

# International Workers' Organizer

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## ***Argentina:***

### **On the Law expropriating FaSinPat (former Zanon)**

**23 MILLION PESOS (6,050,000 US DOLLARS) FOR THE BOURGEOISIE UPON  
MORE SACRIFICES AND SUFFERING FOR THE HEROIC WORKERS**

# On the Law expropriating FaSinPat (former Zanon)

**A LAW THAT GUARANTEES THE OLD BOSSES' BANKRUPTCY CREDITORS 23 MILLION PESOS (6,050,000 US DOLLARS) UPON MORE SACRIFICES AND SUFFERING FOR THE HEROIC WORKERS OF FASINPAT (FORMER ZANON), IF THEY WANT TO MAINTAIN THEIR CONQUEST.**

**Nobody has the right to feel as if they have been taken unawares: MPN-dominated Neuquen provincial legislature (Movimiento Popular Neuquino, the right wing «populist» –indeed semi fascist- party in the government of the oil-rich province from long ago, has conducted hundreds of bloodletting repressions and is responsible for the murders of workers Teresa Rodriguez –during the Cutralcazo in the '90s- and Carlos Fuentealba –during the teachers strike three years ago, Translator's note) will only vote laws helping capitalists and making workers pay for the crisis.**

Since August 13, 2009 when the Neuquen Legislature voted into Law regulation N°2,656, expropriating FaSinPat (former Zanon) factory, its 420 workers, who have been fighting since 2001, felt a relief that had been arduously gained. Because there have been many years of unyielding tension, confronting the harassment of the state, the regime and their agents the union bureaucrats, who have time and again boycotted the workers and even tried to evict the workers several times using violence.

But it was not by means of the use of scabs, union thugs or repressive forces that the state, the bosses and their government could take hold again of the factory recovered by FaSinPat (former Zanon) workers through their heroic struggle that was supported along these 9 years by all the workers from Neuquen and the Argentinean working class.

As in many other recovered factories that were expropriated and recovered by the workers and picketers' movement, today in FaSinPat (former Zanon) the balance of forces between the contending social classes is still concentrated -albeit rapidly deteriorating- that was conquered not by any law, judicial ruling or resolution. This balance of forces is still –albeit precariously- in favour of the workers, was conquered by their relentless and stubborn struggle while they had to endure all kinds of terrible sufferings in order to keep their workplaces going, since the heroic revolutionary feats of the Argentinean working class in 2001.

As we have constantly said in the pages of our paper, *Democracia Obrera*, the bourgeoisie had to give away 200 or 300 broken factories after the revolutionary offensive of the masses in 2001 that dumped the bourgeois state and regime in shambles. Those factories started producing because of the heroic struggle and determination of the workers, who took those bankrupt companies in their hands and put them to work to keep their jobs when the unemployment rate was 26% or more at that time in Argentina.

Having to face that offensive, the bourgeoisie kept control of the key companies and productive forces of the nation such as the banks, transnationals, privatized enterprises and services. The companies abandoned by the bankrupt capitalists, who had ran away in fear, were allowed to go into to the hands of the workers, who in their turn refused to giving them away; the bourgeoisie considered this outcome as the lesser evil in the given circumstances.

After 2001/2002 the bourgeoisie rebuilt its state, taking steps to again regain total control of their business and started a process of rebuilding all their institutions of social dominance. Thus some «recovered» factories were allowed to collapse; others were «reconverted»; and still others were kept working as cooperatives, with workers submitted to the rules of legislatures and judges; this latter kind of «recovered factories» became places where the workers are self-exploited with low wages, doing piecework, using obsolete machines; or -as in many

cases- scarcely making ends meet by relying on miserable subsidies. So the working class (like in FaSinPat (former Zanon), Brukman, Chilavert and all the other still-surviving recovered companies) kept going through heroism and unheard sacrifices for their jobs, but under miserable conditions and without any collective labour agreement to protect their rights. They kept waiting for the promulgation of some progressive law or rule to save them.

In the meantime with the expansion cycle opened in the Argentinean economy since 2003, the bourgeoisie, the transnationals and the agrarian oligarchy made huge profits. Only in the last 7 years US\$ 127,000 million dollars left the country to tax havens. The banks –which had expropriated the savings of the middle classes- were rewarded with US\$ 50,000 million dollars and almost the same amount was accumulated as state reserves in the Central Bank as a guarantee to back the transnationals' investments. The agrarian bourgeoisie and the hedge funds that had invested and formed (principally soy-bean, but also sunflower-seeds, wheat, maize, etc.) agricultural pools for cultivating and exporting food commodities, rented all the available fertile land (turning some of the former small farmers into small «rentiers» or bondholders, who in their turn invested in those same hedge funds, or in housing speculation, or put their money in off-

shore tax havens, in the process causing scarcity of food and making the price of staple foods and of housing skyrocket, Translator's note) and put the total land (agrarian) income in the hands of 2000 families- an amount of over 50,000 million dollars per year. MERCOSUR transnationals (that is, the transnationals that have divided their plants and investments among all the main countries of the MERCOSUR, taking advantage of the low wages here, or the lower taxes there, producing some parts in one country and assembling them in another, etc., Translator's note)– producing with slave labour force- could send to their headquarters US\$ 12,000 million dollars every year just in remittances, profits, royalties and patents, in the last few years. Service companies, like railroads, subways, buses, gas, electricity, telephone lines, etc,

received over US\$ 10,000 million dollars in subsidies yearly. And from all this, what did the recovered factories get –they , who had been sustained by the self sacrifice of their workers and their struggle against the hostility and repression of the state? Nothing.

Some got crumbs, as subsidies given little by little and reluctantly by the legislatures when the wages could not be paid; they had old-broken machines, obsolete production lines and in many cases workers were in debt with the banks. When members of government saw that they could do business with this suffering of workers, they hatched the Caro-Kirchner law (the former is a lawyer that hurried to «represent» workers of broken companies to «help them» acting as main shareholder in the «saved» cooperatives that were formed; the latter being the current president's husband, that is, the former president, not too long ago head of the governing Peronist party and today a lawmaker waiting to take his seat next October, Translator's note, TN). This law which allegedly was designed to «help» the workers who could not go along

with the «recovered» companies, permitted Moreno (Secretary of Trade in the Ministry of Economy since the early days of this government and one of the strongmen of the Kirchnerite administrations, TN) and the Kirchners' gang to keep for themselves those companies that were profitable

either in Argentina or on the world market. These companies won't pay taxes. They will be «cooperatives». There will be more subsidies for this new parvenu, despicable and avid bourgeoisie formed under the Kirchners' umbrella (including they themselves)... a great deal.

Thus, the Argentinean bourgeoisie and the transnationals, through super-exploiting the working class and plundering the nation, were able to accumulate a huge amount of surplus value for all these years, incorporating into the labour market, 50% of the working class without any contracts (that is, unregistered, coming in and going out of the labour market without any protection of the current labour laws, or any kind of social benefits, etc, TN), making them work 24/7 (sometimes in sweatshops where



The provincial legislature passes the "expropriation" of Zanon.

workers and their families are forced to sleep, eat and work without being allowed to go even for a walk outside the place, and deprived of the most basic security and health guarantees, TN); and guaranteeing a high inflation –always higher than the wages, which had been already plundered to the bones by the brutal devaluation of the currency in 2001-2002. Thus the Argentinean government was also able to pay the fraudulent «external debt» with the IMF (a thousand times already paid) and the bonds in the hands of the foreign creditors

So, a lesson must be extracted from this. These partial gains are kept; but workers cannot get more than \$400, \$800 or \$1,000 (pesos) monthly (US\$ 110, US\$ 220 or US\$ 270 monthly; to understand the sorrowful condition of these workers, let's consider that the miserable and by all measures insufficient minimum wage has been fixed by the government in US\$ 392 monthly, TN), without any right to old age pension; without receiving from the bankrupt bosses due compensation for having lost their old wage and work conditions; having to take on the debts of their former bankrupt bosses who had swindled the workers, the state and the creditors...then you take the so called Planes Trabajar (Special Work Plan) and their likes (welfare or dole payments) given to the thousands of workers left out of the labour market by the privatizations and the crisis, payments that had been conquered by the unemployed through their fights, pickets, roadblocks, etc. Both were partial gains achieved through tough battles against the class enemy. So we can conclude that every partial gain achieved through struggle, if the class doesn't move forward and attain the defeat of Capitalism, will deteriorate or be lost or even be used against the workers.

That is the truth and FaSinPat (former Zanon) doesn't escape from these conditions of the class struggle today. If we still have these 'recovered' factories and the crumbs of the Planes Trabajar, we can't say that these are new triumphs, **but at the same time we know that these conquests have been downgraded and have deteriorated, to such an extent that the exploiters have gone on accumulating fortunes and ever more super profits.** That is the truth and this is our starting point. That is the truth we must tell the working class, and explain to them that it has not been our fault, it has not been because we haven't fought, or lacked determination but because our struggle has been betrayed by the CGT and CTA union bureaucracy. They have split our forces, submitted the workers to every bourgeois labour minister, court or parliament at hand.

We, the Trotskyists, state that it is the only truth. The reformists consider our statements a crime. Some of them have already threatened us with punishment. Let them start, we are not afraid of them. Truth must be said. To lie to the workers is a crime, Stop lying to the working class!

We declare ourselves guilty of stating that workers and bosses celebrating together, is something out of the question; when one celebrates, the other is ruined. And when FaSinPat (former Zanon) was «expropriated» by the provincial state, the creditors, bankers and Mr. Zanon (who together got a guarantee of payment for 23 million pesos from an irrecoverable debt) celebrated with champagne. The MPN, the same party that murdered Teresa Rodríguez, Carrasco (a conscript soldier beaten to death by his military masters in the 80's under the very eyes of the provincial state, which gave them the excuse to eliminate conscription and to develop the present «professional» Argentinean army, TN) and Fuentelba, is celebrating. With this fake «provincialization» the bourgeois lawmakers saved \$20 million pesos in unemployment subsidies for the 8 years that they would have had to pay the 400 workers of FaSinPat (former Zanon), if the factory had been closed. We state that the workers can only say (and we will prove it) that if we have kept our conquest it has been only because of our fight, not thanks to this fake «gift» from the provincial state. No one has given us anything for free, much less this law.

We have no doubt that if the left union bureaucracy would have had the power of the state (as Stalinism had), they would have sent us to a concentration camp of the likes of Vorkuta for stating this; just like Stalinism did with the Trotskyists. But they could not shut us up there and won't be able to do it now; because the working class must hear the truth, the whole and uncontested truth.

Every class conscious worker can see what we are stating here. Because now that the crisis has begun; the dismissals, suspensions and wage-cuts are starting again as well as a new attack on the whole working class. We will have to occupy and perform new *Zanon's* to keep our jobs. As they did in France, USA, Greece; we will have to occupy factories and even hold the bosses hostage.

The truth is that during the expansion and 'growth' cycle of the recent years of the Argentinean economy, the working class received a miserable salary-in most of the cases involving unregistered jobs- 100% of slavery, exploitation, and workplace accidents. And when the majority of the working class believed that the capitalists were going to share their gains of this expansion cycle with them, as the Bolivarian bourgeoisie and Fidel Castro had promised, a world

crisis took place, and again inflation, unemployment, the lowering of salaries, layoffs, etc.

After 8 years of inflation, the conquest of welfare payments of a miserable \$150 pesos, won in great upheavals that cost the working class' bloodletting, are not enough to live on even for a couple of days. That's the law of the capitalist system: any conquest that does not advance towards the taking of power is lost. The capitalist system has long ago stopped playing a progressive role for human civilization, despite the reformists, who being its faithful servants, doing everything possible to hide that fact.

FaSinPat (former Zanon) cannot escape from this law of the capitalist system, that any conquest is a byproduct of a revolutionary mass struggle, and if the working class does not take the power, this conquest is spoiled or lost in the long run.

### **A law of the legislature: at the service of the bosses to divert the workers' struggle into a dead end or a historic victory of the workers?**

We have already said and will keep on reaffirming it: no workers' conquest has been obtained by law but by working class struggle. When these conquests have been expressed in laws, they have begun to be lost, because any worker knows that every law has its loophole. The relationship of workers with the bosses is tied to the class struggle, not to the laws. This is the truth for the Marxists but not for the reformists and the nurses of capitalism.

Comrades, in the face of such a huge plundering and collection of super profits by the capitalists and transnationals, how can anyone - as the reformists do in Argentina- tell the entire working class we have obtained an expropriation law for saving FaSinPat (former Zanon) and claim this as a great historical victory for the working class? This is not true. We affirm that the law voted by the government of the bosses and their parties, agents of the oil transnationals in Neuquén (Ike the MPN, PJ, and UCR of that province), enacted a deceitful law for a mock expropriation of FaSinPat (former Zanon) which in fact is a gift concocted for the sake of the bosses who will receive money for the bankruptcy (\$23.406.566 millions of pesos). The province government will get rid of the company after such payment is effective but the workers will have to pay them the money with their sacrifice and workforce. We publish this law completely in these pages so that the readers are able to check if what we are saying is correct.

It is not possible to play hide and seek with the interests of the working class. It is necessary to tell the truth. The first truth is that we are facing a reactionary law at the service of the bosses and not

of the workers. **The only thing that this law cannot do is to snatch the factory from the hands of workers and so it is kept like a cooperative for the moment because the bosses do not have the strength to retake it yet.** But it creates great conditions for the cooperative to advance towards ruin, since the state does not any more undertake any responsibility for the factory as it had done before, and now the workers do not have any backing, having to pay the debts on their own. As any capitalist company, without genuine sources of investment in the factory (that is, the workers), will find itself tied to negotiations with the banks (which will retake control of the company decisions through joint ventures), or suffer a slowdown and go bankrupt like any undercapitalized cooperative in capitalist society.

The state has dissociated itself totally from FaSinPat (the name given to former Zanon Ceramics by its workers when they took it in their hands, TN). It only «provincialized» it for some minutes to save the pockets of the capitalist creditors of Zanon, to immediately throw the debt with the state onto the workers' shoulders. **The law does not recognize at all, the right of the only legitimate creditors: FaSinPat (former Zanon) workers to whom the bankrupt former bosses owe 20 millions pesos in unpaid salaries, compensations and retirement payments.**

But the truth also is that this law creates the conditions for FaSinPat (former Zanon) workers to pay with self-overexploitation till the last peso of the bankruptcy of the bosses. So they are forced to abandon and not to claim any more the 20 million pesos they have right to, declaring their withdrawal from the lawsuits claiming for severance pay and unpaid salaries that the 380 workers had initiated, according to what they are entitled to by the current labour laws, when the bankruptcy took place. This abandonment of their rights is one of the prerequisites the new law states, for the workers to be able to keep the factory in their hands. That is, with the law of MPN and the parties of the oil companies and the oligarchy of Alto Valle, through the bankruptcy law, the state only recognizes the bosses as Zanon's creditors and not the first and only creditors who are the workers to whom Zanon owed more than 20 million pesos for retirement payments, compensation, unpaid salaries, etc. Can this be considered as a victory?

These are the facts that cannot be hidden. We must tell workers the truth. The law of the legislature of the boss parties is designed to meet the interests of the bosses.

The workers are caught between the devil and the deep blue sea. They have to accept and give up their rights to keep their jobs; not a single capitalist had to

forego a single peso of his/her credits on the bankruptcy of Zanon. This is besides the extra charges that the state will force workers to pay until the last peso of compensation is repaid by them to the state (and that should be paid in kind, as the law states).

The workers were obliged to accept this because the bosses and the government pointed a gun to their temples: either this or nothing. FaSinPat (former Zanon) workers, isolated, betrayed by the union bureaucracy of the entire country, the factories that were retaken in 2001 and 2002 separated one from the other and submitted, each one, to the rule of one or another judge or legislature, can do nothing individually, except to accept like the lesser evil, the bosses' laws... that only benefit bosses.

We are not before a simple law; this is an overt blackmail of FaSinPat (former Zanon) workers at gun point: either you accept this or you lose your jobs. A true «expropriation law in favor of the workers (if that could be possible) should have been a different one, with a single point saying: *«workers' right to work is inviolable, the debt the company has with workers should be paid no matter how, their rights to that credit is inviolable; the profits of capitalists is the only thing that can be violated here»*. But no legislature of the capitalist politicians and parties would approve such a law, only a meeting of workers councils having taken the power, could have done that. And not to say this amounts to a deadly deception to the world and Argentinean working class.

Here, with this law, the only ones who have not given up any right are Mr. Zanon (the old boss) and the creditors of Zanon, and the boss government of Neuquén that will charge the workers with a heavy bill of the «expropriation», making them pay with their work (that is, in kind) the \$23.406.566 million pesos (around 5,349,000 US dollars) that today, the government has advanced to the capitalists.

### **A provincialization that lasted a few minutes...**

The creditors will get more than 23 million pesos. The workers have lost the right to reclaim their credits on their pension payments and compensation for the loss of their jobs. According to this law, the state expropriates FaSinPat (former Zanon) **for a single purpose: to pay the bosses**. A bankruptcy debt the bosses would have never been paid if it hadn't been for the workers who kept the factory in production. (Actually, if the factory had not been recovered and put to work by the workers, its market value would have been zero).

This is the only effect the expropriation and provincialization of the factory has, so that, once the

bosses are paid, the provincial state «cedes» (actually sells) FaSinPat (former Zanon) to its workers who now have to exploit themselves and surrender their surplus value (even squeezing their wages and not leaving enough for the renovation or repair of the machines), extracted from their muscles, nerves and bones, to the provincial state, until they return in kind (in the form of goods paid at their cost, not at their much higher market value) up to the last cent of the 23 million advanced by the state.

These are the hard facts. The company has neither been «provincialized» nor will it be run under workers' control. Because of the law, the state only undertook guaranteeing the capitalists their profits and paying them for the losses of their business gone sour. This is what every worker has to know: the laws coming from the bosses's parliament only favor the bosses. We insist, if they haven't gone a step further, i.e. dispossessing FaSinPat (former Zanon) workers of their factory and returning it to the old bosses or dividing it among the capitalist creditors, it is only because they know the relationship of forces has not yet changed enough in their favor. They know that if they touch this factory, the entire province of Neuquén will be set on fire.

This is the truth. The worst defeat for FaSinPat (former Zanon) workers and the entire Argentinean working class would be to draw as a lesson that there can be good bosses in the Neuquén legislature, some who could be forced with enough pressure to vote for «laws favorable for the workers». Whom are the reformists trying to fool? The lawmakers who voted for this law are the same who gave the order to kill Teresa Rodríguez and Fuentealba. These are experienced lawmakers who long understand how to soak the province in workers' blood to defend the interests and the profits of the capitalists, even in situations of adverse balance of forces.

So, you think this is a victory? This is a law in favour of the capitalists so the «Zanon) crisis» is paid by the workers. *«But the provincial state couldn't launch a full-fledged attack and liquidate the conquest»...* Of course!. The conquest is kept. But it is not due to the law but because the state, though it makes the workers pay for Zanon's bankruptcy, is not for the moment sufficiently strong as to be able to get into the factory and evict the workers at gunpoint. Only for the moment, we insist.

The FaSinPat conquest is kept due to the workers' struggle, but, alas!... because of the law, workers' money and labor are lost. And what is worse, also lost is their class consciousness if workers are made to believe that from those dens of thieves of the bourgeois parliaments, laws favoring the workers can be drawn through pressure marches.

FaSinPat (former Zanon) workers have the entire right, isolated as they are, to bet their struggle and their lives on this law, if they do not have the balance of forces in their favour to change it. But nobody has the right to say that it is a victory. What we have to do now is to urgently prepare the conditions to face the terrible consequences that this infamous law will have for the workers not only in FaSinPat (former Zanon) but all over Neuquen and the country.

This is what FaSinPat (former Zanon) workers need: unity of the working class at a national level to change the balance of class forces that forced them to accept this law, which only benefits the bosses.

**THE «ONE SECOND»- FASINPAT (FORMER ZANON) PROVINCIALIZATION LAW COPIED FROM OBAMA'S PATTERN, I.E. SOCIALISE CAPITALISTS' LOSSES AND PRIVATISE THEIR GAINS.**

We have to speak out loud and clear, telling the truth to the workers. How have the bosses imposed this law on the workers? Let's learn here how our enemies the bosses, their political parties and their servants the union bureaucracies act against the workers.

They have been fighting to take everything from FaSinPat (former Zanon) workers for the past 8 years. They left the workers isolated. And now with their law, they've got what they wanted, which is a lot. Let's see if we the workers understand once and for all **this incontestable truth**: only fighting for everything,

kicking out 5 presidents, blocking uncountable numbers of roads; occupying facilities; etc. we could get the minimal gains to keep our labour power intact.

Let's look at the USA. All the great banks fell into pieces, the same ones who exploit and plunder the entire world. Together with them, GM and Chrysler went bankrupt. The ultra-liberal men and leaders who filled their mouths with praise for the free market, were the same that charged the state for the losses of the banks and GM, i.e. they passed the deficit of the capitalists to the state to save for their profits for them.

But before the government agreed to save the bankrupt automaker, they forced the GM workers to accept to be laid off, give up their retirement funds, family benefits (which had included allowances per child and wife, per daycare/school expenses, etc.), holidays; that is, their pay had to be left at the same level as non-registered workers with casualised pay, with flexible schedules, as FaSinPat (former Zanon) workers are. The state neither nationalised the factory nor were the workers put under legal contractual terms as civil servants with retirement and health care. Now, the party of Fuentealba murderers has shown no pity for the workers; instead it has left the workers tied to their fate, with a law that the entire Argentinean left ... hail as a victory!

Could you tell us the difference between Obama's GM and Citibank law and MPN's FaSinPat (former Zanon) law? According to us, even taking into account the different proportions of the cases, essentially it is the same. The state gives guarantees to the capitalists, covering the losses of the Zanon bankruptcy with the taxes taken from the people, i.e., they socialize the bosses' losses. And for the workers to keep their jobs it robs them of all their gains that they had obtained (through struggles fought long ago)

as a right (salaries, retirement, etc.). What is even worse, in the case of FaSinPat (former Zanon) the workers are forced to pay Zanon's debt twice over (through what they've just surrendered and through their future work). Not even Obama dared that much!

We are witnessing a fake provincialization that makes the workers pay for the crisis to

save the earnings of the capitalists, that's the only truth. The workers only keep the conquest (the possession of the factory) that this law could not yet take away from them. But it was the bosses who got all the money. The workers are indebted to their bones. It is a provincialization with a compensation to the capitalists (23 million of the alleged value of the bankruptcy credits). From that point of view, we could say that Neuquen lawmakers did nothing different from Chavez who nationalized Sidor, paying 30% more than its value to Rocca's monopoly and its Techint group.



The difference with such a juicy business of the national bourgeoisie and Techint in Venezuela is that Sidor's workers were not left responsible for the debt (the Venezuela state is). FaSinPat's (former Zanon) case is even worse. Here the workers are left with the burden of the debt of the company's bankruptcy, an amount of money that the boss creditors did not even dream of getting paid in cash and at the nominal price of products.

Let's say what all the workers have to know: according to the current bankruptcy laws, when a company files for bankruptcy and the judges call for a creditors' meeting to restructure the debt and fix the new credit repayment conditions, the creditors usually have to accept to be paid at knocked down prices (through a judicial auction) or directly with a discount price of 70%, in installments over 15 to 20 years, with a grace period of 3 years. So the case of Zanon's bankruptcy resulted in an exceptionally good business deal even gauged by the current bourgeois legal code. As we will show it later, it was Zanon's creditors (that could be even the same old boss of Zanon –suspected of having emptied out the company before declaring himself broke- presenting himself as a creditor through a bunch of straw men or front companies!) who are celebrating with champagne the law voted by their party, the MPN.

Contrariwise, we say together with the Trotskyist Transitional Program, the foundational program of 4th International: «...we demand the expropriation of the corporations holding monopolies on war industries, railroads, the most important sources of raw materials, etc.

*The difference between these demands and the muddleheaded reformist slogan of «nationalization» lies in the following:*

- (1) *we reject indemnification;*
- (2) *we warn the masses against demagogues of the People's Front who, giving lip service to nationalization, remain in reality agents of capital;*
- (3) *we call upon the masses to rely only upon their own revolutionary strength;*
- (4) *we link up the question of expropriation with that of seizure of power by the workers and farmers.»*

<http://www.marxists.org/archive/trotsky/1938/tp/tp-text.htm#pb>

We are not going to ask PTS, MAS, MST or any other party of the reformist left to defend the Transitional Program of Trotskyism, because they have long ago abandoned any relationship with or semblance of Trotskyism. The only thing we ask them is a little bit of common sense: please tell the truth to the workers!

Definitely, the «expropriation» law will save the capitalist from bankruptcy and leave a debt with the

state on the backs of the workers; to say the full truth, the state will only be a debt-collector, a kind of middleman, making the workers pay in kind the \$23 million pesos of the bankruptcy. What a shame: The bosses rejoice!

According to the same law, the workers give up all their demands of long unpaid wages and holidays, severance compensations, retirement funds unlawfully retained by the company, health care and social benefits entitled to them, according to the collective contract the company had signed while they were working for it, etc. (that is, they give up all the rights they are entitled to, even according to the «normal» bankruptcy laws of the country, TN). For the time being, the workers have been forced to accept this derogatory provincial law. But we tell them that as soon as the relationship of forces can change in their favor, as soon as they have the balance of forces on their side, supported by the international and national working class, to call to struggle for the defeating of this law and to fight for **the only way, which is the expropriation without compensation and under workers control, as a part of a plan to expropriate the bourgeoisie and take power.**

Is this a victory? Unfortunately it isn't. The law isn't a victory. FaSinPat is still in the hands of the workers because the entire working class have fought and conquered it. And this law could not take it away from the workers hands, even though it does prepare the conditions to do that, as we are going to show right now...

**In order to defend a reactionary law of the capitalist parasites the PTS does not balk at throwing Karl Marx's «Capital» onto the garbage pile. How far are they willing to go in their split from marxism?**

Attorney Mariano Pedrero, a member of PTS and legal representative of SOECN (Neuquen ceramist workers union), has signed an article in a LVO (PTS paper) August 20, 2009 supplement with the title: «In FaSinPat (former Zanon) the capitalist were expropriated». He says: «*Finally the expropriation law for FaSinPat (former Zanon) was voted. It is a step forward for the workers management, because law 2656 (the referred law) of Neuquen Legislature provides the lands, the factory, (...) **will be given to the workers without charge***» (our bolds). And then he says: «*It is important to clarify FaSinPat (former Zanon) workers **do not have to give the goods as a means of payment, but they will sell the goods for the public works (housing, schools, among others) at their cost, which includes the wages and the amortization of the equipment***» (our bolds).



These words are a lie from A to Z. Firstly, this law did not expropriate, not even a bit, the capitalists. The entire group of bankrupt capitalists ran their factories down and they themselves destroyed the property through bankruptcy, i.e. the bosses abandoned their bad business, leaving workers in the street as outcasts by the thousands.

If anyone actually expropriated the capitalists, it was the FaSinPat (former Zanon) workers who took the factory in 2001. In a bankruptcy, the property (and it is strange that a lawyer who boasts to be an expert in bankruptcies does not know this! be careful FaSinPat (former Zanon) workers, take care of your pockets...) passes to the creditors' hands, under the judicial control, which sells it in an auction to pay for the debt. If the judge keeps the property under the formality of a creditors' arrangement before going into the stage of a full bankruptcy and sale, the company is put under a trusteeship and allowed to pay its creditors with a huge discount (around 60-80%) and in installments that can drag out for 15-20 or even more years. And if the attorney Pedrero were really an expert as he says, he would have known that the broke company or boss usually pays the judge and the trustee/s so that they «organize» the bankruptcy in the most favourable ways for it/him/her –that is to say that the first one to collect the money is generally a straw man or front company for the very same broke company/boss with the approval of the judge and the trustee/s. This is a legal trick widely known and applied by broke bosses, accountants and judges!

The case of Zanon and Zanon's bankruptcy and the creditors getting 100% of their credit in cash is going to be recorded as the most successful operation by bankruptcy creditors in the History of Argentina. Not even the creditors of the Argentinean foreign debt got paid at 100% in 2001!

In this peculiar bankruptcy the creditors get their credit in cash and in a single payment. Expropriation of capitalists? Rubbish! The capitalist got paid for much more than the actual value of the bankrupt company. Even as a provincialization with compensation, it has been a fake one, because ipso facto the state throws the payment on the shoulders of the workers, as established by the law, which the PTS lawyers have the gall to defend.

For this reason the alternatives are clear: either we are for the nationalization with compensation and this fake provincialization that lasted for a second, only for the sake of the capitalist creditors getting paid and the workers paying for it; or we are for the expropriation without compensation under workers control of FaSinPat (former Zanon) and the effective provincialization, with the workers retaining their full rights as workers, i.e. as state employees with a living wage, social benefits including retirement payments -

besides being paid all the money the broke company owed them, the unpaid wages and holidays, unlawfully retained retirement funds, and severance compensations.

There is no grey area. These two positions are like water and fire. It is not possible to celebrate at the same time in the workers neighborhood and in the 5 star hotels where the capitalist creditors of the bankruptcy stay.

The workers have kept their conquest, but it is because of their struggle. The capitalists got paid. The provincial state celebrates. The workers' only proper reaction should be to PREPARE A GREAT STRUGGLE AS A FIGHTBACK!

We cannot be either neutral or shut up and look the other way. Because money goes into someone's pocket and the other one pays it -in this case the workers; and their money goes to the bosses pockets today in the form of taxes and tomorrow in the form of non-remunerated work (i.e. through the expropriation of surplus value from the FaSinPat workers) that's why the bosses are celebrating with champagne their «legislative» victory in some five-star hotel in Neuquen.

**The only thing that the workers can celebrate is that because of the struggle –and not because of the law- they still keep their conquest alive, even in spite of this law that serves the capitalists.** For that reason we shout: Long live FaSinPat (former Zanon)'s workers struggle! The Trotskyists do not celebrate when the bosses and the state celebrate, even less together with them!

Secondly, from Democracia Obrera, we Trotskyists are willing to affirm that the whole Marxist goal consists in explaining to the workers movement what every bourgeois tries to keep locked under 7 keys and very far from the workers' eyes and conscience: the essence of capitalist exploitation. But PTS's Mr. Pedrero helps hiding that essence by contributing with his 8th key to blur and destroy any piece of class conscience in Alto Valle (the area surrounding Neuquen and the west of Rio Negro provinces, TN).

Attorney Mr Pedrero reiterates -in order to convince FaSinPat workers of the greatness of the law- that: «*it is important to clarify also that FaSinPat workers do not have to give any good (tiles, flagstones, etc.) as means of payment, but they will sell to the state their production to be used in public works (housing projects, schools, etc) at their cost which includes the salary and the equipment amortization*».

Let's read again: «*at their cost which includes the salary and the amortization of the equipment*». Let's see... do you mean the cost of a product made in FaSinPat or any other company, is the cost of the salaries? But this is the same lie that all the bosses tell the workers. **For their 8 or 10 or even more - working hours per shift, all the workers -either**

**in FaSinPa or in any other shop where they work in this capitalist society- receive an equivalent in money (salary/wage) which does not measure what their labor force produces; what it measures is in fact what the workers need as a minimum to reproduce their labor force (that is, to «recreate» themselves as workers: to eat, rest and come back to work the following day and eventually procreate other workers). But the workers produce exceedingly more than this «salary/wage» represents. This is «surplus labor», which the bosses do not pay to the workers.**

The other part of the goods sold to the Government «at their cost» (meaning «at the amount spent in manufacturing them, as opposed to adding any amount to get a benefit as when selling them at a market price») to pay in kind the 23 million pesos to the capitalists – includes the payment the workers don't

receive for the extra work they do. This work plus the cost of the salary is the cost of the product, that is to say the price of the commodity.

The capitalist society, its laws and ideology want to show the workers that the cost of a certain product is equal to the worker's salary/wage plus the depreciation of the machinery. But this is a capitalist lie!

Any worker in the production lines knows (maybe lawyers don't!) that when the bosses sell what the workers produce, they get surplus-value that is, a profit. Profits for Marxists are the money form of this surplus-value that is the unpaid labor of the muscles and the bones of the workers (labour power).

The monetary form of this «excess labor» is the surplus-value, which added to the salary/wage and to the depreciation of the machinery, constitutes the production cost. This is additional to the the payment in kind the State will receive to recover the 23 million pesos, that is hidden from the workers eyes by Mr Pedrero.

Let's draw the veil hiding the truth, let's take the dust out of the workers' eyes that Mr. Pedrero throws to hush it up. According to this law designed by the

bourgeois parties at the bosses' service, FaSinPat's workers will have to pay to the provincial State the cost of reproduction of the labor force and the machinery which means extracting from the workers of FaSinPat (former Zanon) a profit from the 23 million pesos during the next 2 to 5 years to make them pay up to the last peso of the debts left by Zanon's bankruptcy which the State paid in advance to the capitalists with the taxpayers' (that is the entire Neuquen workers') money.

We challenge attorney Mr Pedrero to do math publicly and demonstrate us even bringing economists and accountants with Harvard's MBAs and PhDs, that

the workers of FaSinPat will not pay 23 million pesos with their labour power!

If they think we are wrong, they will have to demonstrate why the cost of FaSinPat is different from the cost of Cerámica Neuquén or Stefani or Cerámica San Lorenzo. If that's not the case, the law should have said «at the market

average price before taxes, fixed by the average of the whole branch of production» that is without VAT.

If you guarantee the workers of FaSinPat will sell the tiles to the State at the same price that the other factories do (minus VAT), you will demonstrate the State doesn't appropriate the labour power of the workers to pay the capitalists. On the other hand the workers must know that if they sell the ceramic at market average cost, they will earn more money for them and their families and will have an amount to invest in new machinery.

Can this left which supports as a «worker's victory» this bourgeois law -accept this challenge? We ask them to demonstrate we are wrong.

We insist, if the Provincial State buys at «the cost price», it has to pay FaSinPat goods at the same price asked for by Cerámica Neuquén and Cerámica Stefani, without VAT. If not, we have to fight against this law which won't allow the workers to invest and much less improve their living conditions.

Notice comrades, this law does not even allow the Provincial State to buy ceramics at tender offer prices. The State and the bosses know very well that up to



the last cent to pay the bourgeois leaders of the PJ, UCR and MPN parties will be taken from the muscles and the bones of FaSinPat's workers. They do their math very well. Why does the left try to hush up the reality from the workers' eyes by preventing them from also doing their own math?

Thirdly, the Argentinean working class must learn from this lesson arising from the case of FaSinPat and the deeply reformist and anti Marxist character of the left. The PTS leadership has broken with Trotskyism long ago and embraced Gramsci's legacy, a Stalinist wing which posits that «creating popular power» and fighting for it (as all Stalinist parties use to say), it is possible to gradually besiege the State and destroy the hegemony of the ruling classes.

This is truly senile, toothless, utopian socialism, of 200 years ago. These people want the working class to believe that by wining over a factory here, a TV channel by Internet there, it is possible to dismantle the bourgeois State machinery. This is somewhat approaching the politics of Bukharin who talked about «socialism at snail's pace», when he was turning into a petty bourgeois lackey of Stalinism in the USSR.

But it is most similar to the «market Socialism» promoted by all the Maoist currents in order to cover the restoring of capitalism in China and in fact amounts to the subordination of Socialism to the capitalist market, once it was clear Stalinism in the USSR was not any more able to hide (as it had done in the '30's with its theory of Socialism in only one country), that it had been living on the surplus-value taken from the workers.

If even in an isolated worker state, with collective property and collective land, an enormous amount of surplus value was taken from the workers, as the Trotskyists affirmed in the '30's (one part being snatched by the worldwide capitalist market and the remaining part by the privileges of the bureaucrats)-how is it that surplus value cannot exist when taken from the workers in a single isolated factory as FaSinPat when they are forced to pay by law 23 million pesos to honor their old bosses' debt?

The bankruptcy and the butchery of this current have no limits. What seems so difficult for them to explain is something that does not fit their unscientific brains: Marxism, a scientific method for the proletariat to understand how things really work and to stop being misled by reformism that always takes it to a dead end.

Attorney Mr. Pedrero and the PTS want the workers believe they will not produce (that is, they would not be robbed of) surplus value or super profits because they will sell at the cost of production, considering «only the cost of the salary plus depreciation of machinery». So, why doesn't PTS leadership, seriously propose to a capitalist company to sell at a cost price covering

only salaries and the depreciation of machinery? The capitalists naturally would say «Sirs, we make profits because we don't pay the workers for the whole product of their labour». Why does the law then establish a payment in kind at the cost of only salary and machinery? The answer is because the State keeps for itself the super surplus value over and above the 23 million pesos.

Never in the past has any parliament in the whole world voted nor will they ever vote for the capitalist companies have the obligation to sell their products at a cost that covers only salaries and machinery depreciation. Only FaSinPat will be obliged to do that: because it is a factory the bourgeoisie and its state want to ruin, taking away 23 million pesos from the workers' muscles and bones.

In short, what is our point? Sometimes workers have to accept agreements or laws unfavorable for us if our forces are weak. But lying to the working class is impermissible.

### **The attitude to the state, a question of principles.**

We have demonstrated the expropriation law of the Provincial Legislature of Neuquén is a shameless bailout of the company's creditors. Far from being a step forward and a victory, it will mean that the workers of FaSinPat will suffer more shortages and make bigger and worse sacrifices to keep what they conquered.

The law also caused a blow against the workers' political consciousness, because if the expropriation law is a victory then the provincial legislature has ceased to be an institution against the exploited masses; so the historic task for the working class is not to demolish the State and the bourgeois regime but it is only a question of pressuring them so that they approve favorable laws for the workers.

From our point of view we still defend the Marxist postulate affirming: «*The State is an organ of class rule, an organ for the oppression of one class by another; it is the creation of «order» which legalizes and perpetuates this oppression by moderating the conflict between classes*». We affirm the bourgeois Parliament is a sweet way this State exploiter of workers has to mislead them and the best to hide before their eyes the ferocious capitalist dictatorship.

We reaffirm that only through the masses' extra parliamentary struggle we have achieved our conquests and will we be able to keep them.

Following Lenin we affirm that. «*The attitude to the State is one of the most striking manifestations that our Socialist Revolutionaries and Mensheviks are not Socialists at all (a point that we Bolsheviks have always maintained) but petty-bourgeois democrats with near-*

*socialist phraseology*». (V. I. Lenin, *The State and Revolution*).

We affirm today, more than ever, the workers of FaSinPat cannot be left isolated. **Their struggle is more than ever the struggle of the entire Argentinean working class.** But the only way forward will be made by knowing and marking the difference between victories and failures, and between enemies -as it is the legislature of the bourgeois parties- and allies.

We affirm it is all right for the workers of Zanon to accept all the agreements and laws that allows them to resist according to the balance of forces between the classes. But it is not all right for anybody that claims to be part of the labor movement to lie and say this is a victory. **So with the same energy we call the whole Argentinean working class not to leave isolated the workers of FaSinPat!** This law is not what the heroic workers of Zanon and the rest of the workers of the recovered factories deserve.

### **Thus We call the entire Argentinian working class to stand up together alongside the workers of FaSinPat**

Helping FaSinPat workers to break the isolation they are suffering is an obligation for all the working class organizations. The four ceramic factories of Neuquén must unify to oblige the Provincial State to buy FaSinPat workers production not at the cost price but at market prices and ,on the contrary, to guarantee them cheap credit for investing in machinery.

**For FaSinPat, the same average price charged by the rest of the ceramic factories that are in bourgeois' hands, discounting the VAT! the workers must not pay a single cent of the \$23.496.566 pesos! This money has to be invested in FaSinPat! Not a single cent for the capitalist creditors responsible for the bankruptcy! All the money for the workers of Zanon-Fasinpat!**

If the capitalists want to be paid, their State should expropriate the oil companies in order to get the money to pay them without taking it out of the pockets of the workers of Zanon

**For a basic salary of \$4500 pesos monthly under collective agreement guaranteed by the Provincial State for all the workers of Zanon. Recognition of all the unpaid salaries/wages and retirement payments by the Provincial State !**

In order to obtain subsidies from the state which has already given them more than 10 million pesos the owners of Stefani have mounted a campaign of blackmail, saying they will close the factory. **For the elimination of the subsidies for the bosses! Out with the capitalist parasites! Nationalisation**

**without compensation of all the ceramic factories of Neuquén and the Alto Valle under workers' control, to be put to the service of a plan of public works guaranteed by the worker organizations!**

Instead of kneeling down before the exploiters and the murderers of workers, the FaSinPat workers can call right now for the other recovered factories to gather together in a single fight at the war cry: **Out with the law of Kirchner-Caro and the MPN of Cooperatives under the control of the bourgeoisie and the Kirchnerite banks (expropriators of the working class gains)! Enough of Cooperatives where the workers are super exploited under slavery working conditions, by piecework, without collective agreement (as is the case, for example, in all the Cooperatives in Mar del Plata)! For a national coordinating committee of recovered factories to retake the fight for workers' control and immediate nationalization without compensation to the bosses, together with the picketers' movement and the workers in struggle!**

The goal of putting the factory as property of the provincial state (so the workers can enjoy all their rights as state employees under a lawful contract) can only be reached through a generalized struggle, a general strike, a new December 20 (as that of 2001) and the revolutionary masses' struggle. This struggle for the provincialization under workers' control of all the ceramist factories of Neuquen is linked to the fight **for the re nationalization without compensation and under workers' control of Repsol and all the oil, gas, mining, food, etc., transnational companies which plunder the region and the country.**

The workers of FaSinPat today, have in their hands the possibility of making this appeal; in these moments we are facing the dismissals at Terrabusi and the workers of the subways are fighting to defeat the union bureaucracy. The strength of the recovered factories, the fight of the working movement for salaries and against the dismissals, must be unified in a National Fighting Committee to break the isolation and the division imposed by the bureaucracy against our demands and our struggle and to set up again the third Picketeer Assembly of employed and unemployed workers.

It is high time for placing all the organizations in struggle under the banner of the slogan of revolutionary socialism «the liberation of the workers will be the task of the workers themselves» not of the anti workers institutions as the City Councils, the provincial legislatures or national parliaments at the service of the bosses.

CARLOS MUNZER