems", typically depicting them as enemies of national culture and values. It is a trap, which too often works perfectly, especially in these economically distressed times with their great social dissatisfaction and political confusion. Divide and rule — this has always been an essential organisational principle of capitalist society.

Imperialist War or Proletarian Revolution?

Whether fully employed, in precarious part-time work or unemployed,

we know from our daily experience as workers how the ruling class, tries to put the brakes on the crisis of their system. Reduced production costs for the capitalists transfers into wage workers' insecurity, 'flexibility', redundancies and mass unemployment, greater competition for jobs. It means the transfer of production to where labour-power is cheaper, cuts in pensions and public spending, in education, in public health services and in public commuter transport. In short, cuts in indirect and deferred wages, where these still exist. So far, though, this class war of the rich has not yet called forth an adequate response of the working class.

Meanwhile, increasing financialisation of the economy, reflected in unprecedented financial speculation, is at once a symptom of the great problems facing the world economy and an attempt to circumvent them. They would have us believe that money can be made out of money, and the production process can be omitted.

The enormous wealth accrued in tax havens on the one hand, and the brutal intensification of exploitation on the other, together expose the corrupt and grasping character of capitalism. In this context, the continual dismantling of social provision and increasing ecological destruction of resources makes one thing completely clear: the further existence of capitalism is incompatible with the survival of the working class, and even humanity and the sheer existence of this planet.

Our chief enemy is in our own country! It is the bosses and capitalists at home who are exploiting us and burdening us with a life in misery. But every state, every nation, any political entity which at all participates in war and/or the preparation for future wars, is also our enemy. For the working class there is only one way out of the fateful spiral of crisis and war — rejection of every nationalist ideology in favour of international solidarity, and the common class struggle for our own interests. In short, the only war worth fighting is the class war against the exploiters. Our fight is for a society without exploitation, repression and racism. A society where the means of production are socialised and are no longer in the hands of state or private capitalists. A society where production and distribution are in harmony with humanity and nature, in which

"the free development of each is the condition for the free development of all."

Towards a World Working Class Party

Capitalism is a global system and can only be fought and overcome internationally. This demands an organisational framework, the construction of a political organisation with an international structure and roots. Such an international and internationalist communist party cannot be an instrument of domination, and definitely not an electoral machine. It is, though, a place for political clarification and the point of departure for the attack on the ideology, political rituals and political forms of this society. Without a communist programme anchored in the class, every strike, every revolt, every uprising will inevitably be absorbed by the forces of this society, as the experiences of recent years have shown only too well.

The working class has no fatherland and the same is true for the organisation of communists. The first step towards a real break with capitalism starts with the international political re-groupment and organisation of revolutionaries. The ICT's goal is to contribute to this process. We do not claim to be the "Party" or even the only kernel of one but we believe we have a major contribution to make along the lines of the theoretical and political acquisitions of the Communist Left which has guided our analysis and our involvement in the class struggle. Our strategic goal now is to make a start and to break the present condition of isolation and fragmentation of internationalist forces. Capitalism dominates the entire planet and penetrates every domain of life. But this domination can be challenged if we understand how to deploy, in the daily struggles against the state and capital, that weapon that is necessary to resist the rule of bourgeois ideology: a world party of socialist revolution. It is time to organise!

Statement of the Internationalist Communist Tendency

Distributed in the UK, Italy, Germany, Canada, USA for May Day 2016

The Panama Papers: The Real Scandal is Capitalism

Remember “we are all in it together”? This was the British Prime Minister’s arrogant claim that people like him were suffering as much as the working class from the crisis. It appears he has now got a new version. When he got up in the House of Commons to justify why his father had set up a shell company, Blairmore Holdings to avoid paying inheritance tax, his main argument was that “everyone’s doing it” – even though most of them don’t know it. Listing all the financial vehicles using offshore accounts he finally pointed to employee pensions funds and (to Tory titters) trade union pensions funds (for their officials, not their members).

So that’s alright then. Except there is a difference. Most of those he sought to hide behind don’t, or rather did not, know what goes on in the realms of global finance. He does. And he and the rest of the capitalist class have the power to alter the rules of the game to suit themselves. In fact, so much so, that his Government has been blocking EU Commission plans for a blacklist of tax havens (half of which are in British Overseas Dependencies) for six years. In 2013 Cameron personally wrote to Rompuy (then President of the European Council) to ask him to exclude the sort of trust his father set up from any legislation.

Cameron is not the only leader caught up in the Panama Papers revelations. These are 11.5

million documents leaked to a South German newspaper who distributed them around over 400 investigative journalists for analysis. They found that 72 former or current world leaders have used offshore accounts not just for good old “honest” tax evasion but also for money laundering and bribery. So far the only one forced to resign is the Icelandic Prime Minister.

The Luxleaks in 2014 revealed that no big multinational company paid anything other than a pittance in taxes in Europe as their headquarters were in Luxemburg. One of the most well-known cases is that of Vodafone. It avoided tax of £6 billion in the UK as its profits were registered with a subsidiary in Luxemburg. When the UK Government finally cornered them Vodafone offered to pay £1.2 bn over 5 years and this was accepted as a “good cash settlement”. Apparently this was due to fatigue on the part of HMCR (the tax bureaucracy) as they are fighting nearly 200 other cases against companies that can marshal armies of lawyers to delay payment. It’s another case of if you are a big capitalist concern you are beyond the laws designed for mere citizens.

Although, as Cameron hastened to tell us, there is nothing illegal in setting up an ‘offshore’ account for a company or trust as long as the directors are not ‘resident’ in the country where taxes should be paid.

The company pays local taxes but these are minimal or non-existent. No surprise then to find that \$7.6 trillion or 8% of all the world’s financial assets are held in offshore funds. All British property deals over £180 million in value ended up in the accounts of offshore companies.

If you want evidence that the modern capitalist state is at the beck and call of the capitalists have a look at the US. In the post-war boom US companies paid an effective tax rate of 40-45% of profits. But with the crisis brought about by the falling rate of profit states began to lessen their tax burden in order to boost profits. By the 1990s the effective tax rate for US top corporations had fallen to 30-35% and has been falling ever since. In the US firms survive on Federal Government contracts then go park a chunk of the profits from those contracts in offshore funds. The 60 top US companies shift 40% of their profits this way.

Even if they shut all the offshore accounts it would not drastically alter the problem. Those accounts exist because governments allow them to exist and have until the latest Panama Scandal ignored them as part of the system. The only reasons we are getting calls for reform and closing the tax loopholes are because the whole world now knows (if it did

not before) that the system operates only for the profitability of the few. It is the same few who control the planet’s destiny. Even without tax havens the world’s governments (of all shades of opinion) will still be competing for inward financial investment by cutting taxes for the big firms. Osborne has already announced corporation tax of just 17%, the lowest in the G7. It is not just offshore companies that want shutting down. It is the entire capitalist system.

Thanks to Our Supporters

Aurora is written and distributed voluntarily by people who are committed to the struggle for a new and better world. But it does cost money to print and package. We would like to thank everyone who has contributed one way or another – whether by suggesting improvements to articles, helping with distribution, and not least by financial support which is always welcome!

What We Stand For

The Communist Workers’ Organisation is the British affiliate of the Internationalist Communist Tendency (formerly the IBRP). Our Italian sister group, the Internationalist Communist Party, was formed in 1943 as the only organisation to oppose all sides in the Second World War in the name of working class autonomy. Today we have groups of comrades in several countries round the world.

We stand for a global society in which production is for need and not profit (and is therefore sustainable), where the state, national frontiers and money have been abolished, where power is exercised through class-wide organisations like workers councils. It is a society which can only be created through the activity of millions of human beings. Only such a society can rid us of the capitalist offspring of poverty, hunger, oppression and war: We call it communism but it has nothing in common with the Stalinist state capitalism of the old USSR.

In order to get there we are working to create a world proletarian political organisation: a ‘party’ for want of a better word. This organisation is not a government in waiting. It does not rule but it does lead and guide the struggle for a new world. The ICT by no means claims to be that party but only one of the elements which will come together in its formation. As the working class is more and more faced with the consequences of a crumbling capitalist system it will have to unite and confront capitalist power. The ICT is not in competition with other genuinely working class organisations but seeks to unite on a clearly agreed political programme to prepare the way for the majority of the world’s population, the exploited of the earth, to overthrow the capitalist system and its bloody imperialist appetites.

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The Minimum Wage Con-trick

For the likes of Terra Firma, a debt-fuelled private equity firm run by Guy Hands from his tax haven in Guernsey, the rise in the minimum wage threatens the viability of its Four Seasons Care Homes. This is the biggest group of homes for the elderly in Britain but exists for nothing more than financial speculation. Terra Firma used borrowed money to take over the care homes from the Royal Bank of Scotland in 2012 and ever since has been trying to prove to it can turn a profit for the speculators. Four Seasons itself is a murky entity consisting of 185 companies in 15 tiers, registered in multiple jurisdictions including the UK and many tax havens. It also manages to pay no corporation tax. In fact, of course, the main source of Four Seasons revenue is the state. From the standpoint of the like of Guy Hands paying your workers a ‘living wage’ means reducing the financial flow to investors. Isn’t it obvious which is more important?

What is not obvious is the dramatic impact ‘bumping up’ the minimum wage from £6.70 to £7.20 an hour has made to the 1.8 million people, mainly women, some of them care

workers, whose lives changed at the beginning of the new financial year. And, wait for it, no less a body than the Institute for Fiscal Studies points out that, despite the headline wage increase lower-income families are set to become poorer. Why?

It’s the cuts, stupid. Don’t be misled by Ian Duncan Smith’s resignation, by 2020 the government aims to have cut in-work benefits and tax credits to the UK’s poorest households by the sum of £12bn. But don’t just take our word for it:

By 2019, when most of the government’s planned welfare cuts will have been made, the average household in this position will have gained an extra £198 thanks to the national living wage.

However, they will have lost £754 a year in benefits, according to the IFS, leaving them facing an annual net loss of £556.

The sums are even worse for low-income households with children. Although the living wage stands to make them better off to the tune of £172 a year by 2019, the IFS estimates that they will have lost £909 from benefit and credit reductions, making an annual net loss of £737.

*These lower earners are losing out, the IFS reports, from measures including a four-year freeze on most working age benefits and tax credits, and a cut to “the generosity of the benefit and tax credit system for those with more than two children.” [Naomi Rovnick, ‘The National Living Wage’ *Financial Times*, 30.3.16]*

The hypocrisy about rewarding hard-working families is glaring. This toying with people’s lives is the result of the state’s attempt to reduce its debt burden and preserve the financial architecture of corrupt and rotten capitalism. Osborne has also calculated on extra tax receipts derived from the so-called national living wage. Whichever way you look at it, it’s the poorest members of society who are once again going to pay.

For more on the continuing impact of state spending cuts on working class lives read:

UK Capital ... New Pain for the Working Class <http://www.leftcom.org/en/articles/2016-04-19/uk-capital-%E2%80%93-new-steps-new-drama-new-pain-for-the-working-class>