

Socialist Appeal

The Marxist voice of the labour movement

February 2001 issue 87 Price: £1

Vauxhall threaten closure: Workers ballot for action



Militant Action

the only way

Serbia: Three months after the fall of Milosevic

Mexico at the crossroads

How the GPU infiltrated the Trotskyist movement

2001



MARX YEAR

**Tube workers ballot to fight privatisation danger
Stop Blairite "project"
PCS: Right wing defeated
Environment: Global warning
Ireland: The truth about the Easter Rising**

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Boom for Whom?

Britain still booming after nine years. Tell that to the Vauxhall workers facing the axe. As a New Year present to their workforce, bosses have ear-marked the Luton plant for closure. If they succeed, it would mean a catastrophe for the area.

Likewise, thousands of jobs are to go at Dagenham with the decision by Ford bosses to end 80 years of car production at the site. On Merseyside, Cammell Lairds has announced further lay-offs, while Corus intends to chop 6,000 workers, with the fear that at least one UK steel plant will close. In other sectors of manufacturing workers are holding on by the skin of their teeth in the face of an employers' offensive that has intensified over the recent period.

According to the GMB, over the last two years more than 200,000 manufacturing jobs have disappeared. These figures represent a deepening crisis of British industry. At the same time, big business are engaged in an orgy of mergers and take-overs, an unprecedented concentration and centralisation of capital. With it has come so-called rationalisation and asset-stripping. Given the weak legislation in Britain concerning redundancies, bosses have chosen British workers as the easy option to fire.

According to Terry Pye, MSF national secretary, "If Britain had similar laws to those of Germany and France, the staff in Luton would not be in this dire situation." Tony Woodley, the TGWU national secretary also stated: "This decision was made because it is still too quick, cheap and easy to sack British workers and close British plants." He added that the company was involved in "short-term cost cutting".

Nick Reilly, the managing director of Vauxhall and CBI boss, stated while he "sympathised" with the workforce, his decision was forced on GM by "overcapacity" in the car industry. It is the company's balance sheet that is decisive. The tragic loss of livelihoods and the hardship that accompanies it mean nothing to the bosses. Over the last 20 years, GM has shed 300,000 jobs worldwide.

In capitalist terms, it is dog-eat-dog economics. Workers are expendable in the car-makers thirst for profits. Unable to plan production, the industry has wallowed in excess capacity. Now the car bosses are determined to reduce capacity, especially at the older plants.

It is an absolute disgrace that no Labour Minister has condemned Vauxhall bosses for their decision. It appears the Blair government is more interested in keeping in with big business than supporting workers under attack. If they were worth their salt, the Labour government would put a stop to this destruction of jobs and communities by nationalising all those industries threatening redundancies, with compensation on the basis of proven need.

Instead, the Blairites are doing everything to avoid alienating their friends in the City. They are keen to encourage millionaire donations to the Party's coffers. In doing so, they are sacrificing the workers of Luton and elsewhere. The Labour Party was founded to represent the interests of the working class in Parliament. It is up to the trade unions to take back the Labour Party for working people.

At the moment, the trade union leaders are huffing and puffing about the "unpatriotic" actions of the car owners and are considering legal action to challenge the closure plans. But it will take more than lawyers' letters to stop this catastrophe. Only militant trade union action will stop the bosses in their tracks! Car workers in other countries have already expressed solidarity. There is enormous support for a real fight-back against the GM bosses. Workers are fed up to the back teeth with deteriorating wages and conditions in the plants.

Workers have had a guts full. London Underground workers are balloting for industrial action. Merseyside firefighters have voted to strike over cuts. Postal workers have repeatedly taken unofficial action over job security. Now car workers are in the firing line. Now is the time to make a stand!

However, the question of firm leadership is decisive. The failed ballot over action at Ford Dagenham before Christmas was mainly down to the weak approach of the trade union leaders. They deliberately divided the workers and acted to weaken a vote in favour of action. The trade union bureaucracy have done everything in their power to sabotage any form of militant struggle. They are so engrossed in 'Partnership' deals that they avoid militancy at all costs. The magnificent demonstration of over 100,000 in Birmingham to save Longbridge was cynically used to let off steam while the trade union leaders put their weight behind



the Towers deal.

This must not be repeated at Luton. As we go to press talks between bosses and union leaders in Zurich have broken down. An 80,000 name petition was presented to GM Europe President Mike Burns protesting against the closure. The breakdown in talks, where management continued to insist on the closure of Luton, means that the T&G, MSF and AEEU will ballot their 8,000 members at Ellesmere Port and Luton on industrial action. It is clear however that a one day strike in British plants will not be enough.

Pressure must be built up from the shop floor for real action to save jobs. In the United States, GM was forced to back down through strike action, which threatened to bring the whole of GM to its knees. The European day of action on 25th January should be the opening shot in a campaign of similar action.

The only real way to prevent the Luton plant from closure and the asset strippers moving in is for the shop stewards to organise a factory occupation. Vauxhall workers should seek solidarity action from other GM plants to prevent work being transferred.

To win the Vauxhall workers need the support of the trade union and Labour movement. If GM insist on closing the plant, workers should draw up a survival plan in conjunction with the rest of the movement. Pressure must be brought to bear on the Labour government to nationalise Vauxhall under workers control and management.

Such a plan would not include rehiring failed bosses. Instead a 32 hour week would be introduced without loss of pay to guarantee all jobs. If the market economy has failed the workers, then to hell with the market economy! This is an emergency and requires emergency measures!

- For a one-day car strike and mass lobby of parliament
- No closure! Nationalise Vauxhall
- No job losses - for a workers survival plan
- Occupy the plant! For international solidarity!

Militant action needed

The announcement of the closure of the Vauxhall car plant in Luton, with the loss of more than 2,000 jobs, sent shock waves through the workforce. The trade unions were called to a meeting that afternoon but had no idea what was coming. The revulsion was immediate.

by **Andy Viner**

The news was met with bitter anger from workers, which developed into a spontaneous and very angry demonstration outside the office of Managing Director, Nick Reilly. It turned out the Minister Steven Byers in the DTI was informed of the closure the Friday before. Management used a cynical method of informing its workers that the plant would shut just before Christmas and just before a months lay-off. Management did not hold back sending their propaganda to employees while they were on holiday, hoping that demoralisation would set in.

The national leaders of the AEEU, MSF, and T&G, met with Vauxhall's management. But, Reilly was not moving on the decision to close Luton's car plant. A more recent meeting with Michael Burns, European President of General Motors, got no further. Britain is seen as an easy touch for multinationals. Our laws are so weak. GM would never have considered shutting a plant in Germany, because once they had made an agreement, to break it would cost them dearly in fines.

To date, management has not brought forward any figures to support their plans to close Luton. In fact, Vauxhall has made £79 million profit by the 3rd quarter of last year. Vauxhall sell over 300,000 cars a year in the UK, the 4th best seller, out of a car market of 2.23 million. General Motors claims losses of £180 million in the same period.

Even this figure is less than the amount General Motors were fined by Brussels for breaking European law. GM was found guilty of dealer price fixing in the Netherlands.

Vauxhall's mismanagement can be clearly seen by comparing their strategy with other car manufacturers. Vauxhall have a 7 to 8 year circular formula / life span, for different models of cars. When other companies have a 4 or 5. Fiat can design and produce a new battery in six months. GM takes about 2½ years. Vauxhall has just invested £32 million in Luton to make the Vectra, out of a planned £238 million. To just pull out now does not make sense.

General Motors' real plans were not related directly to the unions. They plan to mothball the plant, to maintain it with all its machinery, until they wish to use it again. Rightly, the unions are very suspicious of this idea. Management are probably thinking, 'we'll dispose of the entire very well organised workforce today, then bring in another workforce, on worst wages and conditions, reduced safety standards (possibly on self employed contracts) with no union representation later. In other words, a nightmare for the workers.

In response to the announcement on the 12th December 2000 of the closure of the plant, the Luton stewards organised a meeting on the 15th in Rousin (Belgium) to start the fight back. Vauxhall stewards from Belgium, Germany and Spain attended. About 100 workers were present. The Luton stewards were very well received. Arguing not only for Luton to stay open, but also that no plant should be used as a scapegoat. Solutions must be found on a world basis. There is no reason why Luton, or any other plant, should shut. The European Workers Plants Council has agreed, for the first time, to co-ordinate a European wide day of action, to take place on the 25th January.

Messages of support for the Luton workers have flooded in from all around the world. General Motors' workers in Brazil, hearing of the action on the 25th January, have offered to take industrial action also. This is amazing considering that only three months ago, 7 conveners were sacked following a strike in support of Fiat/GM workers who get paid less, have fewer holidays, and work in unsafe workplaces. They were trying to bring those workers up to their

standard, which is still worse than that 'enjoyed' by European workers. International solidarity is alive and kicking.

The 'Sullivan Principles', that workers should be respected and treated fairly, irrespective of their country, that GM are claiming to promote, ring just as hollow in Luton as they do in Brazil.

Since 1997 Vauxhall have been peddling the 'Halo effect'. In order to keep the plant open workers at Luton have had to accept even more flexibility. Management, meanwhile have demanded that so-called 'Stringent costs' are reduced. That means lower wages, fewer holidays and other attacks on conditions. New starters get only 82% of basic salary and an inferior bonus scheme. This means about £80- £90 a week drop in wages.

In addition, it would take 20 years for them to get the same holiday entitlement as previous workers would have got in three. Ellesmere Port had to accept the same conditions. Nick Reilly, when forcing these conditions upon the workforce stated that, "unless the position as negotiated was accepted by the workforce, Luton plant would close. The 'Halo effect' meant that investment would be lost in all GM Vauxhall plants in the UK. As we won't be able to sustain a manufacture footprint in the UK if we lose one plant." If that was true then, where does that leave the agreements made at Ellesmere Port now? How safe is Ellesmere?

The General Secretary, National officers and Luton's Joint Plant Committee have called a March and Rally in Luton for the 20th January, the Saturday following the workforce's return to work. This will help cement the mood to build a determined fight back.

The demonstration must be the start of a campaign to save these jobs. 100,000 turned out to support the Longbridge workforce last year. However, the union leaders used that demo as a safety valve to release steam. This time we need to channel that steam into a piston box, an organised campaign of lobbies, industrial action and occupation, with international solidarity, in other words, militant trade union action. That action alone can save these jobs and begin the fightback to save thousands more manufacturing jobs threatened by the multinationals global scramble for profit.

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YEAR

In the first of a two part article *Mick Brooks* begins our new year long series covering the fundamental ideas of Marxism, which we hope will provide readers with some useful educational material and serve as an inspiration to read the writings of Marx, Engels, Lenin and Trotsky.

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London Underground: Privatisation in all but name

The recent disaster at Hatfield once again tragically exposed the chaos that privatisation has brought to our mainline railway system. This latest unnecessary tragedy following on the back of Southall, Ladbroke Grove could have been repeated again when, in the near-miss at Victoria station, a collision between two packed trains was averted only by the last second action of one of the drivers.

**by Steve Forrest,
GMB London Region,
personal capacity**

These events should be a warning to any sane person not to press ahead with the part privatisation of the London Underground but John Prescott and the Labour government insist on forcing this crazy policy on the people of London and its many visitors. Can you imagine a disaster like those we have seen on the railways being repeated on the underground, between stations, and another train only 30 seconds behind? This would be the position if profit was once again put before safety and the maintenance contracts handed over to the 150 or so contractors and sub contractors that would get involved in this web of contracts with no public accountability.

As the present tube management begin to fragment the different parts of the network even before PPP is introduced, ASLEF and the RMT - acting jointly for the first time for many a year - are balloting their members and have recommended a resounding yes for a strike over safety.

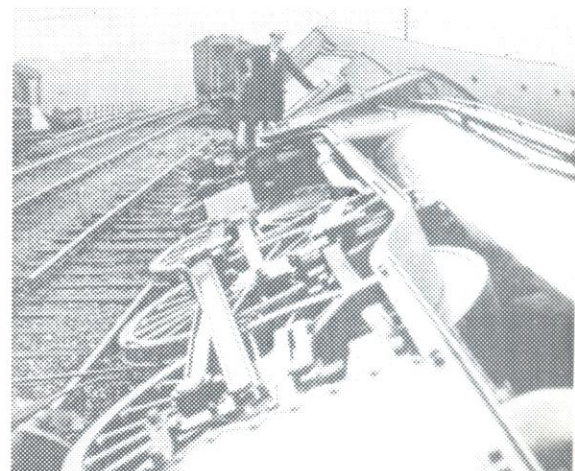
A public meeting took place on January 8 in Friends Meeting House to launch the campaign for a safer underground. There was a massive turnout and a tremendous mood in the meeting that enough was enough and now was the time to fight. The first speaker was John Monks, the TUC General Secretary who with an obvious sense of disappointment admitted that he thought the days of trade unionists in struggle calling a public meeting and being able to fill the big halls of London were over.

Bob Crow, Assistant General Secretary of the RMT, and Mick Rix, General Secretary of ASLEF, gave fighting speeches calling on the tube workers in the RMT and ASLEF to unite in a struggle to defeat these plans and for the London labour movement to give their full support in solidarity.

But when Ken Livingstone the Mayor of London announced that "if the trade unionists take the decision for industrial action, I will join them on the picket lines," the meeting erupted with Livingstone receiving a spontaneous standing ovation. This demonstrated once again that the mood exists for a struggle against Blair in the unions and the Labour

Party itself, if only a lead was given. The following day, the press in London launched attacks on the tube unions and Livingstone himself. The *Evening Standard* headline was: "Mayor: I back Tube 'Strikes'". Going on to say that: "Ken Livingstone is backing mass strike action that could paralyse London's Underground." And the editorial, alarmed at the situation, said that by "offering to march with them to the barricades, the mayor is giving hostages to fortune that suggest a sorry return to his old way." Now we will have to wait and see how far Livingstone goes in his defence of the tube workers. The alarm shown by the London and national press towards Livingstone and the tube workers will not gain any sympathy among the public in London. Even 73% of Tory voters in a recent poll said they were opposed to PPP for the tube.

We face the prospect of a struggle of the tube workers against the Labour government in the run up to the possible spring election. The ballot result will be announced on January 31 and then it will become the responsibility of all socialists in the unions and the Labour Party to stand on the picket lines and defend the action of the tube workers; to fight to stop PPP and for a safely run, publicly funded, publicly run, London Underground as a first step towards a fully integrated public transport system. I



Stop Blairite "project"

Labour activists will need to remain on red alert as efforts continue to sneak through so-called reforms aimed at further eroding party members rights. In the face of considerable pressure from the ranks the original drive by the modernisers, as they like to call themselves, to implement the Blair project in the party has been halted of late. The general consensus has been that nothing more should be done before the next general election.

by **Steve Jones**

However that election is probably no more than a few months away-and come what may must take place by May 2002-and after that the attempts will start again. This is all centred around the 21st Century Party review which was started back in 1999. This review has been used to push forward all manner of ideas aimed at undermining members rights, increasing the power of Millbank and its satellites and reducing the influence of the trade unions.

One document already up for "consultation" proposes serious changes to the selection procedures inside the party. For starters many of the restrictions aimed at stopping potential candidates for elected office from abusing the selection setup will be removed. Panels of "approved" candidates will continue not unsurprisingly. There is also a proposal that NEC members should remain in office for two year terms before facing reelection.

After the general election, proposals will again come forward to abolish general committees (GCs) as part of a general dilution of grassroots party structures. All the members will be left with will be vague general meetings of all members to hear "interesting speakers" talking down to them, whilst the real decisions will be taken by a small group of unaccountable officers acting under

direction from Millbank. Anyone who has seen the cabinet system favoured by the Blairites in local government will know that that means in reality.

The consequences of all this will be a continued disillusionment of the rank and file. Already reports are coming in of members not renewing their party subscriptions, not turning out to canvass or help out in elections, and so on. Many are already warning of the effects that this is having on Labour's vote in elections. Given the concerns that are being expressed generally about the direction of the government, this threat should not be taken lightly. If Labour's vote at the next election is to stand any hope of holding up it will need considerable effort, to say the least, on the part of party activists out on the knocker to convince people to vote Labour and not let the Tories back in by default. Given the low turnout of Labour's vote in recent elections this will be a very big job. It will need people to be out there explaining what a Tory government would mean, why the Labour government has fallen short, and why they should not only vote Labour but also join the party to fight for socialist policies.

The Blairites want to break the union links, decimate the party ranks and run the party on the backs of donations from the rich and wealthy, no doubt linking up with the Lib-Dems and soft Tories in a party of national interest. Rent, interest and profit that is!. So far they have not got their own way, much to their great surprise. But they won't give up and therefore neither should we. We saw at the last annual conference how the Millbank attempts to pressure the union delegates in the same way that constituency delegates were being jumped on, largely failed. This shows that there is the basis for resistance. But to achieve the maximum effect we need a campaign organised around socialist policies which can mobilise the ranks both in the unions and in the CLPs. Such a campaign could not only fight for socialist ideas but also for a leadership prepared to push them. I



PCS election - Right wing defeated

Late January sees the civil service union (PCS) joint group conference of the benefit agency and employment group sections of the union to discuss policy on the working agreement agency. This covers such issues as health and safety, equality of pay and general working conditions-all critical issues of concern for union members.

This conference takes place against the background of the stunning election of socialist candidate Mark Serwotka as the next PCS general secretary. This election was won comfortably by 40,740 votes as against 33,942 for the establishment candidate Hugh Lanning in a higher than usual 30% turnout. Bearing in mind that many on the union's Left had originally supported Lanning against the existing general secretary Barry Reamsbottom prior to Reamsbottom having to withdraw for failing to get the required 50 branch nominations, then this result is impressive indeed. Lanning

had all the support of the union fulltime apparatus yet was unable to overcome his failure to provide any real answer to the problems facing PCS members. Hence the decisive vote against him.

However the right wing still control a majority of the union NEC. At present they are split between two factions based on self interest and personalities, however they will undoubtedly act together to undermine Serwotka where they can get away with it. Activists will need to mobilise firstly to put pressure on the NEC and officials not to do this but also to launch a serious united socialist campaign to try and get a Left majority on the NEC in 2002 when they are next up for election.

The election of a Left candidate as PCS general secretary should act as a tremendous source of encouragement to those fighting for socialist policies and rank and file democracy in other unions, many of whom will be facing important elections in the next period. If the right wing can be defeated against all the odds here then it can be done elsewhere. Advances here would have important repercussion both inside the Labour and trade union movement and beyond. I

Getting away with murder

The Southall, Ladbroke Grove and Hatfield disasters have highlighted the scandalous priority given to profit over safety by big business. The tragic loss of life need not have happened, the blood of the victims cannot be washed from the hands of the bosses of the privatised rail companies.

by *Phil Mitchinson*

Yet this murderous disregard for workers' lives is not confined to railway management. In factories, workshops, building sites and workplaces up and down the country we find the same attitude - workers are treated as disposable, perhaps even more expendable than some expensive piece of equipment - after all, there are always plenty of others willing to take their place.

In case you think we are exaggerating just consider the following statistic, more than 3000 people, real human beings, with feelings and families and lives have been killed in the workplace over the last decade. Discredited corporate manslaughter laws mean that there have been just three successful prosecutions. Yet a report by the Health and Safety Executive more than ten years ago showed that 70% of such deaths resulted from management failure. The law is not an impartial arbiter dispensing justice as we have pointed out many times. It serves definite class interests. It protects the right of bosses to kill workers through their negligence or the blind scramble for profits. Even the right-wing *Daily Express* is appalled "The woeful conviction rates are a damning indictment of the Health and Safety Executive, the Crown Prosecution Service and successive governments who all stand accused of failing to protect British workers." (December 12, 2000)

Both John Prescott, the Deputy Prime Minister, and Jack Straw, the Home Secretary have made commitments to reforming the law to make company directors personally responsible for such deaths. Yet the impending election and the rush of donations from big business mean that no action will be proposed until the summer of 2002 at the earliest. Government officials say that no proposals will be forthcoming until Lord Cullen's report into the Ladbroke Grove tragedy is published next April. Meanwhile the government has set the pitiful target of reducing

workplace deaths by 25 percent over the next ten years. In practice however it is hard to see how they can achieve even this woefully inadequate objective. In fact one of their first acts in office was to limit the ability of workers to claim legal aid when pursuing industrial injury claims.

Last year "workplace fatalities" rose from 622 to 655. By taking no action the Labour government will have to share in the responsibility for the hundreds of deaths that will occur before they even consider doing something.

Under the current law it is virtually impossible to convict the big companies responsible because the prosecution have to show that a single individual or a "controlling mind" was directly to blame before the guilt of a corporation can be established.

Disrespect for human life

Some deaths at work lead to lesser prosecutions under the Health and Safety at Work Act. Even then, however, when these companies are fined less than one in five deaths lead to a conviction and the typical fine imposed is just £18,000. What disrespect for human life. Stripped of all dignity, this is our price tag, how the bosses really see us.

Equally shameful are the figures for serious injury. Around 24,000 of these are reported each year. Only 11 percent are even investigated by the Health and Safety Executive or local authorities. Less than one in a hundred lead to a prosecution.

Our limbs and our lives are added up in the profit and loss columns of these vultures. A couple of thousand for an eye or an arm, the princely sum of £18,000 for an entire human life.

The law should be reformed so that these murderers can be jailed. Current government plans do not go that far. They would merely ban those directors whose expensive lawyers had failed to find them a loophole from holding mana-

gerial positions for an indefinite period.

The bosses, and specifically those responsible for the most publicised deaths, the Railtrack management, see even this as an affront. "The plans," they say, "are flawed and will lead to unfairness," against directors. How fair is it that they should be allowed to get away with murder? How fair is it that a human life should be valued at £18,000?

Confining ourselves to reforming the law would solve nothing. Retribution and compensation are not enough. We would like to see these murderers punished, and the families of the victims better compensated. This is not about money. It should be about prevention.

In the first place trade unions must have the responsibility for inspecting workplaces and ensuring the most rigorous safety conditions are met for all workers. Those anti trade union laws that prevent workers from taking "unofficial" action or sympathy action must be removed. The right to claim legal aid in industrial injury cases should be freely available.

There can always be a genuine accident in the workplace, but many could be prevented. We want to see those responsible punished, we want victim's families treated with dignity and respect, but most of all we want these appalling tragedies, murder in the name of profit, to stop.

Fortunately there is one single, simple solution that solves all of these problems. Taking ownership, control and management of the economy out of the hands of fat cat businessmen, multinational insurance companies and their hired lawyers. Only democratically planned and run by the workforce themselves can the resources, technical, material and human, at our disposal be rationally utilised in the interests of the whole of society, the welfare of the workforce, to meet all our needs and protect the environment.

We will fight for any reform that serves to protect workers from injury or death, but the threat of such tragedy trails capitalism like a shadow. Putting an end to this system is the ultimate sanction against these murderers, the only way to protect workers and to restore dignity and respect to human life. I

How the GPU infiltrated the Trotskyist Movement

The struggle against Stalinism by the forces of Trotskyism was not at all a peaceful debate about ideas. The Stalinists used all manner of methods against Oppositionists: intimidation, violence, sackings, imprisonment, exile, and murder. It was no accident that Trotsky, after the experience of the Moscow frame-up Trials, stated that a river of blood separated Bolshevism from Stalinism. This month we commemorate the anniversary of the murder of Trotsky's closest collaborator, his son Leon Sedov.

by Rob Sewell

"No other faction in the history of the workers' movement was subjected to such malignant and vicious persecution as the so-called 'Trotskyists'," wrote Trotsky in 1937.

Lenin's last struggle before his death was a struggle, in alliance with Trotsky, against Stalin. In his 'Testament' - denounced as a forgery by the Stalinists until Khrushchev, for his own ends, revealed its existence in 1956 - Lenin called for the removal of Stalin as General Secretary. Unfortunately, Lenin was soon incapacitated by a series of strokes that took him out of political activity until his death in 1924.

From then on, the struggle against Stalin and the bureaucratic caste that had begun to usurp power was down to Trotsky. In late 1923, he organised the Russian Left Opposition to fight for party democracy and a coordinated planning of the economy.

In February 1928, Trotsky and his close family were exiled to Alma Ata in Central Asia. From there they were deported to Prinkipo in Turkey. Along with his wife, Natalia went his eldest son, Leon Sedov.

In 1926, at a session of the Central Committee, Trotsky openly accused Stalin of being the "gravedigger of the party and the revolution". Piatakov, who at that time was Trotsky's co-thinker, said to him: "He will never forgive you for this, neither you, nor your children, nor your grandchildren." This prediction was fully borne out during the Stalinist Terror of the 1930s.

In 1917, at the age of 12, Leon Sedov had joined the Young Communist League, and took part in the building of the new Soviet State. In 1923, at the age of 17, he joined the Left Opposition, and played a leading role in organising amongst the youth. Sedov was imbued with the ideas of Bolshevism, dedicated to the cause of world revolution, and prepared to make whatever sacrifice was necessary. In 1928, he left his young family behind to join Trotsky in exile, where he played an indispensable role in organising the links and correspondence with the Oppositionists in the labour camps. He acted as Trotsky's second-in-command. Trotsky made the point that given Sedov's input into all his books after 1928, which included 'The Stalin School of Falsification', 'The History of the Russian Revolution', and 'My Life', it would be fitting to have also signed Sedov's name to them.

In 1929, while his daughter Zina and grandson Seva visited him in Turkey, Stalin revoked Trotsky's and his family's Soviet citizenship. Barring her return to Russia, this aggravated Zina's state of health, eventually taking her own life in 1932. Trotsky's other daughter had died of TB in 1926, at the height of the hysteria against Trotskyism.

Trotsky's younger son, Sergei, who was not involved in politics, remained in Russia. In 1935, he was arrested by Stalin and sentenced to five years exile. He was later sent to the Vorkuta camps. Two years later he was shot for 'attempting to poison workers', sabotage, and organising a terrorist group 'together with an agent of German intelligence'.

By 1933, Stalin realised he had made a mistake in exiling Trotsky - putting him out of reach. Trotsky would not be silenced. On the contrary, he dedicated himself to organising the defeat of Stalinism. To do this, he had to defend the genuine ideas of Marxism and Leninism. He was also to explain Stalinism as a form of bonapartism, where the ruling bureaucracy stood on the backs of the working class, but was forced to defend the nationalised property rights on which its privileges and income was based. Trotsky described Stalinism as proletarian bonapartism, which could only be removed by the workers through a new political revolution.

Stalin was obsessed with Trotsky. He sent spies and provocateurs to infiltrate and disrupt the Trotskyist movement.

One of these agents was Mark Zborowski, a Russian who joined the Soviet secret police, the GPU or NKVD, in 1932-33, to spy on the Trotskyist movement. By 1936, he had wormed his way into the confidence of Leon Sedov by volunteering to carry out editorial and office work for the Opposition. Russian translators were in short supply and badly needed to produce the Russian 'Bulletin of the Opposition.'

After a period, Zborowski was taken on full time, and placed in the leadership of the small French section. This gave him access to information from the underground opposition within the USSR, and the Trotskyist movement internationally. When Trotsky took up residence in Mexico in January 1937, Zborowski had secured the Paris organisation's confidence to such an extent that he even had the key to Sedov's private correspondence with Trotsky. While Zborowski met his GPU handlers every week, he was contributing articles to the

'Bulletin' under the pen name of 'Etienne'. This Stalinist agent was to play a key role in the preparation of the assassination of leading members of the Fourth International, including Leon Sedov.

A large part of his dirty work was revealed when he was forced to answer questions before the Senate Judiciary Committee in Washington on 29th February 1956.

In November 1936, the GPU attempted to steal Trotsky's archives from the Nicolaevsky Institute in Paris. In the Senate sub-committee, Zborowski was asked about the event:

Q: Did you report to the NKVD the arrival of the Trotsky files at the Nicolaevsky Institute?

ZBOROWSKI: Beg pardon?

Q: Did you report the arrival of those files at the institute?

Z: Yes, sir.

Q: Whom did you report to?

Z: I reported to a man with whom I was at that time in contact.

After the opening of the Moscow Trials in August 1936, with Trotsky effectively silenced by internment in Norway, it was left to Leon Sedov to launch a campaign to expose the frame-ups. He undertook this task with relish. His brilliant analysis of the trials published in his book 'Red Book on the Moscow Trials' ear-marked him as one of Stalin's main targets. In the Kremlin he was declared number one target for assassination after Trotsky.

The sentence of the first Moscow Trial stated that "Trotsky, Lev Davidovich and his son, Lev Lvovich, are shown to have taken part in the direct preparation and personal leadership of the organisation of terrorist acts in the USSR... if they are found on the territory of the Soviet Union they are subject to immediate arrest and will be tried before the Military Collegium of the Supreme Court of the USSR." Trotsky raised the question: "With what technical aids does Stalin hope to find me and my son on the territory of the USSR?" Stalin's intention could only be to seek his extradition from Norway or plans to kidnap them.

Stalin established a ring of GPU agents assigned to carry out their liquidation. Zborowski was not simply an informer, but a finger-man for the GPU assassins. They were sent to Paris to prepare their dirty operation. It was clear that they wanted to kidnap him if possible and take him back to the USSR. Failing this they were to kill him. An attempt was made to kidnap Sedov in Mulhouse on the French border. But this failed when Sedov called off the trip because of illness.

However, in July 1937, Ignace Reiss, a top Soviet espionage agent in Europe, announced his break with Stalin and his decision to join Trotsky's Fourth International. Sickened by the purges and the betrayals of the Stalinist regime, Reiss wrote a letter to the Central Committee denouncing Stalin and declaring that he felt within himself "enough strength to 'start all over again.' And that is precisely the point: to 'start all over again' in order to save socialism." The letter ended with an appeal: "Back to Lenin, to his teachings and to his cause... Forward to new battles for socialism and for the proletarian revolution! For the organisation of the Fourth International!"

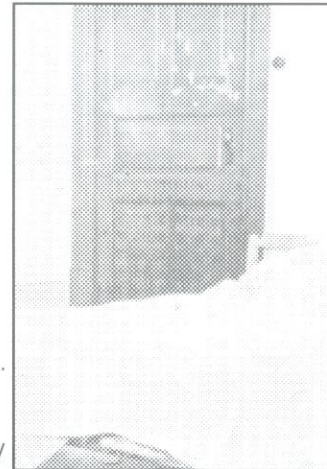
Along with this letter, Reiss included the Order of the Red Banner, which he had been awarded in



1928. As an explanation, he stated that he refused to wear a medal, which now was being awarded to the executioners of revolutionaries.

As soon as the letter was passed on, the deputy head of the foreign department of the NKVD, Spiegelglass, demanded that Walter Krivitsky, another leading agent, participate in the operation to liquidate Reiss. Spiegelglass was responsible for the kidnapping and murder of intelligence officers that refused to return to the USSR. However, Krivitsky warned Reiss who immediately fled Paris.

Reiss had contacted a Trotskyist sympathiser and member of the Dutch parliament, Sneevliet, and informed him of Stalin's plans to eliminate Trotsky's most active foreign supporters. Now Reiss was on the run from the NKVD. Sedov had arranged to meet him secretly in Rheims. However, Reiss arranged to meet another agent in Lausanne who double crossed him. Two separate groups of assassins waited for Reiss in Lausanne and Rheims. Reiss was abducted and Swiss police found his bullet-ridden body the following day.



► Trotsky with police after the Siqueiros raid, 24 May 1940. His bedroom riddled with bullets.

After the opening of the Moscow Trials in August 1936, with Trotsky effectively silenced by internment in Norway, it was left to Leon Sedov to launch a campaign to expose the frame-ups. He undertook this task with relish.

Krivitsky, who left the USSR in the summer of 1937, told Leon Sedov: "As for the struggle against Trotskyism, I will tell you only one thing. One gets the impression that Stalin thinks about nothing else, that for him no other question even exists." Stalin would do anything to eliminate Trotsky. Krivitsky himself was found murdered in New York in 1941. Clearly the GPU were involved.

Referring to the murder of the Old Bolsheviks during the Moscow Trials, Trotsky wrote in June 1937: "The old guard has long since been liquidated politically. Its physical extermination is now being carried out in true Stalinist fashion, combining sadistic bestiality with bureaucratic pedantry."

The Stalinist assassins were now put on the Sedov 'case'. Agents literally took up residence next door to Sedov. Mark Zborowski kept a close eye on him, informing his bosses of every move. Another close colleague was Lola Estrine (Dallin), who was either working with Zborowski or duped by him. When in early February 1938, Sedov complained of stomach pains, probably brought on by poisoning, it was Estrine's sister-in-law who was the doctor that diagnosed appendicitis. She decided Sedov should go immediately to hospital. And it



After Sedov's murder, Zborowski was hoping to slip into his shoes as the key organiser of the Fourth International. Such a position would allow him personal access to Trotsky, who could then be set up and delivered into the hands of Stalin's agents. As planned, he wrote to Trotsky asking if he could come to Mexico to assist him. However, although Zborowski was to remain at the centre of the organisation until 1941, Trotsky was suspicious and denied Zborowski his requests after receiving an unsigned letter from a Russian NKVD agent who had defected to the United States.

This was General Alexander Orlov. He was officially the military adviser to the Spanish government. In July 1938, he received a telegram from Yezhov arranging a meeting with a fellow agent in Antwerp to receive new orders. Knowing the likely

course of being abducted for 'liquidation' in the USSR, he immediately fled to Canada and then the USA. In 1937, Orlov had hoped for a successful coup in the USSR by Tukhachevsky and his supporters, but they were arrested by Stalin, framed and shot.

Why Orlov should write to Trotsky to warn him is not clear. It is possible, despite everything that he felt strong bonds with the founder of the Red Army, since he served as an officer in a guerrilla detachment during the Civil War. As Orlov later explained to a US Senate Committee in September 1955: "I was sent by the Politburo to Spain in September 1936. Before that, I should say approximately in August during the famous Moscow trial of Zinoviev and Kamenev, there was a highly secret agent and highly valued agent in France, who was planted to the Trotskyists and became the closest friend of Trotsky's son, Leon Sedov. He was so highly valued that even Stalin knew about him. His value was that he would become the organiser of the assassination of Trotsky or Trotsky's son any time, because in view of the great trust Trotsky and Trotsky's son had in him, that Mark could always recommend secretaries to Trotsky, guards to Trotsky, and in that way could help infiltrate an assassin into Trotsky's household in Mexico. When I heard about that, in Moscow, I didn't inquire about the name nor his last name, because immediately in my mind occurred a decision that the next opportunity I have to go abroad I will notify Trotsky against that spy..."

Before Orlov was able to warn Trotsky, on 13th July 1938, six weeks before the founding conference of the Fourth International, its organiser Rudolf Klement disappeared. Three days later, his headless, armless, legless body was found in

the Seine.

The founding conference of the Fourth International took place in Paris in September. Present at the gathering was Mark Zborowski, as a representative of the Russian section. One of the translators was an American called Sylvia Ageloff. She had been introduced to a certain Jacques Mornard, alias Ramon Mercader, who became her lover. He used to wait outside the conference to see her after each session closed.

Once Orlov had defected, he sent a registered letter to Trotsky in December warning him about the agent that had wormed his way into Sedov's confidence. But the arrival of Orlov's letter coincided with a visit to Mexico by Lola Estrine, a close collaborator of Zborowski. She managed to persuade Trotsky that it was likely to be a Stalinist ploy to sow discord inside the Trotskyist movement.

Orlov then attempted to speak to Trotsky directly by phone, but, given his extreme caution, he failed to get through directly. Nevertheless, Trotsky now kept Zborowski at arm's length, refusing to invite him to Mexico.

In the meantime, the GPU was grooming another agent for that job. A whole batch of Stalinist hatchetmen was sent to Mexico to prepare Trotsky's assassination. In late May 1940, a gang of Stalinists led by the painter, David Siqueiros, made an attempt on Trotsky's life. In the raid one of Trotsky's guards, Robert Sheldon Harte, was kidnapped, and found later in a shallow lime-filled grave with a bullet in the back of his head.

In August, Ramon Mercader, who had followed Sylvia Ageloff to Mexico, made a few visits to the Trotsky household. On 20th August, in a clear breach of security, he was allowed into Trotsky's study alone. There he drove a pick-axe into Trotsky's head. Falling into coma, Trotsky died the following day. Stalin had achieved his objective.

You can kill a man, but you cannot kill his ideas. Stalinism has now collapsed, removing a major obstacle to the road of genuine Marxism. The period opening up will propel millions onto the road of socialist revolution and in search of ideas that can serve their liberation. As Trotsky explained, no apparatus, however monstrous, can indefinitely hold back the masses. Stalinism is now dust. Sooner or later the proletariat will break through the chains of reformism to rediscover the correct course. Trotsky's ideas - the ideas of genuine Marxism - will again become the property of millions. The new generation should be inspired by the sacrifice of the Trotskyists, by the life and struggle of Leon Trotsky and Leon Sedov as we prepare to see their work through to its conclusion, the successful completion of the world revolution. I

was she who recommended the clinic - which was run by Russian emigres.

The owner of the clinic, Dr. Girmonski, according to the police, was a Stalinist sympathiser. The doctor responsible for Sedov was a Dr. Simkov, a close friend of Girmonski. Although Sedov entered the clinic under an assumed name, inexplicably Simkov knew his real identity. He called in the surgeon Dr. Talheimer to carry out the operation. The operation found that the appendix was not inflamed. The disorder was intestinal.

In the four days following the operation, Sedov recovered quickly. His temperature was stable and virtually normal. Yet during the night of 13/14 February, he was consumed with a raging fever, and was found deliriously wandering the ward, where he collapsed. Near Sedov's operation wound there was a large bruise. When Talheimer was summoned urgently and examined Sedov, he talked of a post-operational accident that was inexplicable. He asked if Sedov had been given barbiturates, and if he had ever considered suicide. Neither of these things was true. But the questions indicated that Sedov's relapse was far from natural. Early on 16th February he went into coma after an emergency operation and died. "The GPU", stated Trotsky, "could not fail to have its agents in a Russian clinic in Paris or in the immediate vicinity."

After Zborowski had phoned the ambulance, he immediately contacted the GPU. In the 1956 US Senate subcommittee, Zborowski admitted his role as a GPU finger-man:

Q: Did you report to the NKVD the fact that he (Sedov) was in hospital?

ZBOROWSKI: I did report the fact that he was in the hospital

Q: And you reported the name of the hospital, didn't you?

Z: Probably.

The Truth about the Easter Rising

The first episode of Rebel Heart was shown on BBC 2 on Sunday the seventh of January. It was a truly moving and inspiring production, light-years removed from the mediocrity of most present-day television.

by Alan Woods

"If you remove the English army tomorrow and hoist the green flag over Dublin Castle, unless you set about the organisation of the Socialist Republic, your efforts would be in vain. England would still rule you. She would rule you through her army of commercial and individualist institutions she has planted in this country."

James Connolly, January 1897

Here, for the first time, we were shown the truth about the heroic but doomed Easter Rising of 1916. The plot centres on the story of a fictional character, Ernie Coyne (played by James D'Arcy), a middle class Dublin youth, who joins the uprising. It is the story of the struggle of a young man to understand the realities of life, both personal and social.

The civil war in Irish society is mirrored in the civil war in the Coyne family, with father pitted against son, as Ernie decides to reject his class and upbringing for the cause of the revolutionary struggle.

What is most impressive is the truthful way in which Bennett describes not only the events of 1916, but lays bare the class forces that were involved. The driving force for the uprising was the Irish working class, fighting not just for Irish independence, but for the Irish Workers' Republic. The units of the Citizens' Army - the first workers' Red Army in the world - were the hard core of the uprising. And at its head stood that great leader and martyr of the working class, James Connolly.

The years that preceded the First World War saw a period of bitter class struggle in Ireland, with stormy strikes and lock outs being fought out against the background of the national struggle for the liberation of Ireland from English rule which in 1913 brought Ireland to the brink of civil war, which was only prevented by the outbreak of War between Britain and Germany.

Nationalists betray

The Citizens' Army was formed in 1913 as a response to attacks on strikers by the employers' thugs and police. The base of this workers' militia was the Irish Transport and General Workers' Union and its leader was James Connolly - the most outstanding Marxist and workers' leader ever produced by these Isles.

As a revolutionary and internationalist, Connolly was naturally in favour of fighting against the British rule in Ireland. But he warned the Irish workers a thousand times not to be fooled by the bourgeois and petty bourgeois nationalists and their demagoguery about "freeing Ireland" under capitalist rule. The conflict between the workers of the Citizens' Army and the middle class nationalists of the Irish Volunteers was well reflected in this programme.

When Earnie appears at the GPO building, occupied by the insurgents, a worker asks him pointedly: "What are you doing here?" He replies that he wants to fight for Irish freedom, whereupon the worker replies: "The likes of you don't need to fight for freedom. You already have freedom. Money means freedom." When the shocked Earnie complains that his comrade does not seem to be very enthusiastic about the Irish Republic, the other replies: "I'm not. The only republic I want to see is the Worker's Republic."

For the first time the role of the Citizens' Army has been fairly portrayed on television. What was not adequately shown was the fact that the middle class nationalists betrayed the Easter rising. The spark that ignited the revolt was the plans to introduce military conscription in Ireland - to force the youth of Ireland to act as cannon fodder for their imperial masters. Yet the right wing Irish nationalists actually supported British imperialism, acting as its recruiting sergeants in the War. And even the supposedly progressive wing sabotaged the movement by countermanding the order to mobilise on the eve of the uprising.

This is not the place to draw a balance sheet of 1916. But Connolly knew that the rising was doomed. His aim was to leave behind a tradition of revolutionary struggle upon which the new generation could build. When he left the HQ of the ITGWU that fateful morning, he whispered to his friend William O' Brian: "We are going out to be slaughtered." O' Brian asked: "Is there no chance of success?" Connolly replied: "None whatever".

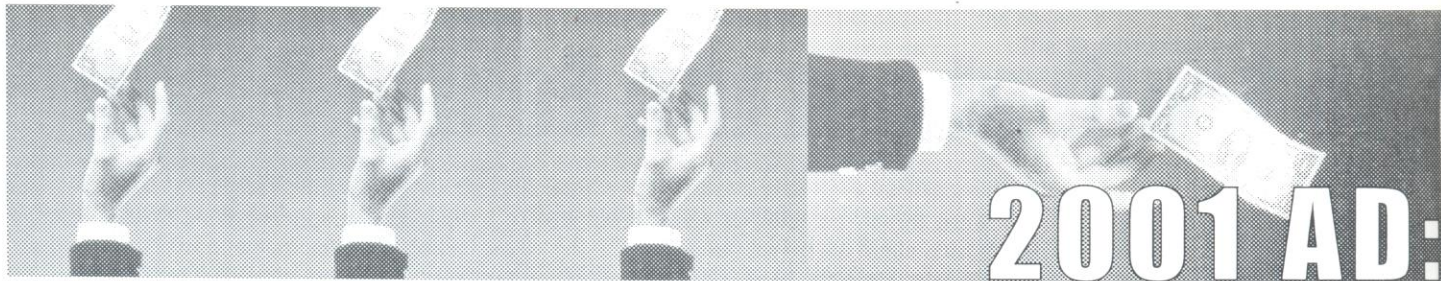
The programme shows the heroism of the insurgents, particularly the workers and the utter savagery of British imperialism, which used artillery to smash the GPO. Some 1,351 people were killed or seriously wounded and 179 buildings destroyed in Dublin alone. Ninety insurgents were sentenced to death by secret court martial. Thousands were shipped off to prison camps in England. The leaders of the uprising were all executed immediately. Connolly was so badly wounded that he had to be strapped in a chair to keep him upright before being shot.

As one might expect, the reactionaries are already complaining about Rebel Heart. David Trimble has denounced it, as has The Spectator (before it was even shown). These are serious commendations!

At the end of the programme, Ernie Coyne rejects the attempts of his father to use his connections to get off with a two year sentence in exchange for renouncing revolutionary activity. We await the following episodes with growing interest. I

► At the post office barricade





From Boom, to Gloom, to Doom

Year 2000 was when the five-year US hi-tech stock market bubble burst. And burst it did with a vengeance. In March 2000, the stock market index of hi-tech companies called the NASDAQ reached over 5,100.

by Michael Roberts

That compares with under 1,000 back in 1995 when the great hi-tech revolution in the internet and e-commerce really began. But when the stock markets closed on December 29, the last working day, the NASDAQ had fallen back to under 2,500, the heaviest decline in its 18-year history as an index.

The more general indexes of measuring stock market prices in the US are the Dow Industrial and the S&P 500. They include all the big US companies, not just the "new economy" sectors of internet companies like Yahoo or America Online or the cyber equipment suppliers like Cisco, or the software giants like Microsoft. They also cover the auto companies, the retailers, the big chemical and energy companies. In other words, what are now called the sectors of the "traditional economy". But these indexes did not do much better than the NASDAQ. Last March the Dow rose to 11,700 compared to under 8,000 just two years before. But by closing at the end of 2000, it had fallen back to 10,800. The S&P fared similarly.

None of this was exclusive to the US. In Europe, stock markets also lost ground along with the Euro. The Japanese stock index, the Nikkei took a terrible plunge. And Asian markets followed the NASDAQ down like a dog behind its master.

What does this tell us?

It tells that capitalist investors lost their confidence and enthusiasm for buying hi-tech companies and are starting to lose confidence in companies in general.

That loss of confidence is usually an indication of the worries and uncertainties about the future not the present. Indeed, the year 2000 was one of general success for capitalism. The US economy grew at a heady pace by its standards, up nearly 5%. European economies, including Britain, also grew by around 3-3.5%. Asian economies continued their recovery from their horrific collapse in 1997-98 and jumped by 5-10%. World trade rose at a record rate. Only Japan continued to wallow in economic despair, achieving just a 1.5% uplift in real GDP.

Apart from oil prices, inflation remained moderate, if slightly accelerating, during the year. As the year ends price rises are hitting 3% in the US, 2.5% in Europe, 2% in Asia and still falling in Japan. And the great energy price fear is disappearing as oil prices drop back from highs of \$35 a barrel to \$20 a barrel.

So what is spooking the stock market investors? Two things: first, throughout most of the year, the central banks of the world have been raising interest rates. The US Fed, the European Central Bank, the Bank of England and even the Bank of Japan have hiked rates because they thought that growth was getting out of hand (apparently you can have too much of a good thing under capitalism) and that energy prices were going to cause inflation.

Bankers are only worried about two things. The first is whether you can pay them back and the second is inflation. That's because money lenders want to maximise the returns on their lending. If prices rise, it means that when you pay them, even with interest on top, the value of their original loan has fallen. So keeping inflation down is the bankers' obsession. Indeed, it is written into the objectives of most central banks as their main task.

Raising interest rates means that the cost of borrowing increases. So households and businesses reduce their borrowing. They invest and spend less and they save more because the interest rate is better. The result, so the theory goes, is a slower growing economy. Demand for goods falls back into line with supply and inflation slows. But, of course, a slower economy and higher interest rates mean less profit for manufacturers compared with bankers. That spooks investors into buying less shares.

And that brings us to the second thing worrying financial markets. Up to the second half of 2000, profits had been growing at a record rate in the US. Corporate profits had reached nearly 10% of US GDP, a figure not reached since the mid-1970s.

But now the US economy is slowing down fast. In the third quarter of 2000, the growth rate dropped to an annual rate of 2.4% from 5.9% in the second quarter. At the same time, more and more US companies announced that their profits in the last quarter of 2000 and

going into 2001 would be a lot less than most investors had been expecting. These "profit warnings" really worried potential share buyers. Instead, they began to sell.

But the big selling binge was in hi-tech companies. Their prices had rocketed to such levels that investors were paying over 180 times annual profits. In other words, it would take 180 years to make enough in dividends to cover the price of the stock! Of course, investors did not buy on that basis. They expected the price of their hi-tech stocks to rise so they could sell them at a profit later. Such is a stock market speculative bubble: you don't buy for the dividend or share of annual profit, but to sell at a higher price.

And up to March, investors were buying companies that did not even make a profit. Indeed, nearly all the internet companies or online retailers were using huge amounts of investor cash to spend and predicting no profit for one, two or even five years! As the profit warnings started to come and the economic slowdown became a reality, investors began to realise that most of these hi-tech ventures were going to fail and it was time to get out.

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A colossal shakeout is now under way. It will continue through 2001. You can take a firm bet that 90% of the current "new economy" companies listed on the NASDAQ, Japan's JASDAQ, or Germany's Neuer Markt will not exist in five years time. That is the result of all previous stock market bubbles in new industries and this time will be no different. Indeed, if NASDAQ prices in relation to realisable profits fall to reasonable levels, the NASDAQ index will have to fall to below 1,000. That's over 85% down from its height last year.

And investors have not realised yet that much of the profit increases recorded by the companies they have bought are really fake. That's because many hi-tech companies have spent huge amounts of investors' money not just on research and development of new software or on computer and telecoms equipment. They have also bought up other hi-tech companies to incorporate their potential growth and they have speculated on the stock market as well! For example, Cisco Systems is one of the **biggest companies in the world** in stock market terms. It makes internet and telecoms equipment. It is at the heart of the hi-tech cyber revolution. It is making considerable profits. But over 25% of its profit comes from investing in other companies on the stock market. If the stock market col-

lapses, so does Cisco's profits. The virtuous circle will turn vicious.

But will the stock market collapse further in 2001? Most capitalist commentators say no. Indeed, their forecasts in the pages of the Financial Times, the Wall Street Journal, Forbes or Finanzen predict a new rally in stock prices. Behind their optimism lies a belief that, although the US and the world economy may slow down in 2001, it will be a "soft landing". In other words, the capitalist economy is not heading for a recession where output actually falls for at least half a year and unemployment rises; or even worse a depression, where the world economy does not come out of its collapse for years, as in 1883-5 and 1929-32.

A "hard landing".

The optimists base their view on three things. First, the internet hi-tech cyber revolution is here to stay. It has permanently raised the productivity of labour. Whereas, output per worker used to rise by 1-1.5% a year in the US and Europe, it is now rising at 3-4% a year thanks to hi-tech invest-

ment in computers and telecommunications, accounting for more than half of all investment in the US in the last five years, has played a significant role in this productivity upsurge. But some economists argue that all this productivity increase has been confined to the "new economy" sectors where the investments have been made. So when investments slow down or stop in this area, then productivity growth will collapse back to previous levels and all the old problems of inflation, slow growth and capitalist boom and slump will return.

However, not surprisingly, it's the "official" economists of the Federal Reserve Bank that express the optimistic view. They argue that about 30% of the increased pro-

ductivity rate can be explained by increased investment in new equipment, which has been rising at over 11% a year since 1995. Another 30% can be explained by full use of all the available labour supply in the US economy, including increased (legal and illegal) immigration of cheap and plentiful labour from across the Mexican border. But up to 40% is down to the new techniques of the hi-tech revolution. If they continue, then even if investment in equipment slows and extra labour dries up, there will be a permanently higher rate of productivity, say at 2-2.5% a year that will ensure steady economic growth.

ment. That guarantees sustainable faster growth back at the levels of the golden age of the 1960s. So growth in the advanced OECD economies will still be around 3% next year and beyond, at worst.

Second, higher productivity means that faster growth can be achieved without any significant burst of inflation. Unemployment levels will stay low but workers will not be able to force up wages too much because of the fear of losing their jobs to new techniques and equipment. And even if they do, companies can compensate for this through cost savings from new computerised systems and the internet.

And third, as the world slows down, central banks will reverse their policy of hiking interest rates as they did in 2000. Interest rates are set to fall fast in the coming year. That will cut the cost of borrowing and increase the appetite among investors to buy stocks, while ensuring that any economic slowdown will avoid recession. All power to the elbow of President Bush with his planned tax cuts for corporations and to Federal Reserve Bank chairman Greenspan with his expected interest rate reductions! So the "Goldilocks" economy (not too hot and fast and not too cold and slow) is set to continue.

Well, you would expect tipsters on the

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How should a Marxist view this debate?

Marxists start from the premise that value cannot be created in a capitalist economy unless living labour expends effort and time. No machine produces any value without labour. In the US, the maximum available labour force is being used (and unemployment in the US is down to record lows not seen since the 1950s), and workers are putting in as many hours in a day as possible (American workers work more hours in year than anybody else in the OECD coun-

But eventually the cost of this new equipment will not be enough to compensate for the slowdown in value added by the labour force, which can no longer expand either by size or time. So the return or profit on each extra investment of capital will start to fall.

tries). So the only way to increase productivity is to raise the efficiency of the labour force through investment in capital equipment. As we have seen, investment in new equipment and plant has been substantial. This is an investment boom. That's why productivity growth has accelerated and kept inflation down.

But eventually the cost of this new equipment will not be enough to compensate for the slowdown in value added by the labour force, which can no longer expand either by size or time. So the return or profit on each extra investment of capital will start to fall. This can be put off if new investment in capital equipment involves innovation and new techniques that cut the cost of production drastically. That has been the experience of the internet revolution in the US in the last five years. But even on the most optimistic estimates, that innovative part of investment has contributed only 40% of the rise in productivity growth. If the labour time cannot be increased and if investment in equipment slows because it no longer produces sufficiently extra returns, then at the very least, productivity growth is going to drop back sharply.

Once profitability falls and overall profit growth slows, then all the huge new investments in equipment and all the hectic investment in the stock market begins to look like money wasted. Capitalists are going to cut back in a big way. The process has already started. US spending on non-armaments capital goods is slowing already, while unfilled orders for electronics goods (which expresses how far supply of new technology is behind demand) have begun to disappear.

That means the huge speculation in hi-tech companies, which has been so fruitful for many investors, is now going to go sour. Such has been the borrowing by US industry in order to finance the investment boom in hi-tech that American companies are running a financial deficit equivalent to 5% of annual US GDP. Between 1995 and 1999, corporate debt rose 46%, reaching the unprecedented level of 50% of GDP. As long as profits keep coming in, as long as interest rates stay low and as long as the value of companies on the stock market keeps rising, then these debt levels are no

problem. That's the conclusion of the Federal Reserve economists. In a recent study, they showed that the debt of US companies in relation to their value on the stock market in 1999 averaged just 22%, the lowest for over 30 years - so nothing to worry about there!

But since that study, the US stock market has declined by 10% and corporate debt has risen another 10%. The ratio of debt to stock market valuation has risen for the first time since the recession of the early 1990s. And it's going to rise again sharply in 2001. The burden of debt on US companies is mounting. Banks continue to lend them more money and companies continue to try and issue more bonds to finance investment. It's a build-up to bankruptcy, not just for the small, failing internet companies as we saw in 2000, but also for larger more traditional companies in 2001.

Cutting interests

Ah, argue the optimists, but central banks will be cutting interest rates over the next 12 months. That will get the costs of servicing company debt down and keep American households spending. So investment won't collapse, unemployment won't rise too much and the slowdown will be guided to a soft landing.

Well, that's what they said in 1929. Back then, the Federal Reserve started to cut interest rates several months before the stock market crash of October 1929 and continued to cut them right through until summer 1931. But the recession turned into depression and continued right through until summer 1932, while unemployment remained at high levels right up until the US started to gear up for its war with Japan. That's partly because real interest rates (after taking into account prices) remained relatively high because prices started falling as well. Deflation (rather than inflation) was the order of the day as consumer demand collapsed. If that happens this time, then no amount of Fed rate cuts will stop the US economy slipping into what the great capitalist economist, Keynes, called the "liquidity trap".

Look at the experience of Japan in the 1990s. The Bank of Japan has followed a "zero-rate interest policy", but real interest rates have stayed up because prices have been falling. With Japanese households worried about unemployment and wage cuts, they have been saving, not spending. So Japanese industry has not dared borrow, even at zero rates because, in real terms, it costs money. So the economy has remained in deflationary stagnation for ten years. The Japanese experience will become that of the US and Europe over the next few years. And if the US goose no longer lays the golden eggs, investors around the world are going to sell US stocks and company bonds. The US runs a huge deficit on its trade with the rest of the world as it sucks in electronics goods from Asia, oil from OPEC and consumer goods and services from Europe. It now needs \$1bn a day to finance this deficit. Up to now, it has successfully obtained this money

Thai protesters



from abroad as foreigners have invested huge sums in US hi-tech companies, bought bonds issued by US telecoms companies and the US treasury. US companies used this money to buy the goods they need from abroad and to pay interest on the debt already run up. That debt is now equivalent to 25% of annual US GDP.

But what if foreign investors no longer buy as much of the US stock market and bonds as before, and even start selling what they have? That means the US trade deficit cannot be financed, except by the US government using its dollar reserves, and central banks elsewhere providing the US with dollars from their reserves. If the demand for dollars dies (while the supply of dollars continues to expand as Americans buy more goods from abroad), then the value of the dollar will plummet. If that happens, everywhere investors holding huge amounts of dollar financial assets (stocks and bonds) will suffer big losses. As America sneezes, the world catches a cold. If America gets a cold, the world gets influenza and pneumonia.

One of the arguments of the optimists is that this time the Federal Reserve Bank will not make the mistakes it made in 1929-32. Then it started cutting interest rates from 6% in mid-1929 to 1.5% in mid-1931. But prices kept falling faster, so that real interest rates started to rise. Now, in 2001, if the Fed cuts rates, real interest rates will also fall because price inflation will not decline and prices certainly won't fall as they did in 1929-32.

In 1931, the Fed reversed its policy of cutting rates to compensate for the stock market crash. This seems like a crass error. But there was a good reason. Foreign investors in the US stock market were selling and taking their money out. This huge outflow of capital was driving down the value of the US dollar - or to be more exact, because the price of the dollar was fixed to gold in 1931, the US treasury was forced to sell gold to keep the dollar's price fixed. By raising interest rates, the Fed hoped to attract capital back into the US and stabilise the "gold standard" price of the dollar. As a result of its policy, the Fed saved the dollar, but only at the expense of prolonging the economic slump.

Soft landing

Exactly that same problem could arise for the US government this year. The Fed will want to cut interest rates to avoid a stock market collapse and achieve a soft landing for the economy. But if foreign investors sell out, then it may need to hold up interest rates in order to avoid a collapse of the dollar, which in itself would provoke a further fall in stock market prices and drive up inflation. At the very least, that could slow the hand of the Fed. At worst, it could mean that real interest rates stay up as inflation slows, and so ensure a hard landing. Either way, "fine-tuning" a soft landing for the economy ain't going to be so easy as the optimists imagine.

Never before in the history of capitalism have the prospects for economic growth, employment and incomes been tied so closely to the stock market. The cyber revolution and the importance of foreign investment have created a synthesis between the real economy and the fictitious. Last year, US

companies issued over \$100bn in shares in order to launch themselves on the stock market, while existing companies issued extra shares worth over \$200bn to finance new investment.

That's double the figure in 1999 and five times larger than in 1995. At the same time, venture capitalists (high-risk investors) supplied another \$100bn to start up new companies, over 20 times more than in 1995! The hi-tech telecoms sector also borrowed over \$100bn from the bond market and the banks to finance the purchases of new licences and ventures. This huge influx of cheap money has been a driving force behind the US economy's growth.

Just as important and dangerous for the prospects for the US and global capitalist economy is the extent to which American households now depend on the stock market for their savings and spending power. Now over 25% of all families with annual household income of up to £15,000 (not very much) own some stocks compared with just 13% in 1989 and stocks constitute 60% of the value of Americans' financial assets. If the stock market crashes and stays down, then companies will lose the funding they need to maintain investment and households will lose the backup to spend. Unlike 1987, a Wall Street slump this time will mean an economic recession.

Although hi-tech stock market prices slumped in 2000, the prices of traditional stocks have generally stayed up. But with corporate profitability set to fall and overall profit growth to disappear and the size of debt to finance investment reaching unprecedented levels, the US and European stock markets cannot sustain their current levels. If share prices continue to slip, it could become a landslide as "investor confidence" falls away. And this time the fall in the value of fictitious capital will auger a fall in the value of real capital. Investment in technology, raw materials and labour will stop and the global economy will hit the ground hard. |



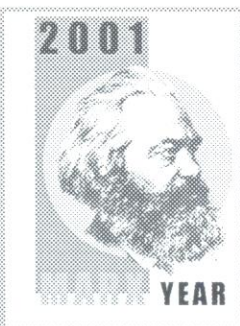
► *The huge speculation in hi-tech companies, which has been so fruitful for many investors, is now going to go sour.*

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See also

● **The class struggle and the economic cycle,**
Once again on the World Economy
by *Alan Woods and Ted Grant*,
October 18, 2000

● **From bulls to bears**
by *Michael Roberts*
October 17, 2000



What is Mar

In the first of a two part article Mick Brooks begins our new year long series covering the fundamental ideas of Marxism, which we hope will provide readers with some useful educational material and serve as an inspiration to read the writings of Marx, Engels, Lenin and Trotsky.



Why Marxism?

"The philosophers have only interpreted the world in various ways; the point is, to change it."

Marx

Socialist Appeal is proud of its commitment to Marxist theory. Our journal is aimed above all at the active sections of the labour movement. The very first book we were able to publish, *Reason in revolt*, deals with modern science. A sceptic might feel that it was not obvious how this was going to help the class struggle of the working class. Yet think again. *Reason in revolt* has a chapter on genetics - "Not in our genes". The oldest argument in the world against the possibility of a socialist reconstruction of society is that "human nature wouldn't allow it." But this ancient prejudice draws sustenance from a modern interpretation of the science of genetics. It had to be taken up - and that is what we did. So the world of science is not a community of disinterested scholars, but has an ideological background. Here, too, the class struggle casts a shadow, just as much as it does on the shop floor. Marxism fights for our class in the field of agitation around bread and butter issues, propaganda on the case for socialism and theory.

In fact Marxism is nothing else but the compressed experience of the working class in theoretical form. In the *Communist Manifesto*, in many respects the founding document of Marxism, Marx and Engels say of themselves and their co-thinkers: "The Communists, therefore, are on the one hand practically the most advanced and resolute section of the working class parties of every country, that section which pushes forward all others. On the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate results of the proletarian movement."

That is what we mean when we describe Marxism as the science of perspectives. We know what stage the movement is at and where it is going. The *Manifesto* describes the development of consciousness among the working class in theoretical form. In fact it draws upon the experience of the British working class movement in particular, the only really developed movement at that time. When it asserts that to begin with,

"they direct their attacks not against the bourgeois conditions of production, but against the instruments of production themselves," this refers to the Luddite movement. By analysing material interests, Marx knows how the movement will develop further, for "it is not a question of what this or that proletarian or even the whole proletariat regards as its aim. It is a question of what the proletariat is and what in accordance with this being it will historically be compelled to do."

The Marxists "do not form a separate party opposed to other working class parties." They go with their class. Marxism is a science of combat. The quote at the top of this column then yields this meaning. First you can't change society for the better without understanding it. And you can't understand society at all unless you are committed to change it.

Materialism and History

"It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness." (Marx)

We call Marxism as applied to historical development, historical materialism. Materialists in the ordinary sense fill up their houses with consumer goods. An idealist in the usual sense is an impractical dreamer. These words mean something different in philosophy. This article has been taken in to our editorial office on a floppy disk - matter. It talks about Marxism - ideas. A central question for philosophy is how these two sorts of things - matter and ideas - relate to each other. Both are real, both exist.

For materialists, matter is primary. Matter has developed into life forms and then a life form (us) has developed the ability to think - to generate ideas. Surely this is what evolution teaches and is the only scientific outlook. Philosophical idealism on the other hand gives grounds for religious belief - "we're all ideas in the mind of god."

So far, so irrelevant? Not at all. Marxists don't just assert the truth of materialism, we apply it to social development. Readers of the *Daily Mirror* will be familiar with the "Perishers" cartoon strip. The old dog Wellington wanders down to a pool full of crabs. The crabs speculate about the mysterious divinity, the "eye-balls in the sky". The point is, that is actually how you would look at things if your universe were a pond. Your

xism?

consciousness is determined by your being. Thought is limited by the range of experience of the species.

As was pointed out earlier, the classic argument against socialism is that "human nature wouldn't allow it." People, we are told, are naturally greedy and grabbing. Actually this is an argument from philosophical idealism. We are being told that consciousness determines being. Our answer is that if people are greedy and grabbing (and the whole argument is a ridiculous exaggeration) then it's because that's how you get on under capitalism. Being determines consciousness. So if we change social being to socialism, then people will eventually change as well.

Actually some things are available free even under capitalism. Many public parks have a water fountain where you can drink as much as you like. According to the 'human nature wouldn't allow it brigade' everybody should be guzzling water till their bellies become distended just because it's free. Actual experience shows that people who are thirsty will have a drink while others don't bother.

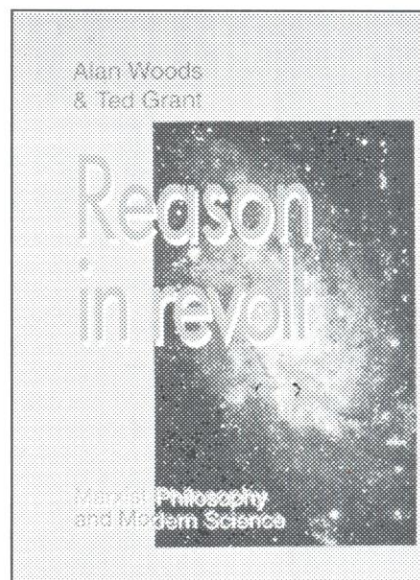
The fundamental brute fact of human existence so far has been that there has not been enough to go round. It has not proved possible to provide most things free, like the water fountain in the park. In the earliest stages of human society everyone was up against it and there was quite simply no material basis to support an idle class. And this period we call primitive communism (because nobody owned the means of production and everybody had to work to survive) actually lasted for 99% of our time on the planet. The powers of production have certainly developed since then so some can live well - but not all in class society. A minority has secured its position as a dominant class through owning the means of production. And they've forced the rest of us to do unpaid labour for them. That is the story of slavery, of feudalism and of capitalism - all the great forms of class society - in a nutshell. And the state is their state. As

Trotsky put it, where there is a shortage there is a queue, and where there is a queue there is policeman to control it.

Socialism requires a very high development of the powers of production, or else as Marx puts it "with want the struggle for necessities would begin again and all the old crap [exploitation and oppression] would necessarily be revived" Marxists believe that eventually under socialism all our basic requirements can be provided in abundance, just as a drink of water in the park is already. In that case the struggle for existence at the expense of our fellow human beings that is the foundation for class society will lose its reason for existence. If we change society, "human nature" will inevitably change. Trotsky pointed out that people who live their lives in a well-appointed hotel don't usually steal the sugar. They know there will always be plenty on the table next time.

The idea that being determines consciousness is a lodestone for Marxist analysis and an inspiration for socialist change.

Next month Mick Brooks uses the ideas introduced here to explain the development of humanity, the division of society into classes and the dynamics at work which lead in the direction of revolutionary change.



► **Reason in revolt**
Marxist philosophy and modern science
by Alan Woods and Ted Grant

Published to commemorate the centenary of Frederick Engels' death, the authors explore the relationship between Marxist philosophy and the development of science, including the new theories of cosmology, Chaos and Complexity

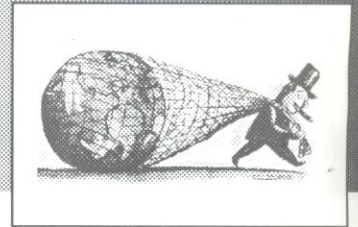
ISBN 1 9000 07 00 2
£9.95/US\$16

Recommended Reading

- **Socialism Utopian and Scientific** - Engels
- **On Historical Materialism** - Mehring
- **The Communist Manifesto** - Marx and Engels
- **Marxism in our time** - Trotsky
- **On Marx and Engels** - Lenin
- **The three sources and three component parts of Marxism** - Lenin

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Global Warning:



The deadly threat of capitalist anarchy

The collapse of the talks at the Hague has brought the issue of global warming back into the headlines. And not before time.

by Mick Brooks

Even if John Prescott can't get his "pretty little head" round the detail, the reason the talks collapsed was because the American delegation had no intention of carrying out the promises they had made to curb noxious emissions at Kyoto in 1997. It is easy to blame the Yanks for global warming; easy because, though only a fortieth of the world's population, the USA is responsible for a quarter of all carbon dioxide emissions. Easy - but wrong. 56% of Americans are prepared, if offered the choice, to pay more tax to protect the environment. 52% believe the environment is more important than economic growth. And 55% want the USA to sign up to an international deal.

So how come the clearly expressed wish of American voters doesn't get a look in on political decision-making? It's because, whatever the US Constitution says, the people is not sovereign. Big business is sovereign. They take the decisions. The political process in the States is dominated by business lobbies. The most important of these covers road building, the auto industry, road haulage and Big Oil.

Dirty Industries

When this article was being written, it was still not clear who would be the next President of the United States. But never mind. In reality the fossil fuel lobby will be President. That's easy to see in the case of George W Bush. There are even "Bush stocks" - shares in the dirty industries such as petroleum extraction and motor manufacturing - that go up every time his chance of getting the big job rises. Bush is a sort of American Mark Thatcher - a man with no visible means of support who used his father's presidency to make connections and emerge a multimillionaire. The Republicans have traditionally been in the pay of the oil companies. George Bush Senior used his influence to write to the government of Kuwait on behalf of Chevron and make them an offer they couldn't refuse. Chevron repaid the favour with a \$657,000 contribution to the Republican Party's funds. George W's victory was certainly bad news for caribou and Arctic foxes - he's committed to handing over the national park in Alaska (one of the world's last great wildernesses) to his pals for drilling. Who really backed Bush? It was not the voters but an unstoppable wall of

money - nearly \$0.5 billion in business donations. Like Chevron with dad, they regard the money as an investment, not a donation.

Would Gore have been any different? The Clinton-Gore administration has shown a slavish subordination to the interests of the fossil fuel lobby, and been prepared to wave two fingers at international agreements they've signed up to in their interests. And Gore also wants a piece. His family has a \$0.5 million tucked away in one of the big oil company's shares. Mainstream politicians in the USA are in the pockets of the big corporations that are poisoning the planet.

Funny weather we've been having lately - in Britain the wettest autumn for 300 years. Obviously we can't all go waving our arms around saying the world's going to come to an end because it's been raining a lot. But wetter and stormier autumns in Britain could be a consequence of global warming. More significantly, accurate records have only been kept since 1860. Guess what? The six hottest years ever were in the 1990s, and the four other hottest years were in the 1980s.

The scientific consensus is that the earth is getting warmer. There are opposing views, but after all a lot of scientists are paid by the firms that make money from burning fossil fuels. They buy scientists just like they buy presidents. The opposition to controls tends to fall back on a second line of defence. That is that the earth goes through cycles of warming and cooling anyway. But most scientists believe that human activity is making a difference.

So what is global warming anyway? It just means the world's getting hotter. Why? The reason is emissions, of which the most important is carbon dioxide. This acts like greenhouse glass in letting heat in and stopping it from just evaporating. This occurs anyway through the rotting of vegetable matter, for instance. Without it life on earth could not exist. But the balance is an extremely delicate one. And it's already being upset. The fertile area of the Nile valley is shrinking every year as the land dries up.

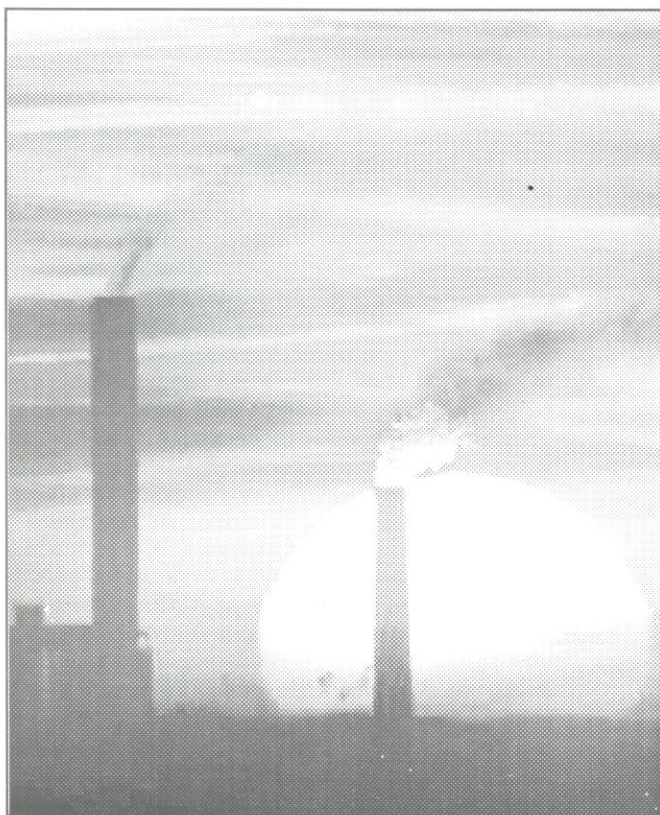
What difference does warming make? Some say the globe could be one degree Celsius hotter by the end of the next century. The high estimates are six degrees Celsius in a hundred years' time. Neither sounds a big deal. What effects will temperature change have? The first consequence - and again it's already happening - is to melt part of the

polar ice pack. This in turn will raise sea levels some say by 60cm. That doesn't sound much but it's enough to put most of Holland and Bangladesh under water. This is a shame since about 130 million people live in Bangladesh. In addition coastal cities on the eastern seaboard of America and all over Europe will be engulfed. Secondly it will cause ecological havoc as species migrate to more environmentally friendly zones. It should be emphasised that a temperature change of an average six degrees in a century is unprecedented in our knowledge of the world's history. As the reader will realise, some life forms such as trees don't have the quickest footwork. Yet they may be faced with the need to move over a thousand miles in 100 years. Usually they can only move as fast as the wind blows their seeds. They can take decades to take root and grow. Yet they are habitat to colonies of insects, butterflies, birds and the like that are completely dependent on them.

Temperature changes

Water temperature changes could further accelerate the destruction of fish stocks. Coral reefs, for instance, are tremendously sensitive to small changes in temperature changes. The Maldives reef was "bleached" (destroyed as a habitat for marine life) by a few days' freak conditions. And coral, though covering only about 5% of the sea bottom, is home to a fifth of the world's fish.

Global warming will produce desert conditions in desperately poor countries such as Nigeria, as tropical forest dies out and rain just runs off the parched earth. Desertification will cause crop yields to fall. And we can expect more cyclones and freak weather conditions and - rainy autumns in Britain.



What did the nations sign up to in Kyoto in 1997? They agreed to hold carbon emissions 5% below the 1990 level. The Hague summit was about how to achieve that agreed goal. Most serious commentators agree that a slight cut will not do anything about global warming. They say a 60-80% reduction is required - a dramatic change in our whole way of life.

But what has happened since Kyoto? US emissions have gone up by 1.3% a year. The American authorities argued at the Hague that this was because their economy was growing so strongly. And US growth was powering the whole world economy ahead. Is there really a trade-off between growth and the environment? That is the way the issue is posed by bourgeois economics. That is the form in which the questionnaire was posed to American citizens, as we quoted in our opening paragraph. If so, socialists have a problem. We are surely in favour of the fastest possible growth at least in the less developed countries to raise billions of the world's citizens out of poverty. The scare-mongers and some Greens then try to frighten us with the spectre of China having American levels of car ownership and carbon emissions.

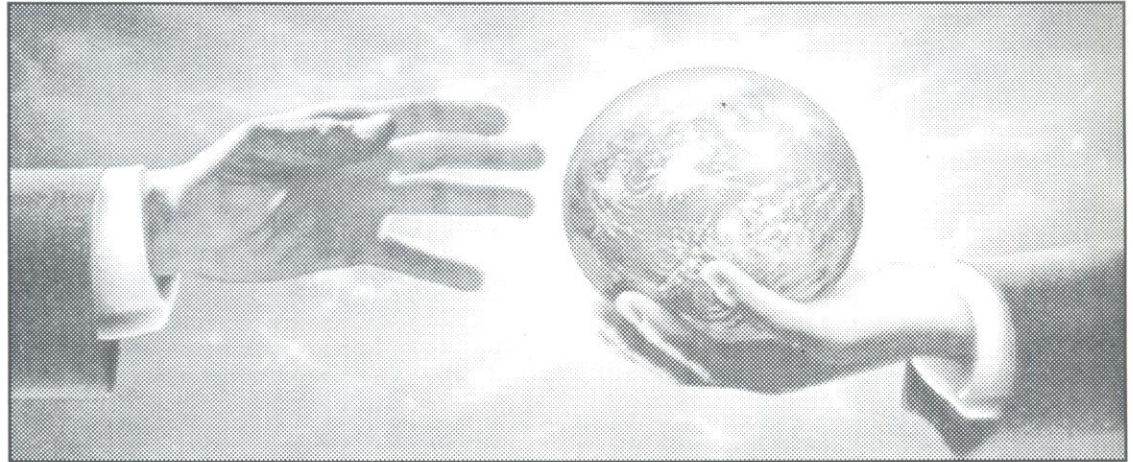
These are false choices. Growth is not necessarily dirty. The American economy has gone ahead on the basis of a boom in information technology, as we have pointed out many times in our material. The output of traditional smokestack industries has declined as more and more conventional manufactures are imported. The IT sector uses silicon as a basic input - a commodity that is relatively abundant.

So why is pollution increasing all the time in the United States? It's because of the lobbying power of the fossil fuel industries. Petrol prices are low, so people drive gas guzzlers that do 13 miles per gallon. Electricity generation is cheap. So houses are built without adequate insulation. While the inhabitants stroll around in T-shirts, heat just pours out through the roof. Let nobody tell you capitalism is an efficient system. The decisive sectors of US capitalism actually have a vested interest in America not running in a fuel-efficient way. In fact the more that is wasted, the more money they make. Oil, which formed in a geological time of about 300 million years, is being shipped out and burned like there's no tomorrow. What will happen to future generations? Who cares about them goes the old joke the Economist is fond of quoting? What have they ever done for us?

Growth is not the problem. Capitalism is the problem. Why? Capitalists take decisions which are the only possible ones for them in order to maximise their profits short term. The wider long-term interest simply does not exist for them. Let's say they produce widgets. In producing widgets they also produce smoke. They get paid for the widgets because they're useful to someone. Smoke is

So why is pollution increasing all the time in the United States? It's because of the lobbying power of the fossil fuel industries. Petrol prices are low, so people drive gas guzzlers that do 13 miles per gallon. Electricity generation is cheap. So houses are built without adequate insulation.

Power plant in operation at sunset in the town of Obrenovac



Likewise the Germans have reduced their carbon waste. Again this is not conscious policy. On the contrary, it is a result of policy mistake. As a result of the way German reunification was organised, East German industry was destroyed.

no use to anyone. They don't have to pay for the costs of the smoke. But someone has to pay. We pay. Everyone pays. Capitalism is an unplanned system. That means that nobody looks at the environment and what we're doing to it. Nobody knows how fast we're using up resources, and whether there are alternatives.

Here's an early "green" critic of capitalism - Frederick Engels - "...the animal merely uses it's environment, and brings about changes in it simply by its presence; man by his changes makes it serve his ends, masters it. This is the final, essential distinction between man and other animals, and once again it is labour that brings about this distinction.

"Let us not, however, flatter ourselves overmuch on account of our human victories over nature. For each such victory nature takes its revenge on us. Each victory, it is true, in the first place brings about the results we expected, but in the second and third place it has quite different, unforeseen effects which only too often cancel the first. The people who in Mesopotamia, Greece, Asia Minor and elsewhere, destroyed the forests to obtain cultivable land, never dreaming that by removing along with the forests, the collecting centres and reservoirs and moisture, they were laying the basis for the present forlorn state of those countries. When the Italians of the Alps used up the pine forests on the southern slopes, so carefully cherished on the northern slopes, they had no inkling that by so doing they were cutting at the roots of the dairy industry in their region; they had still less inkling that they were thereby depriving their mountain springs of water for the greater part of the year, and making it possible for them to pour still more furious torrents on the plains during the rainy seasons. Those who spread the potato in Europe were not aware that with these farinaceous tubers they were at the same time spreading scrofula. Thus at every step we are reminded that we by no means rule over nature like a conqueror over a foreign people, like someone standing outside nature - but that we, with flash, blood and brain belong to nature, and exist in its midst, and that all our mastery over it consists in the fact that we have the advantage over all other creatures of being able to learn its laws and apply them correctly." (Engels, *The part played by labour in the transition from ape to man*)

What are we to make of the argument that we can leave future generations to sort out our mess? Though the word "sustainability" (leaving the planet as you found it) is of recent coinage, the core concept is to be found in the founding classics of Marxism.

"From the standpoint of a higher socio-economic formation, the private property of particular individuals in the earth will appear just as absurd as the private property of one man in other men. Even an entire society, a nation, or all the simultaneously existing societies taken together are not owners of the earth. They are simply its possessors, its beneficiaries and have to bequeath it in an improved state to succeeding generations as *boni patres familias* (good heads of the household)." (Marx, *Capital*, vol. 3)

Market solutions

Aren't there market solutions to the problem of global warming? Bourgeois economists assure us that their system can't bring the world to the brink of destruction. There must be market forces dragging us back towards "equilibrium". Actually, no. The Hague summit was intended to firm up ways to achieve the targets laid down at Kyoto. The main mechanism to achieve that goal is emissions trading, a form of market mechanism. And, as the *Financial Times* tells us, it's all a gigantic fudge. As we have explained, the American delegation came to the Hague to do the bidding of the fossil fuel lobby. They began by arguing that the major cause of carbon dioxide emissions was irritable bowel syndrome among the world's cattle population! They actually suggested to the other nations that the solution was to run round with Milk of Magnesia or the like dosing up the cows. Not surprisingly, the other delegations thought they were having a laugh.

How does emissions trading work, and does it? Since the Kyoto benchmark date of 1990, Britain has done quite well in curbing carbon dioxide emissions. The reason is nothing to do with an environmentally friendly government policy. It is because the Tories took a political decision (and one that cost us all plenty) to close down most of the remaining pits in the early 1990s. Likewise the Germans have reduced their carbon waste. Again this is not conscious policy. On the contrary, it is a

result of policy mistake. As a result of the way German reunification was organised, East German industry was destroyed. The smokestacks burned a toxic local brown coal, the only fuel available to the Stalinist leadership. So carbon dioxide emissions are down in Germany too. Good news? Not really. Because the European Union as a whole gets allocated an "acceptable" quota level of carbon dioxide emissions under the Kyoto accord, Britain and Germany can let Greece, Portugal and Ireland pump out more carbon dioxide. Of course there is no acceptable price for emissions. There is no price we can put on the survival of human life on earth. But that was the American delegation's argument. Because Stalinist industry in Russia and Eastern Europe has been devastated, why can't they swap some of their "entitlements" with the USA? Market solutions are no solution, because market forces are the problem.

But traditionally there has been a power able to stand up to the excesses of unfettered capitalism in the interests of the system as a whole. That power is the state. Why don't we just make rules stopping excess pollution? The first problem is that global warming is a problem for all of us, and we don't have a world government. And the USA, the main rogue state, is the world's only superpower. Secondly the American government, as we have explained, has been captured by the fossil fuel lobby.

The American delegation at the Hague came up with ridiculous proposals designed to make a farce of the whole summit. They claim that building nuclear power stations in China and India should win them brownie points for clean technology. Tell that to the people of Chernobyl! They argue that preserving forests should be awarded points, since they act as "sinks" soaking up carbon dioxide emissions. The operation of forests in the global warming process is not well understood by science. The general opinion is that the sink idea is another scam from the American delegation. The main point remains. Carbon dioxide emissions need to be cut as soon as possible.

A final capitalist solution is the "polluter pays" principle, accepted in words by even the Thatcher administration. The only trouble is it isn't true. The idea is that if someone is making a mess you charge them for the cost by imposing a tax. Because of international competition, some burning of carbon, in the form of aviation fuel, is tax free. But even when national governments have the power to levy taxes, that doesn't mean the polluters pick up the bill. The petrol protests in Britain and other countries showed that consumers are squeezed and consumers pay when tax on petrol goes up. Big Oil passes on tax increases as price rises while their profits stay the same.

The fact is that carbon dioxide emissions are out of our control. Why should that be a surprise when the operation of the economy as a whole is out of our control? It's possible that all this stuff about global warming is exaggerated, though the odds are that it's right. The point is that we just don't know and that's scary enough. People are right to be worried, because the capitalists who take the important decisions are squandering our inheritance. Isn't it incredible that we don't know what the oil reserves left in the world are? It may

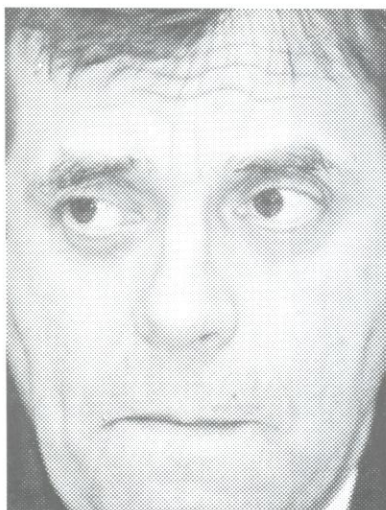
seem to future generations that capitalism had a big party and wasted resources that had taken hundreds of millions of years to form in a couple of centuries. When capitalist commentators talk about known oil, gas or coal reserves for instance, they mean reserves at a price. If the price of oil doubles, we suddenly have more reserves - because it's suddenly worth drilling in more difficult places. An oil price rise causes geologists to scour the globe in search of new fields. This is the madness of capitalism. Surely one of the first things a world socialist government will do is to carry out an environmental stock-take - working out exactly what resources are available to us, how fast we are using them up, and what alternatives exist.

Another myth

It is another myth built into the basic premises of bourgeois economics that growth entails using up resources, so we have to choose how fast we can go. First we have no choice under capitalism how fast growth may be. Secondly there are plenty of "free lunches" out there, resources that renew themselves automatically. For instance half of Denmark's electricity will be generated by turbines stationed in the North Sea by 2010. Once installed, this provides the possibility for free electricity forever in principle. There are other projects, some far from reality at present. Everyone agrees that nuclear fusion (as opposed to the nuclear fission used at present) is safe and could provide for most of our energy needs in the future. Fusion after all is the principle whereby the sun has kept the earth warm and made life possible here for billions of years. But not much work in making it practicable. And why not? Because that would threaten the livelihood of all those capitalist corporations that make a living out of despoiling fossil fuels. Fossil fuel burning should be phased out entirely over a period of decades. Obviously millions of people's livelihoods are bound up with making cars or with using electricity generated from burning coal, oil or gas. A vast plan needs to be drawn up to explore the alternatives for production and jobs. But there is plenty to be done in the shorter term. The technology already exists to make coal-burning power stations swallow their own smoke. The problem is cost, not technical viability. In the same way about a third of Britain's carbon is burned in road transport. Yet traffic on the roads has gone up by a third over the past few months. And why? Because of the virtual collapse of the railway network since privatisation. Of course people have no choice but to get their cars out. Give them a decent public transport system and we can drastically cut road traffic and carbon pollution. We could also redirect freight on to a renationalised railway system.

Global warming is a problem that needs a global solution. That solution is world socialism. Achieving a planned society in harmony with external nature we depend upon requires a steady unremitting struggle against the capitalist polluters who threaten to make the planet uninhabitable. I

Surely one of the first things a world socialist government will do is to carry out an environmental stock-take - working out exactly what resources are available to us, how fast we are using them up, and what alternatives exist.



One of the first things that the opposition (DOS) did immediately after they seized power on 5 October, was to take control of the Central Bank of Yugoslavia (NBJ). The printing of money, which had been used as an instrument to rob the people by the Milosevic regime for decades, was stopped.

by Dragan Draca

The Effects of So-called "Democratic Reform" on the Serbian Economy

This printing of money had been the cause of income redistribution, mainly at the expense of the working class because the wages of the workers are more or less fixed, and they could not keep pace with rising prices and the fluctuating exchange rate. Inflationary pressures caused by the expansion of the money supply led to huge losses and the syphoning off of income into private pockets - a process of initial capital accumulation *sui generis*. However, the printing of money became more than just that a long time ago. It became one of the means of keeping alive bankrupt state-owned companies which had been plundered by managers appointed by the regime.

One of the fundamental preconditions to meet the standards for IMF membership is to stop the printing of money; and that is the basic motive that lies behind this move, nothing else. The new government could not survive for long without the support of the IMF. It is needless to explain the character of this institution and its role - it is sufficient to see how much its "stabilization" programs have damaged Russia and the other Eastern-European and Balkan countries. In the final analysis, it is only one of several levers in the hands of the main imperialist powers. But, applying for membership of this institution is an important display of loyalty on the part of the new regime towards Western capital.

The stabilization of money supply allowed for the fixing of the foreign exchange rate (30 Dinars to the Deutschmark). However, what is not being explained is its negative and damaging effect.

The growth in the total amount of money in circulation was, to a certain degree, necessary, because it provided credit for the heavily indebted state-owned companies that were vital for the normal functioning of society. In spite of this, real wages were relatively stable, although at a very low level. Another measure which was implemented was that companies were forced to make all transactions by cheque, with cash payments limited to a maximum of 1000 dinars (about US\$16) per day. This, together with a shortage of fresh cash, led to a huge crisis of liquidity on the part of the already enormously

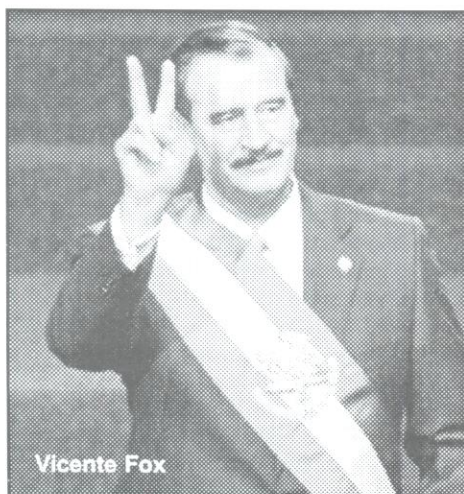
indebted state-owned conglomerates. This resulted in a major fall in output, which again led to an even greater fall in liquidity, thus accelerating the downward spiral. These companies will now also pull down with them tens and hundreds of thousands of workers as they descend into Hell.

Of course, the solution cannot be found in printing more money, nor in fixing the amount in circulation. The solution lies in placing control in the hands of the producers, the working class, in a democratically planned organization of production.

A more important measure carried out by the DOS was the lifting of price controls. In the past these used to protect, to a certain degree, the living standards of the poorer layers of society. Despite the mutual accusations that the former Milosevic regime and the new DOS regime are throwing at each other over who legalised this act, the fact remains that there is an unspoken consensus between them to continue with these measures. The old regime sees this as its chance to discredit the new one, while the new regime sees it as inevitable and the only way of being accepted into the institutions of Western capital.

Deregulation

This deregulation sent prices sky high - the prices of basic goods, like food for example, have risen between 30 and 300 per cent, and similar price increases have affected electricity, medicines and other vital goods and services. Since the nominal wages of workers have remained at the same levels as before 5 October, this has led to a catastrophic fall in real wages of between 30 and 60 per cent. The prices of other products have also risen significantly, but this increase in price is of a totally different character from that which was experienced in the previous period: as money was printed and injected into the economy, price increases remained in line with the rate of inflation, i.e. they were motivated by the need to preserve the real value of these commodities. But, what has happened in the last two months is that real (and not just nominal) prices have



Vicente Fox

has systematically robbed and plundered the peoples of Asia, Africa, the Middle East and Central and South America. They have been compelled to open their markets and lower tariff barriers, leading to the destruction of local industries. The price of their exports has been driven down, while the cost of imported manufacturing goods has risen, plunging them into a nightmare of debt and impoverishment.

The rising price of oil has not helped Mexico to escape from this general condition. The previous PRI President Zedillo used up the country's oil revenues to pay off the country's \$3 billion debts to the IMF three years early. This senseless "generosity" is typical of the servile attitude of Mexico's ruling class to imperialism.

Under pressure from the USA, the PRI

is openly allied to the Catholic Church. The first act of Fox after his inauguration was to go to the Cathedral of Our Lady of Guadalupe. The PAN has lost no time in proposing retrograde changes in the laws on divorce and abortion, and take steps to reverse the separation of Church and state - one of the gains of the Mexican revolution.

Although Fox has publicly denied any intention to privatise Pemex, the state-owned oil company or the nationalised Electricity company, it is quite clear that both these items are on the agenda of the new government. The streets of the capital were filled with thousands of protesters on the first of December, and the largest contingent among them were members of the Electricians union. Fox knows that any move towards privatisation will provoke a massive backlash, and therefore is compelled to move carefully, but move he must.

A move to the right?

It would be easy to portray the election of the PAN as a move to the right, but such a view would be radically mistaken. After decades of rule by the corrupt and reactionary PRI, the masses wanted a change. The vote for the PAN was not a vote for right wing policies, but a vote against the PRI. The more left wing PRD led by Cuahatemoc Cardenas was not strong enough at this stage to defeat the PRI, and so the PAN in many regions benefitted from tactical voting. However, its triumph will be short-lived.

recent strike of public-sector workers in Mexico City. Others will inevitably follow suit. There are the first indications of strikes in the maquiladoras in the North.

Fox is obviously aware of the potential for a social explosion. That is why he has made reassuring noises about Pemex, and hastened to sign an agreement with the leaders of the Zapatista guerrillas in Chiapas. But how long is this going to last? With Fox's market oriented policies, no solution is possible for the impoverished people of Chiapas or anywhere else. The question is not whether Chiapas has formal autonomy, but whether its people have jobs, houses, electricity and running water. As long as the present system exists, the idea of "autonomy" for Chiapas will solve nothing; it will amount to the right to supervise their own poverty, while investment and jobs will continue to flow northwards.

The so-called neo-liberal policies espoused by Fox will mean further cuts in social spending and greater inequality. At a time when the Mexican economy is growing by seven percent, one third of the working population earns less than the minimum wage of a miserable four dollars a day. This is according to official figures. The real situation is far worse.

The huge and growing inequality is reflected in the figures of infant mortality. In 1998, infant mortality among the richest 20 percent was 13 per thousand, whereas for the poorest 20 percent it was 52 per 1,000, four times as high. Similarly in education, in the mid '90s, the poorest 10 percent of children gets on average only 2.1 years of schooling, as opposed to 12.1 for the richest 10 percent. State expenditure on education was cut back sharply in the 1980s when spending per pupil fell to the lowest level in three decades. The deteriorating conditions in education led to an outburst of student protests in the recent period. The policies of the PAN can only mean new cuts and more protests and strikes of both students and workers.

Vicente Fox is a businessman. He used to be the boss of Coca Cola in Mexico. Mexico consumes more Coca Cola than any country in the world, not because of the flavour but because it reduces hunger pains. He is also a rancher who likes to have his photo taken on a horse, looking very much like the man in the Marlboro advert. Now he is President and talks about a "change" for Mexico. He was elected on the slogan: "Cambio ya!" which roughly means: "Enough is enough!"

It will not take much experience of the present government to convince the masses that nothing has changed and that Fox and the PAN are even worse than the PRI. When the people conclude next time that "Enough is enough!" the stage will be set for an unprecedented explosion of the class struggle in Mexico. I

The vote for the PAN was not a vote for right wing policies, but a vote against the PRI.

already put its old policy of state capitalism into reverse gear. In 1990, Carlos Salinas (now on the run because of corruption charges) privatised the state telephone monopoly, Telmex. Predictably, the privatisation programme has made a few people very rich while hurting the poor and stifling the country's economic development.

But US imperialism was not satisfied with the control it already had over Mexico. In recent years, Washington has abandoned its previous policy of supporting military dictatorships in Latin America and elsewhere. This is not the result of any humanitarian considerations, but of cold calculation. After a series of disastrous experiences like Panama, where the CIA stooge Noriega entered into collision with the USA, they have decided that weak "democratic" regimes in the Third World serve their interests better than unstable dictatorships. Hence their change of attitude towards the PRI.

The PAN is an openly capitalist party. It stands unambiguously for "market economics" and privatisation. It is openly pro-American. And, as if that was not enough, it

The economic boom has not benefitted the big majority of Mexicans, who live in abject poverty. The Mexican economy, despite its relative strength (it is the world's eighth biggest exporter, if the EU is counted as one), is now entirely dependent on the US economy. Not only is it tied to the USA by membership of NAFTA, which makes it the US's second biggest trading partner after Canada, but its most thriving industries - the so-called maquiladora - are assembly plants situated on the southern borders of the USA and working as subsidiaries for US companies. Any economic downturn in the USA will thus prove calamitous for Mexico.

Already, the growth of poverty and inequality in Mexico during the boom years has produced a ferment of discontent, which explains the defeat of the PRI. This defeat will have major psychological effects. It has opened the flood gates. In recent months there have been signs of a ferment inside the Charro unions, with the growth of a left opposition that has forced the right wing leadership to take action, such as the

Keep it up!

With just a few weeks left we are well on the way (hopefully) to hitting our £5,000 moving fund target. In our last issue we reported that as a result of our intended move into new offices we need to raise £5,000 at least by the new year. A special appeal was launched for that purpose and all readers were asked if they could help out.

We can now report that we have raised to date £4538 towards this figure. This is a magnificent achievement and on behalf of the editors of *Socialist Appeal* I would like to thank all those readers and sellers who contributed. As you will see from the details below this figure has been made up from some tremendous contributions but we also salute those small amounts given by those readers on little or no income.

However we still have to actually hit the target if not go past it. We may be close but as any mountain climber can tell you, it is the last bit that can often be the hardest. So we are appealing for any reader who has not yet contributed to consider making a donation as soon as possible. If you have already pledged an amount then please redeem that pledge as soon as you can. Your cash is needed. There is no rich millionaire waiting in the wings to chip us a big fat cheque - per-

haps because we have no lordships or knighthoods on offer! All we can offer is the fight for a better future for everybody not just those in the boardrooms of the City of London. Maybe that in the end is why our support will always come just from the pockets of ordinary men and women. This is the way it should be. The rich do not give something for nothing - Labour take note.

Of course the drive for donations cannot stop with the £5,000 figure. We need to keep the cash flowing in. By the time you receive the next issue of our journal we will have moved fully into our new office. But our costs will have risen too so we will need to keep the money coming in.

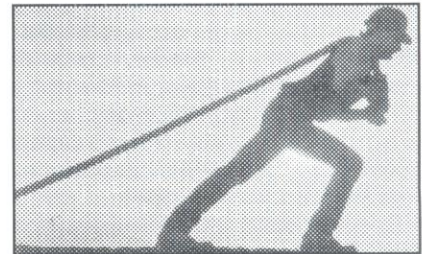
Another way you can help is, of course, by selling *Socialist Appeal* in your LP branch, union, workplace, college or just to your mates. Why not phone us now on 020 7251 1094 to arrange to take a bulk order to sell. This does not have to be a large order, you can arrange to take just a few copies to see how you get on. You will then be both helping us financially and helping to spread socialist ideas.

Incidentally if you or your organisation need any printing work done at a good affordable price and by people sympathetic to the labour movement then why not contact us and we will get our printshop to give you a good quote based around your

needs - be it just printing or layout or whatever.

Obviously we cannot thank everybody by name in this column simply due to lack of space but amongst those who gave to the fund were Jim Brookshaw (£40), Pam Woods (£50), Edinburgh readers (£80), M Scott (£200), G. Allen (£30), P Currall (£20), Keith (£500!), M Fallon (£50), P Barrett (£50), Ian Hunter (£16) D. Cummings (£10), M Walker (£85), R Graves (£80), J McLoughlin (£25), M Turner (£25), J Cooze (£50), Gary and Santa (£100), K Brown (£50), Glasgow reader (£600!), D Waterson (£50), 3 North London readers (£300), G McCartney (£20), 2 Unison activists (£100 each), Mick and Barbara (£200 each), Salisbury and Andover readers (£130), D Thomas (£25), Coventry reader (£50) and many others including those who attended a London social which raised nearly £200 in profit plus several hangovers! Donations should be made payable to Socialist Appeal and sent to us at PO Box 2626, London N1 7SQ.

Steve Jones



A Moving Appeal from the editors

In the immediate future *Socialist Appeal* will have to move to new offices. One of the side effects of the current boom has been a further rise in London property prices, and as you are aware we have no rich backers, we are supported by your pounds and pennies. We want to ensure that our move does not cause any disruption to our defence of Marxist ideas, or the publication of this journal. On the contrary we would like this to be an opportunity for us to take a step forward towards a more frequent publication, and the growth of support for our ideas.

However, we won't be able to do anything without your help. Therefore *Socialist Appeal* is taking the unusual step of asking you to invest in property! Remember, every penny you give is destined to build more than just bricks and mortar. It is an investment in the construction of a better future.

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Youth for **Socialism**

Ecuador: A beautiful act of revolutionary poetry

An eye witness account

Dear comrades.

Yesterday I witnessed a beautiful act of revolutionary poetry that I would like to report to you.

In Quito, like in the rest of Ecuador, there were students' strikes against the huge increase in the prices of petrol and public transport and in general against the policies of president Noboa. In Quito, there was a rally at the Central University from which the students invaded the America Avenue, one of the most important arteries of the city. During all day there were clashes between students and police. The American Avenue was literally paved with stones. Petrol bombs were thrown against the vehicles of the riot police.

Someone even dared to take a pistol from his bag and fired at the police from inside the university premises, where the police cannot not enter without an order from the civil authorities.

About three in the afternoon, the students had

been more or less pushed back into the university premises and the police had regained control of the American Avenue. Around this time primary school students finish their lectures. Then from a street which was under the control of the police about a hundred kids with their school uniforms appeared. The oldest were about twelve years old. With their rucksacks on their shoulders and before I had time to take my camera out, a rain of stones was thrown to the police barriers and to those gentlemen, agents of public order run away like rabbits with their motorbikes!

Beautiful

Comradely

David A.

YFIS school in Scotland

Applications to join Youth for International Socialism continue to flood in from all around the country, and around the world.

The increasing interest from Ireland means that we are hopeful of holding our first meeting there in the near future. But before that, following on the success of our recent schools in London we will be organising our first school in Scotland. Planned for February/March in Edinburgh, the venue and agenda have not yet been confirmed, this school should bring together those young workers and students in Scotland and the north of England who want to build YFIS. If you want to help, or just come along, e-mail us at espe@newyouth.com.

Don't forget to keep us posted on any events in your area.

Update

Rumours abound that the anniversary of the overthrow of Mahuad on January 21 can follow the same course with Noboa going the way of his predecessor.

The CONAIE (National Confederation of Indian Peoples of Ecuador) and PF have the power in their hands to mobilise the masses. This is no bluff. They may yet celebrate this anniversary with a new uprising.

Workers strike at exploitation zones

From our Vietnamese correspondent. This article first appeared in the paper *Lao Dong*.

On 26 December 2000, over 300 workers at the Tan A company went on strike and demanded that their interests be respected and that the contradictions which have built up over a prolonged period be resolved.

After 3 days on strike, at noon on the 28th December all the problems still remain unsolved on the part of the responsible bodies. Avenge workers' representatives

Tan A, in the Binh Chieu Industrial Zone of Thu Duc district of Ho Chi Minh City, is a company whose assets belong 100 per cent to the New Asia Industries Group that produces packing bags. According to the workers, up to 1998, every year the company performed quite well in paying the end-of-year bonus. However, from the date that Joseph Cheung became the General Manager, everything changed. As of 26th December 2000 the company still had not paid the workers their end-of-year bonus,

(the Tet money) as it had done in previous years. Having lost their patience, the workers sent their representatives and team leaders to talk with the management board to pose their demands.

However, the workers' demands were not met. The reason given was that this year the company is loss-making. After two years without wage increases, all bonus payments cut, extra-shifts demanded uninterruptedly, the workers could bear it no more, so they all went on strike.

To retaliate against workers, on 27th December 2000, Joseph Cheung asked the company guards to prevent the 12 workers' representatives who had presented the demands from entering the company. The reason given was that "they had not come to the factory to work." Joseph Cheung has also warned that he will no longer sign any labour contracts with any of those 12 workers. The 12 workers' representatives will be fired.

It is worth noting that Joseph Cheung's reasoning is incredible. During the 3-day strike ALL the workers did not work, the company was paralysed, but he decided that only the 12 workers' representatives had not gone to the factory to work.(?!)

Violations of labour laws

Also, throughout the last year the company has been pressurising the workers

remorselessly to do extra shifts. The workers have had to work almost double shifts of sixteen hours a day. At the very least the workers have had to work an extra 100 hours a month. But according to the Labour Law, extra-shifts must not exceed 200 hours a year, or four hours a day. "No one dares to resist because two workers who refused to work an extra-shift, just the day after, were sent to another section. The move to this section meant a greater burden of toil than their strength could cope with. After some time, these two workers could not stand it any more. The company gave them a hint that they should then get out of the company" workers revealed.

At present, typical wages of Tan A workers are below 700,000 VND per month, lower than the minimum wage. Overtime rates are totally imposed by the company, not by agreement with workers, as stipulated by the law. A strike of over 300 workers of the Tan A company, which is now in its third day, remains unsettled. On 28 Dec 2000 representatives of the Management Board of Industry Zone, and of the Ho Chi Minh Export Product Zone, reached a deal with the Tan A company but the results were kept secret. Tan A refused to meet any journalists. The future of over 300 workers is still uncertain, though the year is ending and the Tet holiday is approaching. I

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The Insider

1999, Directed by Michael Mann,
staring Al Pacino and Russel Crowe.

This month we look at some of the new and recent releases on video/dvd which contain political content. Some what surprisingly there is more out there than you might imagine given the rubbish which tends to fill the shelves of most video stores.

by Steve Jones

We start with... An unusually political film for Hollywood given that it looks closely at the way that big business dominates and twists the media for its own interests. The story is focused around the true story of how in 1994 a CBS news investigator linked up with a former research biologist for a major tobacco firm who had information that the tobacco cartel not only knew that cigarettes were addictive and harmful but actively worked to increase the addictive quality of their products. The investigator (Pacino) puts pressure on the biologist (Crowe) to give a TV interview revealing all this despite serious pressure being put on him by his former employers, including a risk of contempt of court. Of course none of this should come as any surprise to us given the recent revelations of how cigarette companies are funding events in Africa to encourage young kids to start smoking so that new markets and profits can be created.

However what makes this film really worth seeing is the way in which we see how big business is quite happy to use its power to control the so-called free press. The TV company tapes the interview but under pressure from its lawyers, who are aware that CBS are being taken over, and do not want a damaging and unprofitable law suit, put pressure on CBS News not to use the interview, thereby reducing the damaging effect of the program. To Pacino's anger they cravenly agree, putting personal careers before ethical concerns as journalists. This is summed up well in one scene where someone says "well its a free press" to which Pacino's character shouts back "yes, free if you own one". Without giving too much away the story only comes out when CBS are exposed in the press as being involved in a cover up. At the end of the film the investigator has succeeded in his aim but is more than a little demoralized with the people he has worked for. He knows that he was not really able to give his full support to the source of the information and wonders if he will be able to ever do that again. This is a powerful drama which will hold your attention from beginning to end and will certainly make you think about what other stories have ended up on the cutting room floor because they did not sit well with the suits upstairs.

The Hurricane (1999) Directed by Norman Jewison, starring Denzil Washington.

Another film based on a true story, this time the fight to free Rubin 'Hurricane' Carter from jail in the USA where he had been wrongly imprisoned for murder. Anyone who has heard the Bob Dylan song will already know about this travesty of justice, in which Carter was jailed on the basis of trumped up evidence produced by corrupt and racist cops.

However it took nearly two decades to get Carter out as the legal system dragged its feet and is shown to be more interested in protecting itself than discovering the truth. This film not only exposes the racism which is rife in American society but also shows once again how little justice there is for those who are not rich and powerful. They try everything to break Carter's will and get him to give up his fight but, calling on the inner strength that made him a boxer and potential world champion, he keeps pushing on. The film also shows how pressure was put on those outside who were fighting to get Carter out, including threats and intimidation. This film serves as an indictment of a system designed to act on anything but the so-called rule of law. As an included documentary shows this film is accurate not only in relation to the general flow of the story but even down to the details. Nothing has had to be added or changed to improve the dramatic thrust of the film. The story has quite enough already. Washington puts in a tremendous performance as Carter, who has to be believable both as a boxer and as a man who has served years and years in jail. You cannot help but speculate as to why he did not win the Oscar for best actor last year.



► Al Pacino
in "The Insider"

The Perfect Storm (2000) starring George Clooney.

This was the big epic of last year, presented as a struggle between men and nature. But pay attention to the interesting sub plot here about ownership and why men take such risks on the open seas. As most people know this film is about the fate of a small fishing boat which runs into one of the biggest storms of recent years. However at the start of the film we see how these ships are actually owned by others who take the profits but none of the dangers. With the sailors' income based on the volume they actually catch, the pressure is always there to go out to sea again however risky it might be in order to make ends meet. It is this which forces the doomed ship out again. Added to this is the poor repair of the ships. In a crucial scene, the ice machine on board packs up forcing the crew to attempt to go back through the storm rather than let their catch go rotten. The blame is put on the shoulders of the owners for failing to pay for new machinery. Later one of the owners comes into a bar where relatives are waiting for news to tell them that things are looking bad but that "it is part of the game" to which someone shouts back "its not a game, its our lives!"

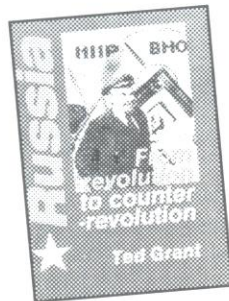
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This book was written as a reply to Monty Johnstone, who, at that time was a leading theoretician of the Communist Party of Great Britain, and who had published a reappraisal of Leon Trotsky in the Young Communist League journal *Cogito* at the end of 1968. Alan Woods and Ted Grant used the opportunity to write a detailed reply explaining the real relationship between the ideas of Lenin and Trotsky, which had been systematically falsified by the Stalinists ever since the invention of "Trotskyism" in 1924. This was no academic exercise. It was written as an appeal to the ranks of the Communist Party and the Young Communist League to rediscover the truth about Trotsky and return to the original revolutionary programme of Lenin.

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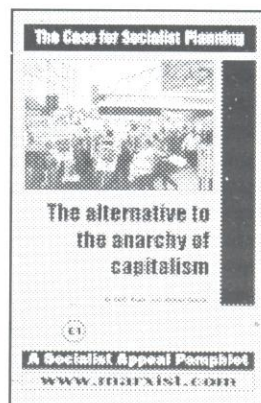
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☆ **Full employment!** No redundancies. The right to a job or decent benefits. For a 32 hour week without loss of pay. No compulsory overtime. For voluntary retirement at 55 with a decent full pension for all.

☆ **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.

☆ **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 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.

☆ **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.

Join us in the fight for socialism!

Socialist Appeal supporters are at the forefront of the fight to commit the Labour government to introduce bold socialist measures. We are campaigning on the above programme as the only solution for working people. Why not join us in this fight? For more details:

Name.....

Address.....

.....tel.....

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tel 020 7251 1094 e-mail appeal@socialist.net