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1905: Forerunner of World Revolution



A World on Fire

**Syria: Another Step on the
Road to a Third World War**

**Capitalism's Economic
Foundations [Part Six]**

**Understanding Marxism,
Capitalism and Socialism**

Revolutionary Perspectives

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A World on Fire

As the troubled year of 2024 drew to a close, Pope Francis threw open the holy doors of Rome's four basilicas on Christmas Eve, and declared 2025 would be a year where "hope does not disappoint", a "year of jubilee". Yet it is difficult to see what most people have to be jubilant about, especially for those in the world's multiple war zones where the notion of "jubilee" can only be a bitter irony since the origin of the word comes from the Hebrew for the ram's horn (jobel) that announced the start of a jubilee. In the Bible, these "occurred every 50 years and involved the cancelling of debts, a period of rest for people and the earth, and land being restored to the landless".¹ Not much hope of any of that, least of all for the Palestinians. Rather the contrary as the Zionist project of the current Netanyahu government is intent on driving them out of both Gaza and the West Bank (which Israel continues to colonise in defiance of UN resolutions).

However, since it was the season of "goodwill to all men (and women)" even that mouthpiece of Mammon the *Financial Times* joined in the pious hoping on Christmas Eve. In this case the editors sounded more than a touch desperate.

... hope is desperately needed today — by all of us after these past few years of crisis, epidemics, and wars, but above all by those trapped in unjust imprisonment, abuse and bombardment, including in the region of the biblical nativity itself. There may seem scant place for hope in situations today, such as the conflicts in Gaza, Sudan and elsewhere, where even the birth of a child brings the danger of present tragedy rather than the promise of future flourishing. And yet there is no

*alternative.*²

This plea seems to recognise that the world enters 2025 a more dangerous and confusing place than ever but without really understanding why. As we have had cause to note before, there are already over 50 wars going on around the planet, each of them accompanied by indictments from human rights' organisations, and charities like Medecins Sans Frontieres, of "crimes against humanity" (rape, torture and cold blooded murder being at the top of their lists), "genocide", and/or "ethnic cleansing". We leave it to the aficionados of international jurisprudence to fight those battles out amongst each other. For Marxist revolutionaries, these atrocities are the product of the kind of wars that imperialist conflict has brought us for over a century. Wholesale massacres of civilian populations are not new. They occurred in the colonial wars of European conquest before the First World War from India to Namibia, and later gave us the Holocaust and the carpet bombings of the Second World War, which culminated in the calculated terror of the death camps and the atomic bombs on Hiroshima and Nagasaki.³ They are part of the very nature of capitalist war in the imperialist epoch.

However, what has become clearer over the last 3 years or so is that the world is now sliding little by little towards a third all-out war of incomparable danger to humanity. In fact this was already our unavoidable conclusion before the war between NATO and Russia broke out in Ukraine in 2022.⁴ We have not arrived at this perspective through political guesswork but by following up Marx's analysis of the development of the capitalist system based on his insights

into capitalism's inbuilt tendency to crisis. Today these periodic crises are now no longer susceptible to purely economic solutions. To explain this, we embarked on the series on Capitalism's Economic Foundations where we have updated our earlier work from the 1970s to include the main economic aspects of the evolution of today's long-running crisis. The final instalment in this series demonstrates how the long and unresolved stagnation of capitalism since the Bretton Woods agreement collapsed (1971-3) has created the imperialist tensions which once again threaten a new world war. We now have arrived at a point where heightened imperialist rivalries have reached a level not seen since before the Second World War. The stakes are now too high in the imperialist game. As the massacre in Gaza and the war in Ukraine both show, there is no possible compromise position. Today's wars, like the First and Second World Wars, are now 'total' in that they are not just about line-ups at battlefronts but engulf the entirety of society, silencing voices of dissent whilst overwhelming the domestic economy and much of the citizenry. For Russia, its aggrandisement towards Ukraine is a 'natural' response to NATO encirclement which has proceeded inexorably since the collapse of the Soviet Union. For the USA, the war in Ukraine has been very useful in bringing its lukewarm allies into line in light of the coming confrontation with their real global rival, China. In the run up to the Ukraine war, the USA had unintentionally gradually been creating an informal alliance of the powers they had invoked economic sanctions against, viz. Iran, Russia and China. Though not military actions, these economic measures were also imperialist acts of war which have had the result of consolidating cooperation between the three Eurasian powers (despite their different immediate interests), thus dividing

the world into two armed camps.

Indeed, had Iran faced Israel and the USA on its own it is likely that it would have been forced to capitulate to them. As it is, the war in Gaza has found Iran in a position of economic and social weakness and neither Russia nor Iran were in a position to prevent the Turkish backed overthrow of the Assad regime in Syria. What this latest episode shows, as we explain in the article on the world situation, is that the fronts of war are joining up and that the imperialist picture is constantly shifting and will continue to shift. Whilst Iran, Russia and China have had a setback in Syria they are making gains across Africa, especially the last two across the Sahel where the Europeans and US have been forced to retreat. Iran's loss in Syria was even more acute given that it has come alongside the reduction of Hezbollah and the continuing annihilation of Hamas in Gaza. However, even if the Netanyahu government can feel really "jubilant", the situation for the world could become yet more dangerous. If, for example, Iran should turn its efforts to achieving nuclear parity with Israel, the US could sanction an attack on Iran's nuclear facilities.

In this situation we need to put our trust in more than the pious "hope". A world controlled by plutocrats like Musk and Trump and all the media monopolists offers us no future. The megarich who control the means of reproduction of ideas use them to sell their imperialist propaganda, saturated in xenophobic nationalism. For a population which has seen its standard of living stagnate for 40 years their "solutions" are easy to understand. It has to be "the other", whether "migrants" fleeing the death and destruction of existing wars or "China" who are to blame — not a capitalist system which has led to a huge concentration of wealth in the hands of a few billionaires whilst even in "rich"

countries millions are kept destitute, as in the UK for example where over 9 million people sought help from food banks last year.

We cannot rely on hope alone but on the rational conviction that around the world there is one class which is universal and which shares the common experience of exploitation. At the moment the working class is not in great shape after forty years of attacks which have reduced its living standards and its organisational capacities. However the system cannot do without our labour (see the review of Richard Wolff's book in this issue) since that is the source of its profits. The working class has been written off as a revolutionary force many times but has then fought back to confound the critics. As a reminder of that we are presenting leaflets, translated for the first time, from the 1905 Revolution in the Russian Empire. This was not only the first large-scale class movement since the Paris Commune of 1871 but also came out of a war (between Japan and Russia, which had started 6 months earlier). Its consequences were to lower living standards and led to the first demonstration on Bloody Sunday (22 January 1905). Despite its unpromising roots it went on to threaten the rule of Tsardom right across the Russian Empire and of course was an inspiration for the next revolution provoked by war in 1917. Today, when at least 60% of the world's workforce are classed as 'precarious', i. e. with no or limited legal rights, much less a guaranteed minimum or other wage, the situation of the whole world working class increasingly resembles the ludicrous dichotomy of wealth within old Russian Tsardom.

Notes:

1. This succinct summary comes from the Catholic charity CAFOD at <https://cafod.org.uk/news/uk-news/why-is-2025-a-jubilee-year-in-the-catholic-church> for which we are very grateful, since the Biblical references are more obtuse. The main source is the book of Leviticus. "And you

As we go to press, the area around Los Angeles is once again being devastated by fire (which at time of writing has destroyed at least 10,000 buildings). It is a reminder that the drive to war has also led to the abandonment of any idea that capitalism will ever do anything seriously about climate change. 2024 was the hottest year on record with average temperatures 1.6 degrees Celsius above pre-industrial temperatures. The Paris climate conference of 2015 solemnly declared its commitment to keep the increase below 1.5 degrees.⁵ Despite this the Right are still in denial and simply dismiss all the evidence as "a hoax", whilst the Green Parties of various nations want to carry out policies which preserve the source of the problem – the profits system – and advocate policies for which the working class will have to pay the most (another "populist" trick for the Right to take advantage of). Whether it is the further extension of the effects of global warming or the prospect of nuclear war capitalism offers us only an increasingly uncertain and unsustainable future. The alternative today remains the same as in 1905 – socialism or barbarism. Either a world where all humans can have a dignified and worthwhile existence without social classes, exploitation and war, or greater subjugation of the mass of the population to the whims of the world's richest as they take us towards armageddon.

This is why we are urging all who share our critique to get together to start creating the basis for a world workers' movement, before it becomes impossible to do so. No war but the class war!

13th January 2025

shall count seven weeks of years, seven times seven years, so that the time of the seven weeks of years shall be to you forty-nine years. Then you shall send abroad the loud trumpet on the tenth day of the seventh month; on the day of atonement [aka Yom Kippur – CWO] you shall send abroad the loud trumpet throughout all your land. And you

shall hallow the fiftieth year, and proclaim liberty throughout the land to all its inhabitants; it shall be a jubilee for you, when each of you shall return to his property and each of you shall return to his family” (Leviticus 25, 8-10).

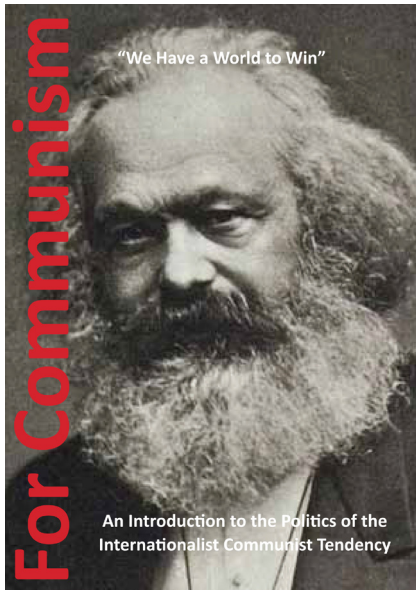
2. <https://www.ft.com/content/05427b9a-21f9-4e69-822f-da8e43e5b586>

3. <https://www.leftcom.org/en/articles/2005-08-01/holocaust-and-hiroshima-imperialism-and-mass-murder-in-the-twentieth-century>

holocaust-and-hiroshima-imperialism-and-mass-murder-in-the-twentieth-century

4. As we noted at the end of 2021 <https://www.leftcom.org/en/articles/2022-02-06/ukraine-and-taiwan-flashpoints-in-an-uncertain-imperialist-world>

5. European Copernicua Climate Service see BBC 10/01/25



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Regime Change in Syria: Another Twist in the Imperialist Kaleidoscope, Another Step on The Road to a Third World War

As Bordiga once famously noted, human affairs cannot be understood as a photograph, as something frozen in time, but have to be understood as a film, a series of almost imperceptible shifts in every frame but which add up in the end to a complete change in reality.¹ Recent events in the Middle East and their consequences (both intended and unintended) only underline the validity of that methodology when trying to understand the complicated “reciprocal interactions” in the current world order.

In the not-too-distant past some of the states currently winning in the struggle for a greater share of the planet and its resources have had their setbacks. Israel was forced to retire from its (US-backed) attack on Lebanon by dogged Hezbollah resistance in 2006. Then Turkey could only look on as the Egyptian Army carried out a coup against its client, Mohamed Morsi’s Muslim Brotherhood government, in 2013.² And in 2021 the USA suffered a humiliating retreat from Kabul³ which was the consequence of Trump’s attempt to do a deal with the Taliban eighteen months earlier (and which Biden adhered to as he too wanted US troops out of Afghanistan). A consequence of that debacle was to embolden the Putin regime in the Kremlin to gamble on an attack on Ukraine which would allow Russia to hold on to its gains in Luhansk, Donetsk and Crimea, then under threat from a reforming, NATO-backed, Ukrainian Army. How dramatically different the situation is today has been underlined by the recent events in Syria and which have repercussions well beyond the

Middle East. Above all what they underline is that the war fronts across the world are beginning to join up.

The Fall of the House of Assad

After the Arab Spring of 2011, of which the rising in Syria was a part, Assad lost control of nearly half Syria’s recognised territory, but despite Syria suffering 14 years of Western sanctions, his brutal regime survived. For the last few years it had seemed like a “frozen conflict”. Even as late as March 2023, Jean Michel Morel could write in *Le Monde Diplomatique*:

*President Bashar al-Assad’s grip on power seems firm despite food insecurity, which affects 12 million people in Syria, and a poverty rate of over 90%. His regime’s stability is all the more striking because, out of a prewar population of 21 million, more than six million are refugees in other countries and some seven million are internally displaced. It’s the combined result of harsh repression of political adversaries, a weak and divided opposition, and the determination of Assad and his clan.*⁴

No wonder then that December’s dramatically rapid fall of the brutal Assad regime caught even the most dedicated Middle East monitors by surprise. After all, it had faced down apparently more serious challenges in 2011 and 2015-6. In 2011 it was only saved when Iran sent Revolutionary

Guards, Afghan Shia militias and eventually Hezbollah fighters to hold on to a main supply route of the “Axis of Resistance” against Israel. In 2016 brutal Russian bombings saved the day for Assad although Russia’s main aim was to retain its last strategic footholds in the Middle East – its naval base at Tartus and airforce base at Hmeimim (Latakia).

But that raises the question of why Russia and Iran, which had such strategic interests in keeping Assad in power eight years before, did so little to save him this time. Russia did initially respond with the usual aerial attacks on the Hayat Tahrir al-Sham (HTS) forces advancing on Aleppo but then they ceased. Apparently they could see no purpose in these attacks whilst Syrian troops (at this point paid 3 days wages instead of a month’s salary)⁵ were not putting up a fight on the ground.

However, there are deeper reasons for Russia’s abandonment of Assad. The obvious one is that the war in Ukraine has stretched Russia’s military resources. But that is not all. Russia was also critical of Assad’s failure over the years to make any significant concessions to broaden the base of the regime, and thus increase its stability. Assad apparently rejected all attempts at dialogue with both internal and external opponents. In particular he ignored Russian urgings to attend meetings they had organised with the Turkish President, Erdoğan. It is also the second time since the invasion of Ukraine that Russia has abandoned a historic ally. In Armenia there is also a huge Russian military base and Armenia was part of the Russian “Collective Security Treaty Organisation” but since 2020, when the pro-European Pashinyan was elected Armenian President, Russia has not to lifted a finger to aid Armenia in either its war, or in later disputes with Azerbaijan. Instead it is now cultivating relations with Azerbaijan.⁶

Russian frustration was also shared by Iran, but the Tehran regime had other reasons to be disillusioned with the dictator in Damascus. Syria had been an important conduit for Iranian arms to reach Hezbollah in Lebanon via Iraq and its border crossing with Syria at Deir Ezzor. However, as Gaza was being levelled to the ground, Assad refused to participate in Hezbollah’s campaign of launching missiles at Israel in order to try to bring about a ceasefire in Gaza. His own agenda was the attempt to reintegrate Syria into the Arab League as a first step on its rehabilitation in the world imperialist order. As late as 2 December 2024 Reuters reported that the US and UAE were in talks about dropping all sanctions against Syria on condition that it broke with Iran.⁷ Iran had already let Assad know that it was well aware of the threat and sent a “friendly warning”. It was an important moment. China, Russia, Iran and North Korea all have separate imperialist interests but the one factor that underlies their cooperation is that they are all the target of “the economic weapon” of Western imperialism – sanctions.⁸ Iran is estimated to have spent \$30-50 billion over the years, not to mention thousands of casualties (mainly Afghan Shias it has to be said), to keep Assad in power. Now he wants to leave the club. When the HTS advance began the Supreme Leader, Ali Khamenei himself, decided it was time to cut Iran’s losses.⁹ Tens of thousands of Iranian “advisors”, consular officials and troops left Syria days before the HTS arrived in Damascus. Although more orderly than the US retreat from Kabul, it was a humiliating withdrawal, underlining the current economic and military weakness of Iran. Even Iranian commentators close to the regime did not hold back in criticising Iran’s Syria policy.¹⁰ However, in one final act, which may yet have significance for the coming struggle for control in Syria, they

handed over control of the Deir Ezzor region, not to the Turkish backed HTS, but to the Kurdish forces of the Syrian Democratic Forces (SDF).

Syria as a Turkish Satrapy?

For the moment, the big winner and key player in Syria is now Turkey. In 2016, Russia's merciless bombing campaign gradually drove the Islamist resistance into the North West corner of the territory around Idlib, where Erdoğan's Turkey established a "safe zone". Indeed Turkey promised Iran and Russia that it would clamp down on the worst Islamists in their ranks.

But this never happened. Erdoğan had his own problems and his own imperialist agenda. He needed at least some of the Islamists to form a so-called Syrian National Army (SNA) to use against the Kurds of the People's Defence Units (YPG) who were the main element in the SDF in the North East of the country. However the SDF was supported by the US as the most organised and successful combatants against the Islamic State (IS or Daesh). This support not only included US air power but sophisticated surveillance and communications systems. The US also maintains its own bases there, largely to protect the Syrian oil fields against both IS and Iran. The US once acknowledged only 900 troops in these bases but have recently admitted that they now hold 2,000 troops. However, it is not yet clear (especially with Trump re-entering the White House later this month) whether they will remain.

Under Erdoğan since 2002, Turkey has pursued an erratic imperialist policy whose only consistent aim has been interpreted as rebuilding a modern version of the Ottoman Empire.¹¹ Even though a member of NATO, it bought Russian air defence systems in 2017 (and thus lost the contract to obtain US

F-35s) whilst constantly shifting positions as expediency demanded.¹² A classic example of this was the denunciation of Chinese oppression of Uighurs in Xinjiang province in 2009 as "genocide", a stance maintained for 10 years until Turkey's trade with China had developed to be worth \$27 billion a year. When Erdoğan sought to increase this, he suddenly discovered on a trip to Beijing that there were "others" who sought to exploit the Uighur issue to poison Turkish-Chinese relations.¹³ The principles of trade clearly demand the trading of principles! Although it did not stop Turkey from smuggling Uighur fighters to Northern Syria to assist Turkish military operations.

From 2004 until 2011 Turkish relations with Assad's Syria were friendly as trade between the two states grew but when the civil war broke out in 2011 Turkey called for Assad to step down. Faced with the burden of supporting millions of Syrian refugees in Turkey, Erdoğan began to call for the establishment of "safe zones" in Northern Syria which he envisaged as a 20-30 mile strip all along the Turkish border. However the real aim was to create a *cordón sanitaire* between Turkey and the Kurdish areas now dominated by the YPG and SDF. At the same time Turkey's border was open for any jihadist from anywhere to cross over into Syria to join IS. On both counts the US were at odds with Turkey for the reasons explained above – the SDF and YPG were far more reliable forces when it came to dealing with IS. However in 2019, the other egomaniac in this tale, Trump, decided (against CIA and Pentagon advice) to withdraw US ground forces from Northern Syria, as well as remove air cover for the zone. This allowed Turkey a free hand to invade Afrin and the other provinces along the northern Syrian border.

And here there is a cautionary tale for all those who think that Syria post-Assad will

be any less bloody or less sectarian. Syria, like all post-colonial states, is a mixture of nations, tribes and religions. Northern Syria is as varied as anywhere in the country with a mixture of Arabs, Kurds, Assyrians, Turkmen, Circassians, Syrian Armenians and Yazidis. Many were already migrants from wars and forced displacement, both historically and recently. In Afrin the YPG, now devoid of US air cover by President Trump's decree, could do nothing to stop the pounding of the town by Turkish F-16 bombers. They were forced to retreat leaving civilians to fend for themselves. Close to 200,000 of them (mainly Kurds) in Afrin knew what was coming and fled.¹⁴ Those who could not face murder at the hands of former IS and Al-Qaeda jihadists now on the Turkish payroll as fighters in the rabble misnamed as the SNA. Everybody they caught was killed, particularly women.

“Women are singled out by Turkish-backed groups, many of which share the same extremist ideology that ISIS and similar groups adopted. For instance, when Turkey invaded Tel Abyad in October 2019, one of the first targets were women activists, such as Hevrin Khalaf. An unarmed local politician in her twenties, she was hunted down and pulled from her vehicle, beaten and shot to death, her head and body trampled by Turkish-backed Syrian groups. Turkish media called her execution a “neutralization.”¹⁵

This same SNA, with Turkish Army assistance, are today carrying the fight towards the Autonomous Area of North and East Syria (AANES, or Rojava) to attack the YPG and SDF, sanctioned by the new “interim” government of the other Turkish puppet, HTS. Erdoğan has already called

on the YPG to lay down their arms or they “will be buried” in Syria.¹⁶ Under pressure of the new offensive in the North the SDF commander, Mazloum Abdi¹⁷ (a close friend of Abdullah Öcalan, the PKK leader still languishing in a Turkish prison) has already conceded that the SDF does not aim for a federal state and is ready for his forces to become part of a new Syrian Army under the new government in Damascus but this was accompanied with an appeal to the US to halt the attacks of the SNA on the Kurds. For the moment the HTS leader, Ahmad al-Sharaa (formerly the “Islamist terrorist” Abu Mohammad al-Jolani or al-Golani) currently talks the good talk of inclusion for all, as he aims to re-establish a centralised Syrian state, but all non-Sunnis will be worried about the HTS track record in Idlib in 2020:

When civilians fled, Hayat Tahrir al-Sham (HTS) terrorists pillaged their homes. As battles waged, they detained, tortured, and executed civilians expressing dissenting opinions, including journalists. Female media workers were doubly victimized, as the terrorist group continued to systematically discriminate against women and girls, including by denying their freedom of movement. HTS, moreover, indiscriminately shelled densely populated civilian areas, spreading terror amongst civilians living in Government-held areas.

“Women, men and children that we interviewed faced the ghastly choice of being bombarded or fleeing deeper into HTS controlled areas where there are rampant abuses of human rights and extremely limited humanitarian assistance”, said Commissioner Karen Koning AbuZayd. “The acts by HTS members amount to war crimes.”¹⁸

Despite breaking its links with IS and al-Qaeda, HTS remains a Salafist Islamist organisation with all the intolerance of that ideology. And some of the militias allied to them are even worse. Already there are reports of Christian and Alawite demonstrations over the desecration of their religious symbols. However the main priority for both HTS and Turkey is to re-establish a centralised Syrian state which would mean an end to the Rojava Kurdish enclave and the removal of what Erdoğan claims is a threat to the territorial integrity of Turkey. Under Biden the US continues to support the Kurds as the SDF still guards 10,000 ex-ISIS fighters plus many more of their families in concentration camps and the US fears any weakening of the SDF or YPG will lead to their release to join a revived IS (which is already happening). The Turkish Government is trying to persuade them that they and the HTS can deal with IS (and thus the US can exit the scene) but given the track record of both this is hardly convincing – unless you are called Donald Trump...

Greater Israel?

If Erdoğan's Turkey has been the big winner in Syria itself, Israel (and its backer, the USA) have scored a massive victory in a much wider sense. As we noted in the beginning, the various imperialist fronts are now beginning to have an impact on each other. In Syria, Israel's devastating blows against Hezbollah in 2024 were so severe¹⁹ that its leaders were forced to recall troops from Aleppo. This seems to have been the shift which gave the HTS forces the chance to start their lightning advance in late November. Syria was the main conduit for Iranian arms to Lebanon's Hezbollah, and that is now very much in question. In the existential struggle between Iran and Israel (backed by the hypocritical but unwavering

support of the USA) which has dominated the Middle East for half a century, this is an enormous victory for Israel and its Western supporters. It is an enormous blow for the loose alliance of the sanctioned powers of Russia, Iran and even China.

Whether the Israeli security forces knew of it or not,²⁰ the Hamas attack of 7 October 2023 provided a great opportunity for the ultra-nationalist and racist government of Israel to alter the balance of power in the region like no other. We do not (and may never) know how much Hezbollah and Iran knew of the Hamas plan to break out from their Gaza gaol 14 months ago. We do know that the motivation came from Hamas' own needs. It was no accident that it was code named Al-Aqsa Flood in direct response to all the provocations of the Ben Gvir and Smotrich and the religious Right/settler movement they represented. Itamar Ben-Gvir, despite being only 1 of 6 MPs from his Kahanist (that is, the most extreme fascist wing of Zionism) party, plus having several convictions for racism against Palestinians, became Minister for National Security in Netanyahu's right wing coalition. The job gave him control of the West Bank, as well as the prison system holding Palestinians, and as a consequence:

More Arabs were murdered in 2023 than in any previous year, according to a year-end report ... by the Abraham Initiatives, a coexistence organization that tracks crime statistics. According to the report, 244 members of the Arab community were killed in Israel in 2023, over twice as many as the previous year. The report ... roundly blamed the sharp uptick in homicides on National Security Minister Itamar Ben Gvir, whose ministry is responsible for policing and who was elected on a platform of the need

*to improve personal security.*²¹

In addition, in August 2023 Ben Gvir led a mob blowing a shofar²² as an act of defiance into the Al-Aqsa Mosque compound and proclaimed it was Israel's.²³ We examined Hamas' response to these provocations a year ago²⁴ but they could not have come at a worse time for either Hezbollah or Iran. Neither the Lebanese nor Iranian economies were in a fit state to deal with an all-out war and both Hezbollah and the Ayatollahs were highly unpopular at home. Hezbollah not only was responsible for the massive explosion from stored chemicals which devastated Beirut in 2020²⁵ but was also the backer of the Bank of Lebanon director who broke the Lebanese economy. However, the final straw for their critics was their intervention in Syria to defend an Assad regime which had continually interfered in Lebanese affairs for decades. In Iran, Western economic sanctions and the incompetence and corruption of the Ayatollahs, had not only created inflation which had provoked strikes²⁶ but the fall out from the September 2022 death of Jina Mahsa Amini in the custody of the country's morality police "for wearing her hijab too loosely" had led to a wave of defiance of the Islamic regime. In such circumstances neither force could afford foreign adventures.

For Israel, the Hamas attack has turned into a new and great opportunity "not seen for half a century" as former Prime Minister Naftali Bennett put it. Israel has been in a state of permanent war since the day it was brought into existence due to a favourable confluence of imperialist interests in 1948.²⁷ Since then it has fought four major wars, faced two *intifadas* (risings) of Palestinians to its illegal occupation of the West Bank and Gaza and responded to every threat by doubling down on security and taking the fight to its enemies in pre-emptive campaigns

of assassination and bombing raids. Those Israelis who have recognised that this is an unsustainable mode of existence have been largely silenced or marginalised.²⁸ The playbook of the current regime is taken straight from the Hebrew Bible and, as we noted in Revolutionary Perspectives 23, is unashamedly genocidal:

... the Zionist project has never intended to share Eretz Israel with anyone as the current war has made all too clear. The carpet bombing of Gaza with its threat of ethnic cleansing has been justified by several Israeli leaders. From the start, the ex-boss of the Israeli National Security Council has welcomed an epidemic in Gaza as an aid to victory and has argued that "creating a severe humanitarian crisis in Gaza is a necessary means to achieve the goal ... Gaza will become a place where no human being can exist". Current Israeli President Isaac Herzog justifies Israel's collective punishment by claiming that "it's an entire nation out there that is responsible. It's not true this rhetoric about civilians not aware, not involved ...", whilst the odious Netanyahu has turned to scripture for an analogy in the Jewish destruction of the city of Amalek:

*... attack the Amalekites and totally destroy all that belongs to them. Do not spare them; put to death men and women, children and infants, cattle and sheep, camels and donkeys.*²⁹

And, as it gradually became clear to the Netanyahu Government that their opponents' response was relatively feeble, they were not only emboldened to even greater atrocities in Gaza (cutting of food and water, disabling all health care by bombing hospitals and

blocking aid, to add to the direct military assault which has forced Palestinians to move countless times simply to stay alive but even this has not saved many who have been attacked in supposed designated safe areas) but are also trying to drive Palestinians out of their villages in the West Bank. The existence of the Palestinians is an inconvenience which they hope to solve by driving them off the territory. Ironically the ultra-Right Zionists of the Netanyahu coalition government have an even worse “solution” for the Palestinian than the Russian Tsarist state had for the Jews when they embarked on the pogroms of the late nineteenth century. Then the Procurator of the Holy Synod, Pobedonostsev’s solution to the “Jewish question” was summed up as “Extermination, Emigration, and Assimilation”.³⁰ The settlers and religious zealots are not even allowing the last as a possibility. Israel’s war is, as in 1948, a war of conquest.

It has long been Israeli policy to take the war to all their opponents, and this is precisely what it has done over the last year, bombing targets in Yemen, Syria, Lebanon, Iraq and Iran. However with the fall of Assad the Israeli Defence Force (IDF) has now taken advantage of the power vacuum to make 600 bombing raids on any weapons supply dumps it can locate in Syria to deny them to any future government. It has knocked out 80% of the old regime’s military capacity with special attention on Syrian air defences – thus making it an easy target for Israeli bombers whatever may happen in the future. Israel has also invaded Southern Syria from its occupied zone on the Golan Heights (which it annexed in 1919 – an annexation only recognised by the USA) moving towards Damascus and announced that they would settle 50,000 more Israelis in the occupied zone. As half of the current inhabitants are Druze but are subject to military call up in the

IDF and have protested several times against Israeli discrimination over a whole series of issues³¹ this may yet lead to more protests especially as the Golan Druze identify with their co-religionists in Daraa province of Syria.

However, for the moment, the Netanyahu regime is cock-a-hoop. Hamas has been all but destroyed, Hezbollah is severely weakened and Iran has lost its supply route through Syria. The “Axis of Resistance” which Iran had hoped to mobilise in case of attack by Israel is, at least for now, severely weakened. This is also good news for the USA. The public show of some concern for the massacre in Gaza was mere window dressing as the US (Israel’s major arms supplier) not only continued its usual annual military funding of \$3.3 billion to Israel but voted \$14 billion more as emergency “military aid” within a month of the onslaught on Gaza starting.³² Biden’s last act was to earmark yet another \$8 billion making him “the first (US) President to have overseen a joint Israeli-US war”.³³ This should not come as a surprise. After the US’ debacles in Iraq and Afghanistan, Israel is their last dependable ally in the region, and is now all the more indispensable, especially in the 46 year old contest with their common enemy, the Ayatollahs’ Iran. No wonder Netanyahu could unctuously thank the US Congress for their bipartisan support for Israel in its “*defence of Western civilisation*”.

The Wider Imperialist Picture

But Iran is only the weakest of the US’ major opponents on the world stage and has survived decades of US economic warfare largely thanks to the support of Russia and, especially China. By November 2023 China was buying about a third of Iran’s daily oil output and shipping it clandestinely in old tankers to avoid US sanctions.³⁴ China, ever

cautious, was not as committed to Syria as either Russia or Iran (but did sign a “strategic partnership” deal with Assad in September 2023). It had also voted alongside Russia every time to veto anti-Assad resolutions in the UN Security Council, and was the third biggest source of Syrian imports, but that was the extent of its commitment. In common with its general imperialist policy of stealthy advance, its only comment on the fall of Assad is that “the Syrian people” (whatever that means) will have to decide on their political future.

China’s signature success in the Middle East so far has been to get Saudi Arabia and Iran to sign an agreement re-establishing diplomatic relations in 2023.³⁵ This was a diplomatic blow to Washington as it not only broke Iranian isolation but demonstrated that even its main ally in the region since 1945 doubted US assurances of protection. It also was a triumph for China’s imperialist strategy. And this brings us to the wider picture.

The US has been the world’s undisputed dominant power since 1945. Its former rival in the USSR could never match it in the dollar-dominated “free world” hence was forced to hide behind non-convertible currencies in its empire. It was the same in terms of military deployment – the attempt to match the USA in that arena only led eventually to the implosion of the Soviet Union.

But hubris is the poisoned chalice of victory and the US drank too deeply from it in 1991 and thereafter. Instead of incorporating Russia into the “New World Order” (dismantling NATO might have been a smart first step given that it was formed as an anti-USSR body³⁶), US imperialism continued to see it as a rival. It thus mopped up the old Soviet satellites of Eastern Europe, and drew them into its own dollar-dominated orbit as it gradually extended NATO membership

across the continent. In addition the President of the USSR’s Russian remnant, Boris Yeltsin, was persuaded to subject it to the US “shock doctrine” which turned economic crisis into a national trauma. Yeltsin’s “loans for shares” scheme of 1995-6 led to rigged auctions where those with access to banks bought up the bulk of the newly issued shares of Russia’s most profitable state industries. These new oligarchs and corruption flourished but the rouble tanked. The Russian state defaulted on its debts in 1998. Yeltsin even lost a two-year war against Chechen rebels (1994-6) before resigning in 1999. His chosen successor, Putin, took over and got lucky with world oil prices, at a time when Russian wages were so low following the 1998 meltdown that profits rose dramatically, so more was invested in local industry.

Once this economic turnaround had secured his position, Putin and his “*siloviki*” (strongmen) first went after the oligarchs (gaoling Khordokovsky *pour encourager les autres*) so that they submitted to the state rather than the other way round, pounded the Chechens into submission by destroying the capital, Grozny, and then set about reversing “*the greatest geopolitical tragedy of the twentieth century*” as he called the collapse of the USSR. Russia, unlike the USSR which had emerged as a victor in 1945, is thus a revanchist power and this raises the stake in imperialist rivalry. Putin has basically stated that NATO has gone so far but there must be no further advance. Russia’s direct interventions in both Georgia and Ukraine are the result, while the war in Ukraine has become a destructive war of attrition, which has cost a million dead or wounded, in two and half years of war.

Yet, as the world divides into two camps, neither side has fought alone. The US has assembled a group of 57 states prepared to offer military and other aid to Ukraine

amounting to hundreds of billions of dollars whilst countries like China, India, South Africa, Venezuela and Brazil have assisted Russia to evade sanctions.

But, as we have written many times before, the dominant imperialist rivalry is not between NATO and Russia. It is between China and the USA. Throughout the Ukraine War the US State Department has lost no opportunity to attack China and at the same time prepare the ideological ground for the coming war – “democratic values”!

Even as President Putin’s war continues, we will remain focused on the most serious long-term challenge to the international order – and that’s posed by the People’s Republic of China. China is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it. Beijing’s vision would move us away from the universal values that have sustained so much of the world’s progress over the past 75 years.³⁷

As he leaves office, Blinken has doubled down on where the real threat lies. In an interview with the *Financial Times* he smugly told them “that four Indo-Pacific countries — Japan, Australia, New Zealand and South Korea — were invited to attend Nato summits during the Biden administration and that the transatlantic alliance now criticises China, which was previously unimaginable. He recalls how former Japanese prime minister Fumio Kishida warned that “Ukraine [today] might be east Asia tomorrow”, in a veiled reference to China.³⁸

All this in addition to a whole slew of anti-Chinese alliances in the Pacific like AUKUS and Five Eyes intelligence cooperation with Australia, New Zealand, Canada and the UK.

The significance of the China threat is shared right across the US political spectrum, as the 20 April 2024 vote of the U.S. House of Representatives showed. They approved a \$95 billion aid package to Ukraine, Israel ... and Taiwan.

None of this surprises us. In December 2021 we linked the sabre-rattling over Ukraine and Taiwan as joint harbingers of a more generalised war to come.³⁹ At the time other internationalists doubted this even after Russia invaded Ukraine less than 2 months later. We were not arguing then that world war was immediately around the corner. We were well aware that this is the start of a process and, given the complexity of imperialist contradictions, it is not easy to say how long this will take to unfold. However, half a century of declining capitalist growth and increasing stagnation has created the conditions where no compromise of imperialist interests is possible any longer. As Ukraine, Gaza and Syria have all shown, only the unconditional defeat of an adversary (as at the end of the First and Second World Wars) is now on the agenda.

The balance of power has currently tipped towards “Western civilisation” in the Middle East but imperialist conflicts are spreading. Other twists in the kaleidoscope of imperialist competition are already occurring. If Russia loses its naval base in Tartus in Syria (which is not yet certain) it is already cooperating with Haftar (the ex-Gaddafi general) and the Libyan National Army in Eastern Libya, and negotiating with them to open another base in Tobruk. With France and the US losing bases in West Africa and the Sahel, Russia’s Afrika Korps (the former Wagner group) are making gains, and are already involved in the humanitarian disaster that is the civil war in Sudan. The result is even more murder, rape and other atrocities against non-combatants than in Gaza. And it is not just Sudan, as the

Wall Street Journal has highlighted,

This corridor of conflict stretches across approximately 4,000 miles and encompasses about 10% of the total land mass of sub-Saharan Africa, an area that has doubled in just three years and today is about 10 times the size of the U.K., according to an analysis by political risk consulting firm Verisk Maplecroft. In its wake lies incalculable human suffering—mass displacement, atrocities against civilians⁴⁰ and extreme hunger—on a continent that is already by far the poorest on the planet.⁴¹

Nothing we have seen leads us to modify our 2021 judgement that capitalism is on the way to a third World War. On the contrary, we have seen more and more reason to double down on it. Indeed, defenders of the capitalist system are themselves sounding the alarm. In October 2024, Jamie Dimon, the boss of top speculating institution JPMorgan, even went so far as to argue that “*World War III has already begun. You already have battles on the ground being coordinated in multiple countries.*”⁴²

And Mr Dimon is quite clear what the outcome will be (although it won't be America's fault):

“We've never had a situation where a man [Putin] is threatening nuclear blackmail. That: ‘If your military starts to win, we're rolling out the nuclear weapons’ type of thing,” said Dimon. “If that doesn't scare you, it should.”

Whilst Dimon's points to the fact that all the wars seem to be joining up, a more forensic analysis comes from the distinguished Italian physicist, Carlo Rovelli. He too ends by invoking fears of a coming “nuclear winter”

but starts by highlighting the fact that the current trade wars, and burgeoning arms race (which, he notes, contains its own trade war as China and the US scramble for the materials to build the new sophisticated weaponry of modern war) are not the fault of any single state. He paraphrases the April 2023 report from the Stockholm International Peace Research Institute (SIPRI). The actual report begins:

Total global military expenditure increased by 3.7 per cent in real terms in 2022, to reach a new high of \$2240 billion. Military expenditure in Europe saw its steepest year-on-year increase in at least 30 years. The three largest spenders in 2022—the United States, China and Russia—accounted for 56 per cent of the world total, according to new data on global military spending.⁴³

This means that

we are plunging again into a frantic race to build weapons and restrict international trade. Proxy wars fire up. Opposite sides demonise each other as horrific, rapacious, uncivilised – just as France and Germany were doing to each other in the run-up to the first world war. Narrowly avoided during the cold war, a global conflict is looming, with nuclear risks. Support for this drive towards developing more armaments and decoupling is almost unanimous in our media and politics.⁴⁴

He might have added that the same thing happened before the Second World War as well, but he goes on:

My worries are not based on a naive or idealist pacifism. On the

contrary, they stem from an effort to be cynically rational. With cynic's eyes, I see the framing of China as a "threat" for instance, for what it is: a garbled reaction to the fact that an economic power is freeing itself from Washington's dominion. Similarly, it is not the high moral ground of wanting to restore an international legal order (which our "side" has repeatedly violated) that motivates the west's approach to Ukraine, where a bloody and devastating war continues, or to the current tragic events in the Middle East: rather it is, I believe, a geopolitical power struggle. Militaristic choices, cloaked under hypocritical rhetoric, are forestalling a more sober discussion.

The description is sound but the Professor assumes that it is only a question of ill-will that is driving us to war. He refers to the cooperation he has with Iranian and Chinese colleagues, as if to say that if "men and women of reason" got together then all would be well. It is a nice idea which resonates well amongst scientists who often collaborate internationally.⁴⁵

However, this is indeed "idealism" since it avoids a materialist understanding of the kind of world we live in and what is behind the current drive to global war. We live under capitalism, a system dedicated to making profits for a few from the labour of the many. But its central contradiction is that it has a tendency to drive down the cost of labour by either raising its productivity or expelling it from the workforce. Every so often, at a certain point, this becomes self-defeating as the fall in the rate of profit makes new investment pointless and at this point there ensues a crisis which destroys firms and with it their capital values. Those that survive can then resume production but

from a new, higher base of concentration and a new period of boom can open. This was what went on throughout the nineteenth century and the crises occurred roughly every ten years. This was the capitalism Marx analysed. However in the final years of the century the concentration of capital became so intense that it required the intervention of the nation state both to control national capitalism at home and defend it abroad – capital had entered the era of imperialism. Now it was insufficient for a few firms to go bust to start a new cycle of profitable capital accumulation – it required the destruction of value on a much wider scale. The struggle for profit was now international in a world economy. And with more and more wealth in fewer hands the capitalists were able to control the state and its priorities. Number one of these was defending the interests of the propertied capitalist class at home and abroad. This not only changed the character of capitalism but also brought about a change in the character of its wars. These were no longer confined to the military but now were fought between whole national economies. Tariffs, sanctions and other "economic weapons" were deployed before, during and after military confrontation. All imperialist war is thus genocidal, sometimes explicitly, sometimes implicitly. This is precisely where we are now for the third time in a little over a century.

The added problem of the current situation is that the post war boom after 1945 ended 50 years ago and there has been no moment of "creative destruction" (as the Austrian economist Joseph Schumpeter euphemistically dubbed the crises Marx identified as central to the system long ago) to allow for a new boom in capitalist accumulation. Instead there has been one state-driven expedient after another to artificially kick start the growth of previous

years. When the crisis first started in the West one of the first expedients to deal with workers resistance was simply to write off capital and shut down factories. This not only had the effect of breaking up resistance but also led to the transfer of investment to low wage economies like China. China's dramatic growth was the "unintended consequence" of the crushing of working class resistance in the West. It was not expected that China would not just "match western economic and cultural weight" as Professor Rovelli notes but also become a challenger (at least economically) to the dominance of the US. The US today may have a very divided ruling class but the one thing that they all agree on is that China has to be stopped whilst the US still has the strength to do it, and if per capita spending on the military has to be 15 times higher than China's, then it has to be done.

The one glimmer of hope is that wars cannot be engaged in without some support from the population. In the past the working class, the class who produce the world's wealth through their labour, have eventually resisted war and brought it to an end, as happened at the end of the First World War with the Russian Revolution or in the Vietnam War where US working class conscripts increasingly refused to fight. However they took place in the days when the working class was still organised in large production units. It is no bad thing that the old Labour movement has largely gone in the West with the old smoke stack industries given that its main achievement was to integrate the working class into the post-war welfare capitalism. However, the restructuring of capital has also meant the fragmentation of the class into smaller production units in the West or subject to all kinds of individual contracts (zero hours, precarious jobs etc). This is ideal for capitalists – reducing the worker to an atomised individual means that

collective resistance becomes harder.

This has also had ideological consequences. Class fragmentation means there are not so many votes in class politics so the various electoral forces of the Left (of capitalism) have adopted "identity politics" where your race, gender or sexual orientation are more important than your common class position as the exploited wealth creators of the world. This is being exploited by the capitalist Right who, whilst making jibes at the more ridiculous aspects of identity politicking have the great opportunity to push their own identity politics – nationalism. Across the world the rise of the narrow nationalism of the "radical Right" is everywhere, from Brexit and Trump to the German AfD and India's Narendra Modi. In a cruel irony, its stock in trade is to play on fear and hatred of the migrants fleeing the very wars many of these states sponsor. In a world of capitalist crisis where resources are diminishing alongside workers' share of the world's wealth, the fight for a few available crumbs keeps those who have next to nothing at each other's throats. And for the "native" it gives them a sense of national identity when they are called up to fight in another rich man or woman's war.

For the moment workers in countries not yet visited by the fighting are largely unaware of what is in preparation (in contrast to the rich who are putting in record orders for nuclear bunkers).⁴⁶ In Ukraine and Gaza there are some signs that, despite the ruling class domination of the media, not everyone is fooled. Hundreds of thousands of men on both sides have fled 'their' countries rather than fight in the horrific war in Ukraine whilst tens of thousands have either deserted or refused to return to their units. Similarly, in Gaza the crimes that some soldiers of the IDF are being asked to commit against the civilian population are leading to some not returning to their units.⁴⁷

These are individual responses and not yet class responses. Those who escaped did so on their own (some recorded as dying trying to swim the River Dniester). Given the mechanical brutality of the fighting, many of the desertions are due to what we now call PTSD but the First World War came to know as “shell shock” (not before some of the sufferers were executed as deserters) but in Ukraine and Russia they are significant enough to cause both high commands some pause for thought. In Gaza we know more about the atrocities committed by the IDF from soldiers’ selfies than any other source (given that journalists are either banned or killed in Gaza).⁴⁸ And, of course, once a war starts it is much harder to organise resistance to it unless the resulting privations are so horrendous as to actually bring the population out on the streets (as in February

1917 in Petrograd). All the more reason why internationalists, in the here and now, recognise first of all that all states and wannabe states today are in various ways imperialist, whether as patron or client. We must cooperate and communicate to ensure that there is a modicum of organisation before any conflict breaks out where any of us are. Another world is possible but only if we struggle together for it. Our starting point is still that of the Communist Manifesto “*Workers have no country, You cannot take from them what they do not have*”. And to its final call for “*Workers of all lands to unite*” we add “*The only war worth fighting is the class war*” because only by ending this infernal system of capitalist exploitation can we rid the world of imperialist war for good.

Jock

Notes

1. “*The Marxist critique sees human society in its movement, in its development in time; it utilises a fundamentally historical and dialectical criterion, that is to say, it studies the connection of events in their reciprocal interaction. Instead of taking a snapshot of society at a given moment (like the old metaphysical method) and then studying it in order to distinguish the different categories into which the individuals composing it must be classified, the dialectical method sees history as a film unrolling its successive scenes; the class must be looked for and distinguished in the striking features of this movement.*”
<https://www.leftcom.org/en/articles/1921-04-15/party-and-class>
2. <https://www.leftcom.org/en/articles/2013-07-04/egypt%E2%80%99s-crisis-goes-on-power-struggles-at-the-top-while-those-at-the-bottom-die>
3. <https://www.leftcom.org/en/articles/2021-08-24/afghanistan-the-usa-and-its-allies-retreat>
4. See <https://mondediplo.com/2023/03/03/syria>
5. <https://www.theguardian.com/world/2024/dec/11/iran-supreme-leader-khamaneh-assad-syria-downfall-us-israel-plan->

claim

6. As has Iran since Azerbaijan is a direct conduit between them. Aliyev the current dictator (and like Assad the second generation of a dynasty which seized power 31 years ago) has long been backed by the British oil company BP (with a bit of assistance from the British state from Thatcher onwards – the current Foreign Secretary Lammy described Nagorno-Karabakh as “liberated” after the war against Armenia). However now “the West has embraced Armenia, Aliyev has grown closer to Putin. For the first time in three decades, there is a rift between the UK’s and BP’s interests in Azerbaijan”. Peter Geoghegan in the London Review of Books see <https://www.lrb.co.uk/the-paper/v46/n21/peter-geoghegan/short-cuts>. The twists in the imperialist kaleidoscope are never ending.
7. <https://www.reuters.com/world/us-uae-discussed-lifting-assad-sanctions-exchange-break-with-iran-sources-say-2024-12-02/>
8. For more on how US sanctions helped forge the Russia-Iran-China cooperation see <https://www.leftcom.org/en/articles/2022-08-19/the-war-in-ukraine-opens-the-way-to-global-imperialist-conflict>
9. <https://carnegieendowment.org>

- [org/middle-east/diwan/2024/12/why-did-iran-allow-assads-downfall?lang=en](https://www.middle-east/diwan/2024/12/why-did-iran-allow-assads-downfall?lang=en)
10. <https://www.theguardian.com/world/2024/dec/11/iran-supreme-leader-khamanei-assad-syria-downfall-us-israel-plan-claim>
11. “In August 2020, Erdoğan gave a speech saying that “in our civilization, conquest is not occupation or looting. It is establishing the dominance of the justice that Allah commanded in the region. First of all, our nation removed the oppression from the areas that it conquered. It established justice. This is why our civilization is one of conquest. Turkey will take what is its right in the Mediterranean Sea, in the Aegean Sea, and in the Black Sea.” See https://worldisraelnews.com/watch-turkish-conquest-is-spreading-the-justice-of-allah-erdogan-says/#disqus_thread
12. There is also a significant movement amongst the Turkish Armed forces in support of a “Blue Homeland” (Mavi vatan) strategy. These officers not only assert Turkish claims to large swathes of the Mediterranean (with the gas deposits off Cyprus in view) but have “a shared disdain for the United States and what they often term the “Atlantic framework.” They see the West as imperialist in relation to Turkey and claim that it aims to “prevent Turkey’s ascension as a global power”. See <https://warontherocks.com/2020/06/blue-homeland-the-heated-politics-behind-turkeys-new-maritime-strategy/> With this perspective it is little wonder that relations with NATO members are strained.
13. <https://edition.cnn.com/2019/07/05/asia/turkey-china-uyghur-erdogan-intl-hnk/index.html>
14. <https://www.reuters.com/article/us-mideast-crisis-syria-aftrin-official/more-than-200000-people-fled-syrias-aftrin-have-no-shelter-kurdish-official-idUSKBN1GV177/>
15. <https://www.jpost.com/middle-east/kurdish-woman-reported-murdered-in-turkish-occupied-aftrin-630705> <https://www.jpost.com/middle-east/kurdish-woman-reported-murdered-in-turkish-occupied-aftrin-630705>
16. <https://www.aljazeera.com/news/2024/12/25/erdogan-says-ygp-will-be-buried-in-syria-if-it-doesnt-lay-down-arms>
17. <https://www.kurdistan24.net/en/story/816410>
18. <https://www.ohchr.org/en/press-releases/2020/07/rampant-human-rights-violations-and-war-crimes-war-torn-idlib-faces-pandemic>
19. <https://www.leftcom.org/en/articles/2024-11-30/the-ceasefire-between-hezbollah-and-israel> and <https://www.leftcom.org/en/articles/2024-10-23/unending-barbarism-the-causes-that-led-to-the-middle-east-crisis>
20. <https://www.leftcom.org/en/articles/2024-10-23/unending-barbarism-the-causes-that-led-to-the-middle-east-crisis>
21. <https://www.timesofisrael.com/244-arab-community-members-said-killed-in-2023-violence-more-than-double-2022-toll/> Note that being the Times of Israel they will never refer to Palestinians as anything other than “Arabs” in case they admit that they have been dispossessed by the Israeli takeover of the land.
22. It was an act of Judaist fundamentalism as this ancient musical instrument made from a ram’s horn is blown on specific religious and other occasions as a symbol that the Jewish God is King.
23. This act is specifically cited as a reason for the timing of the Hamas assault by its military leader, Muhammad Deif, in his call to arms. See <https://www.oasiscenter.eu/en/we-announce-the-start-of-the-al-aqsa-flood>
24. <https://www.leftcom.org/en/articles/2024-01-27/gaza-and-beyond-the-bitter-fruits-of-capitalism-nationalism-and-imperialism>
25. <https://www.leftcom.org/en/articles/2020-08-20/the-lebanon-disaster-a-metaphor-for-modern-capitalism>
26. <https://www.leftcom.org/en/articles/2022-11-10/oil-workers-in-iran-continue-to-resist-despite-repressions>
27. See <https://www.leftcom.org/en/articles/2024-01-27/gaza-and-beyond-the-bitter-fruits-of-capitalism-nationalism-and-imperialism>
28. Since the assault on Gaza almost 83,000 have left with only 32,000 new migrants arriving (a drop of 33% on the previous year). See <https://www.i24news.tv/en/news/israel/society/artc-nearly-83-000-israelis-left-country-in-2024>. How this has shifted the political balance in Israel we can only guess, but it would be surprising in the current climate if it did not further increase

support for the rabid racist nationalism of the Right.

29. <https://www.leftcom.org/en/articles/2024-01-27/gaza-and-beyond-the-bitter-fruits-of-capitalism-nationalism-and-imperialism>

30. Pobedonostsev actually said “One third will die out, one third will move out and one third will disappear without a trace into the surrounding population”.

31. <https://www.theguardian.com/world/2024/dec/11/golan-heights-israeli-troops-syria-assad> and <https://www.middleeasteye.net/news/top-syrian-druze-leader-condemns-israeli-invasion>

32. James Butler “Up in Arms” *London Review of Books*, 16 November 2023 p.16

33. Gilbert Achar, “Netanyahu’s Bloody Onward March” in *Le Monde Diplomatique* (November 2024)

34. <https://www.reuters.com/markets/commodities/irans-expanding-oil-trade-with-top-buyer-china-2023-11-10/>

35. <https://www.aljazeera.com/news/2023/8/21/china-brokered-saudi-iran-deal-driving-wave-of-reconciliation-says-wang>

36. As the veteran George Kennan famously stated in the *New York Times*. See <https://www.nytimes.com/1998/05/02/opinion/foreign-affairs-now-a-word-from-x.html>

37. Blinken speech at George Washington University May 2022 <https://www.state.gov/the-administrations-approach-to-the-peoples-republic-of-china/>

38. <https://www.ft.com/content/25798b9f-1ad9-4f7f-ab9e-d6f36bbe3edf>

39. <https://www.leftcom.org/en/articles/2022-02-06/ukraine-and-taiwan-flashpoints-in-an-uncertain-imperialist-world>

40. <https://archive.vn/QRRIQ>

41. <https://archive.vn/VwC1B#selection-5861.0-5865.85>

42. <https://finance.yahoo.com/news/jamie-dimon-says-world-war-155232474.html>.

We could have cited many others especially from military sources like the UK’s Sir Roly Walker (see <https://www.msn.com/en-us/news/world/countries-warned-they-have-three-years-to-prepare-for-world-war-3-due-to-specific-threat/ar-BB1qxqkuk>) but these military men. Like arms dealers have a vested interest in talking up war to claim yet more for “defence” spending – their comments though provide “unwitting testimony” that an arms race is already well under way.

43. <https://www.sipri.org/media/press-release/2023/world-military-expenditure-reaches-new-record-high-european-spending-surges>

44. <https://www.theguardian.com/commentis-free/2023/oct/26/new-global-arms-race-west-military-spending-conflict>

45. It should not be forgotten that the pathogen of the Covid 19 virus was discovered very quickly in 2020 due to ongoing cooperation between Chinese and Australian scientists, and this paved the way for the rapid development of vaccines.

46. <https://apnews.com/article/nuclear-bunkers-war-atomic-bombs-0356fa5b34067c-138c64b9143f73c308>

47. <https://www.bbc.com/news/articles/c5yx56ep165o> and https://www.democracynow.org/2024/12/4/haggai_matar_on_conscientious_objectors_in

48. <https://witnessing-the-gaza-war.com/wp-content/uploads/2024/12/Bearing-witness-to-the-Israel-Gaza-War-v6.5.5-5.12.24.pdf>

Capitalism's Economic Foundations (Part VI)

"You don't need a weatherman to know which way the wind blows"

Bob Dylan, Subterranean Homesick Blues, 1965

Our analysis of capitalism's underlying driving force which gives rise to periodic economic crises (the falling rate of profit and capital's efforts to offset it) has brought us to the contemporary world and it's now time for us to draw this study to a close. In the real world, of course, there is no closure. If there was some doubt amongst revolutionaries about capitalism's inbuilt tendency to crises and, in the era of global capitalism, to devaluation of capital through a world war, there is much less scepticism about this today, for obvious reasons. We are about to wind up this economic overview as an increasing number of states appear to be rapidly moving, from primarily economic rivalry to military rivalry, with the prospect of a third world war being openly talked about. It is important that revolutionaries have at least a basic understanding of the economic crisis that is driving capitalism towards potential catastrophe in order to recognise that there really is only one alternative: war or revolution, for which we have to try to prepare the working class. Yet it is hardly enough, and less than convincing, to depict (or predict) present-day economic and political trends as simply heralding a repeat of the run to the Second World War, or even the First, with only a change of major *dramatis personae*. This series itself (based on what we originally wrote in 1975) is testimony to the unprecedentedly long, drawn-out nature of the world crisis which dawned in the early 1970s and eventually led to the globalised capitalism we know today. Half a century on, as globalisation appears to be on the brink of retreat, as the space for financial

engineering is perceptibly narrowing, and as spending on 'defence' budgets rise while cuts are made elsewhere, it is essential to examine the way the wind is blowing for capitalism more carefully.

Traditionally capitalism's cyclical crisis was marked by a growing number of firms going bust (bankrupt) in the face of declining profitability which made it no longer worthwhile investing (i.e. no longer profitable, the fundamental *raison d'être* of capitalism). After a period of write-offs and takeovers of bankrupt firms a new round of capital accumulation could take place, albeit at a generally lower rate of profit than previously for the now-larger firms ready to supplant traditional domestic handicrafts and encompassing a wider geographical area. Eventually this process, though hardly a period for outright celebration by the growing class of wage workers whose unpaid labour was the basis of capitalist society's burgeoning though inequitable material wealth, created the social and material potential for a new world order. Collectively the working class had created the basis for a stateless (because classless) world of material plenty which, once freed from its inequitable capitalist frame with its inbuilt cyclical crises, could lay the basis for the peaceable existence of the whole of humanity. However, the concrete realisation of this potential demands more than establishment of the economic conditions. It demands the revolutionary will, political consciousness and organisation of the international working class: essential elements which do not spring altogether 'naturally' from the material situation and

are outside the frame of this article, though not of course, from our wider concerns. Suffice it to say here that, without political revolution, decaying global capitalism will continue its infernal cycle whereby war serves to devalue capital, possibly destroying the bulk of humanity in the process.

Keynes thought he had found the answer to this cycle with state management via deficit financing to prevent bankruptcies in key industries. Governments became adept at conjuring up ways to spend more than their income via taxation in order to support 'the economy', either directly or indirectly via tax breaks and so on, to avoid mass unemployment and industrial recession. By the 1970s, however, the fall in the rate of profit made this strategy increasingly costly and ineffective. Ironically, the clearest example of deficit financing is something Keynesians generally abhor: spending on war, where governments resort to the printing press and the yardstick of profitability makes way for a whole economy geared to the 'waste' of war production. The destruction of capital values in war does, however, lay the basis for a recovery of the rate of profit, thereby providing the basis for economic reconstruction ... assuming, that is, there is something left to reconstruct after the next war.

In fact the advanced economies, from which the crisis re-emerged in the 1970s, were already supported by deficit spending. As the crisis wore on, concerns over mounting levels of government debt were a major factor in the adoption of the monetarist policies advocated by the likes of Milton Friedman. Far more significant, however, in terms of the evolution of the crisis, are the myriad steps that have been taken to ease financial speculation.

*Interest bearing capital is always
the mother of every insane form, so*

*that debts, for example, can appear as
commodities in the mind of the banker*

Marx¹

'De-regulation' of banking, famously begun by Reagan in the United States and Thatcher in Britain, turned an ever-increasing share of 'profit realisation' simply into returns from gambling via financial speculation, without the inconvenient and unnecessary worry of calculating the cost of machinery/raw materials/wages in the estimation of the likelihood of monetary profit or loss. In the process, 'ordinary people', i.e. the working class, were also drawn into the whole dodgy business of financial speculation. Enticed to put their savings into high interest rate/high risk bank accounts and extend their mortgage borrowing, wage workers were even encouraged to engage directly in stock market speculation, notably, but not only, via the company shares employees of denationalised industries were allocated on privatisation. Of course financial gain in itself does not indicate the creation of new value since speculation is hazardous a bet on already existing values. One speculator's gain is another's loss unless, however, fresh money flows into the system via quantitative easing or other state created schemes. In the longer term this in effect resembles a vast Ponzi scheme which is likely to collapse as it did in 2008. The real problem is a growing shortage of surplus value to reinvest in productive industry. However, so long as the nominal worth (the buying power) of the currency in which speculation is occurring (usually the dollar, but also other major currencies, viz the euro and pound sterling) holds up, the winners from financial 'risk taking' are generally happy enough regardless of the focus of their investments. (For the financier the target for financial speculation in itself is of no matter: tar sands or wind farms, drones

or a wonder drug to combat Alzheimer’s or future prices of oil, future interest rates, sub-prime property or whatever else they can think of ... the key factor to consider is the rate of return on capital outlay).

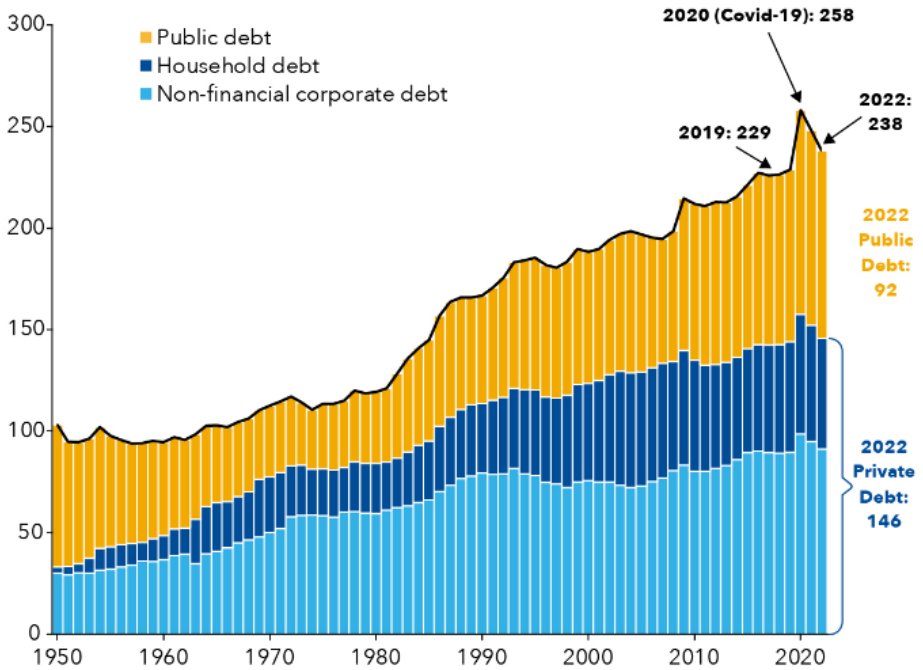
Still, since deregulation, regular financial crashes have plagued the world economy: 1990, 2001, 2008 and 2020 (coinciding with the Covid crisis and state measures to offset its economic impact, including trillions of US dollars and Chinese deficit financing on vast Keynesian-style building projects). William White, former economic adviser at the Bank for International Settlements, has pointed out that each crisis had its origins in monetary

stimulus intended to foster recovery from the previous recession but each one ended in financial bust and a new recession.² Moreover, the very low interest rates adopted after the 2007-09 financial crisis encouraged a huge rise in borrowing.

The trend of global debt up to 2022 is shown by the International Monetary Fund (IMF) graph below. Today, according to the Institute of International Finance (IIF), global debt is even higher than the IMF calculates. The IIF calculates, global debt rose from 280 % of GDP in 2008 to nearly 360% in 2021 as a ratio of GDP. At the same time the IIF also noted that this increase

Pandemic Blip

Global debt, which remained significantly higher than its pre-pandemic level last year, may return to its long-term rising trend. (percentage of GDP)



Source: IMF 2023 Global Debt Database, and IMF staff calculations.

Notes: The estimated ratios of global debt to GDP are weighted by each country’s GDP in US dollars.

coincided with diminishing productivity growth (dare we suppose that this is due to the high organic composition of capital?) and declining prospect for GDP growth across major economies as ‘the search for yield’ has driven European and Japanese savings into US assets.

As one *Financial Times* commentator, John Plender, succinctly puts it: “*We are now left with an intractable debt problem that acts as a drag on consumption and investment, and the world is at risk of severe financial instability whenever central banks raise rates.*”³

Previously seen as a solution by the economic pundits, borrowing and financial speculation are now regarded as the problem. The debts have interest attached to them which is the cause of the drag Plender speaks about and is often significant. The interest of the US sovereign debt, for example, was \$875bn in 2023 which is now more than the vast US military budget. The debt itself is now \$35.4 trillion. For the most part this interest simply results in the creation of even more debt. Printing money (or rather, allocating nominal amounts of currency to relieve debt), however, can only be done by countries who have debt in their own currencies, a possibility not open to most countries which have borrowed in dollar loans organised by the IMF or World Bank. Instead the interest will go into further speculation. All this can only inflate further financial bubbles leading to further explosions like that of 2008. In the world of finance capital, however, this neither means the end of speculation, nor of competition amongst the biggest players on the global and financial markets over ‘management’ of funds from all over the world (who thereby get their own financial rake-off). Needless to say, the UK as well as the EU is losing ground to the United States with the nominal value of “assets under

management by US groups” increasing from \$2.1 trillion in 2014 to \$4.5tn by September 2024.⁴ Last year was particularly bad for the London Stock Exchange which saw its biggest outflow of listed companies (88, with only 18 replacements) since the 2007/8 financial crisis. Now, London is even losing out to stock markets in India and Dubai, something which is making Chancellor of the Exchequer, Rachel Reeves, consider encouraging the UK’s “vast sprawling” pension funds to invest in “higher risk equity assets”—hardly a reassuring thought for the workers who will depend on some of the proceeds of those funds in their retirement.

While sterling loses what little remains of its old imperial standing in financial markets, the US dollar apparently reigns supreme with the US stock market recently described by the *Financial Times* as “*a global behemoth, comprising 75% of the MSCI world index at the end of 2023*”⁵

Nonetheless, stock markets are not the be all and end all of world domination, especially in this uncertain world where recent financial crashes have wiped out billions of dollars’ worth of share values. More fundamentally, the US, once the post-war world’s economic super-power, has been losing ground in regard to the rest of the world ever since the 1960s when its share of global GDP peaked at 40%. Today that share stands around 26% and, according to some measures, China’s share is now higher.⁶

In this context the dominant position of the US dollar, like sterling before the Second World War, is inevitably being challenged. Given US-imposed trade sanctions as a consequence of the war in Ukraine, the challenge is even more urgent for Russia. China and Russia have almost completely phased out the dollar from their bilateral trade which reached a record high of over \$200 billion in 2023 or 2024 (depending on

the source). Russia has also begun replacing its dollar reserves with yuans and euros. Between 2013 and 2020, the Russian central bank halved its dollar-denominated reserves.

In the wider world too there is undoubtedly a growing urge to get out of the grip of the dollar. Last October the IMF and World Bank convened for their annual meeting in Washington, marking the 80th anniversary of their creation and the post-war order they had helped establish. Significantly for the outlook of this order, the thirty-six BRICS countries, led by China, Russia, India, Brazil and South Africa, with Egypt, Iran, Ethiopia and the United Arab Emirates joining for the first time, were meeting separately for their annual summit in Kazan, Russia. Under discussion, naturally, was the question of how to establish a new international payments framework to circumvent the US dollar-dominated system. Significantly too, beyond the immediate concern of the summit, Xi Jinping announced a new era of “*turbulence and transformation*” whilst suggesting to Narendra Modi, that as leaders of the world’s two most populous countries, they should promote the “*multipolarisation of the world and the democratisation of international relations*”. (That’s rich given the wariness and constant border skirmishes between the two states.) Typically too, Turkey’s president Erdoğan chose to attend, despite being leader of a NATO member state never mind candidate for EU membership, whilst Egypt and the UAE are also western military allies.

This open challenge to the US-controlled post-war order was made even more clear a few weeks later by Putin, two days after Trump’s election. In his opening address to an annual conference in Sochi entitled, “*Lasting Peace on What Basis?*”, Putin drew a historical parallel to the Russian Revolution of 1917, reminding the audience how past revolutions reshaped societal and political

frameworks worldwide. Similarly, today:

*Before our eyes an entirely new world is emerging ... and what is at stake is the West’s monopoly which emerged after the collapse of the Soviet Union*⁷

This is at the source of soon-to-be-inaugurated President of the USA, Donald Trump’s recent warning to BRICS’ economies on the dollar.

*We require a commitment from these countries that they will neither create a new BRICS currency, nor back any other currency to replace the mighty U.S. Dollar or, they will face 100% Tariffs, and should expect to say goodbye to selling into the wonderful U.S. Economy.*⁸

Although the dollar is increasingly avoided by BRICS members in direct trade with each other, so far they have failed to create a credible alternative for wider global trade. Significantly though, last June Saudi Arabia did not renew its 50 year old agreement to trade its oil only in dollars. This is a major blow to the dollar’s dominant role in world trade and, as Trump’s rantings suggest, a further step towards all-out trade wars.

Which brings us back to tariffs and trade wars and the apparent similarity with the world following the Wall St crash prior to the Second World War.

Here, we must be careful. Even if capitalism is fundamentally subject to economic cycles, history is not a revolving circle with only the identity of the participants changing. As Engels explained in regard to the evolution of capitalist competition in the late nineteenth century,

most of the former breeding grounds

*of crises and occasions for crisis formation have been abolished or severely weakened. Competition in the home market is also retreating in the face of the cartels and trusts, while on the foreign market it is restricted by the customs tariffs with which all major industrial countries except England surround themselves. But those tariffs themselves are nothing less than the weapons for the final general industrial campaign to decide supremacy on the world market. And so each of the elements that counteracts a repetition of the old crises, conceals within it the nucleus of a far more violent future crisis.*⁹

In other words, we should not expect a straightforward repeat of the run-up to the Second World War with simply a change of dramatis personae.

This is not to deny that the world is in a very dangerous place today. As Engels recognised, the very measures being taken by capital to avoid a repetition of the previous world crisis have ensured that the next crisis will be even more damaging and extensive. Today the tail-end of capitalism's cyclical crisis involves dangers which extend far beyond strictly economic grounds, notably the potentially cataclysmic effects of climate change. The prospect of capital seriously turning its technological ability and scientific know-how to the task of combatting this is diminishing with the rate of profit.

Meanwhile globalisation has left the world with a complicated web of supply chains which, if they are to be rejigged, means a dearth of raw materials and technological/industrial infrastructure in some key places which, if not impossible to redress, will take time for reshaped power blocs to reorganise.

Reshaping Global Trade

In fact, however, the global expansion of free trade had already begun to wane when China joined the World Trade Organization (WTO) in 2001. By 2011, after years of negotiations, the WTO's Doha Round failed to agree on lower agricultural and textile subsidies. Between 2016 and 2020 the United States and China imposed tariffs on hundreds of billions of dollars' worth of each other's imports. Trump has already announced that his new administration will place tariffs at the forefront of negotiations on a wide range of issues starting in 2025. However, it is not only Trump and the Republicans who are working against the logic of the free market. Biden's blatant state support measures via the Inflation Reduction Act and the CHIPS and Science Act of 2022 which allocated \$400bn in tax incentives, loans, and grants is essentially a programme of state subsidies. No matter that about 40% of them were delayed or put on hold, the point is that the stronghold of the free market is resorting to state subsidisation of industry, and not just the arms industry. More directly Biden, like Trump before him in the White House, had no compunction about slapping on tariffs. Moreover, in May 2024, just over a year since US Treasury secretary, Janet Yellen publicly stated that Washington was not trying to decouple from China, and that a "full separation" of the economies would be "disastrous" for both countries, Biden sharply raised tariffs on imports of Chinese electric vehicles (EVs) and other clean energy products and said he would keep all of Trump's previous China tariffs. Unsurprisingly Beijing accused Biden of reneging on Yellen's pledge. Hypocrisy of politicians aside, it is evident that whoever is in the White House the United States will be protecting its own immediate economic interests. What is significant is that free trade

is viewed as not in the interests of the US manufacturing industry, not just the old rust belt kind, but contemporary items such as solar panels, batteries and EVs which cannot be produced as cheaply as in China. For US consumers the effect will be to raise the price of EVs, solar panels and so on, while China, *ceteris paribus*, continues to sell its cheaper products to the rest of the world. Eventually, that is. As one *Financial Times* journalist ironically notes, “Almost two years after the IRA was passed, the US has only installed seven new EV charging stations covering a total of 38 spots for drivers. This would be insufficient to cover a suburb in Luxembourg.”¹⁰

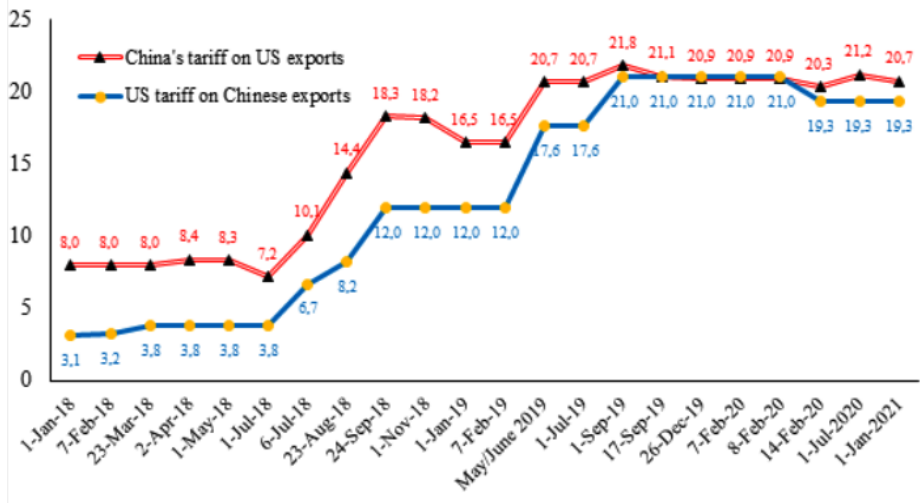
In the wider world too trade barriers are increasing. While the European Union is itself testimony to the existence of trade walls and tariff barriers, we hardly need to mention the obstacles and increased costs for post-Brexit trade between the UK and the EU, nor the embargoes on Russian exports in the wake of the war against Ukraine (embargoes that are deliberately circumvented and a blind eye turned when it comes to critical grain supplies from the world’s biggest exporter to

places like Turkey, Egypt, Iran, Saudi Arabia, Sudan, and Algeria.)

At this point it is worth noting that in historical terms, that is by contrast with the 1930’s, the various trade barriers being erected today in the world are miniscule and often no obstacle to closer internationalisation. In 1981, for example, the US imposed a ‘voluntary restraint agreement’ limiting Japanese car exports to the US to 1.68 million per year. One of the consequences of this was that Japanese firms began assembling cars in the US and entering into partnerships with American car companies to get around the export restrictions.

By contrast, after the Wall Street stock market crash in 1929, the United States increased almost 900 tariffs by 20%, sparking tit-for-tat retaliation from other countries in the form of more tariffs. As a result, global trade contracted by two-thirds within five years and although Roosevelt somewhat reduced US tariffs the trade walls were well up and the road to world war clearly defined. The average tariff rate today is 2.5%, down from 3.6% in 1993.

Tariffs on imports as % of their value



That said, the mutual trade barriers between the United States and China are much higher than the average, and getting higher. Biden's so-called "*small yard, high fence*" approach introduced in 2021, which was supposed to restrict exports to China of technological equipment "*related to national security*", quickly expanded to include just about any equipment and 'virtual services' that can conceivably be used for military as well as civilian purposes.

By May 2024 the Biden administration was still arguing that they were pursuing a policy of "de-risking" over national security items, not decoupling from China, when import tariffs on Chinese EVs and other clean energy products, including batteries, were sharply raised. (For example the tariff on Chinese semiconductors was doubled to 50%.) No matter whether there was an element of pandering to the 'blue collar' vote here, the fact is the measures were taken and were not the last to be implemented by Biden. Moreover, despite all the criticisms he had had of Trump's tariffs on \$300bn worth of Chinese goods, they remained in force under Biden's presidency.¹¹

The New Year opened with the tail-end of yet more restrictive measures of the Biden regime coming into force. US investors in Chinese venture capital funds are racing to comply with new rules banning them from backing companies that develop artificial intelligence and other advanced technologies used by the People's Liberation Army.

As one person in the know about investing in China, an executive at an American endowment fund, put it:

US dollar foundations are done committing to China, period...The hurdle for making new commitments on the private side is 50,000ft high¹²

If the Biden administration last year could still pretend that raising the height of the US trade wall with China was a strategic and political tweak to protect military and national security, this only confirms that the game is really a much wider one, about 'de-coupling' of the two economies. This, despite the ties that yet bind together certain elements of the two economies.

Meanwhile, although China is being careful to avoid blatant transgressing of US 'sanctions,' its ties with Russia after the invasion of Ukraine in 2022 have accelerated. And not just China; other countries are also still trading with Russia. India buys Russian oil, the UAE enables financial transactions, and Kazakhstan, Belarus and Turkey provide hubs for Russia's parallel imports — goods shipped through third countries outside the US trade embargo. But China is the most important, not only until recently ramping up exports to its neighbour but also buying Russian oil. Russia last year surpassed Saudi Arabia to become China's biggest supplier of oil.

In 2023, 60% of Russia's imports of dual-use high technology goods, as defined by the EU's trade regulations, came from China, according to a *Financial Times* analysis of Russian trade data.

More generally too, China's economic clout continues to mount. As the same perceptive piece in the *Financial Times* noted:

The world's second-largest economy claims to be the biggest trading partner of 120 countries, doing business with most nations regardless of their politics. This gives it a growing role as an economic enabler of a large range of countries, including those antagonistic to the US-led west, such as Russia, Belarus, Iran, North Korea and Venezuela.¹³

The gloves are off and it's not just about trade and being the world's biggest exporter. China is bent on challenging US imperialism and the 'rules based order' it gave itself after the Second World War just as much as the US is determined to hold onto, and fight to retain, its own supremacy. From the South China Sea, through the Indian Ocean to a burgeoning list of interventions in Africa,¹⁴ China is demonstrating its long-held military/strategic ambitions. Meanwhile in the USA global defence companies are recruiting workers at the fastest rate since the end of the Cold War. There is now a scramble amongst the world powers for once little-known metals and rare earths that are crucial for up to the minute technology, including

Notes

1. *Capital* Vol 3, Ch 27 p.596 (Penguin 1992), 'The Role of Credit in Capitalist Production'
2. John Plender, Central banks need escape route from boom bust cycle, *Financial Times*, 2.11.24
3. *ibid.*
4. *Financial Times*, The Relentless Advance of American Asset Managers in Europe, Harriet Agnes in London and Brooke Masters in New York..
5. Philip Coggan, Political Troubles Are Tearing Up the Rule Books for Investors *Financial Times* 28.12.24. The MCSI referred to here is a global stock market index that tracks the performance of around 1500 large and mid-cap companies across 23 developed countries. It is maintained by MSCI, formerly Morgan Stanley Capital International.
6. According to the IMF's *World Economic Outlook's* ranking of GDP according to purchasing power parity, China's GDP is the world's highest at \$35.29 trillion while the US stands 2nd, with \$28.8 trillion.
7. Quote from *Financial Times* piece by

on the military front — the importance of which China has long been aware. China produces about 60% of rare earth elements, and processes close to 90%. Now the US and the rest of the world are running to catch up.

There is no happy ending under capitalism. Global capitalism's inbuilt tendency to self-destruction has brought us to an all-too familiar place. The best hope, the only hope for humanity, remains the one force whose interest it is to see an end to all factions of capitalism: the global working class, the fruits of whose labour power have been stolen by the capitalists ever since the days of the power loom and the spinning jenny.

ER

- Gideon Rachman, The Birth of a New World Order, 28.12.24; plus information fromValdai Discussion Club website: <https://valdaiclub.co>.
8. Variously reported, see for example, Trump threatens 100% tariff on Brics nations if they try to replace dollar, 1.12.24: <https://www.bbc.com/news/articles/cgrwj0p2dd9o>
9. Engels' note in *Capital* Vol 3 p.620
10. Edward Luce "America is pulling up the drawbridge", *Financial Times* 16.5.24
11. Demetri Sevastopulo 'Biden treads fine line with China tariff rises', *Financial Times Asia* 21.5. 2024
12. Quoted in US investors in China venture funds race to comply with Biden tech ban, Tabby Kinder &George Hammond, 2 Jan 2025 *Financial Times UK*
13. Joe Leahy in Wenzhou, Kai Waluszewski in Heihe and Max Seddon in Riga 'China-Russia: an economic 'friendship' that could rattle the world', *Financial Times* 15.5.24
14. <https://www.leftcom.org/en/articles/2024-10-12/news-from-a-world-in-turmoil-chinese-imperialism-in-africa-and-the-mediterranean>

1905 in Poland: Documenting the Revolution

That is why — we greet you, 22 January, as a day of remembrance of the great past — and a day of hope for the great future!

SDKPiL, 1907

To commemorate the 120th anniversary of the outbreak of the 1905 revolution we publish here some translations of contemporary flyers released by the Social Democracy of the Kingdom of Poland and Lithuania (SDKPiL) during the course of that revolution. They are a historical document of the events as they happened.

The revolution began after a mass procession of workers in St Petersburg was violently attacked by Tsarist troops on 22 January, in the following days and months unleashing a wave of strikes and demonstrations across the whole of the Russian Empire, including Congress Poland. For our analysis of the revolution, we refer readers to our articles on the subject.¹ But the following statements — published in the form of flyers for mass distribution in January 1906, January 1907 and January 1908 respectively — sum up the experience of each year of the revolution and the rise and fall of the class movement. The 1906 statement was signed as the SDKPiL, but the 1907 and 1908 statements also bore the name of the Russian Social Democratic Labour Party (RSDLP) at the top — the SDKPiL had become a section of the RSDLP at its fourth congress held in Stockholm in April-May 1906.

The 1905 revolution was a trial by fire for workers' political organisations — they had to learn not only how to advance with the movement, but also how to retreat alongside it without abandoning their revolutionary orientation. From an organisation of just a few hundred active militants in 1903, the SDKPiL grew to more than 30,000 members by 1906, only to shrink again

following the repressions of 1907. There were political repercussions as well. In Russia, the revolution highlighted the growing political gulf between the Menshevik and Bolshevik factions of the RSDLP, with sections of the SDKPiL becoming increasingly close to the latter. In Poland, the main opponent of the internationalist SDKPiL within the socialist camp, the social-patriotic Polish Socialist Party (PPS), split in 1906 under the weight of events, with the left faction over time approaching SDKPiL positions.²

The 1905 revolution seemed to prove possible what once seemed impossible. And although the Tsar remained in power, and thousands of workers and militants were imprisoned, deported or killed, the movement awakened the revolutionary consciousness of the masses, and gave birth to the idea of the mass strike and soviet power.³ In doing so it prefigured the struggles to come. If in 1905 revolutionary social democracy still saw its task as helping to bring about the conditions in which a direct struggle for socialism would become possible, the intensifying contradictions of a now global capitalist system were to soon open a new era of imperialist war and socialist revolution. 1917 was the next chapter.⁴

Today we live in the aftermath of the failure of all previous workers' movements. The mass parties and trade unions which were supposed to lead the struggle for a new world have instead helped to integrate the working class into capitalism. Small revolutionary groups abound around the world but are divided over how to respond to a century of counter-revolution. We are not

talking here of the Stalinists or Trotskyists, who embrace that counter-revolution and are welcome to it. But amongst those who can recognise the defeat of the revolutionary wave that brought to end the first imperialist war in 1917-18 there is not even a meaningful dialogue. Some think that they alone are the only hope for humanity, others that they will be part of some nebulous spontaneous struggle that will arise from nowhere. Others think it is just enough to salute every strike as if the revolution was just around

Notes to the Introduction:

1. "A Majestic Prologue" - The Russian Revolution of 1905 <https://www.leftcom.org/en/articles/2025-01-08/a-majestic-prologue-the-russian-revolution-of-1905-part-i>
2. In 1918 the SDKPiL and the PPS-Left would unite to form the Communist Workers' Party of Poland (KPRP). See: A Brief History of the

corner. But strikes, where they happen today, tend to limit themselves only to bread and butter issues rather than take on wider political questions. As the planet burns in the fires of imperialist war and environmental catastrophe, a united working class response is notably lacking. In this sense, the need for a real movement which could awaken the revolutionary consciousness of workers and help revolutionaries regroup politically, a new 1905 if you will, is greater than ever.

Dyjbas

Communist Workers' Party of Poland <https://www.leftcom.org/en/articles/2015-12-19/a-brief-history-of-the-communist-workers%E2%80%99-party-of-poland>

3. See: Leon Trotsky's 1905 and Rosa Luxemburg's *The Mass Strike*.

4. *Russia: Revolution and Counter-Revolution, 1905-1924 - A View from the Communist Left*

A Year of Revolution (1906)

I

The day of 22 January closes the first year of the Revolution within the Tsardom; it represents the same kind of breakthrough in the history of mankind as the Great French Revolution did a hundred years ago.

When a year ago the telegraph circulated the news that, in the Tsar's capital on the Neva river, 200,000 workers had left work and marched to the Winter Palace to plead for political freedom and the eight-hour workday, this news hit the minds and hearts of people across the whole world like thunder. Humanity faced a magical event, a miracle, it gazed at the sight with bated breath; this huge endless proletarian procession, a mighty pilgrimage of working people, walking with slow, heavy steps, determined to face everything, the masses, marching to come face-to-face with the omnipotent Tsar, and proclaim:

freedom or death!

An inconceivable miracle! For hundreds of years the Tsardom was a huge cemetery, in which millions of people were born, lived and descended to their graves in bondage, in chains, but — all in sombre silence. Grave silence ruled in this immeasurable prison of millions, in which the cracking of whips and the groaning of an exhausted people was only interrupted by the sound of worker and peasant misery. Individual outbursts of rebellion, even the most heroic outbursts of "Narodnaya Volya",⁵ seemed to burn briefly with a bright sacrificial flame only to be extinguished, making the darkness of hopeless slavery even more terrible.

And so in this silent grave, in which millions endured the iron fetters and heavy yoke of despotism with humility, a sea of people's heads has rocked at once, the whole mass of the people has risen with an oath to gain freedom or death, and continues

unwaveringly, stumbling over its own corpses and slowly making its way to the trenches, overthrowing the old fortress of despotism, conquering stronghold after stronghold and soon on the highest peak it will raise — the red banner of freedom.

An inconceivable miracle happened on that 22 January last year — for people who had eyes but could not see, who had ears but could not hear. Yet in that Petersburg Procession of 22 January the word has become flesh, the red word of Social Democracy, which rang upon the grave of the Tsardom for many years now, and like an early lark it heralded spring. On 22 January the prediction of a certain poet came true, who once proclaimed:

*“And from the west a wind will warm
this land.*

*Will the cascade of tyranny then
stand?”*⁶

The wind from the west — that was the great gale of the proletarian idea, of workers' struggle for emancipation, of socialism, which having flown all over the world and having woken up millions of exploited workers everywhere to a new life, arrived from the West to the great frosty cemetery of Tsardom, and began to blow and blow, until it ignited a spark of light in the heads of the exploited working masses and the flame of revolt in their hearts, until they rose up and began to break up the eternal ice cascade of tyranny.

On 22 January, that huge procession of workers showed at once where freedom for Russia will come from. Previously the Russian peasant desperately rebelled and — was silenced by the iron fist of the Tsarist regime. The Russian nobility, fed up with the economy of the chinovniks, thieves and Cossacks, began to stir, and — was silenced when in December 1904 the chinovniks,

thieves and cossacks threateningly forbade protests, when they forbade zemstvo assemblies and banquets and ordered silence.⁷

In that very moment when everything went silent, when the whip reigned supreme, that is when the working people, defenceless and meek, stepped forward and asked for freedom. But such is the strength of the mass of the workers throughout the world today, such is its power, that its plea for freedom rang the funeral bell for the Tsarist government, so it deployed murderous cannons against the pilgrimage of defenceless proletarians and blood was shed like the sea.

With 22 January a new era of history has opened for the Tsardom, a new era of history for all modern nations. The first revolution in modern history led by the conscious working class under the banner of Social Democracy has begun. And today the proletariat of the Tsardom, the oldest fortress of barbarism, leads the way. Today sparks of the revolution in Russia and Poland land on the thatched roofs of capitalist countries in the West, and already little flames are lashing their crimson tongues. Already in Vienna and Prague, already in Leipzig and Dresden, the working masses are taking to the streets to demand new political rights, and already blood has been spilled on German pavements. Already in Hamburg barricades have been erected.⁸ Thunder still growls timidly in Europe here and there and lightning flashes silently in the sky. But the storm is coming slowly, blown by the wind from the east. 22 January, having awoken the proletariat of the whole of Russia, is now awakening the proletariat of the whole world, to a new faith in their emancipation, to a new willingness to fight.

For many decades, since 1848, the thunder of revolution was not heard in Europe. The bourgeoisie has given up the struggle, having won power for itself, while the proletariat could not yet step up. After

the bloody repression of the Paris Commune workers' uprising of 1871,⁹ revolutionary struggles subsided, and a blissful "peace" for the masters of this world prevailed. The ruling classes, governments and blind and small-minded people have even begun to think that the revolutionary era is over, that the kingdom of capital will reign forever.

Until the January thunderbolt awoke them from their daze. As a harbinger of a series of future socialist revolutions of the proletariat all over the world, 22 January entered the Tsar's northern capital last year.

II

The spontaneous working class uprising in Petersburg was the trigger for an eruption across the whole country. Let's have a look at the course of the revolution over the past year.

On the 22nd the massacre took place in the capital, and already on the 25-26th hundreds of thousands of workers in all the main cities of Russia, Poland, Lithuania, Livonia and the Caucasus left their jobs in solidarity with their murdered brothers in Petersburg. Suddenly, a powerful new tool of this first workers' revolution was invented — the general strike. For the first time in the history of Tsarism and in the history of the proletariat of all countries, such enormous masses of workers in such a vastly dispersed area, at a single command, stood up to fight for a single goal. And this command was given not by any great leader, not by any new Napoleon, but by the very spirit of brotherhood and solidarity living in every worker, the very class instinct of the exploited and oppressed was their infallible and all-powerful leader. The proletariat of our country was at the forefront — the masses in Warsaw, Łódź, Częstochowa, Dąbrowa, Białystok, Vilnius were stirred to action. The strike spread over the whole territory of the

Tsardom and showed the Tsarist government that its enemies would not be slaughtered by a Petersburg massacre, because they were not thousands, but millions. In this first general strike, the entire working class of Tsardom was born into action and struggled as one army, led by one spirit, striving for one goal. Political freedom and the eight-hour workday became, a few days after the Petersburg Procession, the slogan of the workers of the whole country.

Along with the workers, the youth rallied to the cause. Alongside the factories, schools and universities are coming to a standstill; the school strike — an unprecedented phenomenon — is sweeping the whole country. Tsarist education is dying out.

The first general workers' strike ended. But the revolution immediately took on a new form. In place of one general strike, a myriad of strikes broke out in all branches of production. Each section of the workers began to fight separately against their exploiters. The workers began to passionately demand redress for their thousands of grievances, previously endured with humility. A general struggle for material improvement of living, for the eight-hour workday, spreads over all industrial areas. In springtime this struggle continues, in which individual areas develop unprecedented heroism: Dąbrowa fights despite hunger and the strike continues for 6 weeks without a break.

Then we come to May Day, the first workers' holiday of the revolutionary era. The Polish proletariat once again takes the lead. Warsaw amazes everyone with a march under the banner of Social Democracy. The May Day march ends with the slaughter of the defenceless in Jerusalem Avenue, and gives the slogan of revenge, for a new struggle throughout the country. In June, Łódź responds to Warsaw's May Day festivities and overtakes Warsaw in heroism. The general strike turns into street

fighters. The first barricades of the revolution are erected on the streets of Łódź, and brave fighters of the proletariat fall on them by the dozens. After Łódź, Białystok and Częstochowa provide examples of workers' heroism. Riga shines with courage, Kiev and Odessa appear as capitals of heroic struggle.

The phase of uninterrupted strikes momentarily subsides in the midst of summer. The revolutionary storm seems to hold its breath. And suddenly a new unexpected explosion — in the south, on the Black Sea, the battleship *Potemkin* floats like a ghost from a fairy tale, the ship of the mutinous crew with the flag of the Revolution on its mast.¹⁰ It is a harbinger of new explosions — in the navy, in the Tsar's army. Barely has the *Potemkin* rebellion been suppressed, when the first harbingers of a peasant uprising arrive. Outside the city, the countryside joins the fight. The revolution spreads, grows like an avalanche. And workers' blood flows in streams. Kasprzak's martyrdom ends in the death of a hero of the struggle for freedom and socialism, a death that shakes the whole world and fans the flame of revolution further.¹¹

The Tsar with his criminal gang plans to deceive and paralyse the revolution by trickery. They put forward Bulygin's fraudulent project¹² — shameful electoral lawlessness for the comedy of the Tsarist Duma. Tsardom thought that it was still possible to fool the working people, but underestimated their political maturity. The response to Bulygin's project was a new outbreak of struggle and a general strike of railway workers under the slogans of Moscow, followed by a general workers' strike. Bulygin's projects lie in ruins. The dying Tsardom issues the 30 October Manifesto, promising freedom.¹³ Before the Tsar allows it, freedom bursts like a crashing wave into the state, the workers take it by storm, public meetings, a free press, unions

spring up as if by a miracle from the underground. Tsarism responds with a general massacre, pogroms against Jews, the crimes of the Black Hundreds.¹⁴ But the revolution also makes new lion's leaps in response: like an echo of *Potemkin*, naval uprisings resound in Kronstadt, in Vladivostok, in Sevastopol. After the navy, the army rebels in Petersburg, in Moscow, in Kiev, in Odessa. In response to martial law in Poland, to the massacre in the Caucasus, a brotherly echo — a general strike in Petersburg.

The peasant war engulfs Central and Southern Russia like a fire. The whole of Livonia stands in the flames of revolution.

Tsarism attempts new violence, arrests, prohibitions. The answer is a new outbreak of a previously unknown revolutionary struggle — a general strike of the post office and telegraph. Following it, another general strike of workers and the first great armed uprising in Moscow.

So the new 22 January enters upon a terrible sea of red blood, upon a vast battlefield of heroic victims, upon poverty, hunger, and the immeasurable efforts of the proletariat. But at the same time it rises — upon the ruins of Tsarism.

It was a year of revolution, the likes of which history has never known — without pause, without respite. Not a day passed without a struggle, without victims. But during that year the revolution marched from victory to victory. Because every apparent defeat brought a moment later an even more powerful outbreak. The revolution marched tirelessly forward, multiplying its weapons, expanding its field of action, growing in courage and spirit. Absolutism marched only from crime to crime, from shame to shame, from bankruptcy to bankruptcy. Today we are facing the last phase of the revolution — the phase of armed struggle. The revolution is breathing in again, to explode all the more

powerfully, to run wild and knock the enemy to the ground once and for all.

III

Petersburg began the year of revolution with a procession of supplicants, workers armed with the Passion of Christ and led by a priest. Moscow ended the year with an armed uprising of the organised proletariat under the slogans and under the leadership of Social Democracy. This is the content and the achievement of the revolution of the past year. The last 22 January already indicated that the working class is the decisive force that will overthrow absolutism. The whole of last year confirmed this lesson. The army of fighters expanded and multiplied, the countryside arrived, the Russian intelligentsia arrived, the officials arrived, the navy arrived, the military is arriving, but the center, the nucleus and the leader of this whole army remained the industrial proletariat. And with the expansion of the struggle and its leadership, the proletariat grew continuously in political maturity, in consciousness and organisation. The struggle not only expanded but also deepened. What started as a spontaneous, chaotic outburst of protest and a plea for freedom, is today a disciplined concentration of ranks, ready for any sacrifice, clearly understanding their goals, led by their own class party. From a sect Social Democracy in the entire country has become a huge people's movement over just one year. The political and economic organisation of the proletariat has matured and expanded powerfully.

And in this political maturity, in this fighting energy, in the unwavering revolutionary will of the proletariat lies the guarantee of further victories of the revolution and its final victory.

At present moment, when the proletariat

is preparing with full concentration and iron willpower for the final phase, armed clashes with Tsarism, looking with contempt at its efforts around the comedy of elections to the lawless Duma, the bourgeoisie is again starting to think the revolution will fall silent, that the bayonet and the rifle will be masters, that the struggling, fatigued masses will drop the weapon from their hands.

Rifles! They are to crush the revolution, which has become a historical necessity, a verdict of history! The blind parasites of the revolution forget that if the rifles which, before 22 January 1905, ruled supreme, were not able to prevent the initial outbreak of the revolution, today, shattered in parts, they will not be able to crush the powerful and raging revolution.

Fatigue! Let these gentlemen, in their safe hiding places, who dare to discuss the fatigue of the worker in struggle, look with their eyes into the abyss of great misery, humiliation and hopelessness in which the working people lived and vegetated, into that hell from which they emerged on 22 January to fight, and they will understand that these people today cannot abandon themselves and return to the yoke, just as a stream falling from the crevices of a mountain glacier, falling down into the valley, cannot return to its source.

The working people who took to the streets on 22 January 1905 and started a revolution, were fatigued not by revolution but by misery and disgrace, by the yoke of exploitation and oppression. On that day the proletarians of Petersburg, tired of centuries of oppression, cried out: we will not return to the yoke. Better death than slavery!

And today, after a year of heroic struggle, the proletariat of Poland and Russia, of the whole country, renews its oath and resolution to continue the struggle unwaveringly until the end, until victory! Before 22 January rises for the third time, the fortress of despotism

will drown in that sea of blood, in which a year ago, on the first day of the Revolution, freedom and the struggling people it tried to

drown.

SDKPiL

January 1906

Hallowed Be, Hallowed Be Our Day of Blood and Glory! (1907)

Workers! The most difficult year of the revolution has passed and we stand once again before the day of 22 January — the day on which for the first time the workers' breast boldly struck the fortress of Tsardom in a mighty wave — on which the first streams of proletarian blood abundantly watered the streets of the Tsarist capital, on which the first bloody seed of the great revolution was sown.

That which had been hidden for many years in the depths of life, that which was being created underground, now suddenly emerged onto the surface of the earth. And before the eyes of the astonished world an unprecedented historical tragedy unfolded, an unprecedented battle of new forces with the legions of a dying order.

The Petersburg salvos, the groans of murdered proletarians in the streets of the Tsar's city, resounded with a mighty echo across the vast areas of the Russian state — and everywhere, in every corner where their sound reached, crowds of slaves, proletarians poured out into the streets to break their chains.

And a struggle broke out, such as the world had never seen. Enormous waves of a strike movement flowed, drawing on hunger and misery, from centuries of slavery, now enveloped in the dazzling light of class consciousness, inexhaustible resources of revolutionary energy.

The storm of history roars ever more powerfully. The great October strike of 1905 tears the constitutional manifesto from the Tsar's stiff paw. But the struggle goes on,

it must go on as long as the monster bites, as long as we have not yet pulled out its poisonous fangs. The dying monster gathers black forces, organises the remnants of its troops — the bourgeoisie rushes to its aid, terrified by the sweep of the revolution, terrified by the power of action developed by the proletariat. The Moscow uprising, stifled in streams of blood, ties the bourgeoisie even more to the Tsar, and isolates the proletariat even more. From the beginning of the enormous struggle against Tsarism — all this sea of blood, all this great martyrdom — hunger and cold — gallows and bullets — prisons and Siberian taigas — all this has been fed by the blood of the proletariat — all is drawn from its noblest part, those enduring the hunger and cold, Siberia, the martyr's stake and the gallows, for the sacred work of emancipating the working people.

The bourgeoisie was at first only a modest spectator of this grim drama — a spectator rubbing their hands at the thought of the power and profits that will later be drawn from this suffering, from this struggle of the working people, after the victory. But as soon as it understood where the proletariat was heading — as soon as it noticed that the conscious class force demolishing the old edifice of despotism would want to build on the ruins of this edifice the mighty framework of popular rule — as soon as it noticed that the working people wanted to buy with the price of their blood not freedom for the bourgeoisie only, but freedom and bread for themselves — from that moment the bourgeoisie ceased to be a spectator, and became

an active ally of Tsarism.

The role of the proletariat becomes even more difficult, even more important. Its consciousness is the only guiding light, followed also by the masses of the revolutionised peasantry. But this consciousness, deepening the revolution, makes it at the same time more difficult to realise, increasing the barriers that the conscious revolutionary force must overcome. And the revolution, having exhausted in the preliminary battles the reserves of energy which it had brought to the surface from the enormous reservoir, returns again to its underground bed, flowing deeply and powerfully, so that later with fresh, invincible energy — like a hurricane, like a destructive current — it can flow out into the streets and squares, and fulfill its great task.

The Tsarist government and the bourgeoisie, unable to understand the complex historical process that is revolution — unable to understand that this silence is the forging of weapons in the underground — rub their hands, certain of victory. Because where are the forces that could overthrow the shaken fortress of despotism?

The proletariat decimated, deprived of its bravest sons — the peasantry trampled by punitive expeditions — everywhere gallows, stakes — everywhere the groans of the murdered — everywhere the groans of raped women, slaughtered infants, slaughtered elders. The whole vast area of the Russian state has become one torture chamber, in which day and night the unbridled Tsarist mob celebrates wild orgies.

And in these conditions the Tsar summoned the Duma. He wanted to sanctify the victory with a comedy. But the Duma chosen under the sign of reaction — saturated with the groans of innocent victims — saturated with the smoke blowing from the conflagration — saturated with the injustice

of millions — was not a tool in the hands of the Tsar, just as it was not a tool in the hands of the revolutionary people, who forged their swords far from it.

Tsarism dispersed the Duma.¹⁶ Tsarism sought a way out, because it saw that its victory was illusory — because this silence momentarily seized it with fear — because it did not know what the next day would bring — because it saw that the enemy was preparing to jump, and did not know where and when the fatal blow would fall on his neck. It counted on the bourgeoisie, ready to lick its feet, it counted on its Black Hundreds — it wanted to base its existence on them. It entered into an alliance with them, called them to fight the revolution, promised in return to share the power and provide the opportunity to strangle the proletariat — it promised, having no intention of fulfilling even this promise.

Court-martials and military pogroms for the revolutionaries, reforms and a second Duma for the bourgeoisie — such is the further development of the revolution. But vain efforts, vain toil! The forces of the revolution, though temporarily hidden, are too great to be crushed by childish means — the necessity of the victory of the proletariat rests on too strong a foundation for momentary Tsarist repressions to make this necessity any weaker.

The underground is seething. The underground is forging swords; those who will not yield, cannot yield as long as they do not place their victorious foot on the breast of the fallen monster. The underground is seething. The underground is preparing for battle, those who have nothing to lose but their chains — and a world to win. And again — at the right moment — from this underground the volcano of revolution will spew fiery lava and flood the whole world with it. And once again two forces will stand face to face — and the

final battle will commence.

So, although the prisons are overflowing with our fighters — so, although the enemy torments individual knights of freedom every day — although the wounds of the proletariat continue to bleed — although, like blood-hungry jackals, the capitalists want to take advantage of this moment and drink in the blood of the workers — amid the clash of the sabers of the Tsarist executioners, amid the swish of their whips, the creaking of the gallows, the roar of salvos — the trained ear of one who has long understood and felt the historical necessity — will easily distinguish the dull roar coming from the underground — will easily pick up the muffled sounds of the revolutionary storm, which will unexpectedly, like a hurricane, come to the surface and cleanse the earth of all kinds of filth.

And that is why — we greet you, 22 January — as our holiday — as the day on which the sacred blood of the proletariat flowed onto the earth and fertilised it and prepared it for the sowing of revolution! That is why — we greet you, 22 January, as a day of remembrance of the great past — and a day of hope for the great future!

By leaving work in factories and workshops, on this day we challenge the powers of reaction — by leaving work in the torture

chambers of capital, we throw down the gauntlet to all those who croak a funeral song, over us who are alive and full of faith and strength next to the fresh corpses of our fallen brothers.

By leaving work in factories and workshops, we throw to those who groan in dungeons, those who in the distant taigas of Siberia, far from us, perhaps lonely, have lost faith in the sacred work, those who perhaps have weakened from incredible torments — to them we throw a mighty breath of fresh hope, fresh faith.

Hallowed be then, hallowed be our day, this day of glory, this day of blood and suffering — from which a new life of people's freedom will blossom! The underground is seething. The underground is forging swords for those who will go to battle — to a new, final battle.

May this day of 22 January renew their strength, tighten their ranks!!!

Honour the memory of the victims of the revolution!

Long live the revolution!

Long live socialism!

Long live the general strike!

SDKPiL

17 January 1907

Comrade Workers! (1908)

The anniversary of 22 January 1905 is approaching for the third time.

On that day, the workers of Petersburg, in a surge of universal fervor, staged a huge demonstration: they went in a huge crowd to the Tsar's Palace to demand freedom and bread.

Among this crowd were thousands of people who had preserved in their souls a slavish loyalty to the Tsar, a childlike faith that a mighty and gracious ruler would listen to their complaints and grievances. They were

disappointed! The Tsar responded to the pleas with murder, a hail of bullets, which cut down hundreds of men, women, old people and children, a stream of martyrs' blood flooded the pavement in front of the Tsar's palace... And in blood this naive faith was drowned forever, and the workers of Petersburg, and with them thousands of workers of the whole state, now understood that there could be no agreement between fire and water. Therefore, from that memorable day a new era in the struggle for freedom begins in the Russian

state.

A few months after that day, the memorable strike broke out throughout the country, which forced the Tsar to make concessions. And it seemed that the workers would overthrow the rotten Tsarist throne with one blow... But the historical tragedy that the working people had experienced so many times before was repeated: there was a desire for freedom, there was no awareness of the paths leading to the goal; there was passion, there was no perseverance; there was boundless heroism, there was no unwavering will, no ability to use all their strength to achieve immediate victory... So the Tsar could once again concentrate his forces, could once again rely on the rifles in the hands of the sons of the people, and took his bloody revenge.

But after all, Tsarism did not break the proletariat! The desire for freedom came to life in millions of hearts, the consciousness of the need to improve living conditions arose in millions of minds; the working people matured in the struggle, in the struggle they acquired the consciousness of their goals and means. Therefore, despite the fierce repressions, despite the torment, despite the gallows and hard labour, they are gathering strength, preparing their ranks, work for the sacred cause is seething, and when the hour strikes again, the working class will stand united, powerful and invincible in the fight for its rights.

Let us keep these great tasks in our mind on the anniversary of 22 January.

In the past two years we have celebrated

Notes

5. "*Narodnaya Volya*" (People's Will) was a clandestine revolutionary organisation founded in 1879 when it emerged out of the earlier group "*Zemlya i Volya*" (Land and Liberty) It was loosely inspired by the collectivist anarchism of Bakunin and the "going to the people" populism of the Narodniks, and infamous for its acts of "propaganda of the deed" meant to

this anniversary with a protest strike. This year such a strike will not serve its purpose, because the general crisis in industry, with reaction running wild, would give entrepreneurs the opportunity to deprive the most courageous workers of their earnings, to undermine the foothold of the trade unions, which, in a period of strenuous organisational activity, would not be able to put up the necessary resistance.

Therefore, comrades workers, we advise you this year to refrain from the protest strike on 22 January.¹⁷

But let us celebrate this day by doubling our work for our cause, for the cause of the proletariat — on 22 January let every conscious worker set themselves the goal of winning new members for the political organisation and the trade unions; let us bring on this day with redoubled energy the light of class consciousness to the ranks of our brothers; and finally, let us donate part of our earnings for this day to the organisation, to the victims of the struggle.

Let us be at work on this day, since necessity requires it, but let us be united in spirit in the great idea of liberating the proletariat and all of humanity, let us be united in spirit in serving our cause.

So on 22 January concentrate our hearts and spirits in the proletarian cry:

Long live freedom!

Long live socialism!

SDKPiL

January 1908

spur the peasant masses into action: sabotage and murder. After the successful assassination of Tsar Alexander II it underwent an internal crisis from which it never recovered. Some of its tactics were later picked up by the Socialist Revolutionary Party (SRs).

6. Adam Mickiewicz, *The Monument of Peter the Great*, English translation by Marjorie Beatrice Peacock and Goerge Rapall in *Slavonic and East*

European Review (1 January 1936).

7. Reference to the banquets and assemblies organised by the liberal opposition in support of political reform. Chinovniks were members of the Tsarist bureaucracy. Cossack regiments were used by the Tsarist state for military and police service.

8. Inspired by the events in Russia, in 1905-6 tens of thousands of workers in Germany and Austro-Hungary took to the streets calling for the introduction of universal suffrage and equal voting rights. The Social Democratic Party of Germany (SPD) and the Social Democratic Workers' Party of Austria (SDAPÖ) helped organise these demonstrations. In some cities, like Dresden and Hamburg, street fights between demonstrators and the police broke out. However, a revolutionary situation did not develop and the reformist Social Democratic leadership rejected the calls for a mass strike.

9. See: <https://www.leftcom.org/en/articles/2021-03-18/1871-2021-vive-la-commune>

10. The *Potemkin* was a battleship of the Imperial Russian Navy's Black Sea Fleet. Recent defeats in the ongoing Russo-Japanese War and poor living conditions on the ship undermined morale among the crew. On 27 June 1905 a mutiny began. These events were later dramatised in the famous 1925 film *Battleship Potemkin* directed by Sergei Eisenstein.

11. Marcin Kasprzak (1860-1905) was a prominent socialist militant. He passed through multiple political organisations and was pursued by arrest warrants across Germany and the Russian Empire. In 1890 he co-organised the first ever May Day demonstration in Poland and became a friend and mentor to Rosa Luxemburg. Upon his return to Warsaw in 1904 he set up an underground SDKPiL printing press. On 27 April 1904 the building was raided by the Tsarist police — Kasprzak defended himself and a shootout ensued as a result of which four policemen died. Kasprzak was tried and executed on the slopes of the Warsaw Citadel on 8 September 1905. His death became a rallying cry for the socialist movement.

12. Alexander Bulygin was Minister of Interior from February until October 1905. He drafted the "Bulygin Constitution" which proposed the

creation of a Duma as a consultative assembly of representatives of the landlords and the big bourgeoisie. The proposal did not satisfy the revolutionary movement which vowed to boycott the Bulygin Duma

13. In response to the continuation of strikes and protests, the 30 October Manifesto issued by the Tsar went a step further than the "Bulygin Constitution" and promised a Duma in the form of an elected parliament with some actual legislative powers.

14. The Black Hundreds were groups of nationalists and monarchists who opposed the revolution, carried out anti-Semitic pogroms and sought to rein in protesting workers and subject nationalities.

15. Following the arrest of the Petersburg Soviet on 3 December 1905, an armed workers' uprising began in Moscow on 7 December, in which Bolsheviks played a significant role. It was violently suppressed and the revolutionary movement began to decline from that point onwards.

16. The first Duma, established in May 1906, was dominated by liberal opposition groups. The second Duma, established in February 1907, showed an increase in support for the socialist parties. Both Dumas were dissolved by the Tsar in a matter of months. The third Duma, established in the wake of Prime Minister Pyotr Stolypin's manipulations of June 1907, restricted the franchise and ensured the dominance of conservative forces. It lasted the statutory term of 5 years.

17. The decision not to hold the now customary protest strike on 22 January was an indication of how the balance of forces had shifted by 1908. The revolution was over. The workers' movement had been smashed by repressions and thousands of militants had been imprisoned, deported or killed. The party structures of the SDKPiL were in disarray and had to be rebuilt. This downturn contributed to the 1911 split in the SDKPiL, which showed the growing chasm between the executive in Berlin and those in Poland with their boots on the ground. In the end, it was the outbreak of the war which helped the party reunite around what mattered most: the internationalist cause.

Understanding Marxism, Capitalism and Socialism: A Review Article

Richard D. Wolff, *Understanding Capitalism* (2024, Democracy at Work), *Understanding Socialism* (2019, Democracy at Work), *Understanding Marxism* (2018, Democracy at Work), <https://www.democracyatwork.info/books>

Richard Wolff, who is an academic Marxist and emeritus professor of economics at the University of Massachusetts, has a large following on YouTube where he presents a weekly programme on the global economic situation. He also appears on other YouTube discussion programmes on current economic and political issues. His recent book *Understanding Capitalism*, which he describes as a synthesis of these programmes, is also a response to requests from readers of his earlier books, *Understanding Marxism* and *Understanding Socialism*. He is the founder of the “Democracy at Work” organisation which publishes his books.

He appears sympathetic to the “Monthly Review School” and acknowledges the influence of key members of this school in *Understanding Capitalism*. The *Understanding* series present popular and simplistic treatment of the issues discussed but where theoretical issues are broached Wolff locates the problems of capitalism in the sphere of distribution, and appears to agree with David Harvey, a contributor to his programmes, that the fall in the rate of profit is indeterminate.

Key themes in his YouTube programmes, which are taken up in his books, are what is wrong with capitalism as a system and how to go beyond capitalism to a new production system. He sees the present phase of world history as the decline of capitalism and of the US empire, the latter heralded by the rise of the BRICS. He is very good at pointing out

what is wrong with capitalism and these books contain detailed shredding of the myths which the capitalism’s prize fighters are continually ramming down our throats. The books generally contain a good introduction to the issues they deal with and are worth reading for this. It is, however, his solutions for replacing capitalism which we consider are utopian and contradict principles he correctly states in these books. It is these which we will consider in detail below. The summary of his view is that democratisation of workplaces, which he outlines in his book “*Democracy at Work*,” and the formation of workplace cooperatives, which he calls “Workers Self Directed Enterprises” (WSDEs) represent the path to the next stage of human production, and so to the supersession of capitalism. These cooperatives, he explains, are to coexist alongside general capitalist production in a hybrid system of production. However, they are to operate within a common system of distribution which is the capitalist market for exchange of products. This is envisaged as a situation parallel to that in which capitalist sectors existed within feudalism and eventually overthrew it. The WSDEs will exist within capitalism and will, presumably, eventually overthrow capitalism.

Understanding Marxism

In his essay entitled *Understanding Marxism* Wolff gives a simple, but correct, introduction to key aspects of Marxism. He starts by looking at the production

and appropriation of surplus in systems of production. The way the surplus is produced in slave, feudal and capitalist societies differ, however, in all of them the ruling class appropriates the surplus produced by the subject class. In this regard capitalism is no different from slave and feudal production systems. They are all class divided societies in which the subject class is exploited. That slave and feudal production systems have been overthrown simply shows that they were historically limited modes of production, and similarly capitalism is a historically limited system also destined to be overthrown.

The defining relationship of capitalism is that between employer and employee. This, of course, is wage labour. Wolff appears to use employer/employee in the place of capitalist/worker because in modern capitalism the capitalists appoint supervisors, managers, CEO's and so on, meaning that the immediate "boss" is no longer the capitalist, which makes the relation between capital and labour more difficult to understand. In slave society and feudal society, the exploitation of the slave and the serf is obvious. It is clearly visible since the products of the slave's or the serf's work are taken from them by force, whereas in capitalism this exploitation is disguised. The managers or CEOs are appointees; they are the agents of capital and enable the production of the surplus which the capitalists appropriate.

Following Marx, Wolff explains how exactly this surplus is produced. Labour power, which is the ability to labour, is a commodity which the worker is forced to sell to the capitalist to survive. The value produced by the worker during the time of work is greater than the value represented by their wages; the difference, which the capitalist appropriates, is surplus value. This can be viewed in terms of the time the worker labours. They work a proportion of the day

to produce the value of their wages and the remainder to provide the surplus which goes to the capitalist. This can be viewed as necessary labour, the labour needed to keep the worker and their family alive, and surplus labour, that which the capitalist appropriates. Capitalism is, Wolff points out, the first production system in which the sale of labour power is the primary relationship of production.

Part of the labour performed by the working class produces surplus value, and so is called productive labour. Capitalists, however, need to employ labour to organise production and keep the system operating. Part of the surplus extracted from productive workers is therefore used by the capitalists to employ foremen, managers, accountants, security staff, lawyers, etc. These are unproductive workers. In the US, the common distinction is between blue-collar and white-collar workers (though this doesn't map out exactly onto the distinction between productive and unproductive labour).

In all exploitative societies the ruling class uses the surplus to maintain its position as the exploiting class. Their delegated representatives dominate economics, politics and culture in an unending effort to justify the existing system and enforce its ideological hold over the exploited class.

Wolff points out that the contradictions within capitalist society produce instability and crises which will lead to its downfall. The one contradiction he points to is that accumulation entails more efficient machinery and so the laying off of workers thereby restricting demand. Wolff does not deal with this adequately. More advanced machinery with fewer workers is the classical way capitalism tries to increase surplus value, which, as we know, generally means an increased amount of profit but at the same time tends to reduce the rate of profit.

Because Wolff does not start his explanation with the labour theory of value he does not mention that living labour is the only source of value. Hence replacing workers with machinery necessarily reduces the amount of value workers create per commodity produced. This produces the tendency for the rate of profit to fall. This does not prevent the capitalist from increasing the mass of profit by selling more commodities even though the average rate of profit per commodity has decreased. The tendency for the rate of profit to fall can be slowed down by increasing the rate of exploitation of the workforce, by cheapening the new machinery installed, or also by increasing the rate of turnover of working capital. But these are, as Marx points out, counter tendencies which cannot, in the long term, arrest the tendency for the average rate of profit to fall. This tendency is a result of the changing value relations of constant capital (machinery) as against variable capital (labour) which the labour theory of value helps to explain. Marx himself regarded the falling rate of profit as the most important law for understanding capitalism. In the *Grundrisse* he expressed this as follows:

*This is in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations. It is the most important law from the historical standpoint. It is the law which despite its simplicity has never before been grasped and, even less, consciously articulated.*¹

This law is behind capitalism's continual drive to expand the scale of production, selling more commodities, and the accumulation of capital, which leads to trashing the planet, and at the same time leads inexorably to periodic economic crises. The fall in the rate

of profit is the most significant contradiction which the system faces and Wolff's ignoring it is a serious omission.

Returning to Wolff's argument, what needs to occur, he thinks, is that producers and appropriators of the surplus product need to become the same people. This, he suggests, will end the class division in society. The construction of the democratic "Workers Self Directed Enterprises" (WSDEs) is the path to this.

Understanding Capitalism

Wolff's new book *Understanding Capitalism* follows from *Understanding Marxism* and repeats explanations and proposals of the earlier essay. It contains trenchant criticisms of the effects of capitalism on society in general and the working class in particular.

Wolff points again to the instability of capitalism. The system lurches between crisis, recovery and crisis once more, forcing unemployment and immiseration on the working class. Capitalism's instability has forced governments to intervene to rescue the system whenever a serious crisis engulfs it. Such rescues have taken the form of state capitalism in one form or another. In this, he includes Russia after the revolution of 1917, China after Mao's victory in 1949, Roosevelt's New Deal in the US, Fascism in Europe and Japan, and Keynesianism. However, to this must be added the more recent state interventions via credit creation through Quantitative Easing. Capitalism's crises, he explains, have at their root the system's production for profit rather than human needs.

A further consequence of this is capitalism's destruction of the planet's ecosystem which the production for profit and the consequent need for growth forces

the system to relentlessly pursue. Though capitalists recognise that this threatens humanity they are completely unable to change course since that would mean violating a key demand of the system, namely producing profits. This is confirmed at climate conference after climate conference.

The system necessarily produces massive inequality which only becomes greater as the system staggers from crisis to crisis. Wolff quotes figures from Oxfam which show that the 10 richest men together have more than 6 times the wealth of the poorest 3.2 billion people on the planet, which is 40% of the world's population. Such figures illustrate not simply the immorality of the system but its absurdity.

Wolff explodes the assertions which the intellectual champions of the system are continually propagating to support it. Some examples of this are worth repeating.

- The assertion that capitalism creates wealth. It does this for the bourgeoisie but its long-term result is to create poverty and immiseration for the working class. Wolff notes that for capitalism to survive it must offer the working class the illusion of rising consumption.² He recognises that capitalism's periods of expansion have allowed increases in living standards for the working class. An example of this was during the post-Second World War boom in the period up to the 1970s. A further example was provided by China, whose growth Wolff characterises as the most spectacular in capitalism's history, and which between 2008 and 2018 allowed wages in China to rise by 8% per year.³ In the longer term, however, these periods are exceptions.
- The assertion that capitalism lifts

people out of poverty. Capitalists have often opposed measures to eliminate poverty. They opposed laws limiting child labour, the length of the working day, the minimum wage, social security, progressive taxation, etc. Any alleviation of poverty has occurred despite capitalism.

- The assertion that capitalist competition creates innovation. Capitalist competition has led to oligopolies and monopolies which are from definition anti-competitive. The state has had to intervene to restrict monopolies with anti-trust laws. Competitive innovations have been suppressed to ensure profits. This happens through patents, blackmail or violence. Meanwhile, the profit motive spurs on the production of harmful items like fossil fuels, arms, etc.
- The assertion that capitalism allows reforms. Reforms which benefit the working class are usually made under duress, and are frequently taken back or evaded. For example, the repeal of measures of the New Deal in the US. One such is the Glass-Steagall Act of 1933 separating commercial and investment banking. The Act was to prevent the type of banking failures which occurred in the 1930s. Its repeal was to enable banks to increase their profits. The repeal was one of the factors leading to the financial crash of 2008. Another example was the minimum wage reform introduced in the New Deal. This, though not repealed, was held at \$7.25 per hour from 2009 for 14 years while consumer prices rose 20%.

Wolff explains how capitalism is a process of theft making work into wage slavery. Even capitalists admit that work under capitalism

is awful but claim the compensation for awful work is rising consumption. In fact, in the period from 1820 to 1970 there was, with notable exceptions, an overall rise in US working class consumption. Over the last 40 years consumption hasn't risen and workers have gone into debt to maintain living standards. In the long term this can only make workers' situation worse as the debts cannot be repaid. Wolff correctly notes that the issue of system change will only be seriously posed when conditions of life become intolerable but admits that fundamental change is impossible within the boundaries of the system. Yet this is what his system of worker cooperatives attempts to do.

Understanding Socialism

Wolff's book *Understanding Socialism* contains what he considers is the solution to the past failures of socialism and how he sees capitalism can be superseded. The desire for a socialist system of production springs from the material failings of capitalism. Wolff sees behind this a moral motivation which he describes as a yearning to have socially meaningful work, education, leisure and development of full human potential. He describes socialism as a tradition with many different streams which are in continual theoretical and physical conflict with capitalism.

The earliest were utopian socialists such as Owen, Fourier, Cabet in the early 19th century. Wolff does not discuss why these utopian attempts to found communist communities failed. Robert Owen, for example, founded cooperative societies which he also saw as transitional to communism. It is extraordinary that Wolff does not undertake an analysis of the failure of these cooperatives to lead to communism, considering that he is proposing something similar 200 years later!

However, he notes that their failures led to materialist theories of socialism which came from Marx and Engels. In the 20th century attempts were made to put these into practice. Wolff considers the Russian and Chinese systems as part of the streams of socialism despite their failure to implement socialism. The Russian revolution was the first enduring movement to put socialism into practice but Wolff recognises that it resulted in state capitalism since the most critical relationship of capitalism, that between employees and employers was unchanged. The boss, instead of being a private capitalist, was now a state functionary. The result was a hybrid system of mainly state capitalism with some private capitalism. Though he is clear on this, he still charts the development of the Soviet Union as a development in the struggle for socialism. While Lenin recognised that what Russia had arrived at was state capitalism, Stalin announced in 1936 that the Soviet Union had achieved socialism. This amounted to equating state capitalism with socialism, and claiming that this was a lower stage of communism. This blocked off any debate about what socialism really was. The ideologists of the capitalist class were, of course, delighted with this and have never tired of saying this proved that socialism resulted in poverty, internal conflicts and dictatorship. Even now they warn the working class of the futility of revolution by pronouncing that Russian workers were much better off under the capitalist system before the revolution of 1917. They also tell us that Russian workers are now much better off after what they call the collapse of socialism in 1989. In fact, what collapsed, as Wolff correctly recognises, was state capitalism.

Wolff looks at what he calls the streams of socialism in an academic way. The key dates he identifies in the struggle for socialism are 1917 (the Russian revolution), 1949 (the

Chinese revolution), 1989 (the collapse of the Soviet Union) and 2008 (the financial crash). He characterises Russia and China as the two greatest experiments in constructing socialist economies despite the economies being essentially state capitalist but containing private capitalist sectors operating in a hybrid production system. He points out, however, that the US is itself a hybrid system containing a state sector controlling such things as the military and grants to industry as well as federal banking, combined with privately owned corporations who use self-employed accountants, lawyers, architects and artisans operating in a non-employer employee relationship. All these, however, share the same distribution system of market exchange.

The collapse of the Soviet Union in 1989 led capitalism's ideological champions, who, of course, regard state capitalism as socialism, to conclude that capitalism had finally triumphed over socialism. The conflict between capitalism and socialism was finally over, we were told, and the historical battle had ended in capitalism's victory. History, it was claimed, had ended. The triumphalism which greeted the collapse of the Soviet Union in 1989 met its nemesis in the financial crash of 2008. This showed capitalism remained riddled with contradictions which lead to historic crises. Consequently, the battle with socialism was not over. This, in turn, rekindled an interest in socialism.

Wolff's studies have led him to conclude that previous attempts at instigating socialism have made the mistake of starting from the macro-economic level. Instead, Wolff claims, the start must be made from the micro-economic level. Socialism's future, he argues, lies in democratic worker cooperatives in the factory, store or office with all workers having an equal voice in key business decisions. Workers will hold the purse strings, money

will still exist, the cooperatives will relate to the state and pay taxes, etc. He argues the state should fund the cooperatives and lend them capital. To sum up, Wolff's proposed cooperatives exist within capitalism, need capital and operate with money and exchange on the existing capitalist market. All this clearly represents a reform within capitalism and is proposed despite Wolff's view that reforms within capitalism were impossible!

These democratic cooperatives, operating on a micro-economic scale will, we are told, lead the transition from capitalism to socialism. An existing cooperative he admires and which points the way future cooperatives could work is Mondragon in Spain. We can only describe all this as profoundly utopian and explain why below.

Workplace Cooperatives Remain Part of Capitalism

According to the Co-operatives UK federation there are over 7,000 registered independent co-ops operating in the UK, the largest being the Co-op group which operates services which include retail stores, bank, insurance, legal, funeral services and so on. Together all the UK 'cooperatives' had a turnover of £38.2 billion, or slightly over 1% of the UK GDP in 2019. Workers in these cooperatives work under conditions of wage labour, sometimes these conditions are worse than in equivalent non-cooperative services, and they are exploited in the normal way. They are simply a part of UK capitalism and don't threaten it in any way. They are, of course, not democratic, as Wolff wants, nor do they abolish class divisions, or, as Wolff would desire, make the producers of surplus and the appropriators one and the same. Perhaps we should look at Mondragon, which Wolff cites as an example of the type of cooperative he envisages, to see if this is essentially different

from what we have in the UK.

Mondragon is a federation of cooperatives which was founded in 1956 by a Catholic priest in the Basque country of Spain during the Franco dictatorship. It is the world's largest cooperative and in 2024 had around 70 000 workers. It advertises itself on the internet as being active in the financial sector, that is banking and insurance, and in industry, retail and knowledge. In the last field it has opened a university. It has spread its tentacles overseas and the income from sectors of the cooperative amount to billions of Euros. In the period from 2002 to 2007 it issued bonds with guaranteed yields. When yields were reduced following the crisis of 2007/8 the investors sued the cooperative in exactly the normal way things happen under capitalism. Sectors which have been particularly successful have left the cooperative and returned to the private capitalist sector presumably to increase profits.

Mondragon admits there is no economic equality within their cooperatives. The wage ratios between workers and managers range from 3:1 to 9:1 with the average being 5:1. While this is less than the US, where the ratio of CEOs' pay to that of workers is 290:1, it is still far from economic equality at the micro-economic level. There is not, therefore, any democratic joint appropriation of the surplus cooperative workers produce. The cooperative raises capital through the issue of bonds which pay interest which must be extracted from the workers. In short, workers remain exploited under capitalist relations of employer to employee.

From a brief survey of Mondragon, it is clear that this cooperative, which has existed and flourished within capitalism for the best part of 70 years, represents no threat whatsoever to capitalism itself. It is, in fact, a capitalist enterprise producing for profit.

If it had represented a threat to the capitalist system, it would have been destroyed decades ago either by market forces, or open violence of the capitalist state.

Where workers have formed cooperatives which don't fit neatly into the structure of capitalism, such as, for example, in attempts to try and save their factory or workplace from being shut down or bankrupt, these attempts have ended in disaster. Under these circumstances workers are forced to operate within capitalism and sell commodities or services on the capitalist market. What they are doing is taking all the problems of capitalism, which forced their capitalist owners to throw in the towel, onto their own shoulders. In the longer term these problems will engulf them also. This has been the lesson of the cooperatives formed during the collapse of the post-war boom in the 1970s and the relocation of production to areas of cheaper labour power. An example of this is the Meriden motorcycle cooperative, which tried to rescue Triumph motorcycles but eventually collapsed due to the operation of competition and lack of profitability; the very reasons for which the capitalist owners gave up.

Socialism Requires the Overthrow of Capitalism

To establish socialism requires workers to hold power on a global scale; this is a sine qua non for socialism. It means overthrowing capitalist state power. History has, of course, shown time and again that the capitalist class will fight tooth and nail to prevent this. This is something which Wolff completely ignores.

If Wolff had started his explanation of Marxism from the labour theory of value he would have realised that cooperatives do not escape the laws of capitalism. This is because they still produce commodities, which

they are forced to exchange in the capitalist market. This was part of the undoing of Robert Owen's New Lanark philanthropic community.⁴ The value of these commodities on the market is determined by the average socially necessary labour time for their production. This average is the average in the economy as a whole. Cooperative commodities therefore have to compete with equivalent commodities produced in the non-cooperative sector, and the cooperatives are forced to buy raw materials and other products at values similarly determined in the market. Often the cooperative commodities will be sold at less than their value, since the average socially necessary labour time is less than required in the cooperative. This means that cooperative workers are exploited by capitalists in the non-cooperative sector. The cooperatives cannot, therefore, escape the capitalist law of value and their workers remain exploited.

To supersede capitalism, production needs to be socialised on a global scale and directed to the needs of humanity not directed to profit. This requires a world community of producers. Organisation of this needs to be through a system of control in which workers discuss and make decisions.

Notes

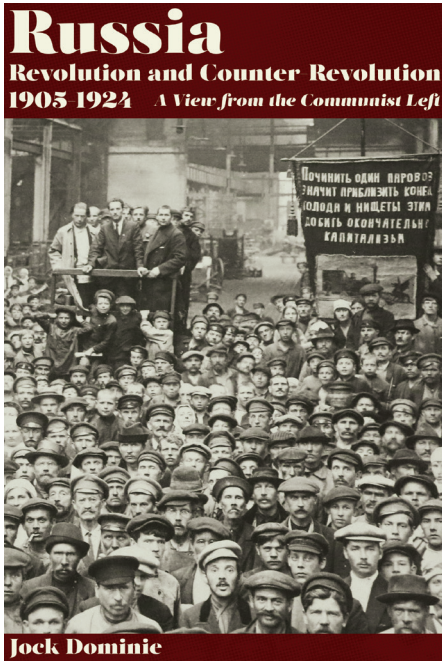
1. K. Marx, *Grundrisse*, p. 748, Penguin edition
2. See *Understanding Capitalism*, p.153
3. See *Understanding Socialism*, Chapter 4
4. Robert Owen operated the New Lanark cotton mills from 1800 to 1825. 2500 people worked at New Lanark. Owen, who said society represented nothing but wrongs, tried to improve the lives of the workers at the mills. He reduced working hours to 10.5 per day (other mills were working 13 or 14 hours a day), paid wages during crises when the mills shut down, introduced a crèche for workers' children, and a school for educating them and also provided education for adult workers. He regarded private property, religion

This organisation, we argue, is a system of workers' councils with direct delegation and recall of delegates. The aim is to construct a world without borders, states or money.

In *Understanding Socialism* Wolff states that class struggles are always key to transitions between social systems. Yet what he proposes are cooperatives incrementally insinuating themselves into the capitalist matrix, strengthening themselves and finally replacing it in a gradual process. The ruling capitalist class would never permit such a process to take place. To overthrow capitalism requires a direct assault by the working class and this requires a working class which understands what it is doing and what the socialist programme is. This is a political issue, which Wolff does not mention, but which cannot be avoided. To understand the socialist programme the working class needs to understand the lessons of its past struggles, one of which is the futility of trying to build up enclaves of communist production within capitalism. It also needs to understand the direction future struggles must take. For this it needs to have a political programme and a political party fighting for this programme.

CP

and marriage in its contemporary form as the three great ills of society and wanted to go beyond the philanthropy of New Lanark. He tried to set up a communist community in America through which he lost his fortune. On his return to England, he set up cooperative societies for retail trade and production which he saw as a transitional measure to communism, as Richard Wolff does. He is regarded as the father of the UK cooperative movement. He also started labour bazaars for exchange of products of labour through the medium of labour notes whose unit was a single hour of labour. (See F. Engels "*Socialism utopian and scientific*.")



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The Russian Revolution remains a landmark event in history. For the bourgeois historians, the October Revolution is thought to be a tragedy that set back the achievements of the "democratic" February Revolution, and allowed the Bolsheviks to wreak havoc on their citizens and the world. For the Stalinists, the events of 1917 paved the way for the birth of the USSR, which they point to as a prototypical example of "socialism in one country". In reality, the February and October Revolutions were both part of the same proletarian revolution

About the Communist Workers' Organisation

The Communist Workers' Organisation is part of the Internationalist Communist Tendency which was inspired by the Internationalist Communist Party (Battaglia Comunista). Formed during the Second World War in 1943, the PCInt. condemned both sides as imperialist. Its roots go back to the Italian Communist Left which had fought the degeneration of the Communist International and the Stalinisation imposed on all its member parties. Today there are ICT affiliates in several countries.

We are internationalists. We believe that the interests of the exploited are the same all over the world, and that communism cannot be achieved in one country, a myth peddled by Stalinism. Stalinism was never communism but a particular form of capitalism, state capitalism. After 1917 the economic blockade of the Soviet Union and the failure of the world revolution in the West meant that the revolution was transformed into its opposite, eventually becoming an imperialist bloc that would collapse after only seventy years. We are opposed to all (Trotskyists, Maoists) claims that state capitalism in whatever form is socialism.

We aim to be a political reference point for the working class, first of all for those who are tired of the unions, all unions. This does not mean giving up on the fight to defend immediate interests (wages, hours, work rates, etc.). But the unions are now a tool to control the class struggle and manage the labour force on behalf of capital. Today, any 'self-organised struggle', has to go outside of

and against the unions. However, rank and file unions are a blunt instrument for workers. Even when they win a particular battle if they settle into a permanent existence they must accept the legal and economic framework imposed by the state. Any attempt to maintain a permanent body to defend workers' immediate economic interests will fail.

The only permanent body the working class can establish today is the political organisation, which is not only possible but essential. The starting point for this must be recognising that the general interest of the class lies in getting rid of capitalism. This is only possible through a revolution, i.e. the overthrow of the existing state and establishment of a new form of political power by the proletariat. The road to revolution does not mean the futile attempt to win control of the existing state via elections to parliaments or local governments which are means for the capitalist class to exercise its rule. History has shown us that the forum of our "democracy", the bodies of power of the revolution, will be the workers' councils, (or soviets) – mass meetings in which delegates will be entrusted with specific mandates and will be recallable at any time. But these potentially revolutionary organisations will be undermined by capitalist forces from within if they do not have a clear programme aimed at the abolition of exploitation and, therefore, the elimination of classes, for a society of "freely associated producers" who work together to directly meet human needs.

The programme is not the creation of any single theorist or one organisation. It is the

outcome of the key lessons learned from past and present struggles and as such defines the practical way forward for the working class as a whole. Without a clear political compass the working class movement will be prey to all kinds of capitalist tricks and illusions. Thus political clarification and reorganisation today are vital for a revolutionary party to come into being which is in a position to win over the working class to the revolutionary programme. This is not a party of government that would replace the class and its class-wide organs of power, but a party of agitation and political guidance on the basis of that programme.

We are for the party, but we are not that party or its only embryo. Our task is to participate in its construction, trying to link immediate demands to the historical programme; communism.

Join us! Support the Internationalist Communist Tendency

Free Bulletin of the Communist Workers Organisation Affiliates of the Internationalist Communist Tendency No 61 Autumn/Winter 2022 Donations Welcome



Capitalist Crisis: Survival of the Richest

Months of soaring inflation and falling wages are the latest effects of the crisis inherent in the capitalist system. The ruling class stands on our backs and working conditions are just one more attempt to make us pay the price of their exploitation, the havoc, enabled by the forces of the system (the two legs of let's us).

Workers Getting the Worst of a Bad Deal

The rise in the price of food, fuel and other items, has been steady and unrelenting. In the 12 months leading up to September 2022 food has increased by 8.4% - the highest price paid with every single month seeing a new increase. In the same period, the cost of fuel has risen by 20.1%, while transport costs rose by 18.9%. Water, energy and housing related costs rose by 20.7% - although 'housing' can usually be taken into account as it is not a direct cost to most workers when accounted to the labourer. Cost, the value of energy used and cost of transport by up to a 30% rising transport passenger 'transit' in January.

As most households face the choice to 'eat or fuel' the services, more than 90% of food banks across an increase in use. Homelessness is at its highest in 10 years. Homelessness is at its highest in 10 years. Homelessness is at its highest in 10 years. Homelessness is at its highest in 10 years.



A Crisis with a History

The so-called 'cost of living crisis' is not new. In the early 1970s, when the price of oil rose to a record high, it caused a crisis elsewhere in the world. Through technological advances, but ever since the 1970s we have been in a downward slide, with whole sectors of production and jobs dismantled and wages as a percentage of GDP dropping. More expensive means of manufacturing followed. Global, especially, 'spring and strong' movements. The crisis of 2020 did for a big big financial system but 'methodical' state intervention, nationalisation and stimulus were used to prevent a total collapse. As it was, a small percentage of workers had their eyes closed to the fact that they had been exploited and created were a victim of their past. In fact it was one of a long list of things to come, like, it is not for you to see in what is working in production. Like with the future worth resistance were again here.

It is not for you to see in what is working in production. Like with the future worth resistance were again here. It is not for you to see in what is working in production. Like with the future worth resistance were again here.

For a free copy or copies of our broadsheet Aurora email or send a stamped addressed envelope to our London address.

Class Struggle is Back on the Agenda

The capitalist class is redefining the rules in the battle, this means a food plant in force, all food workers into a food plant in force, all food workers into a food plant in force, all food workers into a food plant in force.

At the same time the establishment media begins to warn of 'class war' and a 'volatile' campaign, to disrupted working workers. In July, if workers started their own, the first nationwide action in the UK. The first signs of the coming resistance were rising their awareness.

In January there were strikes by 100,000 workers in the UK. In February 2022, the first signs of the coming resistance were rising their awareness.

On 5th there were strikes by 100,000 workers in the UK. In February 2022, the first signs of the coming resistance were rising their awareness.

It can level the playing field and act against the interests. Elements of the system (such as, we see during the Queen's funeral, our legends and others without even consulting the membership).

The workers will never be able to do so, as the system is designed to prevent it. The government is seen as a double agent, it is not for you to see in what is working in production.

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