

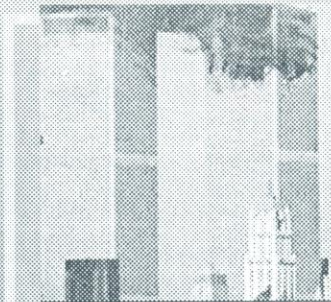
10th anniversary year

SocialistAppeal

The Marxist voice of the labour movement

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TUC/Labour conference: Oppose Bush's war!



**September 11th:
One year on**
.....
US Crony
Capitalism

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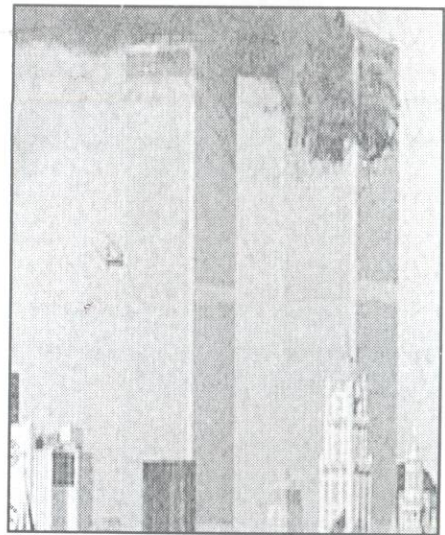
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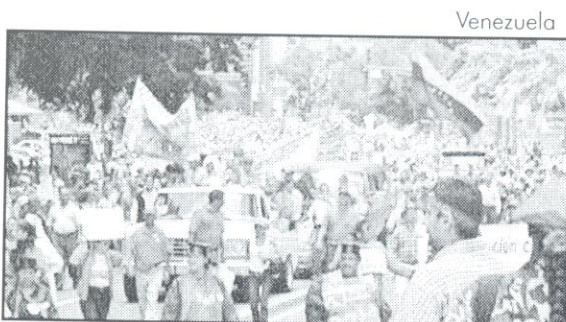


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Tribute to Jimmy Deane

The deadline for articles for issue 105 is September 20th

No to Bush's war with Iraq!

With splits surfacing even within the Blair cabinet over war with Iraq (although they have not formally discussed the question!), opposition to this military adventure is swiftly growing within the British Labour movement. With many unions determined to raise the matter at the TUC and Labour Party conferences, it is now threatening to dominate the political agenda.

Many in the Labour movement and beyond have had enough of Blair's trailing after George W. Bush. Clearly there is precious little public support for war on Iraq. Already 160 MPs, mostly Labour backbenchers, have signed an early-day motion opposing military action. That is why Blair is refusing a vote on the issue in Parliament. Although he would probably win such a vote (with Tory support naturally), he doesn't want in any way to embarrass his American allies.

Despite all the talk of "rogue states" and "weapons of mass destruction", the actions of the USA, the world's chief military bully boy, has for hundreds of millions made it the number one "rogue state". While it cynically attempts to crush Iraq with a blockade and no-fly zone, it turns a blind eye to the brutal oppression of the Palestinians by the Israeli state. Meanwhile untold numbers of Iraqi children have died or are suffering malnutrition as a result of the imperialist embargo.

But for rulers of America, these 'Christian' ladies and gentlemen, nothing must stand in the way of their supremacy. The arrogance and cynicism of American imperialism is truly astonishing. Bush has now devised a new military doctrine to allow the USA to strike at any potential threat to its interests.

Incredibly, opposition to

Bush has come from within his own rightwing Republican Party and from members of previous Administrations. Sections of the ruling class, the more far-sighted, have realised that war on Iraq will not be a simple affair. It will be very messy, provoking upheaval throughout the whole of the Middle East, starting with Jordan and even Saudi Arabia. There is not one stable regime in the region. War could result in the overthrow of a series of unstable pro-American dictatorships, and provoke social revolution.

Even Henry Kissinger, whose remarks about Chile - "we cannot allow a country to go communist because of the irresponsibility of its people" - clearly puts him in the camp of Bush, has advised caution. Senator Hagel, who was among the earliest voices to question Bush's approach to Iraq, said that the Central Intelligence Agency had "absolutely no evidence" that Iraq possesses or will soon possess nuclear weapons.

He said that Bush's policy of pre-emptive strikes at governments armed with "weapons of mass destruction" could induce India to attack Pakistan and could create the political cover for Israel to expel Palestinians from the West Bank and Gaza.

"You can take the country into a war pretty fast," Hagel

said, "but you can't get out as quickly."

Of course, these concerns are not about the plight of the Iraqi people, or the plight of the oppressed masses of the world. Far from it. It is about power politics. They are simply concerned about how best to pursue the global interests of American imperialism.

However, these hesitations are dismissed by George Bush, and on this side of the Atlantic, by his close ally Tony Blair. No wonder that 54% of voters in a Daily Telegraph poll believed "Mr. Blair looks increasingly like President Bush's poodle."

Militarily Britain is not needed by the United States. Her contribution would be insignificant. What Bush wants is Blair's political support as a cover for America's unilateral military adventure. And Blair is Bush's stooge.

This is not a question, as some on the Left maintain, of the need for United Nations approval before Iraq can be attacked. The UN has never been able to resolve major international conflicts. It is a forum of mainly capitalist powers. Occasionally, it has been used as a fig leaf for imperialist aggression where common agreement can be reached, such as in the Gulf War. We certainly cannot put our faith in the UN.

The Labour movement must look to its own inde-

pendent class policies in war as well as in peacetime. It must base itself on international class solidarity with the oppressed peoples of the world. The removal of Saddam Hussein, who was backed by the West when it suited them (for example during the Iraq-Iran war), or the overthrow of the imperialist-sponsored dictatorships in the Middle East and elsewhere, is not the responsibility of imperialism. The removal of the Taliban regime and the imposition of an American-friendly government has not solved the problems of the Afghan people. It is the responsibility of the oppressed people themselves to decide their own fate. The British Labour movement must extend them the hand of solidarity and support in this task.

Foreign policy is a continuation of home policy. The slavish support of American imperialism by the Blair government is a continuation of their pro-big business policy at home. The struggle against Blair's pro-war policy overseas must go hand in hand with the fight for socialist policies in Britain. For far too long these middle class carpetbaggers have infiltrated the Labour movement and taken it far to the right. Now the tide is beginning to turn, as witnessed in the recent trade union leadership elections. The trade unions created the Labour Party and it is time it was taken back from the Blairites. Only then will we have a Labour government that will represent our interests - at home and abroad.

- No to Bush's war!
- For a socialist foreign policy!
- Defeat Blairism - Unions must reclaim the Labour Party!
- No to big business! Socialist policies now!



Fight Pit Closures - Fight for Re-nationalisation!

On Tuesday July 16, UK Coal, the biggest deep mine coal company in the UK, announced the closure of the Selby coalfield. It was a shock in some respects, but in others a lot of us had expected it.

**by Nigel Pearce
Vice chair, Yorkshire NUM (Personal Capacity)**

We believe that UK Coal do not want the bother of mining the Selby coalfield - that is the problem. They have starved long-term investment to the coalfield since privatisation, they have raped the industry over the last ten years, and now they want to get out - and they are asking the government for the money to get out.

The closure of Selby will make 2,000 miners redundant and will lead to another 3,000 job losses in related industries. So the Selby area will suffer up to 5,000 redundancies, all this in an area that is already deprived of industry.

Ten years ago when UK Coal took over the mines in the Selby area, we were promised "jobs for life". Miners moved to the Selby coalfield from throughout the country. Now they are very bitter. They came to Selby and now they have been kicked in the teeth.

The union totally opposes the closure. Deep mining produces about 17 million tonnes of coal, and these closures will cut that by 5 million. We believe that this is the beginning of the end of the industry if the government doesn't step in. We met with Brian Wilson, the energy secretary. The meeting got off to a fairly good start. But when we asked about the future of coal he said they were "not prepared to interfere with the plans of a private company." We immediately replied that if UK Coal are not willing to mine these reserves, the government should take the pits into common ownership - both on the Selby coalfield and on all the other coalfields to guarantee the future of the industry, that way they could be run for the benefit of the people of this country and for future generations.

As far as the economics of it all is concerned, deep mining in this country is by far the most economical in Europe. When you look at the coal that is imported, all of it is subsidised in one form or another by governments. So there is an economic argument for keeping the pits open. But

that does not matter much to the Blair government. Last week the nuclear industry announced a year's loss of £2.3 billion. The government plans to cover that loss. If they gave that kind of subsidy to the mining industry we would be able to give the coal away and give people £10 to take it.

The diabolical situation is that on the one hand we have a coalfield with millions of tonnes of coal, which the government is just going to throw away; and on the other, in 20 years Britain will be a net importer of energy. We believe this is an absolutely ridiculous situation.

The closure announcement came with a £40 million package, that hasn't gone down well at all with miners. The government has been dipping into the miners' pension schemes, and have taken out some £4 billion since the late 1980s. So the miners can see that the government is giving a private company, UK Coal, their pension fund money in a subsidy. UK Coal gave most of the money they received last year in subsidies direct to the shareholders, some £30 million. This is an absolutely ridiculous situation where the government is lining the pockets of a private firm that is now trying to sack thousands of workers and close profitable pits.

We are mounting a campaign for the re-nationalisation of the mining industry. We need to win a ballot of our members; the main problem we face is, we've had nearly 20 years of closures, and we have to convince the members that we can win this dispute. The issue that the union will ballot the members is that of compulsory redundancy. That is the thing that none

of the members want. The Conservatives, even though they put a lot of pressure on people to go, still brag to this day that there were no compulsory redundancies under the Conservatives. It looks like if we do not win this battle there will be compulsory redundancies under a Labour government which is an absolute disgrace, and we will be taking this to every corner of the movement to try to get support against this happening.

We know there is a time limit on our campaign, because if by Christmas we have not forced some kind of change in the situation the industry will start to close. We are fighting for our jobs, and for the survival of the coal industry.

There has been activity and even industrial action among sections of public sector workers. They are saying "keep public services public".

We have got to campaign on that issue, and in the campaign we will emphasise the insanity of the situation. The private firms that have bought over huge swathes of formerly nationalised industries are not prepared to invest in production, and safety, but insist on running services down to make a quick buck. The Labour government must break with big business, and put forward socialist policies. They must renationalise these industries under the control of the workers, and use the resources generated by them for the benefit of society. □



High Court Victory for Left in Civil Service Union

The attempt by the right wing 'Moderate' group in the PCS civil service trade union to seize control by removing the democratically elected left wing General Secretary, Mark Serwotka, has failed in a High Court ruling on the 31st July.

by Rachel Heemskerck

DWP (ES) Essex Branch Secretary (personal capacity)

The High Court Vice Chancellor also judged that the National Executive Committee meeting held on the 23rd May, where the attempted coup d'état was made, was invalid and the business purportedly conducted was of no effect. The outgoing right wing General Secretary Barry Reamsbottom, who was not present to hear the judgement, was refused leave to appeal. This victory for the left would not have been achieved without the accompanying campaign of meetings and lobbies throughout the country involving thousands of union members opposing this abuse of democracy.

It is now essential that the union continues to fight for members in all departments whose pay and conditions of service are under attack from the Labour Government. The British Museum have successfully fought job cuts proposed by threatened budget cuts from the Government. This is not the only department to be faced with cuts. The Department of Work and Pensions, which was formed in April 2002 by the merger of the Benefits Agency and the Employment Service, has announced it is to cut approximately 3500 full time jobs in Headquarters and Regional Offices by March 2003. The exact number is not known as management figures for the numbers employed are subject to a margin of error of plus or minus 10%! Management have told staff that these proposals have come about after consultation with the union. This is a

lie and must be exposed as such to the members.

During the last few years management and Government have forced the Benefit Agency and Employment Service to review how services are delivered and this has caused a great deal of anguish and stress to staff. With the latest announcement staff will be expected to continue giving high levels of service while living in an environment of uncertainty. The union must ensure they meet with management and report to members on all aspects of these negotiations. It is important that any job losses are fought and not backfilled with temporary staff as has happened in other areas where the rationalisation of work has proved

unsuccessful.

One of the major campaigns that Mark Serwotka as General Secretary needs to continue is the return to national pay bargaining and harmonisation of pay within departments. A step towards this campaign for national pay bargaining has been made in the Department of Work and Pensions where the Employment Service and Benefit Agency had very different grading and pay schemes. The latest pay offer, to be voted on in September, which has been negotiated by the Left Unity led Department for Work and Pensions Group Executive Committee, has secured £43 million from the Government to harmonise pay. As with the British Museum this

back down by the Government should be seen as a result of the new militancy in the trade unions.

Now the court battles are behind us it is essential the left who campaigned and organised during this time build from the campaign and remain united. The 'Moderates' will not go away without a united left slate for the next NEC elections. If Mark Serwotka and Janice Godrich, the left union president, are to put forward campaigns they need a strong NEC and it is our job to begin the campaign now. We must show members the left is the only way for their pay and conditions of service to be fully fought for and protected. □

Campaign to Reinstate Mick O'Reilly and Eugene McGlone

The campaign to reinstate bureaucratically sacked Irish ATGWU leader Mick O'Reilly is gaining ground. The election of socialist Dawn Stuart to the GEC of the union was followed by the election of left candidate, and supporter of reinstatement, Tony Woodley as Deputy General Secretary. Now the union's officials across Britain and Ireland will be striking in protest on September 9, the first day of the British Trade Union Congress.

Phil McNulty, secretary of the union's officers' committee (the body representing officials), has written to general secretary Bill Morris informing him of the strike.

"I must say that I could find none of the charges [against O'Reilly] potentially serious enough to consider dismissal," wrote McNulty.

It has been rumoured that Morris has hinted that he may take legal action to counter any strike. "It is our sincere belief that the use of Tory legislation, either in selective dismissals or the pursuit of damages, would be an unthinkable prospect when the employer is the Transport and General Workers' Union," McNulty wrote.

The union is not immune from the shift to the left seen across the movement recently. In the near future there will be an election for General Secretary. The reinstatement of O'Reilly and McGlone will be an important part of that election. It will also be another important stage in the return of the union to its proud militant tradition. □

End the Housing Privatisation Scandal

House prices have never been higher. The availability of social and affordable housing has never been lower in the past 50 years. And it is under these circumstances, that the Blair government - a Labour government - decides that the time is right to effectively privatise council housing!

by Colin Smith, UNISON rep, Falkirk
(personal capacity)

This is the scandalous situation that millions of working class families find themselves in.

Either stock transfer your council houses to a housing association and face the possibility of doubling your rent, or we will not invest or repair the home you live in.

After the second world war, people were fed up with the intolerable situation of the 1930s and there was a huge demand for affordable local authority housing. That was the stark reality facing the newly-elected Labour government. Did they put the question to a national think tank, kick it around Westminster and spin a barely coherent half-hearted answer that it must be left to the market to sort out? No - they were forced to undertake the largest building programme of local authority housing that this country has ever seen. Amazingly for today's Blairites, this was done without the need for Private Public Partnerships or Private Finance Initiatives. Hundreds of thousands of jobs in the building industry were created and war weary families began to get the kind of low-rented council housing that was needed. At least it was a start in tackling our housing shortage.

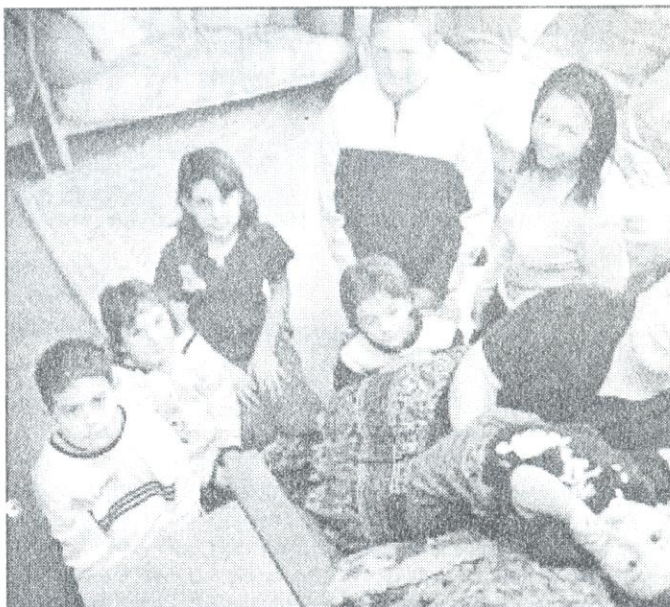
This is all a far cry from the situation that we find ourselves in today! Blackmailed by promises of hundreds of millions of pounds in grants and

subsidies, Glasgow council tenants recently voted narrowly to accept a stock transfer and allow their houses to be taken over by the newly-formed Glasgow Housing Association. The amount of blackmail money spent to bribe the council tenants, would have been enough to bail out the local authority and allow Glasgow City Council to put the necessary investment into upgrading their existing housing stock. But aided and abetted by the Blairites in Glasgow City Council, the government got its way. All other councils and council tenants would now fall in behind Glasgow. Or would they?

A big surprise

Within days of the result, Birmingham City Council, the largest yet to attempt to get rid of their housing stock, were in for a big surprise. Having spent millions of pounds in campaigning for a YES vote from Birmingham's council tenants, including a personal plea from that well known working class lad Ron Atkinson, who pleaded with them that a 'yes' vote was for the best of all possible worlds, the tenants voted 'NO'!

The result must have rocked the foundations of Birmingham's council buildings - not to mention No 10 Downing Street. A massive 66.8% of tenants voted 'NO'



to stock transfer with a mere 32.2% voting yes - more than 2 to 1 against! It was the largest rejection seen in the largest Local Authority to vote on the issue!

This vote has now been followed by one in Merton in South London, which, this month has also refused to transfer their housing to the privateers. This has created a political earthquake and another dozen Local Authorities have had to abandon plans to transfer after losing ballots.

The inevitability of stock transfer has been stopped in its tracks! The Blairites are in a panic at the scandal of it all. These tenants have had the audacity to reject the offer they were supposed to reject. The government must be forced to drop its big business policies. Working class families have a right to access to decent, safe and affordable housing in their home towns. Housing Association housing can cost two and three times more to rent. And with these small associations having no idea how to look after hundreds of thousands of houses this is a disaster waiting to happen.

These no votes have been in no small way achieved through the determination of UNISON branches running counter campaigns pointing out the huge folly of the government's strategy. UNISON members who are transferred

to housing associations as part of the deal (a worker or a house its all the same), have faced an uncertain future with the inevitable attacks on jobs and conditions that a move to the private sector bring. It's the usual pattern. The private sector means poor improvements, less staff on worsening conditions - and big profits creamed off for the bosses and the banks.

Untold millions have been wasted on advertising and the blackmail of tenants. It is time this was stopped! The government must adopt a socialist housing programme. Such a programme would mean the nationalisation of the banks and finance houses, nationalisation of the land and building companies under workers' control and management. Local Authorities would be given the resources to launch a massive house building programme that would also upgrade housing and involve tenants in all the key decisions. This would cut out the money grabbing middle man and speculators from the private sector. This new building programme would create thousands of jobs on decent wages and stop the need for young people to sign their lives away to banks on mortgages they can't afford. Lets get back to the spirit of homes fit for heroes, before our homes are fit for only the bulldozer. □

Caparo Merchant Bar: Strike for Victory!

by John Miles Todd, Scunthorpe

Steelworkers at the privately owned Caparo Merchant Bar, with plants at Scunthorpe, Wrexham and Tredegar in Wales, have launched a series of one-day strikes in support of the final salary pension scheme that the company intend to replace with a stakeholder pension scheme. This would be based on stock market 'performance', which could leave the workers up to 70% worse off than the current arrangements.

The strike follows a substantial 4 to 1 majority vote for action by members of the steelworkers union (ISTC) and is Britain's first ever strike in defense of a pension scheme. Caparo is just the latest in a long line of private firms to have seized the opportunity to avoid existing pension commitments. This follows the introduction of a new accounting standard, FRS17, which will force companies to show changes in the market value of their pension funds as they happen rather than smoothing them out over a period of years and then recording any substantial differences in their balance sheets.

Incredibly, Caparo - which is owned by 'Labour' peer Lord Paul whose personal wealth is estimated at £280 million - has been on a pension 'holiday' for the last ten years and now claims it cannot afford the final salary pension scheme. Given that over 100 billion has been wiped off stock market values during the last few weeks, it is not hard to understand why the workers are taking action. Ken Penton from the ISTC has been quoted in the press as saying: "Any sensible expert will tell you that a final salary pension scheme is likely to leave you far better off than any type of stakeholder pension."

"Most of the workers are not on a huge wage and one of the original conditions when signing contracts was the prospect of a decent pension." A prospect now under threat.

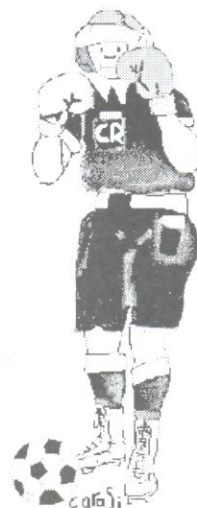
Caparo's main asset is the former Scunthorpe No 1 Rod Mill that was privatized over 18 years ago and remains totally dependent on the Corus plant for its supply of steel.

This is a strike that can and must be won. It may prove necessary for all-out action, something that the Blairite leadership of the ISTC is desperately keen to avoid. Under the given circumstances it would be easy to stop all steel going to Caparo, thereby hitting Lord Paul and the company where it hurts - in the pocket. This is ultimately the only language the bosses understand. Huge profits have been made at Caparo, the source of Lord Paul's massive wealth - it is time for the workers to reclaim it!

The demands should be:

- Open the books - let's see where the money is going.
- Caparo to pay up the missing years' pension money
- For solidarity action - black all Caparo steel
- For a publicly owned steel industry, take back all that has been privatized
- For retirement at 55 on a full and decent pension

Militant fans



On Saturday 10th August a demonstration took place in South London. A picket line was organised and those who crossed it were called scabs. As demonstrations go this one was not particularly large yet the interest from the media was intense.

The reason? This was a demonstration unlike any other. The demonstrators were standing outside Sellhurst Park, the permanent home of Crystal Palace FC, and for the last decade the temporary home of Wimbledon FC. The occasion was the first home game of the season for Wimbledon who are now expected to move shortly to a new base in Milton Keynes. It is this move that has enraged the fans, especially since the intention had always been to move back to Wimbledon itself, whereas now it looks like Wimbledon will not even be in London anymore! Hence the organised boycott of the club.

The fans have now renamed Wimbledon as Franchise FC. For them this is the thin edge of the wedge. In America we have long seen cases of Baseball and Gridiron clubs suddenly shifting from one city or state to another as the franchise is sold on for a quick buck. Many see the Wimbledon shift as being a trial run for future possible upheavals as club owners and financial backers look for a means of exploiting new markets and to hell with the fans. Someone has already suggested that it wouldn't be a bad idea to move Manchester United down to London where most of their fans (i.e. sources of income) are based so increasing still further income for the shareholders! Fans are increasingly becoming aware that they are the only truly loyal part of a club. The players are happy to move where they - and their agents - wish, all too aware of the shortness of their careers and the increasing threat of unemployment. 500 players were made jobless this close season, two are even playing for Leicester for no wages at all in an attempt to get paid employment somewhere. Owners are just interested in financial returns. They were happy when the TV cash was flowing in but now? Wimbledon fans have now taken things into their own hands and organised their own club based in Wimbledon itself and playing in the semi-professional leagues. Attendances so far have been most impressive for a club at that level, showing that loyalty does have its own reward. Nowadays fans are all too aware of the influence of commercialism on the game hence the widespread support for the campaign of the Wimbledon fans. What is clear is that the interests of fans and owners are moving further and further apart and cannot be reconciled until the issue of control is finally addressed and these clubs taken under public ownership for the good of the whole community not just a few wealthy shareholders and backers.

Best Days of Your Life?

Your student days are the best days of your life; you will divide your time between drinking, socialising, and studying. It is a time when you will learn a lot about your chosen subject, but also about life and how the world around you works. You have a lot of free time to get involved in politics and play a decisive part in changing your situation, and the situation in society. You will have time to read, discuss, and organise.

by Kris Lawrie

However university these days is by no means a bed of roses, the level of student poverty is on the rise. Over the past few years, with the demise of the student grant, the introduction of tuition fees and the increase of student loans and other forms of credit, students have become more and more indebted. The average student now leaves university with debts of £10,000. An annual survey conducted by the NatWest bank reported in 2000 that 46% of students were concerned at the level of debt they were in, the same poll this year found that this trend has risen to 70%. In 2000 14% were so worried about debt they contemplated dropping out, this figure has now skyrocketed to 30%.

If you are reading this as a new student it is likely that you are one of the 68% for whom money is the greatest worry about going to university, and if so you are probably in the 87% of this year's intake who say they will have to get a part-time job just to survive.

Over the last year there

has been no lack of cynical talk about empowering young people from working class backgrounds, by creating the opportunities for thousands of working class youth to go to university; the government's official target is for 50% of 18-30 year olds to be in full-time education by 2010. You can tell the Blairites do not really mean it because at the same time they are creating all the conditions for people who are from ordinary working class, and even some from fairly affluent backgrounds to shun university. According to the bank's statistics, 50% of sixth-form graduates who do not attend university cite fear of debt as the main reason.

Margaret Hodge, the government's Minister for Universities, recently dismissed the effects of part-time working on studies. She also said that student debt had to be looked at in context, it is all about the choice of lifestyle (whatever that means). The student must pay ('invest') now so that they can have greater earning power later on.

Part-time work

Sadly this does not tally with the experience of many graduates, who emerge into the workplace with huge debts, only to find a big shortage of well paid jobs. Many end up temping for long periods, or working in Pizzahut, MacDonalds, or Starbucks, who all run management training programmes for graduates. Here you can use your knowledge of Philosophy, classical music, or nuclear physics for the benefit of humanity by designing new

stock control systems so your store will never run short of polystyrene cups.

Yet there are an enormous number of beneficial tasks in society for university graduates and other workers to perform.

There is no physical or technological barrier to our development in the long run. The immediate problem that we face is that it is not profitable for those who own the means of production to develop the world in such a way.

The government's cutting of funding for students is part of the capitalists' wider approach of mercilessly cutting their costs, and wringing every ounce of extra toil from the muscle and brains of workers throughout the world. They do this in order to save money and enjoy greater profits themselves. All around the world we see the capitalist system in crisis; war, upheaval, poverty and starvation, this is an expression of the fact that private investment for individual benefit does not advance the needs of humanity, but rather holds us back. Throughout the world there is seething discontent, and as workers and students try to find solutions to their problems they are learning lessons which will lead them to draw the conclusion that the system itself needs to be changed.

The living conditions of the masses in the ex-colonial world have been decreasing year on year throughout the last boom. Yet the resources are there to produce all the food we need, all the hous-



ing we need, and in fact all the luxury goods we need. We could provide a free education for all in recognition of the fact that we live in a society, and when we develop one we improve the lot of all.

The only barrier to the advancement of human society is the capitalist system. We should take the resources of society from their hands and use them for the benefit of all of society. To do this we must have a Marxist understanding, we must study history, and the past attempts that have been made to change society, and draw conclusions from them. We must study the ideas of the great theoreticians Marx, Engels, Lenin, and Trotsky, which are as fresh and vibrant today as the day they were written. But above all, it is essential that we prepare in advance by building a layer of workers and students who understand the march of history and can point the road forward to the masses. The tide is turning in our favour, and great tasks lie ahead.

Join Youth for International Socialism and fight for a better world! □

▶▶▶▶▶ Look out for the YFIS stall at the September 28 Anti-War Demo in London. Details of the next YFIS education school in next month's *Socialist Appeal*

Clydebank: Time to organise young workers!

The once proud town of Clydebank, which was part of the industrial heartlands of the West of Scotland producing ships like the QE2 and employing thousands in the world famous Singer sewing machine factory, is a community that has been further decimated in the last few weeks.

by Andy Elliott, GMB ASDA Group 2 branch, Clydebank (personal capacity)

The great shipbuilding industry that had dwindled away during the de-industrialisation years of Thatcher finally called time on its last workers. The John Brown Engineering shipyard, despite the half-hearted attempts by the local Labour MP and council to try and arrange a takeover, finally closed its doors. But this once great industry was only a shadow of its former might. After the massive loss of industrial and manufacturing jobs in Clydebank and surrounding areas over the last few decades, it has created one of the biggest unemployment black spots in Britain. The unemployment situation was eased somewhat by the steady diet of service sector jobs - with Asda now being the biggest single employer in Clydebank.

These types of jobs are relatively unskilled, lower paid and have worse conditions than the manufacturing jobs they replaced. Many people are put on part-time contracts but forced to work plenty of overtime to make up their

wages - avoiding the need for these companies to come up with full-time employment rights. However, these jobs were viewed as fairly secure. After all, we were told the service sector was going to be the saviour of the economy and that this was going to be the future - so we might as well all live with it. Well, at least it paid the bills.

Job losses

Things, however, have turned out sour. Safeway, which employs around 200 people and is regarded as a relatively large employer in the town, has just announced that they are going to close, with no guarantee of re-deployment or other employment being found for those workers made redundant. Safeway was considered to be a relative success in the vastly overpopulated retail sector. Clydebank could certainly be considered a very good example of a town that is completely saturated by the retail sector, especially supermarkets and fast food companies. It was relatively successful in

relation to neighbouring towns in partially filling the jobs gap left by the ravaging of the manufacturing sector.

However, it is clear for anyone to see that as capitalism heads for rocky times many of these 'enterprises' will not last long. The old Kilbowie Park, home to Clydebank Football club, which, in another happy story for the town has also gone bust, is now home to a virtual ghost town of cheap supermarkets, shoe shops, etc., most which are literal duplications of stores in the busier shopping center. Yes, actually the same companies only a few minutes walk from each other! We have also been treated to two McDonalds, which are only a good golf swing away from one another, one of which is also virtually deserted. It is almost certain that more job losses will follow in the near future creating further unemployment in the area.

As elsewhere, most of the retail sector jobs in the area are non union, although there have been some successes with the GMB organising most of the workers in the leisure cen-



tres and a growing interest from supermarket workers in joining the union. Workers are increasingly sick and tired of their wages and conditions. While the possibility at the moment for national action in this sector is limited, union involvement at a local level can play a big part in improving the actual conditions of work. One of the important tasks of active trade unionists and labour movement activists who are faced with large levels of employment in this sector is to unionise this service sector workforce. Many of these workers are young and new to trade union organisation, but are looking for a lead in fighting for better conditions. When such a lead is given these young workers will be as prepared to fight as much as, if not more than, other sections of the working class. □



A new issue of the **YFIS** magazine will be on sale at this years Freshers' Fairs from September. Order copies for your stall today from the usual address. For more information on **YFIS** activities in your area contact us on 020 7515 7675 or e-mail appeal@socialist.net

Only fools and horses

This September, London may well see one of the largest demonstrations to take place in the capital since the war. However unlike other marches that take place week in week out in the metropolis, this demonstration will be taking place with the full support of the usually reticent *Torygraph*, *Express* and *Mail*. How can this be?

by Steve Jones



The answer of course is that this is no ordinary demonstration but rather the highpoint of a national 'campaign' organized by a group calling itself the Countryside Alliance (CA), in defense of fox hunting. Londoners can expect to see hordes of Barbour clad 'country folk', complete with freshly cleaned cloth caps and Range Rovers parked at the station, descending to take part on the day. Alongside these landowners will be their staff, all of whom would have been 'encouraged' to come along, no doubt fearful for their jobs given the continuing decline in rural employment levels.

Much will be made of the question of cruelty to animals by all sides involved in the debate on this issue. However, important though that is, there are much deeper issues involved here which need to be addressed. Behind the debate on hunting is the question of the Right Of Property.

This is a fundamental 'right' which the wealthy, especially those who own land, have protected and defended since the days of the Middle Ages. Indeed the ruling classes have always sought to define the ownership of property as the standard by which privilege and authority over others are determined. The authors of an excellent new book on the hunting issue, 'The Rich At Play' (RPM, 2002) show how the interpretation of this 'right' has evolved over the centuries whilst remaining in essence unchanged. From 1066 onwards huge chunks of

England were designated as Royal Forests, set aside for the hunting of deer and boar by successive royals. Other rich landowners also then sought to define their land as being marked for their exclusive hunting preserve. Naturally this meant that only the rich could then hunt on such land, the hungry poor were to be excluded and classified as 'poachers', subject to severe penalties should they be caught.

Game qualification

There was no way a poor man could cross over this divide. The act of 1670 defined the game qualification to hunt as being a minimum income of 100 pounds a year from a freehold estate, a massive amount for its day. The limitation on most hunting rights to just landowners and their oldest sons (i.e. those who will inherit) was not removed until 1831. The reason? The industrial revolution and the rise of a new wealthy layer based not on the land but in the new towns and cities. These men whilst not landowners themselves were keen to identify, even on a part time basis, with the landed gentry and its rituals - including hunting.

With income from the land declining in the 19th Century, landowners saw a new source of cash becoming available through the 'opening up' of hunting. First it was the shooting 'sports', which were to expand, especially deer hunting. However with deer in short supply, fox hunting was seen to be a new option, although it

had only become in any sense fashionable after the 1780s. As 'The Rich At Play' explains it is therefore a concocted fantasy to believe that fox hunting was a longstanding part of rural life - in fact it is a relatively recent invention in its current form. Indeed the Master of Foxhounds Association was only formed in 1856.

Fox hunting remains today the pursuit of the country squirarchy together with their City chums out for the day. With an expected fee of 50 pounds a day just to have the right to ride with a hunt, workers are largely absent from this hobby, except in their time honored role of silent forelock touching support services. It is a good way to make social connections with other members of your class and remind yourself of why you should be master. It both reinforces these class divisions as well as enabling the rich to remember the good old days when workers 'knew their place' and did not cause trouble. This goes a long way towards explaining the huge amount of ritual connected with hunting, what F.M.L Thompson (quoted in 'The Rich at Play') called '... a growing body of conventions and etiquette, which gave the hunting community a mystique and cohesion of its own.' Ironically the proclaimed purpose of fox hunting - to hunt foxes - is somewhat of a secondary matter albeit a somewhat barbaric one. In truth fox hunting is not a very effective way, given the actual numbers killed, of controlling the numbers of foxes supposedly rampant in the

countryside.

The Countryside Alliance is presented in the media as some sort of freedom loving mass movement enjoying widespread support. In reality this is a fiction - and a well financed one at that. Looking at 'The Rich At Play' again we see that this clique is run by - and financed from the coffers of - the rich and those who financially benefit from blood sports. According to 'The Rich At Play', the CA has considerable assets invested in the likes of Shell, ICI and RTZ. Not unsurprisingly our own supposedly environmentally conscious royal family have given strong indications of support for the CA as well as all being keen hunters themselves.

The real issue that needs to be taken up is the question of who owns the land and why. Large parts of Britain are still owned by a wealthy few who use it for their own gain. It appears that just 189,000 people own over 88% of the land in Britain, according to Kevin Cahill (Who Owns Britain and Ireland, 2001). This is not their land but ours. We need to bring to an end this domination of the many by the few. Most people in this country oppose fox hunting and want it outlawed. The rich believe that because they are rich and own property they have the right to do what they like. It's time they were put in their place and told "get off OUR land." □

News round

Stupid Duke

It is a commonly held belief that any major body or company will benefit by having a titled toff on its governing board to add weight and authority. The higher up the better. Consider however the case of the recently departed Angus Charles Drogo Montagu, 12th Duke of Manchester. Here was a man with blue blood surging through his veins. Yet at his 1985 fraud trial, involving the Nat West Bank, the small matter of 38,000 quid and a half-witted scam requiring the use of a hired stripper, he was called by the Old Bailey judge 'absurdly stupid and negligent' warning that the sighting of his name on any future list of directors should 'send shivers down the spine of any investor.'

The judge concluded that 'on a business scale of one to ten, the duke is one or less and even that flatters him.' Mind

you one has to wonder why anyone ever imagined that this guy would ever have been suitable given that his previous work experiences included being a water-skiing instructor, a failed trouser salesman and a crocodile wrestler! However despite escaping punishment for fraud in 1985 on the grounds of dimness, he was back at it in America four years later. Subsequently jailed by the US authorities for four years in 1996, after pretending to be a castle-owning chum of Prince Charles, even his own lawyer called him 'gullible...vain...foolish' We will not see his like again...except hang on here come the Windsors!

From the Summit of Wealth...

Bosses' pay took another "giant leap for mankind" with a typical leader of a FTSE 100 company received an 11.7% rise in total cash earnings over the last year. Clearly outstripping the 3.9% in average earnings for the workforce. However percentages hide a great deal [sic]. Jean-Pierre Garnier, chief executive of GlaxoSmithKline, saw his total earnings grow to £3,408,000. Bart Becht, of Reckitt Benckiser, earned £3,266,000, while Stanley Fink, chief executive of Man Group, took home £3,100,000. Poor old Niall FitzGerald of Unilever only managed £1,796,000.

...to the Depths of Poverty

65,000 delegates, 100 heads of state and 6,000 journalists are to attend the Earth Summit in South Africa at an estimated cost of more than £300 million.

At the same time, 14 million people face starvation in seven southern African countries. The average per capita income in the Democratic Republic of Congo is 23 US cents per day. Disgraced former Enron boss Ken Lay was rewarded with \$247 million shortly before the company collapsed. Official unemployment in Argentina now runs at 40%. Half the population are living below the poverty line.

Industrial Round-UP

★ **FIREFIGHTERS** are set to step up their campaign for better pay in September.

On 2 September firefighters will lobby national talks in London and on 12 September a recall FBU conference in Manchester is likely to call for a national strike ballot if employers fail to meet pay demands.

Stakes in the dispute have been raised after it was revealed the government had drawn up secret plans to bring in soldiers to try to break any national stoppage.

The moves follow recent demonstrations in Scotland, Wales, Northern Ireland and on the Isle of Wight in support of the FBU's claim for £30,000 a year for a professional firefighter and calls for further national action.

Some control room staff are currently so badly paid that they qualify for benefits

The FBU has also called for a revision of the pay formula and improvements in pay for retained firefighters.

★ **JOURNALISTS** at the Belfast Telegraph are to strike over the company's latest pay offer.

NUJ and GPMU members have already made significant progress in the dispute after the company's owners, Independent News and Media (UK) announced a pay freeze earlier this year. Union members have been offered a deal encompassing improved holidays and maternity and paternity benefits and some positive changes to the pay structure. But NUJ members have unanimously rejected the offer claiming that a company which made more than £10 million profit last year can afford a decent across-the-board pay rise. Workers are set to stage a 48-hour stoppage as part of their campaign for an improved pay offer.

★ **AMICUS-AEEU** General Secretary Derek Simpson will address a rally of striking journalists in Rotherham as part of a dis-

pute over pay. Union members working for the Rotherham Advertiser rejected a 2.3% pay offer.

★ **TWO THOUSAND** Glasgow postal workers walked out on unofficial illegal strike action in the Springburn sorting office recently, crippling postal services across the city. Workers refused to cross picket lines and other postal workers in the area refused to handle blacked mail. The strike was the latest in a series of actions at Springburn. Staff were concerned that new junior staff were being told to work in areas they knew nothing about.

"This action is about junior people who are being redeployed from mail processing centres to delivery offices", said a union representative.

"Many of them have never worked in a delivery office before and are apprehensive about going there."

Militancy on the March - The Change Taking Place in the Unions

by Phil Mitchinson

The dramatic changes taking place in the unions have been explained in two articles on Britain's Summer of Discontent which can be read at www.marxist.com. Here we examine these developments in the context of the 2002 TUC Congress.

To many commentators in the media the magnificent one million strong national strike by members of UNISON, the T&G, and GMB on July 17 was a bolt from a clear blue sky. Page after page and broadcast after broadcast was devoted to convincing us that such militant action was an aberration, a one-off. The fact that London Underground was brought to a standstill by a strike the following day was unconnected, and caused by the hotheaded leftwing leadership of the RMT. There is no connection either, they try to tell us, with the shift to the left in a whole series of unions. The ballot for the first national strike by postal workers and firefighters in twenty years is also an unconnected event. There will be no return to the 'bad old days' of the 1970s we were all assured, after all the trade unions are now social partners not militant workers organisations, etc. Simon Jenkins in the *London Evening Standard* (18/7/02) for example, "I doubt if London is in for a run of industrial disputes. Too much has changed. The public sector is not the monopoly it was. Union leaders may be more left wing but few other than Mr Crow, wield much power and he is only an occasional pain in the neck." Or even the editorial of *The Guardian* (19/07/02), "It is a bit premature, to say the least, to extract a lasting trend from events as disparate as a strike over safety at London Transport, a dispute over a trade union leader trying to hang on to his job too long and a strike by low paid council workers."

If this were the case in just one union, or just one strike, then it could be an accident, an isolated development, a question of personalities or special circumstances. However, the

election victories of the left are not confined to one union but spread across every single union to hold such a ballot. Nor was this just a strike over a certain percentage pay rise - though every penny gained is worth fighting for. What concessions were wrung out of the government - the £5 an hour minimum rate for example - were won by militant action. The union leaders now claim that this was achieved by their negotiating skill. Remember before the strike took place Blair announced that he would not intervene, and the employers announced that there was no more money, no matter what. Brian Baldwin, chairman of the employers negotiating team announced the day before the strike, "There is no good reason for the employers to improve their reasonable offer." The action of a million workers gave them the necessary 'good reason' that they were looking for.

24 hours

This was a strike against low pay. Militancy achieved more in 24 hours than five years of consultations between union leaders and the fat cats who sit on the Low Pay Commission. At the same time the claim made by the T&G's Jack Dromey that this marks "the beginning of the end of low pay in local government" is an exaggeration. Five pounds an hour is still poverty pay, and incidentally it is not a scandal that after five years of Labour government there were still workers in local government earning less than a measly fiver an hour. In reality far more could have been won. The mood of those on strike up and down the country was clearly to fight

on.

This was a million workers from three unions announcing that they had had enough. This was the first national strike of its kind in twenty years, the first joint manual and non-manual workers industrial action, the biggest strike by women workers in British history, and, according to the *London Evening Standard*, the biggest industrial action since the 1926 General Strike.

Of course, in the first place this strike was caused by the scandalous level of wages in local government. The Labour Research Department have produced figures showing that local government workers earn less as a percentage of the average wage than they did in 1979. If you are struggling by on this money though, you hardly need statistics to tell you how badly off you are.

The real question is why did the strike take place now? Local government workers pay was bad last year and for years before that. Their patience has now worn thin. In the second term of Labour government nothing was getting better. Another insulting pay offer represented a line in the sand, and a million workers said this far and no further. Their action brought immediate results. That lesson will not be lost on the strikers themselves nor on other workers now preparing to take action. The union leaders settled for too little too early, and the mood of the rank and file in these unions will no doubt be expressed in the next round of internal elections. Both the GMB and the T&G will shortly hold elections for new General Secretaries and we can predict that the swing to the left will continue here too.

It is not an accident that this strike coincided with the shift to the

left in the unions, or with other strikes on the Underground, and ballots of postal workers and fire-fighters. These developments are all part of the same process. Seen alongside these other events, and not separate from them, the local government strike is an indication of a profound change taking place in society.

Our friends at *The Guardian* are entirely wrong to claim that there is no trend to be seen here. The key thing is to see the trend, to see events not in isolation from one another, unconnected, but to see the process linking them all together. This is the task of Marxism. *Socialist Appeal* has attempted to chart, describe and explain this process in advance over a number of years. This is the vital importance of theory for trade union activists, the advantage which Marxism has over all other trends in the labour movement, as Leon Trotsky once explained, is the benefit of foresight over astonishment. This is not meant to suggest that Marxists have crystal balls and can predict the future. Theory allows us to avoid being seduced by the surface calm of society, to see beneath that thin veneer to the real process unfolding underneath. *The Guardian* believes it is too early to detect a trend. On the contrary, that trend extends back years.

At the time of the last election we were told that the low turnouts were caused by 'voter satisfaction'. In reality, this too was an early expression of the level of anger and discontent being built up beneath the surface. Many workers voted Labour to give them another chance, to give them more time. Many voted Labour simply because there was no alternative, though they

had already become disillusioned. Many others simply stayed at home unable to bring themselves to vote for Blair and co.

Blocked from solving their problems on the political front, workers turned once again to the industrial field of action. The number of strike ballots steadily grew. Often strikes were averted only by the role of the union leaders themselves. This began to provoke changes inside the unions, with the election of new more militant leaderships. Beginning with those unions that had been involved in action, the postal workers and railworkers in particular, the old leaders began to be swept aside. The profound discontent and anger that was mounting beneath the apparently calm surface of society sought ways to express itself. On July 17 it burst through dramatically.

The changes inside the unions spread to the larger unions with the victory of Mark Serwotka in the PCS, the election of Tony Woodley as Deputy General Secretary of the T&G, and the earthquake, the final proof for those who still refused to see the process unfolding before us, the election of Derek Simpson in the AEEU and the defeat of Blair's closest ally in the unions, Sir Ken Jackson. If any one single event demonstrates the profound nature of the changes beginning to take place in the unions it is surely the victory of the left in what was seen as the bulwark of the right wing in the movement, the AEEU. Remember the AEEU was formed by a merger between the AEU and the most right wing of unions at the time the EETPU.

The strike by UNISON, GMB and T&G members represented the same profound change taking place



in society. That is clearly illustrated by the *Guardian*/ICM opinion poll which found 59% of people in favour not only of this strike but of other future strikes being planned. This figure is one more expression of the mood of anger which has built up within society over years. It is a precursor of more industrial action in coming months. The broad level of support indicates a change in mood that is widespread across every part of society, a condition which can prepare the way for a general strike in the future as we have explained before - usually to the derision of those cynics who argued that the working class was finished. The same cynics who claimed that there could never be a national public sector strike, and that there could never be any change in the AEEU. They are the same cynics who will tell you that Tony Blair has the

Labour Party firmly under control and that there will never be any change there either. They received their answer on July 17, and with the election of Derek Simpson.

Opinion polls in themselves prove nothing, of course. In fact, depending on what question you ask, they can probably prove everything. Seen alongside all the other developments however they are an important element in the equation. MORI regularly conducts an opinion poll on people's attitudes to class. In 1994, 51 percent of those interviewed considered themselves working class. In 1997 the figure rose to 58 percent. Last month 68 percent declared themselves 'working class and proud of it'. *The Guardian*, who published this poll, then devoted a large article by Roy Greenslade to excusing this inexplicable declaration.

Greenslade's argument goes as follows. Whilst we are all really much better off, and should really call ourselves middle class, we can't bring ourselves to do so because of the connotations of snobbery. Whether such a feeble argument convinces anyone or not, it does not explain why the number of people describing themselves as working class has grown so consistently over the last ten years to its cur-



There are no cosy jobs anymore, no jobs for life, no-one feels safe. Those who in the past might have thought themselves middle class, bankworkers, social workers, civil servants and teachers, for example, face intense pressure, falling wages, and job insecurity.

rent record height.

There is a much simpler and more convincing argument which does explain this growth, however. There are no cosy jobs anymore, no jobs for life, no-one feels safe. Those who in the past might have thought themselves middle class, bankworkers, social workers, civil servants and teachers, for example, face intense pressure, falling wages, and job insecurity. It is this profound level of insecurity and indebtedness which explains this latest poll which should take its place as another symptom of the profound change taking place in society.

These changing conditions more accurately explain the rise in militancy, the shift to the left in the unions, and the growth in union membership. While the changes in union recognition rules have had some effect, the GMB recruited 44,000 new members on the basis of their campaign to keep the private sector out of public services. UNISON membership grew by 16,000 in the month leading up to the recent industrial action, and will no doubt have grown further since.

All these developments represent the beginning of the catching up of consciousness with reality. Things are not going to get better on their own. Blair and co. are not going to solve anything either. This represents a fundamental change taking place, a change which has already begun to find an expression inside the trade unions.

It is against this dramatically altered background that this years TUC convenes in Blackpool. Here too there could be significant changes. Billy Hayes of the CWU and Derek Simpson of

the AEEU are now on the General Council, they could be joined by Jeremy Dear the General Secretary of the NUJ, Andy Gilchrist of the FBU, Mick Rix of ASLFF and Bob Crow of the RMT. All have been nominated. This would be the biggest swing to the left in the TUC for twenty years. If elected they could form a formidable bloc. That bloc must not be confined to the tops of the movement, however, but used to rally and organise activists across the trade unions. The left must be built in each union, gaining majorities on National Executives so that left General Secretaries are not isolated. This is not an end in itself, of course, but part of the struggle to change the policies of the unions, to return to their militant, fighting traditions in the interests of their members, and put an end to the period of social partnership - in reality class collaboration - once and for all.

Authority

In their own unions and collectively across the movement these new leaders will hold a great authority, an authority which must be used in the interests of their members and of the working class as a whole. United behind a common programme of struggle, against privatisation, for public ownership, against closures and redundancies, for a shorter working week, for the repeal of all the anti-union laws, such an opposition would form an immense pole of attraction.

Struggle on the industrial front in defence of jobs, wages and conditions is vital, but is also only a part of the task in front of us. The struggle needs to be taken onto the political field too. The fight must be taken into the Labour Party.

The Blairites are once again raising the idea of state funding of political parties. They are desperate to sever the link between the party and the unions before the disease of militancy can spread. The initial support amongst some activists for breaking the link will turn into a realisation that the link must not be broken but used to reclaim the Labour Party. In

yet another poll, a big majority of Labour voters expressed their opposition to breaking these historic ties. 64 percent of Labour voters are opposed to breaking the link. 53 percent of Tory voters are in favour. So while the Tories and the Blairites agree, the big majority of workers want to defend the link and that will be expressed in the political fund ballots which begin again next year.

The trade unions are the key to reclaiming the Labour Party from the Blairite hijackers. The struggle to reclaim the unions and the Labour Party form an integral part of the struggle to change society. Ultimately only breaking with capitalism and carrying out a socialist transformation can permanently address the problems facing all working people.

None of this will happen overnight. But many believed even the first transformations which we have already seen could never happen. The trade unions look very different today to what they did five or ten years ago. They will look very different again in the next ten. They will go through a process of transformations and changes. As, at a certain stage, will the Labour Party. The new period we have entered will see explosive developments. The local authority workers have shown the way, now a queue is forming of workers preparing to take action. The floodgates may not yet be open but the damn has been breached. A wall of pressure is mounting behind and will burst through again and again. The process will not proceed in a straight line. There will be ebbs and flows, quiet periods and periods of rapid change. It will take some time, but the important thing now is to recognise that this process has begun.

If one sees the changes in the labour movement over the last twenty years as the motion of a pendulum, then that pendulum has swung a long, long way to the right. It has now reached its limits, and in fact, begun its journey in the opposite direction. The past is now decisively behind us. The future is there for the taking if we fight for it armed with the ideas of Marxism. □



An appeal to support the Pakistan Trade Union Defence Campaign

From Jeremy Dear,
General Secretary of the National Union of Journalists
(UK and Ireland)

www.ptudc.org

As the British Trade Union Congress meets, I urge you to support the Pakistan Trade Union Defence Campaign (PTUDC).

The Campaign was set up following the assassination of Arif Shah, the President of the Punjab Labour Federation by hired agents of the employers in 1995. That brutal act highlighted the harsh situation faced by the trade union movement in Pakistan.

The conditions faced by workers in Pakistan are miserable. Millions are unemployed and there is no unemployment benefit or welfare state. Brutal exploitation is rife. Over one million children work in the carpet industry, another million are employed as domestics, over 300,000 as bonded labourers in brick kilns together with many more in soap factories, small garages, shops and so on.

As a result of the assassination of Arif Shah, leading trade union activists established the Pakistan Trade Union Defence Campaign, sponsored by the Punjab Labour Federation, the United Labour Federation, the Progressive Workers Alliance, the Railway Workers Union, the National Union of Postal Employees, Manzoor Ahmed [Information

Secretary, PPP Labour Bureau (Punjab), and many others. The aim of the PTUDC is to defend trade unions from the physical attacks of the employers and to defend their right to organise!

Since then the PTUDC has worked to support trade union struggles and campaigns in many sectors including the railways, telecoms, post, banking, sugar, steel, ports and many others.

The most recent campaign they have been involved in is the defence of the leader of the civil servants in Quetta, Hameed Khan. This workers' leader was arrested on April 22, together with other union leaders and protesting workers. After

an international campaign of solidarity, trade unions all over the world protested against this action and brought enormous pressure to bear on the Pakistani authorities, which finally conceded and the strikers were released.

I urge all trade union activists to back the struggles of our fellow workers and trade unionists in Pakistan, and to give them the maximum support in their fight against military dictatorship and oppression.

Yours in solidarity,

Jeremy Dear,
General Secretary,
National Union of
Journalists



How to Donate to the PTUDC

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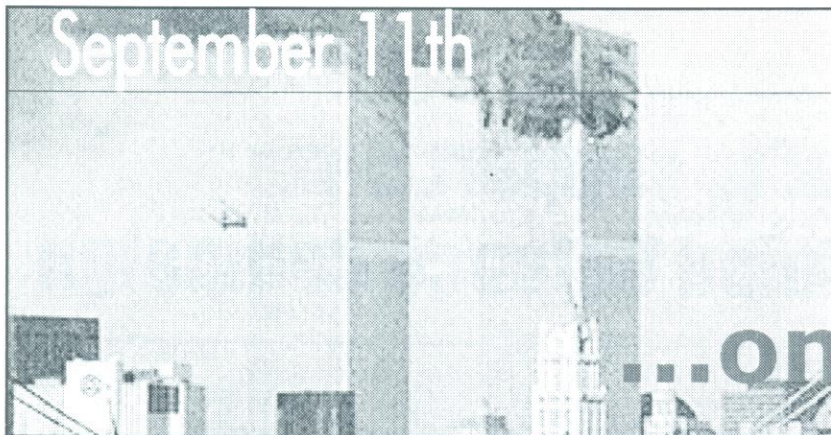
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September 11th



...one year on

Adventures on Crook Street

September 11 was a turning point for the USA. Not only for its impact internationally, but its effect on the average American. World affairs, so distant from everyday experience in the US, will never be the same again. The belief that America was immune from outside events has been completely shattered.

by Rob Sewell

"Excess is built into the capitalist system." Editorial, Financial Times, June 29, 2002

In the bars and coffee houses, on the buses and trains, as well as in the workplaces, there is more discussion about world politics today than ever in the past 40 years or more. Terrorism, Afghanistan or the Middle East are subjects that appear on most people's lips. At least everyone has an opinion about these subjects - good, bad or indifferent. This constitutes a sea change in the psychology of the average American, and represents the first of many shocks that will transform their outlook.

Ground Zero is now a gaping hole in downtown Manhattan. In an area densely filled with corporate skyscrapers, the ground once occupied by the Twin Towers is now a vast empty space the size of ten football pitches. Many of the surrounding buildings are marked by the disaster; covered in felt; windows broken; blackened by the dense smoke. Work is still in progress to completely clear the site, surrounded by high mesh metal fencing. In silence, tourists and those offering their respects stroll up and down the fence, trying to get a closer glimpse of the empty space.

A specially erected platform, especially constructed by New York City authorities, allow tourists to obtain a better view of the bare scene. As if in some carnival, tickets

are issued by City Hall for those wishing to view Ground Zero from the platform. NYPD members who control the lines and stand guard over the structure collect the tickets. Along the wooden fence, and along the railings of the adjacent churchyard, thousands of messages of condolence are displayed from all over America and elsewhere. Many condolences are from workers in the essential services, whose comrades have perished at Ground Zero. Flags, homemade banners, placards, hats and handwritten messages festoon the railings, many urging "peace not war". The deep-felt emotions of those who have come to express their own condolences are clearly visible.

New mood

Down town, newspapers are on sale announcing the latest fall on Wall Street or the latest scandal to shake America. "Crook Street" was the front page of the New York Daily News, seeking to capitalise on the growing revulsion against Corporate America. It was attempting to tap into the new mood of the American people and sell newspapers, in much the same way as the Daily Mirror is attempting to do in Britain. Sleaze from Enron to Xerox, Tyco to WorldCom, has served to undermine confidence in the capitalist system. Even Bush, desperate to stop the flood tide of anti-corporate feeling, was forced to recognise

this threat to "our entire free enterprise system" in his speech on "business ethics". He has announced the tightening up of corporate law - even doubling the sentence from five to ten years for corporate malpractice. The problem is nobody can even name a single CEO doing a jail sentence, let alone one for five years.

In any case, Bush has been involved in his own personal business scandals. His share dealings were investigated in 1990-91, when Bush, then on the board of Harken Energy Corporation, took 34 weeks to give "timely" notice of an \$848,560 stock trade, made one week before bad news was disclosed of a \$23 million loss.

The Bush administration, more notably the Bush family, is dominated by oil industry interests. The potential vast energy resources in Central Asia have driven Bush's foreign policy aims in the region. John Pilger recently revealed that the disgraced Enron Corporation, one of Bush's biggest campaign backers, conducted a feasibility study for a \$2.5 billion oil pipeline being built across the Caspian Sea. Top current and former American officials, including Vice President Cheney, have "all closed major deals directly and indirectly on behalf of the oil companies," says the Asian Times.

If there was a map of American military bases established in the region to fight the "War on Terror" what would be immediately striking

is that it would follow almost exactly the route of the projected oil pipeline to the Indian Ocean.

These latest corporate corruption scandals sweeping America have tarnished the political elite, both Republicans and Democrats, who have long had their snouts in the trough of big business. They are the political representatives of the Corporations, receive huge handouts from them, and do their bidding on Capitol Hill. In January, when a USA Today/CNN/Gallup Poll asked whether big business had too much influence over Bush's decisions, 63% said yes.

Bush had personal links with Enron executives. He holds WorldCom stock. Enron and its executives gave more than \$4.1 million to both Republicans and Democrats. Deposed WorldCom CEO Bernard Ebbers and his wife gave at least \$33,500 - \$26,000 to the Republicans and \$7,500 to the Democrats.

"There's nothing to tie the Bush administration or the Republican Congress to any of this," said Rep. Tom Davis, chairman of the GOP House campaign committee. But nobody believes this. The anti-corporate revulsion sweeping America has especially hit Bush. "Corporate malfeasance is on the verge of becoming a big political issue", stated the Economist.

While Worldcom bosses take the Fifth Amendment and remain tight-lipped about their billion-dollar fraud, millions of ordinary Americans are beginning to question the dog-eat-dog morality of capitalism. Polls indicated that 90% of Americans are deeply angered by the rising corruption and sleaze, and the inevitable fallout in terms of job losses and pension cuts. America is in the grip of great economic and political volatility. The sharp gyrations on the stock market have stripped billions from the value of shares and pensions.

The actions of the Bush administration, reflecting the crisis of American capitalism, will add to this instability and questioning of the "free enterprise system". The United States, whose imperialist actions qualify it as the world's leading "rogue state", has created turmoil in Central Asia, and is planning to attack Iraq. The "Bush doctrine" is a carte blanche to launch a military strike against any country regarded as a potential threat to the interests of American imperialism. This demonstrates a brutal contempt for all those who stand in the way of American dominance on the planet. However, this role will drag America into new wars and bloody conflicts from one end of the globe to the other. This in turn will have massive repercussions within the United States itself.

The American working class is the biggest in the world. Potentially, it has overwhelming strength and power. While strikes are at an ebb at the moment, this is the calm before the storm, given the bitter mood that is developing. The last decade of boom has been at the expense of the working class, where real male adult wages have declined, while profits have rocketed. According to the 2000 census in Sullivan County, Indiana, male incomes dropped 11 percent in the 1990s, forcing women to seek fulltime jobs. "Though blue-collar, heavy industry jobs that enabled many men to support a family have evaporated for three decades, the decline from 1989 to 1999 spread beyond jobs in factories, mills and mines to those in offices, stores, warehouses and trucking," states the New York Times (June 17, 2002). These are the new realities of the American Way of Life, which has built up an explosive mix. America's corporate meltdown is adding to this growing discontent.

Firefighters protest

The spontaneous protest of the New York fire fighters when they were told by the Mayor to scale down the rescue operation at Ground Zero is a microcosm of what will happen in the future. They marched on City Hall, the American flag in hand, fought with police and forced the City administration to give way. This is what happens when workers collectively lose their patience. They regain the past fighting spirit of the American working class. To quote Fredrick Engels, "to an outsider it appears evident that here is the raw material out of which the future of the American working class movement and, along with it, the future of American society at large, has to be shaped...A people full of energy like none other."

However, the American ruling class has a history of violence and oppression against the working class. The bosses are waging a continual war against the trade unions. Ninety-one percent of all bosses force their workforce to watch anti-union propaganda. Eighty percent hire union-busting consultants and employers spend over \$300 million every year to block union organising drives. Bosses are using September 11 to carry through layoffs and attack workers. For instance, the Pacific Maritime Association, the West Coast waterfront bosses' association, is using the "anti-terrorism" atmosphere to implement the Port Maritime Security Act - which has now passed both houses of Congress - to screen workers. This screening has given powers to employers to eliminate militant union members and to undermine the



base of union strength, which is the union-controlled hiring hall. "Nowhere else in the whole world," noted Fredrick Engels, "do they operate in such an impudent and tyrannical way as over there."

But the bosses face an undefeated working class. The crisis unfolding in the United States is preparing a showdown between the classes. On the basis of events, the American workers will relearn the lessons of the past. Their militant traditions will be reborn anew. The present changes in consciousness, reflecting itself in the growing anti-corporate mood, are the early stages in the developing American Revolution. On the basis of experience, the majority will come to understand the need to get rid of the Corporate System. "Any people anywhere being inclined and having the power, have the right to rise up and shake off the existing government, and form a new one that suits them better," declared Abraham Lincoln. "This is a most valuable, a most sacred right - a right which we hope and believe is to liberate the world." In the years ahead, the American working class will take up this challenge.

"When the moment comes, things will move with colossal speed and energy over there," states Engels. "Once the Americans get down to it, but with an energy and virulence unique to them, we in Europe will be children by comparison."

When the American working class takes its fate into its own hands, it will transform the entire globe. It will mean the storming of the key bastion of capitalism. The awakening of this giant of Labour might well, to cite Engels once more, "plunge the whole world into astonishment". But the coming American Revolution, which will do away with the shackles of big business, will bring about, in the words of Abraham Lincoln, "a new birth of freedom" for the United States and the rest of the world, and will open up a new vista for humankind. □

Corporate "Accountability": Is there an honest capitalist around?

Amid a renewed wave of stock collapses on Wall Street and the continuing accounting scandals involving a greater and greater number of big corporations, President Bush has appealed to the nation's capitalists to use "honest" accounting methods in order to calm investors.

By David May, National Committee WIL, St Louis.
www.socialistappeal.org

Speaking on Wall Street on July 6 to a hand-picked audience of bankers, stock traders, and other business elites, Bush said that "faith in the fundamental integrity of American business leaders is being undermined. Nearly every week brings better economic news [sic] and a discovery of fraud and scandal."

Bush also called for increased funding for the Securities and Exchange Commission, the Federal body that regulates (rather de-regulates) the stock market, although he refrained from calling for the removal of SEC chairman Harvey Pitt, who is a former lawyer for the accounting industry. Lastly, the President also called on CEOs to hand over any profits from stocks sold on the basis of "insider knowledge".

Both houses of the Congress have also been busy debating bills to address the crisis. The Republican House and the Democratic Senate both have bills of their own, and are now in the process of creating a unified bill. The bills range from creating an "independent" oversight committee to putting "stiff" legal penalties such as short prison terms and fines for double-booking on the law books. The Democrats have also been calling for the resignation of Harvey Pitt, the SEC chairman. Many Republicans have also called for his resignation, including John McCain.

Tom Daschle, the Democratic majority leader in the Senate has called on the SEC to investigate Vice-President Cheney's former oil company Halliburton, as well as re-opening the 1990 investi-

gation of Bush's insider sale of his \$848,560 in Harken oil shares before the company's collapse. The SEC's investigation of Bush was inconclusive, but in its final letter to Bush informing him that the investigation was ending it asked in the most respectful way that he never do it again. So, even Bush's own past insider trading and book cooking won't prevent him from preaching to the Wall Street elite on the issue! But, neither confusing lectures from Bush on "business ethics" or Congressional reforms will solve the problem. The CEOs are trying to grab the last scraps of the boom and to "take the money and run" and they won't waste the time to listen to morality lectures from people that they have paid good money for!

In the aftermath of the Great Depression the US state put hundreds of laws on the books to prevent another economic meltdown. But, unfortunately, boom and slump are the seasons of the capitalist economy. Boom necessitates slump and vice-versa. When there is an expansion of world trade and the productive forces, the contradiction between private ownership, social production, and the nation state is built up until the point where the contradiction has to be resolved, and since there cannot be any resolution of the contradiction on the

basis of capitalism, a slump is born. The slump "cleans out" the problems built up during the boom (i.e. halting or slowing production to empty out warehouses of goods, etc). When the world's level of production has outstripped the confines of private ownership and distribution (the "market") a decline is necessary to bring the productive forces within bounds. No amount of legislation, moralizing, or even interest rate cuts can solve the problem until the cycle is ready to repeat itself. For example, the Japanese central bank has issued rate cut after rate cut, to the point where the real interest rate is zero, but to no avail. The Japanese capitalists are unwilling to invest and take on new loans. A similar situation could be unfolding in the US. The current slump will have to "bottom out" before it can be superseded by another

boom.

Despite the false optimism of the government and the media, the recovery is not around the corner. They can't hurry the process, either. No matter how much Bush and the Congress may try to assuage investor confidence, the downfall of Enron, WorldCom and the continued dipping of stock values have already hit the investors hard, especially the workers who have lost their 401k funds. Capitalism cannot "reform itself". The only road open to those who have been ruined by these scandals and the slump is to seek a solution that can eliminate forever the seasons of boom and slump - to abolish private property and to administer the forces of production for the benefit of all, not just a handful of dishonest financiers and capitalists. □

.....

"In the corporate world, sometimes things aren't exactly black and white when it comes to accounting procedures."

George W. Bush, President USA.

"It's as if we have given the CEOs weapons of mass destruction - at least economically. The companies they run are bigger than ever. When something happens, thousands can lose their jobs - and more people than ever are invested in them. So a few can do a lot of damage."

Brian Shapiro, accounting professor, University of Minnesota

**Time/CNN Poll
Mood in the USA**

Q: Which of the following best describes your view of the current accounting scandals?

Isolated incidents involving small number - 20%

Not isolated, involving large number - 72%

Q: Do you have less trust in the following:

CEOs of major US corporations - 69%

Major US corporations - 59%

The Stock Market - 53%

Stockbrokers - 50%

The decline and fall of the American Empire



On Monday July 15, on the BBC Four channel, political columnist Andrew Marr interviewed Gore Vidal, the famous American writer. The interview was quite remarkable for the insights it gave into the present situation of US capitalism.

By Alan Woods

Marr began with a most interesting question: "Do you think that the USA will end up like the Roman Empire, a victim of imperial over-expansion?" Gore Vidal's reply was quite astonishing in its frankness. Moreover, Vidal is well qualified to provide the answers (or at least some of them). Apart from being America's best-known living writer, he is a most perspicacious political commentator and an outspoken critic of the present system - although he is certainly no Marxist.

In fact, Gore Vidal is a member of one of America's leading families - a patrician in background, upbringing and culture. His father and grand-

father held high political office and he is related to Al Gore, the Democratic candidate who in fact won the last presidential elections and was cheated of victory by the manoeuvres of the Bush camp. As Vidal put it: "Bush tricked the electorate. He just used a relative of his who happened to control the state of Florida to fix the votes. Then, when the outcome was questioned, he used the Supreme Court, which gave the election to the loser. This was in complete violation of the American Constitution, which does not give any such rights to the Supreme Court, but then, they pay no attention to the Constitution, the Bill of Rights, or anything else. Everything is decided by the one percent of the population who own America."

As we can see from these statements, Gore Vidal is what is known in the USA as a Liberal. But anyone watching this interview could fairly draw the conclusion that he is considerably to the left of even the most left-wing leader of the Social Democracy on this side of the Atlantic. His close personal acquaintance with America's ruling elite and its political Establishment gives him a unique insight into the workings of the system. Moreover, he is one of those extremely rare animals - a bourgeois political commentator whose vision transcends the immediate and has a broad historical view of things.

In Gore's opinion, "the [American] Republic ended in 1950. Since then we have had

an imperial system." What are the chief characteristics of this system? First, the USA intervenes in an aggressive way in every part of the world. According to his researches, since 1950, the USA has waged at least 300 wars in different parts of the globe. Yet, although the Constitution stipulates that any war must be approved by Congress, not one of these conflicts has been so approved. In fact, the last time an American president sought and obtained congressional approval for a war was in 1941, after the Japanese attack on Pearl Harbor.

Vidal points out something that has been long known to us, but has never been admitted, namely that President Roosevelt deliberately provoked the Japanese to attack Pearl Harbor. "Roosevelt wanted the USA to enter the war against Hitler, but he knew that 80 percent of Americans were against this. He knew that the only way to change this was by a major shock, and therefore

set out to provoke the Japanese - who were the allies of Germany and Italy - to attack the USA. They deliberately cut off Japan's oil supplies, then refused to sell them scrap metal, and so on. So they attacked. The attack on Pearl Harbor was worth more to Roosevelt than several divisions..."

Vidal then explains how President Truman got the USA involved in the Korean War ("which we lost") by presenting it as a "police operation" that did not require the approval of Congress. Instead he referred it to - the United Nations! The US military aggression in Korea took place under the banner of the UN - like many subsequent adventures, up to Kosovo.

A most effective raconteur, Vidal also possesses the necessary sense of humour. In his hands, wit is a deadly weapon, as sharp as a rapier. George W. Bush ("How I love that man!") provides him with an endless source of anecdotes,

Q: Compared with the average person, do you think CEOs to be more or less honest and ethical?

More honest	14%
Less honest	71%
No difference	7%

Q: Are most CEOs paid too much?

Too much	70%
About right	16%
Not enough	11%



one of which was new to me and worth repeating. Bush's opinion of the French: "The trouble with those guys is that they just don't have a word for entrepreneur!"

Vidal speaks with a smile, but in the words of my countryman Dylan Thomas, his smile is as sweet as a razor. The form may be amusing, but the content is deadly serious. He points out that the much-vaunted American freedom is largely fictional: three percent of the population is either in gaol or on parole, connected up by electric devices to the prison administration. There is very little real freedom. Freedom of the press? "The press and the media are owned and controlled by 'our corporate masters'. I've never seen the media so tightly controlled as now. They control all the flow of information, so that the great majority of Americans do not know what is going on."

What about living standards in the USA? "Eighty percent of Americans have been falling behind since 1973. That is



"The press and the media are owned and controlled by 'our corporate masters'. I've never seen the media so tightly controlled as now. They control all the flow of information, so that the great majority of Americans do not know what is going on."

the date they usually cite for the oil crisis. Nowadays a husband and wife make less money than the husband alone made at that time. On the other hand, some people have become fabulously rich. One percent owns everything - like the CEOs who now seem to be queuing up to go to gaol! Under them there is a further twenty percent who support the Empire. These are the lawyers, the journalists, politicians and bankers and so on. The one percent hires the twenty percent."

"Press freedom"

Gore Vidal has had recent personal experience of American "press freedom". When after September 11 he wrote an article pointing out that the USA had brought this on itself, building up bin Laden and the Taliban against Russia. The article was not published by any US paper or magazine, including the supposedly "left wing" *The Nation*, for which Vidal has contributed articles for half a century. "The media never asks why," he says:

"We still have not been told the reason why Japan attacked Pearl Harbor! Roosevelt provoked the attack, but the national mythology requires him to be a Saint, so nothing is said about it. Now we demonise Osama bin Laden, who is not a very nice man and looks the part. We do not really know what degree of involvement he had in the September 11 attacks. Yet George W. Bush immediately says: 'Dead or alive, we're going to get him.' Well, they have not got him. And he is not the reason America is in Afghanistan. In fact, one journalist got into Afghanistan early on, which he was not supposed to do, and asked a US general there where Osama was. The general did not even remember who Osama was. Only when the astonished journalist reminded him, did he recall what

the aim of the mission was supposed to be!"

In Vidal's opinion, the USA's intervention is connected with oil interests and the plan to build a pipeline connecting the Caspian Sea to the Indian Ocean. "They want stability in Afghanistan to build the pipeline. The Taliban did not give them stability, so they decided to overthrow them." This explanation of US motives in Afghanistan is rather too simple, but it is certainly true that plans for a pipeline existed (though whether it will ever be built is another matter), and that a US company was involved. There is also no doubt that the USA wants to seize control of the Caspian and Central Asia, and that oil and other business interests are heavily involved in this.

No matter how imperfect or incomplete Gore Vidal's analysis is, it is not really the point. The point that was underlined by Andrew Marr, a respected British political commentator (and certainly no left-winger) is this: How does it happen that America's greatest living writer [Marr's words] did not find it possible to get his opinions printed in the USA? Eventually, he had a collection of articles published in book form in Italy, where it was a best-seller. It was also published in other European countries.

In the end, his book *Perpetual War for Perpetual Peace*, was published in the USA, but then, as he remarked wryly, it got worse. Not a single paper was prepared to review the book. There was no publicity and no advertisements were accepted. As a well-known public figure and broadcaster, he received seven invitations to appear on different television programmes. Five of these were soon cancelled. CNN had invited him to debate his views, but the programme was cancelled half an hour before it was due to commence. The instructions evidently



Gore Vidal

came from the top level in Washington.

"Citizens' rights have been demolished in our country. The Bill of Rights has been either suspended or cut down. Bill Clinton started the process at the time of the Oklahoma bomber. Then they passed the US Patriotism Act, a document of thirty pages that nobody bothered to read. It permits the government to organize surveillance, arrests and deportations. In fact, if you criticise the government you could be arrested for 'giving comfort to the enemy'. And Congress passed this Act and the President signed it immediately! But in practice it did not work. However, we do have thousands of prisoners held in Guantanamo Bay with no right of appeal and no recourse at all."

And what are Gore Vidal's conclusions? "Our liberation from this system will come about as a result of an economic collapse," he asserts. "This is inevitable, on the basis of the colossal debts we have been building up. This must lead to monetary breakdown at some stage. The writing is on the wall."

Most interesting is the little detail that must have come from his family connections. "During the second world war, there were 13 million of us young boys in the armed forces. In 1945, Roosevelt's son said to him: 'You realise that the only trade these kids know is how to kill. If things are like they were after the Civil War or after World War One, when unemployed veterans marched on Washington, it will mean big trouble. If they come home and find there are no jobs, they're going to tear the place to pieces!'" On that basis Roosevelt introduced the reform of the social security system that Gore Vidal (in a slight exaggeration) claims to have transformed the class structure of America.

Despite his flashes of brilliance and insight, Gore Vidal offers no real

solution. His only hope is that, as in the Depression of the 1930s, a reforming President like F. D. Roosevelt will introduce something like the New Deal. "If not, we will end up with a dictatorship."

At the end of the day, Gore Vidal has not abandoned the standpoint of the social class from whence he came. At heart, he remains the American patrician, giving Cassandra-like advice to his class on how to save itself from impending disaster. And just as the Trojans paid no attention to Cassandra, whom they believed to be insane, so the American ruling class regard people like Gore Vidal as troublesome eccentrics, to be ignored or subjected to a conspiracy of silence.

Dictatorship

The fact is, as Gore Vidal is the first to point out, America is already ruled by a dictatorship - the dictatorship of Money, of the "corporate masters" who take all the real decisions while giving the masses the illusion of democracy. But democracy in America, as in Britain and elsewhere in the West, is only a sham, a hollow shell. It is, as Gore Vidal with his considerable knowledge of history has realised, like the institutions of the Roman Republic in the early days of the Empire, when the emperors kept up the pretence of defending the old regime, while real power was concentrated in the hands of the emperor and the army.

Gore Vidal has the merit that he has understood the hypocrisy that underlies this pretence, and the vicious, exploitative and aggressive character of US imperialism. He has also grasped the fact that this colossus has feet of clay. He appeals to the American ruling class to withdraw from its foreign interventions. He realises that America is in the process of overreaching itself just as the Roman Empire overreached itself.

In effect, his recipe is to put the clock back about 200 years, to return America to its pristine roots of Republicanism. He thus ends up in a posture that is both conservative and utopian. Being an extremely intelligent man, he must know in his heart that there is no question of going back, and that what he is putting forward as a solution is no solution at all. This is the real reason for the layer of irony that lays heavily on his speech. After all, irony stems from the contradiction between what ought to be and what is.

The America of the big banks and monopolies cannot be replaced by the world of the small farmer. Andrew Jackson and Thomas Jefferson are long dead and cannot be revived by daydreaming - even the kind of eloquent daydreaming of a brilliant writer. The only class that can overthrow the "corporate masters" and abolish the dictatorship of big business is the American working class.

Gore Vidal's book, despite the conspiracy of silence of the media, is now a bestseller in the USA, with 150,000 copies sold in a single week on Amazon. This tells us a lot about the changing mood of the people of America. As Gore Vidal says: "There's no need to worry about the American people. The establishment treats them as if they are fools, but they are not fools." Precisely! The American people are not fools. And the decisive majority of the American people is made up of the working class by hand and brain. They will learn from books like the one written by Gore Vidal. They will learn most from the greatest book of all - the book of life itself. Great upheavals are on the order of the day in the United States of America. Once the sleeping giant of American labour begins to move, the whole world will be shaken to its foundations. □



False Optimism

Stock markets in the US and Europe have bounced up during August. Indeed, after reaching a new low on 24 July, they've now recovered by 20%.

by Michael Roberts

It seems that there is some renewed optimism that capitalism is not going to slip into recession after all, but can make a steady recovery over the next 18 months.

Why the new optimism? Well, it can't be the summer weather in Europe where rain and flooding has been unprecedented for 200 years! It's true that much of the US seems to have had hot weather. But there are more serious arguments presented by the representatives of capital.

First, the Bush administration claims to have acted against the fraudsters of corporate America. After the scandals of Enron, WorldCom and Tyco, and after much cajoling, the US government agreed to new laws designed to tighten up corporate accounting. It's a case of the stable doors being closed after the horses have bolted.

While 'insiders', as they are called, sold their shares before the stock prices collapsed, middle America, with much of their savings for retirement invested in

stock market portfolios, took a huge hit. The net wealth held by American households (including shares, bonds and property) has fallen over 20% in the last two years, since the 'bear market' in world stocks started in March 2000. Many hard-working Americans (who have the longest working year in the OECD) are now contemplating postponing their richly deserved retirement and working a few more years to make up the losses in their retirement portfolios. So they are angry and demanded action to deal with the swindlers and accounting fraudsters that run America's biggest corporations.

The gruesome irony is that among these insiders is the President himself. When Bush was governor of Texas, he was on the board of Harkin Energy (formerly Bush Exploration). Just a few months before the stock price of that company collapsed, he sold thousands of shares, making a tidy profit. It seems he knew in advance that

the company would have to announce poor profit results. But of course, he has been exonerated in an inquiry.

But no worries, the president and congress have now acted and there will be no more scandals. Indeed, on 14 August, nearly all the chief executives of the top 1000 US companies signed affidavits declaring that their accounts were true and correct. Stock markets breathed a sigh of summer relief and rocketed up.

Optimism

The other big reason for new optimism is the increasing belief that the Federal Reserve bank, led by the new Knight of the British Empire (honorary), Alan Greenspan, is going to cut interest-rates to record lows and so revive the economy from its doldrums. Several US banks are predicting sharp reductions before the end of the year. Investors loved this news and stock market prices rose.

But all this optimism is

summer silliness. Beneath all the hype the cruel realities of the economic data in America, Europe and Japan remain unchanged. The world economy is still slipping down. Take the US.

Throughout July and August, every new figure on the economy was worse than before. Much is made of the need for the US consumer, namely the average American family, to go on spending. It is almost a patriotic duty to borrow more or use up more savings to spend in the shopping malls in order to keep the economy going. Indeed, US auto companies continue to offer zero-interest financing if Americans buy new cars.

Despite the rebounding stock market, consumer confidence is sliding.

The Conference Board's July index of consumer confidence tumbled from 106.4 to 97.1, its lowest level since February. Consumers' expectations about the future took an even steeper turn for the worse. The future expecta-

tions reading plummeted to 95.7 from 107.2.

At the same time, sales in the shops are falling off. Indexes that measure confidence among US manufacturers have also weakened and manufacturing output is dropping back towards recession levels after a limited revival in the early part of this year.

Most significant, the figures for real gross domestic product in the US for the second quarter of this year showed a rise of just 1.1% and previous quarters were revised down to confirm that indeed in 2001 the US economy had fallen into recession and only recovered briefly in the first quarter of this year. Business investment fell for the seventh straight quarter. Meanwhile, the pace of consumer spending slowed to a crawl, advancing just 1.9% after growing 3.1% in the first quarter. Only government spending shot up. And of course, at least for the moment, with interest rates so low the property boom continues, as it does in the UK, Australia and many other OECD countries.

Profits

And the other ghastly reality for US capitalism is that profits are not improving. The top 500 US companies recently reported their second quarter earnings. Let's be generous and assume that we can believe the accountants and the company reports as reflecting a true record of profitability (some chance!). But even on that basis, profits were up just 1% compared to the same time last year, when they were terrible.

The real story is that unless US companies go in for another huge binge of job cuts (and in the last year over 2m American jobs have been lost), they won't get profits up and so they won't resume investing. But of course, if they sack loads more workers, the unemployed won't be able to buy goods in the shops and those still employed will be so scared that they might lose

their livelihoods that they will cut back on spending and start to save. The result will be economic recession. Such is the capitalist dilemma, when profit rules production.

And it is no better in Europe. Most of European countries have reported economic growth figures for the second quarter of this year. Only there was little or no growth! Germany was up 0.3% and Italy was up 0.1%. Britain was best at just 0.7%. And with manufacturing faltering and sales in the shops of Europe and Britain also dropping off, the prospects look bleak in the second half of this year.

As for Japan, it's the same old story. National output is falling by 0.5-1.0% a year. Deflation remains the order of the day with prices falling. Even the services sector is continuing to slide as unemployment hits post-war highs. The government is paralysed about what to do after 12 years of recession. Public debt just keeps mounting.

And there are lots of nasty rocks in the world's economic ocean that could sink a few more capitalist ships over the next few months. The economic and political chaos in Argentina continues with no sign of escape. Similarly, despite huge dollops of IMF money, the Turkish capitalist politicians continue to squabble, threatening to drive this key ally for the US in its so-called War Against Terrorism into economic depression. And elections are imminent in Brazil with the likelihood of a massive defeat for the government candidate. The presidency of the largest country in Latin America is now likely to be held by the Workers Party leader Lula or the Workers Front leader Ciro Gomes. It's not a pretty thought for capitalist investors and they are taking their money out of Brazil like there was no tomorrow.

And then there is Iraq. The Bush administration is preparing a huge armed force to take out Saddam Hussein, probably some time this win-

ter, whatever the European governments and the UN say. But that is going to drive up oil prices even if the war goes well and it could seriously damage the world economy if the Bush adventure goes pear-shaped.

And there are two bubbles still to burst in world capitalism. The first is the strength of the US dollar. It has weakened a little in the last year but there is much room yet to go down further. Foreigners hold \$9 trillion of dollar assets, while the U.S. runs a trade deficit of \$37 billion per month. Those foreign

it was only 3.2%. The average annual gain in industrial production from 1942 to 1966 was 5.3%. From 1975 through 1999 it was only 3.4%. At same time, consumer debt rose from 64% of annual disposable personal income in 1966 to 97% in 1999.

And yet the US authorities and Alan Greenspan in particular, continue to spout optimism in every statement. Recently, Greenspan commented:

"The mildness and brevity of the downturn are a testament to the notable improve-

And there are lots of nasty rocks in the world's economic ocean that could sink a few more capitalist ships over the next few months.

investors are facing even bigger losses than their American counterparts. For on top of the stock market losses, they have currency losses of another 10-15%. When they begin to sell in big numbers, the buyers will disappear and the dollar will fall far more than most people expect.

The second great bubble still to burst is the property sector. US and UK consumers have gone on spending because they are relying on the rising value of their houses. But 10% a year price rises in America and 20% in Britain are not sustainable. Already there are signs of exhaustion in house prices in London and New York. If the housing market stutters, people will stop spending a big way, dragging down the economy further.

All this makes a mockery of that talk about a New Economy for capitalism based on hi-tech, the internet and deregulation of controls over business. Economic growth in this great era of *laissez-faire* capitalism has been much weaker than in the immediate post-war decades. In the US, from 1942 to 1966, the average annual real GDP growth rate was 4.5%.

From 1975 through 1999,

ment in the resilience and the flexibility of the economy. The fundamentals are in place for a return to sustained healthy growth: imbalances in inventories and capital goods appear largely to have been worked off; inflation is quite low and is expected to remain so; and productivity growth has been remarkably strong, implying considerable underlying support to household and business spending as well as potential relief from cost and price pressures."

The reality is much more as Morgan Stanley's chief economist, Stephen Roach described it: "This business cycle has little in common with those of the recent past. Unfortunately, it does have a lot in common with the pre-World War II boom-bust cycles triggered by speculative bubbles in financial markets. History tells us that the 19 peacetime cycles from 1854 to 1945 had recessions with an average duration of 21 months - essentially double the 11-month duration of post-1945 recessions.

Post-bubble shakeouts are long and painful. Why should this one, following on the heels of the mother of all bubbles, be any different?" □

Jimmy Deane: proletarian revolutionary, heart and soul

(31 January 1921 - 21 August 2002)

by Rob Sewell

tribute to Jimmy Deane

At 10.45am on 21st August Jimmy Deane died of pneumonia after a long illness in a Liverpool nursing home. He was one of the last in the generation of pre-war Trotskyists, who together with Ted Grant, fought to keep alive the flame of genuine Trotskyism under the most difficult circumstances.

An outstanding representative of the Trotskyist movement, Jimmy was a giant of a man in every way, whose presence always made itself strongly felt. This exceptionally talented man was a model of a proletarian revolutionary, and despite being incapacitated by a severe stroke and ill health, remained a committed Marxist to the end.

Jimmy's family had a long and proud revolutionary history stretching back more than a century. Jimmy's grandfather, Charles Carrick Wilson, had been a member of the old Social Democratic Federation, the original British Marxist organisation, and was Labour's first councillor in Liverpool. Later he became an alderman and deputy Lord Mayor of Liverpool.

In the stormy years of the pre-First World War, the Irish revolutionary trade union leader, Jim Larkin, a good friend of the family, made frequent visits to the Deane household. Jimmy's mother Gertie, who also became a life-long Trotskyist, also knew James Connolly, H. M. Hyndman, Harry Quelch and other leading figures. At this time, Gertie became an active suffragette and close friend of Mary Bamber.

"In 1937 I met Eric Brewer and joined the Labour Party", recalls Jimmy. "I had already formulated ideas in my head about socialism and fighting for Marxism. I joined the Labour Party because at that time the Labour Party in Walton was more left than the ILP." He attended the 1937 Labour Party Conference as a delegate from the Fairfield Division, sponsoring a motion calling for an

international working class embargo on all goods and arms going to Franco.

While a member of the Labour Party, Jimmy Deane was won over to Trotskyism and joined the Militant Group in the middle of 1937 at the age of 16. Through him, his mother Gertie was recruited, and then his brothers Arthur and Brian, who also played an important role in our movement. When the old Militant group split and the Workers International League was formed in 1938, the Deanes, along with Eric Brewer, Tommy Birchall and Harry Matthews, were won over to the new group, and commenced a long association with Ted Grant.

Building great influence

Tommy Birchall had joined the ILP in 1934 and became a Trotskyist the following year, joining the Marxist League in the ILP. "The comrades decided to join the Labour Party", recalls Tommy. "There we came into contact with Jimmy Deane and his mother Gertie Deane and others, including Arthur Leadbetter. Here they were able to build great influence, including getting five comrades on the Trades Council and Labour Party, which in those days was a joint body, from Kirkdale. In Walton, there was a good grouping around Jimmy and Gertie Deane with representation on the Trades Council.

"The comrades developed a good base on the Trades Council and Labour Party. By the 1938 May Day demo, we were strong enough to organise our own section on the march. We hired a horse and wagon and one comrade made a huge plywood tank and we marched with the slogan 'Not a man, not a gun for imperialist war'. The comrades also carried banners and photos of Marx, Engels, Lenin and Trotsky. It was about this time we became linked to the Workers International League. By

now our group had grown to about 35-40 in number, of which Kirkdale made up 14-15, the rest being distributed between Granby, Walton and Fairfield. This was just about prior to war taking place."

During the war, Jimmy, because of his trade, was in a reserved occupation and went to work in Cammell Lairds shipyards, where he became a shop steward. He played a very active role in the WIL, which was selling over 2,000 copies every issue of Socialist Appeal in Liverpool. He intervened on behalf of the group in the Barrow strike of 1943. Typically, they were attacked by the Stalinists, who at this time were fervently pro-war and against all strikes. But when the Stalinists attempted to slander Jimmy Deane and Arthur Farrager, the whole thing backfired. Asked why they weren't doing their bit for King and Country, Jimmy replied: "I'm doing my utmost - I'm a blood donor", to cheers of delight from the workers.

In 1944, the WIL fused with some other remnants of the "official" Trotskyists to form the Revolutionary Communist Party. In the years that followed, heated disputes with the International leadership and their shadows within the British party developed over a whole series of questions. [See History of British Trotskyism by Ted Grant, Wellred 2002]. In these, Jimmy had consistently supported the line of the majority of the RCP around Haston and Grant.

In the immediate post war period, Jimmy became a full time organiser on trade union work, and concentrated a lot of time on the dockers' struggles. He was elected to the RCP's central committee, and from there, onto its Political Bureau. Jimmy had many funny stories to tell about these years. One was about how Ted Grant was finding it hard to concentrate on writing an editorial for the Socialist Appeal. Comrades were nagging him to get on as the

Ted Grant and Jimmy Deane,
Neath 1945 ▶



deadline was rapidly approaching to take the paper to the printers. But Ted wasn't having any of it - so they locked him in the office until he had finished the job. After a long while, not a sound came from the office, so they opened the door to find the window wide open and no Ted. Eventually they found him in the local cinema viewing the latest western!

In the crisis in the RCP in 1948/49, when the antics of the so-called leaders of the International and the pressures of the period served to demoralise Haston and the other leaders, Haston came out in favour of entry into the Labour Party. This position was opposed by Jimmy and Ted Grant. However, rather than engage in a faction fight, they hoped to save the leadership by remaining neutral. This turned out to be a mistake. Haston gained a majority and the International demanded fusion with Gerry Healy's group in the Labour Party. This led to the destruction of the RCP and the expulsion of all those who challenged Healy's undemocratic regime.

Rebuilding the movement

Both Ted and Jimmy were expelled and left with some 30 people nationally, concentrated in London and Liverpool. They had no alternative but to rebuild the movement from scratch. Figures like Jimmy and his brothers Arthur Deane and Brian Deane, Alec Riach, Sam Levy and others helped to gather funds to launch a new publication called *International Socialist*, with Ted Grant as its editor.

In early 1950 in Liverpool, Jimmy Deane drew the young 16-year old Pat Wall into the tendency. Pat had joined the Labour Party during the general election, and within two weeks had been made secretary of Garston CLP. "He was very keen to find out more about economics and the theories of Marxism, and was

told by councillor Bill Sefton (who ended up in the House of Lords) to go over to Walton and ask the Deanes," recalls his life-long partner and comrade Pauline Wall. "After that he read and read and read. He devoured all the Marxist classics." Pat played a leading role for the tendency on Liverpool Trades Council and in the Labour Party, serving to develop and train up a group of younger comrades such as Terry Harrison. Pat had become a Labour councillor in Liverpool and later in Bingley, and after a battle with the right wing and an investigation by the NEC, later became Labour MP for Bradford North. He remained a committed Trotskyist until his tragic death in August 1990.

The 1950s and early 1960s were the "dog days" of the tendency. Jimmy played a leading role in holding things together and developing the tendency. Although the group was recognized as the official section of the International in 1957, the British section was always in opposition to the political position and intrigue of Mandel, Pablo, Frank and Co. They demanded that the official British section should unite with the International Group to fight Gerry Healy. This was vigorously resisted by a large part of the tendency, but was eventually pushed through. Under the pressure of the International, a shaky fusion took place at a conference at Seven Oaks in Kent in September 1964. Jimmy Deane - the then national secretary of the group - mistakenly heralded this as "a very important step forward for the Trotskyist movement in Britain." He continued: "In adopting its statement on unity, the conference showed its mature attitude towards the differing experiences of comrades and towards the existence of secondary tactical differences."

Unfortunately, there was a lot of wish-fulfilment in this. As usual, the leadership of the International displayed bad faith, immediately com-

mencing their manoeuvres against the British leadership. The "secondary differences" soon developed into sharp differences and things fell apart within a matter of months.

The tendency had learnt a painful lesson on the impossibility of short cuts. Unification with the Mandelites turned out to be a farce. A misguided attempt to collaborate with the Tony Cliff group in developing the *Young Guard* paper also ended in failure. In both cases, the main mover was Jimmy Deane, who had illusions in the possibilities of unification. After the failure of these attempts, Jimmy became disillusioned and moved away from active involvement in the movement. He left Britain for a job in India, although he always remained loyal to the ideas. One can say he was a victim not only of the period, but also of the crimes of the so-called leaders of the Fourth.

When I visited him a few years ago, he insisted we leave the nursing home and that I escort him to the nearest pub. Jimmy was always fond of a drink. So we went for a couple of pints and he reminisced about the old days, and especially the vital role Ted had played. He displayed total scorn for the other leaders of the *Militant* who had hared off in an ultra-left turn. Jimmy was very close to Ted, and they kept regularly in



Arthur Deane, Jimmy Deane and Ted Grant in the mid-1950s

Supporting and Defending Marxism:

A letter from Jimmy Deane to *Socialist Appeal* Issue No 9, 1992.

Dear Comrades,

I would like through the pages of the journal to express my best wishes to all the comrades. The ideas you represent today have a very long history. I myself took up those ideas in the mid-1930s and helped to pioneer Trotskyism in the Liverpool area. Given the collapse of Stalinism and the attack on Marxism today, it is necessary to support and defend those ideas, as we did in the old days.

The establishment of Socialist Appeal is a valuable asset in this work, and I would like to share with you the sense of achievement in what you have accomplished so far. A Marxist tendency must combat any traces of ultra-leftism that arise out of impatience. Patience was one of the great virtues of Trotsky. He suffered terribly, but had the ability to learn from events and arm a new generation of comrades. He had the perspectives, the theory and also the faith in the working class. He educated the youth that there are no short cuts. Those who go down this path will only cut their own throats. I have seen it many times in the past. The most important thing is to learn and address the real movement of the working class, using the scientific ideas of Marxism. You have to go back to basics all the time. There are no easy solutions to difficult problems. But there will be big opportunities in the future. I have known Ted Grant for decades. He has played a vital role as the key theoretician of the Trotskyist movement. He has made, and continues to make an historic contribution through the development of Marxist theory and the training of Marxist cadres. I wish you every success and am confident that you will go from strength to strength on the basis of correct theory, perspectives and methods.

Jimmy Deane, Liverpool

touch over the years. Even when Jimmy lost his power of speech, Ted would still phone him periodically and talk to him about what was going on.

An electrician by trade, Jimmy had always had a great feel for workers, especially the youth, and remains a source of inspiration to all those who have ever known and worked with him. This proletarian revolutionist with his thick Liverpool accent, boundless enthusiasm and impressive presence was a man of tremendous ability, and will fondly be remembered by all who worked with him. We send our condolences to Arthur, Brian, Dorrie, Fred and the rest of the family.

Memorial Meeting

A *Jimmy Deane Memorial Meeting* will take place on the evening of the funeral, Friday August 30, at 7.30pm, at The Casa, Hope Street, Liverpool. Speakers will include Ted Grant, Alan Woods and Rob Sewell. Further details will be posted on the In Defence Of Marxism website and available from the Socialist Appeal office (020 7515 7675).

A Memorial Fund has been launched. Please see Page 31 for details.

Farewell to Jimmy Deane

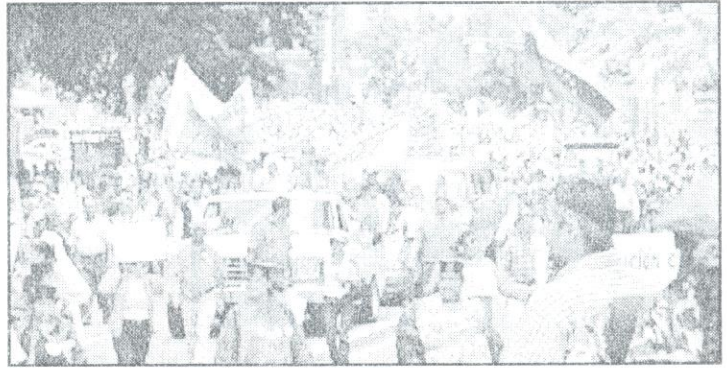
by Ted Grant

"Jimmy and myself go back a long way. At critical times we worked very closely together. It is therefore with profound sorrow that I learned of Jimmy's death. He was a stalwart of the Trotskyist movement, and, when the issues were clear to him, stood as firm as a rock, even in the most difficult periods. That was his strength. He will be remembered for this courage and determination in defending our ideas. He was always there when we needed him. Together with Arthur and Brian, he played a key role in re-establishing the movement after the collapse of the Revolutionary Communist Party.

Jimmy joined the movement as a young boy, and remained in it to the bitter end, although illness and personal problems prevented him from participating in later life. He worked hand in hand with me over the years. It was a close collaboration that extended back to the days of the Workers International League before the war. Jimmy was full of energy and always showed great enthusiasm for the building of the tendency, particularly amongst young workers. In this he played a leading role.

Even when he was seriously ill, he always gave us moral support. He will be missed by all that knew him. We send our warmest condolences to his family. Good bye Jimmy, friend and comrade"

Venezuela: The revolution at the point of no return



by Alan Woods

The revolution in Venezuela has reached the point of no return. In two stormy days in April, the bourgeoisie attempted a coup d'état against the reformist government of Hugo

Chavez. Although it was backed by big business, right wing trade union leaders and the US embassy, the coup failed. In just 36 hours the whole thing was over.

The first attempt at counterrevolution was defeated by a spontaneous uprising of the masses. This was a real inspiration to the workers and youth of the whole world. With no party, no leadership, no programme and no clear idea of where they were going, ordinary men and women from the poorest districts of Caracas simply rose up and began to take their destinies into their own hands.

The quality of leadership is a key element in revolution as in war. Moreover, it is just as important to the counterrevolutionary forces as it is to the working class. Having taken power into their hands, the coalition of businessmen, political adventurers and disaffected army officers immediately began to quarrel and split over what to do. When faced with a serious challenge by the masses, they collapsed like a pack of cards.

The collapse of the coup created extraordinarily favourable conditions for dealing a decisive blow against the counterrevolution and going onto the offensive. There can be absolutely no doubt that if Chavez had wanted to, capitalism in Venezuela could have been overthrown last April. Moreover, at that time, this could have been achieved relatively painlessly, without a civil war.

Shift in balance of forces

Unfortunately, Chavez let the opportunity slip. Instead of calling on the masses to take decisive action, he temporised and attempted to conciliate the counterrevolutionaries. This was a fatal mistake. As a result, the

balance of forces is now less favourable than it was. The reactionaries are moving more cautiously, but they are once again going onto the offensive, making use of the judicial apparatus.

On 11th of August, Venezuela's Supreme Court voted to acquit four senior military officers of charges that they led a coup against President Hugo Chavez in April. The acquittal vote was the third time in three weeks that a majority of the high court refused to indict the officers; two previous writs of indictment also were rejected. This indicates a new and dangerous stage in the conflict.

The Supreme Court's decision was a blow to Chavez. It is clear from this that the reaction is regrouping and organizing its support at the tops of the state apparatus. The move by the Supreme Court prepares the ground for the future indictment and impeachment of Chavez, which would in turn prepare the ground for a "legal" coup.

Everybody knows that Chavez was the victim of a civil-military coup in which he could have been assassinated. But by voting to acquit the officers, the Supreme Court has rejected this cast doubt on the legitimacy of the government. This indicates that Chavez has lost control of the highest level of Venezuela's judicial system. The legal establishment, reflecting the pressure of the bourgeoisie and imperialism, has in practice taken the side of the golpistas against the democratically elected government.

The vote has opened a legal door for Chavez's political opponents to step up their strategy of seeking his

impeachment and removal from the presidency on corruption or other criminal charges. This would then prepare the ground for a coup d'état. This deadlock can only be solved by an open struggle between the classes. No amount of manoeuvring at the top or constitutional ballet dancing can resolve the contradiction. It can only be solved on the streets and in the factories and army barracks. The revolution is in danger! A bold lead is needed.

What now?

The manoeuvres of the Supreme Court are clearly only the tip of the iceberg. The question of power would be posed point-blank. The question is a very simple one: Who is master of the house? Who rules? What are the options? Chavez could invoke his constitutional powers to convene a new constitutional assembly. This would in practice abolish the National Assembly, Supreme Court and other government institutions. Such an action would immediately bring matters to a climax. This he is seeking to avoid. But sooner or later an open clash is unavoidable. The only question is whether it will take place under conditions more favourable to the revolutionary forces or those of the counterrevolution.

Chavez's MVR party still has a small majority in the National Assembly, but cracks are opening up in the government itself. In any case, the final solution will not be determined by parliamentary arithmetic but by the struggle of living forces. If he attempts to circumvent this situation by



Half a million march in Caracas demanding trial for coup organisers - August 24th

convening a new constitutional assembly, this will bring him into headlong confrontation with the forces of reaction nationally and internationally. What forces can Chavez count upon in this struggle? Only the workers, the peasants and the rank and file of the armed forces. The president claims he has the full support of the people and the military in confronting the Supreme Court and other enemies of his Bolivarian Revolution. These claims will now be put to the test.

Counterrevolution prepares

Ever since the events of last April the forces of counter-revolution have been regrouping and organizing for a new offensive. A former political ally of Chavez's, the ex-Interior and Justice Minister Luis Miquilena -- recently launched a new political organization called the Solidarity Party as a rallying point for the forces of reaction. Miquilena is calling for a constitutional amendment to shorten the president's term in office and urged Venezuelans to "take and hold the streets" in order to compel the Supreme Court and National Assembly to get rid of Chavez "legally and constitutionally". Miquilena's new organization is conspiring with the opposition Democratic Action party to launch a series of street protests, government work slowdowns and strikes in

September to force Chavez's resignation.

The attempts by Chavez to avoid a show-down are misguided. Social tensions in Venezuela are rapidly approaching breaking point, a fact reflected in constant demonstrations and counter-demonstrations. Alarmed at the escalation of violence, Chavez has been appealing to the workers to disarm, while reports from the middle class suburbs reveal that the enemies of the government are arming to the teeth. However, Chavez's speeches have evidently not prevented the workers from beginning to arm themselves. Hundreds of FAL 7.62 mm assault rifles disappeared from military and National Guard arsenals after two failed military coups in February and November 1992, and most have never been recovered.

Unfortunately, in the absence of a firm revolutionary leadership with a coherent strategy and plan of action, the energies of the masses can be dissipated in a series of isolated and uncoordinated clashes, and even acts of individual terrorism. According to Union Radio on August 2nd armed civilians loyal to the President opened fire against Metropolitan Police (PM) officials on Sucre Avenue in western Caracas. The snipers were also said to have fired at a PM helicopter from rooftops of a poor neigh-

bourhood during a second day of violent street disturbances by hundreds of Chavez supporters after the Supreme Court's decisions.

The snipers were later said to be members of a group called the Tupamaros based in the urban poor. But the Tupamaro leaders have denied the accusation and said they would only act as part of a larger national popular movement to defend the revolution. So this may be a provocation. Let us hope that this is true. The methods of "urban guerrillism" have proved disastrous in Argentina and Uruguay in the past. The way to defeat the reaction was shown in April, when the coup was smashed by the movement of the masses.

Mood can change

It would be tragic if the colossal revolutionary potential of the working class and the youth were to be sidetracked down the path of so-called urban guerrillism. What is required is not sniping and isolated shoot-outs with the army and police -- the kind of incidents that can be used by the counterrevolutionaries to discredit the mass movement and justify repression, but serious preparations for an armed insurrection. What is required is not "urban guerrillism" (that is, individual terrorism) but an uprising of the masses, led by the work-

ing class, on a national scale.

The balance of forces is still favourable to the revolution. But that will not last forever. In such a situation, the mood of different classes can change very quickly. Time is not on the side of the revolution but of its enemies. Already precious time has been lost. After the collapse of the coup, the forces of reaction were demoralised and disoriented. They have probably still not recovered from the blow. Recently violent pro-Chavez protests erupted in the wealthy areas of Caracas near the Miraflores presidential palace and the Supreme Court building. But they were backed by just a few hundred supporters. This suggests that the middle class has not got much of a stomach for a serious fight at the present time.

However, this situation will not last. Even now the picture is uneven and shows contradictory processes. In the past few days National Guardsmen used tear gas on pro-Chavez protesters. In the past they have gassed anti-Chavez protesters on many occasions. But this seems to have been the first time they have turned against supporters of the government. This small but significant detail suggests that the work of the counterrevolutionaries in the army and police is continuing and getting results. Taken together with the Supreme Court

"No agreement no negotiation, deepen the revolution" reads street graffiti in Caracas ▶



ruling, it is a serious warning.

However, Chavez must have understood that the risk of being impeached and forced from power is increasing with every day that passes. The next coup will not be as peaceful as the last one. He may therefore decide that he has no alternative than to convene a new constitutional assembly. However, such a move can only succeed if he mobilizes the only forces that can be relied upon to fight and defeat the counterrevolution. His only hope is to appeal to the masses of workers, peasants and soldiers over the heads of the bureaucrats and reactionary officers.

The economic crisis is now the most serious threat to Chavez, who promised to improve living standards. Failure to deliver is undermining his base of support. The masses cannot survive on a diet of revolutionary speeches alone. If nothing is done to solve their most urgent problems, disillusionment and apathy will set in. The forces of reaction will seize the advantage and pass over to the offensive once more. The danger is very real. Recent polls show that Chavez still retains the support of between 25 percent and 30 percent of Venezuela's adult population. However, this is well down in comparison with the popularity that Chavez enjoyed after the defeat of the coup. Two-thirds of the population now see unemployment, inflation and personal insecurity as the three most important problems.

The world recession means that it is not likely that oil prices will recover sufficiently to give the Chavez government the fiscal resources to boost

the economy. The only way open to it on a capitalist basis would be to increase the money supply by devaluing its currency or printing more bolivars. Either of these policies would cause an explosion of inflation that would erode the living standards of the masses and deepen the economic crisis, preparing the way for an even steeper fall in production and higher unemployment later on.

The economic crisis is deepening. The fiscal deficit is now estimated at more than 8 percent of GDP. To cover this, Finance Minister Tobias Nobrega recently announced that the government would increase oil output by about 400,000 barrels per day. Some sources predict that the economy will contract between 5 percent and 6 percent this year. Inflation is set to rise by anything between 25 and 40 percent in 2002, eating into already low living standards. The currency has depreciated rapidly, and more than 15 percent of the workforce is unemployed, according to some estimates.

The point of no return

There has been a flight of capital, with over \$80 billion deposited outside the country. At the same time, according to the latest U.N. Human Development Index, 23 percent of Venezuelans are living on less than one dollar a day, and 20 percent are chronically malnourished. Venezuelan economist Gustavo Garcia has warned that real income per capita might drop by 7 percent this year. This would mean that the average Venezuelan's annual income, measured in

constant terms, will have fallen to 1961 levels by the end of this year. (See *Stratfor*, 25 July 2002)

The Venezuelan revolution has reached the point of no return. Only a general mobilization of the working class and the peasantry can save it. Organized in democratically elected revolutionary committees, they must be prepared to take the power into their own hands. The masses must be armed and prepared to smash the reaction wherever it raises its head. This is the only real guarantee of success.

The tops of the army are coming under the pressure from the Venezuelan bourgeoisie and imperialism. The events of last April already showed that Chavez's control over the armed forces is tenuous. But it also showed that a section of the armed forces - probably the majority - are not yet willing to go down the road of counterrevolution. This is true even of a section of the officers, but much more so among the non-commissioned officers and the rank and file. Decisive action is needed to unite the revolutionary elements in the armed forces and isolate the reactionaries. Committees of soldiers and revolutionary officers must be formed in every barracks to disarm and arrest the counterrevolutionary elements.

The focal point of the counterrevolution is to be found in the boards of directors of the banks and big companies. Unless the power of the bourgeoisie is broken once and for all, Venezuela will never be free from the threat of counterrevolution. Expropriate the capitalists, bankers and landowners!

Nationalize the banks and big companies under democratic workers' control and management! That is the only way to safeguard the Venezuelan revolution and carry it forward.

However, the victory of the revolution in Venezuela would not be the end of the matter. Revolutionary Venezuela would confront international opposition from the first day. Using its stooges in the Organization of American States, Washington would attempt to organize a campaign of sabotage, blockades and even direct military intervention against the revolution. We saw this in Cuba in the past, but we also saw that the counterrevolution can be defeated.

The only way to safeguard the Venezuelan revolution is by adopting a resolute policy of proletarian internationalism. The revolution must not be confined to Venezuela, but must spread to other countries of Latin America, and ultimately to the USA itself. Faced with revolutions throughout Latin America, the USA would not be able to intervene. On the contrary, it would be faced with revolutionary movements at home.

The Venezuelan revolution cannot stop half way. Hugo Chavez started the process, but only the workers and peasants can finish it by taking power into their own hands. The Bolivarian revolution, if it is not to be reduced to an empty phrase, must mean the socialist revolution in Venezuela. And the working people of Venezuela must inscribe on their banner the aim of the Socialist United States of Latin America. That is the only perspective that can guarantee the final victory. □

Autumn Drive: Every pound counts!

The word is "unfinished business." That what the media is saying about the forthcoming TUC and Labour Party conferences. On the threatened war with Iraq, the issue of PFI, the future of the NHS... the word is that the rank and file won't be put off this from raising these issues at the two conferences. Trade union leaders who in the past would have worked overtime to bury these debates in the interest of 'the greater good' are now too busy looking over their shoulders at the growing tide of discontent from below. So far as they are concerned its every right-winger for themselves. Which means an uncomfortable ride for Mr. Tony.

Many in the movement are angry about how things have gone with the Labour government and are no longer prepared to keep quiet. But anger is not enough - what is needed is an explanation of why things have happened and what must be done about it. That is the role of Marxism - to understand and to act. This is the task that *Socialist Appeal* has set itself. Written and produced by and for Labour and trade union activists, workers, students and youth, *Socialist Appeal* has consistently sought to point a way forward. But to do this we need your help. That is why we are appealing for donations to help us keep going and expand our work.

We have set ourselves an autumn target of £3,000 which we are confident will be raised. We base this confidence on the magnificent special contribution of £3,000 donated over the summer holidays by readers and sellers in Britain towards the international struggle for socialism and Marxism. In relation to our own ongoing

appeal for financial support, we also note such recent contributions as £140 from Dave in Canterbury, £10 from Roger Gow, £20 from Leicester readers, £50 from Dave Walkden, over £300 from readers at Unison conference, and nearly £100 from Merseyside readers. We are also proud to receive £100 from the *AEEU Unity Gazette* in recognition of the assistance given by *Socialist Appeal* in the campaign to elect Derek Simpson as General Secretary. To all these and the others we say thanks - it is all very appreciated.

Now we need a big push for the autumn. Every seller and reader should consider making a donation and send it in as soon as possible. If this is done then we have no trouble in hitting the £3000 target. Donations should be made payable to *Socialist Appeal* and sent to us at PO Box 2626, London, N1 7SQ.

Finally I'm sure comrades would have read the sad news printed elsewhere in this issue of the death of Jimmy Deane. Given the tremendous pioneering contribution that Jimmy made towards the struggle for Trotskyism during his lifetime, the editorial board is to consider the question of a project to be produced in memory of Jimmy. We will be inviting donations towards this and if any comrade wishes to contribute towards this then they should send the donation to us as above (payable to *Socialist Appeal*) but mark the envelope 'Jimmy Deane Memorial Fund'.

by Steve Jones


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History of British Trotskyism

by Ted Grant

This book is a unique contribution to the history of British Trotskyism. Ted Grant joined the Trotskyist Left Opposition in South Africa in the late 1920s. He emigrated to Britain in late 1934 and joined the Trotskyists in the Independent

Labour Party and subsequently the Labour Party.

During the war, Grant became the chief theoretician of the Workers' International League, and later the Revolutionary Communist Party. The historic events of the period are fully covered, including the author's personal recollections, and his role in events.

The book begins with the debate on Trotskyism in the British Communist Party in 1924 and ends with the break-up of the Revolutionary Communist Party in 1949 and the beginning of more than thirty years of work within the Labour Party.

Ted Grant was the founder and political leader of the "Militant Tendency", which haunted the Labour leadership, and he was eventually expelled along with the Militant editorial board in 1983. A postscript by Rob Sewell, who was the national organiser for the Militant throughout the 1980s, brings this unique history up to date.

Ted Grant is the longest surviving Trotskyist of any prominence alive today. His contribution has served to preserve the unbroken thread of genuine Trotskyism. This book is a first-hand account of the life of a Trotskyist pioneer, and will be indispensable to students of political history, and above all, an inspiration to all those seeking to change the world.

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notice board

September 2002

Launch of Jimmy Deane Memorial Fund

The Editorial Board of *Socialist Appeal* has decided to launch a memorial fund for Jimmy Deane. We appeal to all supporters and readers to donate to this fund. All money raised will be used to keep Jimmy's memory alive as well as the ideas he fought for. Please make all cheques payable to Socialist Appeal (mark all contributions for the Jimmy Deane Memorial Fund) and send to Socialist Appeal, PO Box 2626, London N1 7SQ.

Socialist Appeal Stands for:

- ✚ **For a Labour government with a bold socialist programme!** Labour must break with big business and Tory economic policies. Vote Labour and fight to reclaim the party.
- ✚ **A national minimum wage of at least two-thirds of the average wage.** £6.00 an hour as a step toward this goal, with no exemptions.
- ✚ **Full employment!** No redundancies. The right to a job or decent benefits. For a 32 hour week without loss of pay. No compulsory overtime. For voluntary retirement at 55 with a decent full pension for all.
- ✚ **No more sell offs.** Reverse the Tories privatisation scandal. Renationalise all the privatised industries and utilities under democratic workers control and management. No compensation for the fat cats, only those in genuine need.
- ✚ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining. Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.
- ✚ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.
- ✚ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and

higher education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.

✚ **The outlawing of all forms of discrimination.** Equal pay for equal work. Invest in quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act.

✚ **The reversal of the Tories' cuts in the health service.** Abolish private health care. For a National Health Service, free to all at the point of need, based on the nationalisation of the big drug companies that squeeze their profits out of the health of working people.

✚ **Reclaim the Labour Party!** Defeat Blairism! Fight for Party democracy and socialist policies. For workers' MPs on workers' wages.

✚ **The abolition of the monarchy and the House of Lords.** Full economic powers for the Scottish Parliament and the Welsh Assembly, enabling them to introduce socialist measures in the interests of working people. ✚ No to sectarianism. For a Socialist United Ireland linked by a voluntary federation to a Socialist Britain.

✚ **Break with the anarchy of the capitalist free market.** Labour to immediately take over the "commanding heights of the economy." Nationalise the big monopolies, banks and financial institutions that dominate our lives. Compensation to be paid only on the basis of need. All nationalised enterprises to be run under workers control and management and integrated through a democratic socialist plan of production.

✚ **Socialist internationalism.** No to the bosses European Union. Yes to a socialist united states of Europe, as part of a world socialist federation.

Socialist Appeal

Marxist
voice of the
labour movement

VICTORY! Hospital workers ... 5 Sodexho bosses ... 0

More than 300 ancillary workers employed by French-owned Sodexho at Glasgow Royal Infirmary staged a series of walkouts to win equality with NHS staff.

Now they are celebrating after their bosses caved in and agreed to meet their demands for £5 an hour increase. The cleaners, porters and catering staff had been getting a mere £4.30 an hour. Bosses are worried that this victory could have repercussions throughout the NHS, as others follow suit.

As a result of this wage increase, a further three days of strikes were called off. Under the new deal, staff will be paid a minimum of £5 an hour backdated to April. The workers will be entitled to sick pay for the first time. On top of this a 20 per cent shift allowance will also be introduced. Overtime payments will rise, from time and a quarter to time and a half.

Industrial action began after talks between Sodexho and union leaders broke down. Workers staged a 48-hour walk-out and then stepped up their protest with a three-day strike.

Around 300 staff staged a blockade outside the main entrance and stopped staff and delivery drivers from getting through. Services were hit and the unions claimed Sodexho were putting lives at risk by bringing in untrained workers to break the strike.

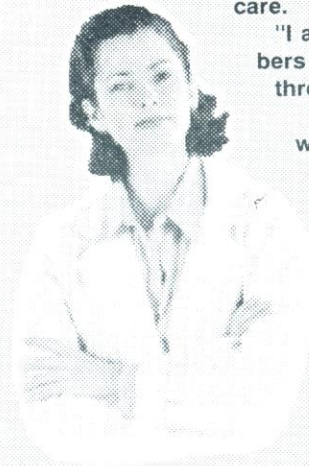
Health union Unison's chief negotiator Jim Devine said: "Obviously, I am glad that the dispute is settled. But it is sad that in 2002 we have to exercise the option of industrial action to ensure that low-paid workers get £5 an hour.

"This dispute has highlighted a wider issue for the Scottish Executive - that Public Private Partnerships do not work. And they cannot work where all private companies are

trying to do is make a profit out of health care.

"I am proud of the way my members have conducted themselves throughout this dispute.

"And I am delighted we have won our case."



This dispute highlights the abuses of private contractors in the health service. It is essential that the struggle against low pay is stepped up by the trade union movement. We need to ensure the reversal of the Tories' cuts in the health service, the abolition of private health care, and for a National Health Service free to all at the point of need. This must

also mean the nationalisation of the big drug companies that squeeze their profits out of the health of working people.

By Kenny Brown,
GMB Glasgow
(personal capacity)

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Youth for International Socialism