

Socialist Appeal

The Marxist voice of the labour movement

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Millions on the streets

NO

to the Bush-Blair

WAR

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editor: Alan Woods
 PO Box 2626,
 London N1 7SQ
 tel 020 7515 7675
 appeal@socialist.net
 www.socialist.net
 www.marxist.com
 www.newyouth.com

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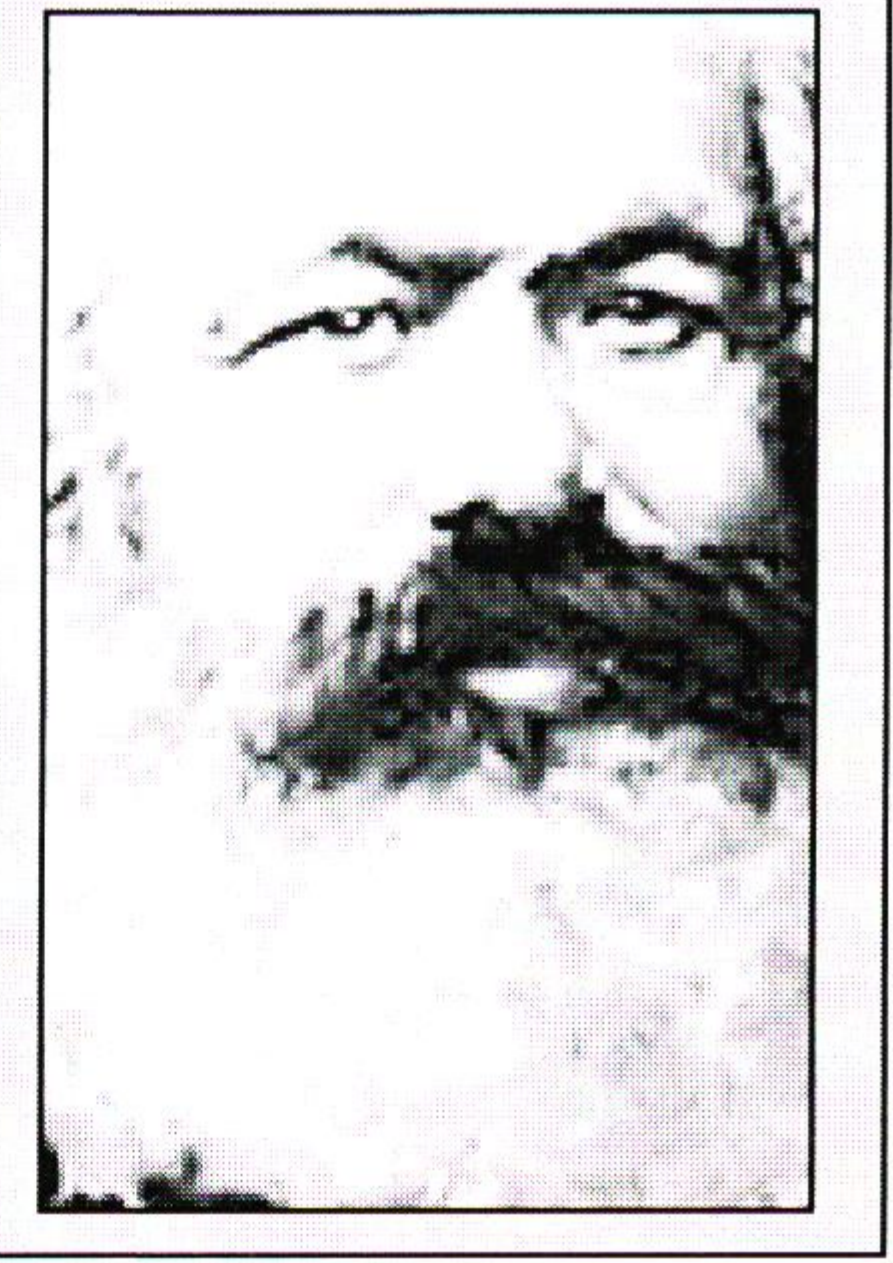
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The deadline for articles for issue 110 is March 15th

121 Labour MPs revolt against war

The Death of New Labour

"There is every reason to think we are about to enter the most dramatic year in the story of New Labour", stated the *Financial Times*.

Without doubt, things are coming to ahead at home and abroad for Tony Blair's government. The unprecedented Parliamentary revolt, in which 121 Labour MPs defied the Labour leadership to vote against war, was the biggest ever against any government. This bombshell reflects the groundswell of opposition within the party and the country

After winning two elections, Blair is arrogantly trying to ram unpopular policies down the throats of ordinary working people.

Firstly, there is war with Iraq. With two million demonstrating on the streets of London and Glasgow, Blair is intent on defying public opinion and waging a bloody war on the peoples of Iraq. He is acting as the lapdog of George Bush. This is producing big splits within the Labour Party, and even rumblings within the Cabinet.

Secondly, the government is squeezing the working class by holding down public sector pay, and proceeding with further privatisation. In January, the contract was signed to begin the privatisation of London Underground, despite the chaos surrounding the scheme and the further concerns over safety after the derailment on the Central Line. The government attacks on the firefighters, even threatening to reintroduce legislation from 1947 to impose a pay deal, have resulted in massive opposition to Blair within the union movement. Although the FBU are in negotiations, the dispute is far from over.

The adoption of university top-up fees, which is based upon Tory elitism, is symbolic

of the approach of New Labour. Again, the promotion of 'foundation hospitals', another Tory proposal, will introduce a two-tier system within the NHS. Private firms are also being allowed to bid to take over NHS hospitals that the government has dubbed as "failing". Blair's crusade to 'modernise' the public services is viewed with alarm in the Labour movement, as it signals an onslaught against terms and conditions. Blair's proposals for the fire service, based upon the Bain report, will mean massive job cuts, reduced fire cover with the inevitable loss of life as a consequence.

Blair's worship of the 'market' and continuation with Tory policies has resulted in a groundswell of opposition in the working class. In one opinion poll the Tories were only a single point behind Labour! In Scotland, where new elections will be taking place again in May for the Scottish Parliament, Labour's support has recently collapsed by eight percentage points. This could see Labour thrown out of the ruling coalition, and the entry of the Scottish nationalists. Such an unthinkable eventuality would send massive shock waves through the Labour movement in Scotland as well as down South.

In December, this situation provoked Bill Morris to state, "the dividing line between the parties seems to be blurred if not erased altogether." Recently, the general secretary of the Labour Party, David Triesman confessed that the unions and labour were "sleep-walking" towards separation. But it is not the trade unions that are straining the union-Labour link, but the Blair government and its anti-working class measures. The revulsion in the ranks of the unions has raised the possibility of one or

two unions disaffiliating from the Labour Party. There will certainly be big arguments over this question at this summer's union conferences.

Blair appears intent on destroying the Labour Party. He has forced things to the very limits in his pandering to big business at home and abroad. Everything is coming together for a massive showdown. The only reason why Blair has partially sidestepped an all-out confrontation with the FBU is the war with Iraq that is consuming all his energies. The idea of taming ("reforming") the public sector has not gone away.

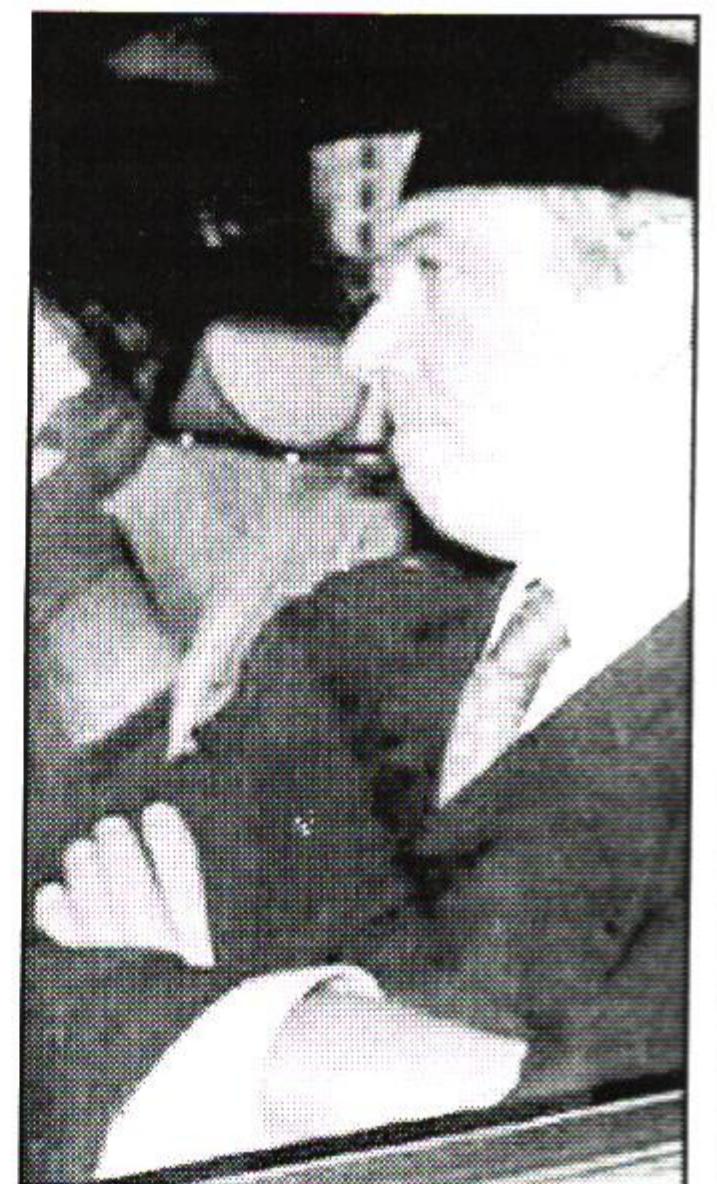
"Tony Blair in 2003 will endure his most uncomfortable year in power so far. The shine has long since gone off his administration. In 2003 the paintwork itself will begin to crack and peel. The British economy will falter, but that will be the least of Mr Blair's worries..." writes Anthony King in *The Economist*.

"Instead, one of Mr Blair's most painful afflictions will be highly disruptive public-sector strikes. For years pay increases in the state sector have lagged far behind those in private business, and in 2003 chronic discontent among public-sector employees-teachers and health professionals as well as manual workers-will turn into outright anger. Some groups of aggrieved workers will take to the street; others will close down parts of the railway system, the London tube and even schools and some hospital services. Britain in 2003 will be like France in almost every year since the second world war. The British public will be annoyed and inconvenienced. But, as in France, it will back the workers. Most ordinary Britons see the Blair government as 'them' and public sector workers as 'us'. They will instinctively side with 'us'. Most

people have friends and neighbours who work in the public sector and regard the long-term clampdown on public sector pay as unfair. The national sense of fair play will come to the workers' aid." (The World in 2003).

With these battles in the offing, it is essential that the trade unions take the fight to Blair. The unions remain the key to the Labour Party. Blair has a very shallow basis of support, now that the unions are shifting to the left. It was the cabal of rightwing union general secretaries that sustained Blairism. Now that has changed, especially with the defeat of Sir Ken Jackson in Amicus/AEEU.

Rather than contract out or worse disaffiliate, the unions must organise a campaign, starting with the lefts, to reclaim the Labour Party for ordinary working people. This must go hand in hand with the fight for socialist policies, based on the original Clause Four, as an alternative to the capitalist policies of Blair. We agree that 2003 could be the "most dramatic year in the story of New Labour", providing we seize the time and put an end to Blairism once and for all. □



Soton: Principled stand against cuts

Southampton City Council have voted through a budget for this coming financial year which will involve a combination of 130 job cuts alongside a massive hike (18-56%) in council tax bills.

by Steve Jones

The budget was presented by the ruling labour group but was only passed on the Tory Mayor's casting vote after Bitterne ward Labour councillor and supporter of *Socialist Appeal*, Perry McMillan, broke ranks and refused to support the proposals for job cuts.

He is now likely to have the Labour whip withdrawn as a result of his principled stand. The budget was actually pushed through thanks to a squalid deal being concocted between the Labour group and the Tories who agreed to abstain in return for minor concessions.

Southampton City Council is just one of many councils, mainly in the South, to have responded to the government's reduced grant settlements by raising council taxes and cutting services. Rather than making a stand against these cuts, which are being used by the government to pay for tax perks to big business, funding for PFI scams and the coming war with Iraq, they have elected to carry out pseudo-Tory measures to balance the books. Sadly this is one of the reasons that many Labour councils are now facing electoral disaster in the coming May local elections despite the ongoing unpopularity of the Tories. The Southampton Labour group should have refused to cut jobs and services and thrown the ball back into the governments court, demanding that they make up the shortfall and provide proper funding. If the Tory/Liberal groups wanted cuts then they would have had to have voted them through themselves and face the consequences in May. As things stand in Southampton the Labour

group will end up taking the blame for failing to defend the interests of working people.

Southampton councillors walked past a demonstration of local trade unionists and council workers protesting against the cuts in order to vote through the budget. Only Cllr. McMillan stayed to speak to them, his stand against the budget gaining loud support from those present. Unison is already operating a work-to-rule policy and, after calling a one-day strike on the day of the vote, are now set to continue the campaign.

A petition has been launched in support of Cllr McMillan which states:

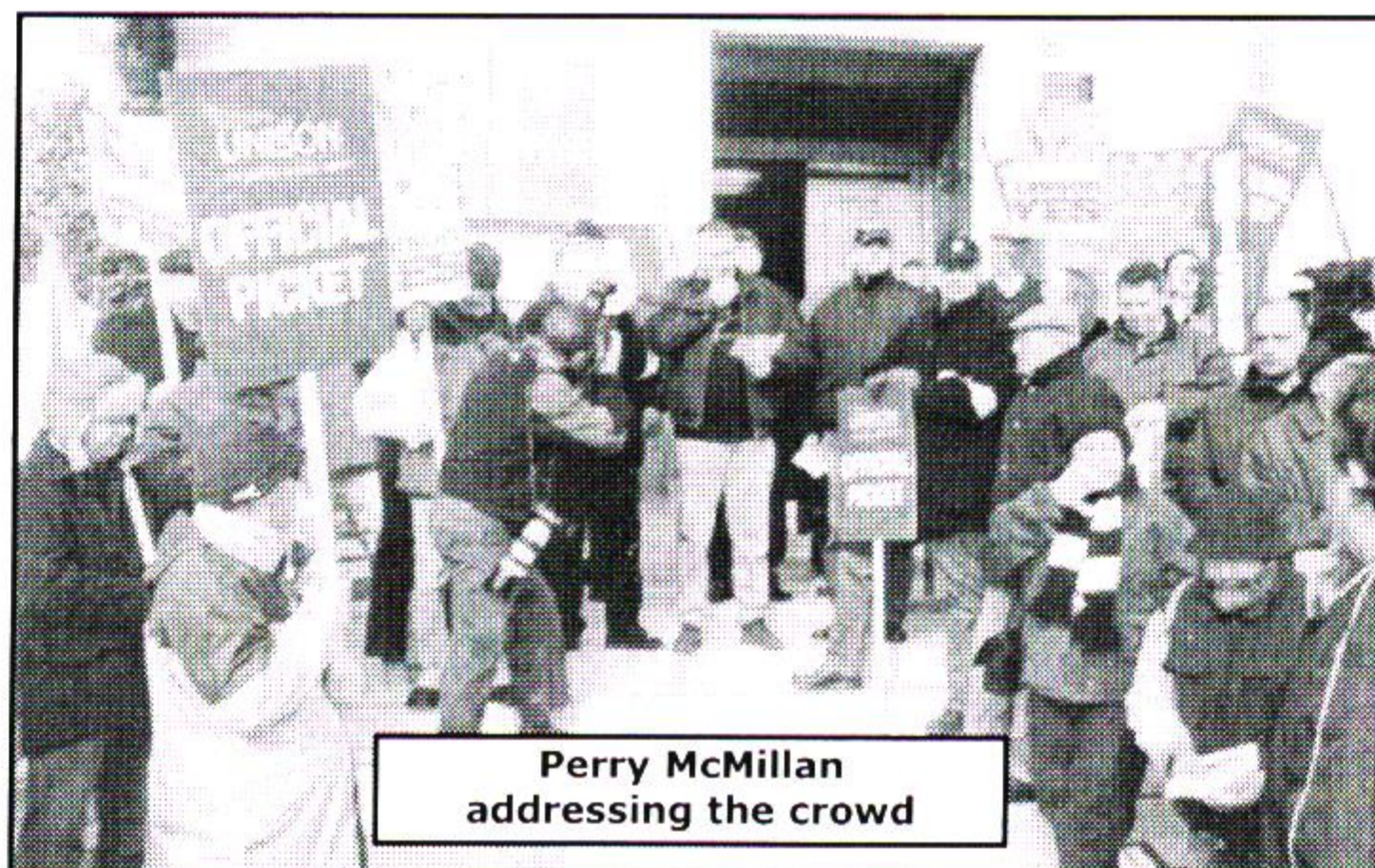
'We the undersigned recognise the courageous stand of Councillor Perry McMillan against redundancies and cuts in Council services and against a massive council tax rise of 19%. We urge Southampton Labour Party and Labour Group to recognise that Councillor McMillan has been a loyal member of the Group and has abided by Party policy and Group decisions. We realise that this was a vote of conscience from someone who has been

made redundant many times in the past. Therefore, we further urge that Councillor McMillan is not debarred from fighting his seat in Bitterne Ward for the Labour Party in May.'

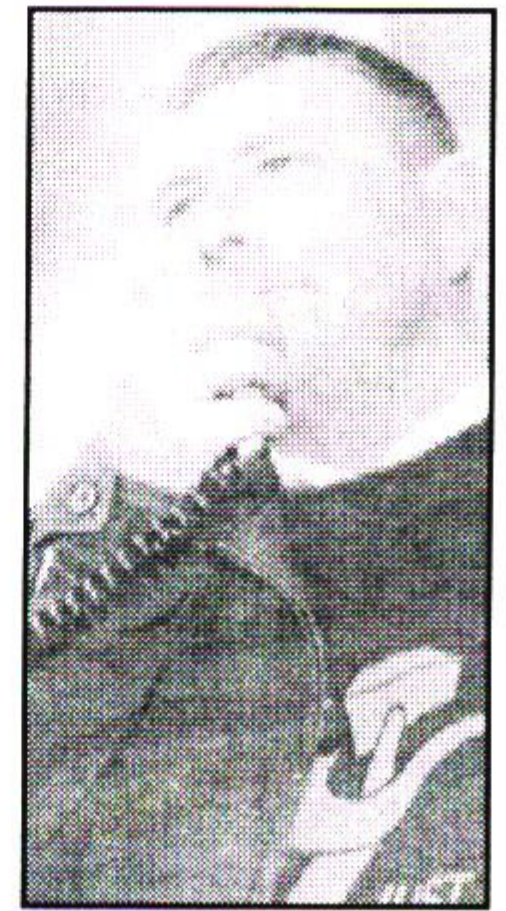
Those who have signed the petition are in good company as it has already been signed by:

BILLY BRAGG,
JOHN MCGHEE National strike organiser FBU
ANDY FRAMPTON Southern Regional Secretary T&GWU
GEOFF MARTIN London Convenor UNISON

It has also been signed by local trades unionists, Labour Party activists and members of the public. Labour movement activists up and down the country should be cheering Perry McMillan's stand against the position of support for cuts in services being taken by many Labour groups at present. Pressure should be put on Southampton Labour group not to take action against Perry but rather to remember why they were elected in the first place and who they are supposed to be serving. □



Perry McMillan addressing the crowd



Cllr. Perry McMillan read a statement from the steps of the Civic Centre detailing his reasons, as follows:

"As somebody born and bred in Southampton, I am extremely proud to represent the people of Bitterne Ward as a Labour Councillor. I believe that in my day to day work with individuals, community associations, groups and other agencies, I have always acted in the interests of ordinary working people and as such, I cannot vote for the budget as presented by the Labour Group.

I have been made redundant 10 times in my life and it is an awful experience for workers to undergo. The reality is that local authorities are being forced to do the government's dirty work whilst billions of pounds are being diverted from western economies to be spent on a war that the vast majority of people clearly oppose.

As a socialist I have to stand on the principle that workers jobs and interests must be defended by the Labour Party, not attacked in the current manner. I remain fully and utterly committed to the workers and ordinary people who voted for me and intend to continue as a Labour councillor for Bitterne Ward.

This is a vote of conscience and I ask the people of Southampton and Southampton Labour Party to acknowledge and respect that."

Messages of support for Perry's stand are most welcome and can be e-mailed to him at:

councillor.p.mcmillan@southampton.gov.uk



Peugeot Workers Take Action

Production at Peugeot's Ryton plant in Coventry came to a standstill at 6am on 13th February, when TGWU and Amicus AEEU members took strike action over pay.

by Damon Cummings

The one-shift, 36 hour strike was the first shot in what may become an extended programme of action to force Peugeot back into pay talks.

The two year deal on offer is described by the company as being worth 7.3%. However, as the unions point out, the consolidated increase in the first year is only 3.6%, significantly below the deals achieved at both Ford and Jaguar. These companies have made heavy losses, compared to the huge profits generated for Peugeot by the workers at Ryton, home of the successful 206 model. Added to this, the company's decision to impose a 1% increase in pension contributions over the two years further erodes the value of the offer.

The complete success of the strike, despite relatively narrow majorities for action in both unions, clearly shows that there is an opportunity to build a campaign of action to force Peugeot back into talks. Management have responded to the strike with thinly veiled threats to Ryton's future, such as a delay in new investment at the plant's paint shop and confirmation of plans to build a new plant in Slovakia. This has not deterred the unions from calling a further one-shift strike spread over the 7th, 8th and 10th March. If Peugeot fails to respond to this action, the question of escalation will be firmly on the agenda for workers at Ryton.

The car industry in the West Midlands used to be a byword for workplace organisation and militancy. Years of attacks on jobs, pay, conditions and union organisation convinced many that those days were gone for good. Combined with recent developments at the Longbridge plant in Birmingham, the strike at Ryton shows that this is not the case. The new mood which is developing on the shopfloor offers an opportunity for the trade union movement to go back onto the offensive.

BBC sackings: "a lackey of the Foreign Office"

The National Union of Journalists is accusing the BBC of betrayal and of opening its World Service radio to charges of being "a lackey of the Foreign Office" over the sacking of two union activists.

The two journalists -- Adli Hawwari and Abdul Hadi Jiad -- work for the Arabic Service, the biggest language section of the World Service. They were sacked on the spot. They were not allowed union representation or a right to appeal and were told to leave the building at once.

Adli Hawwari is a member of the BBC Forum, the representative body set up to consult the staff. He is a member of the NUJ National Executive Council and Deputy Father (and former Father) of the BBC Language Services Chapel. Abdul Hadi Jiad is an Arabic Service colleague who four years ago won a landmark Employment Tribunal case for racial discrimination against the BBC.

The BBC has accused them of making too many complaints about conditions in the Arabic Service. It has confirmed that the dismissals were ordered by Director-General Greg Dyke.

Deputy General Secretary John Fray said: "This is the ultimate betrayal of free speech by Greg Dyke in the name of the BBC.

"Two Arabic Journalists sacked for always being prepared to speak out against the World Service's inherently discriminatory employment policy.

"When others gave up they were never prepared to stand by and let the unfair treatment of

colleagues working in the language services go unchallenged."

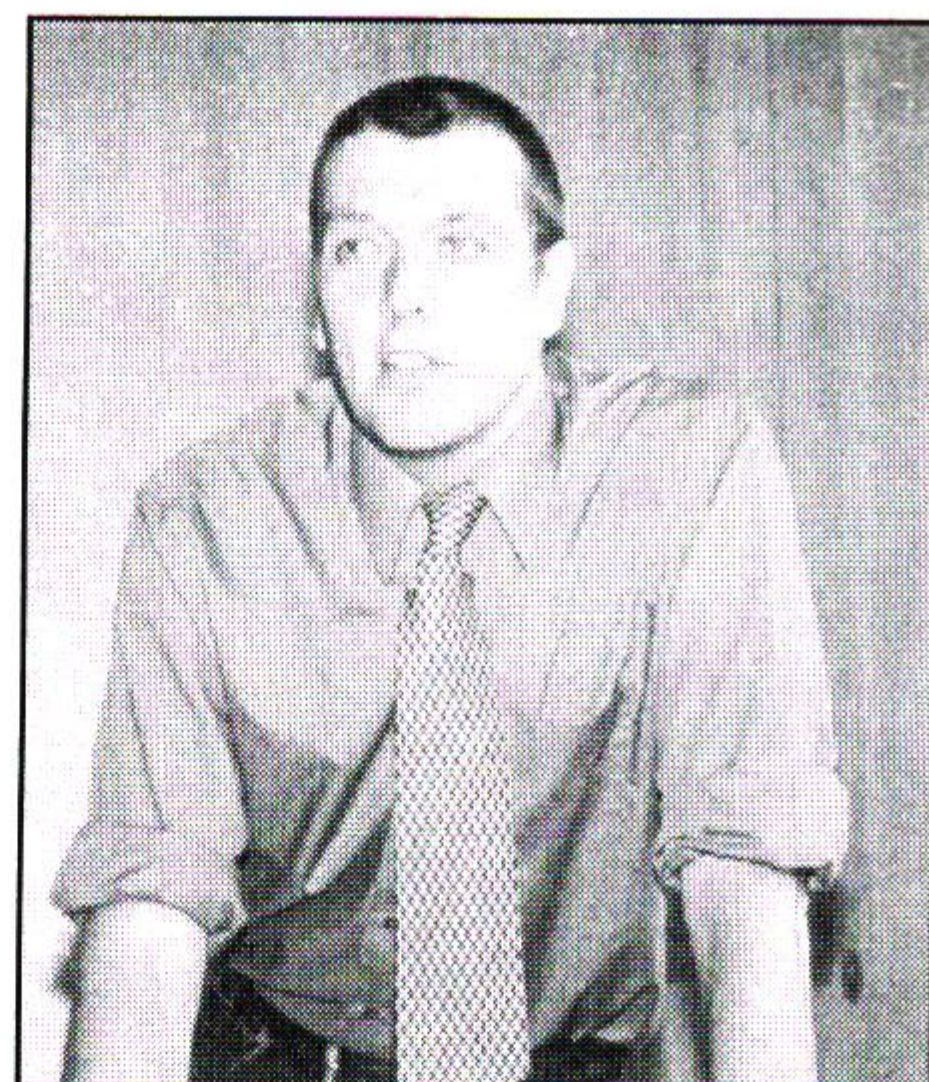
"Today they have not been given even the right of representation or appeal. The BBC has flouted all the laws of fairness and its agreements with the union and victimised these journalists."

For more than 10 years there have been disputes at the Arabic Service over the discriminatory treatment of Arab staff, and over the coverage of Middle East conflicts. Arab journalists have felt sidelined by the BBC's staffing and editorial decisions.

John Fray said: "The BBC has laid itself open to accusations of the World Service being the lackeys of the government.

"Is it a coincidence that two Arabic service journalists are sacked when a war over Iraq is on the horizon? Let us not forget that it is the British Government that pays, for the World Service through a Foreign Office grant."

NUJ General Secretary Jeremy Dear said: "Even the BBC have admitted this action is completely unprecedented. This is total victimisation."



Inland Revenue: "Making their assets sweat"

**By Martin Page,
Branch Secretary,
Leicester Revenue Branch
Personnal Capacity**

The government is making 'reforms' and 'efficiency savings' (read 'attacks' and 'cuts') on all sections of the civil service. In the Inland Revenue department we have an increasing amount of new work being delegated to us, such as New Tax Credit, and various other bits of work on the back of it. In doing this, the management is quietly taking work away from what were Job Centres, dole offices and the CSA.

Coupled with an increasing workload the government is demanding that we implement new working practices. There are different schemes being operated by the management in different areas. They have set up Area Management nationally which is centralisation of 'core functions', members of PCS have been 'invited' (all voluntary unless you want promotion!) to sign up to new contracts (called PN103 contracts), under the new contract they can be asked to work any five days out of seven, and many new staff

(all eventually no doubt!) are being recruited on these contracts. In 1972 civil servants achieved flexi-time that is now seen as the only benefit left. Staff were avail-

able to the public from 10 am till 4 pm, Monday till Friday; under the new regime we are open from 8.30 am till 5 pm. With the move towards 'Contact Centres', the counters will be open between these times, and in addition we will also have to man the phones from 8 am till 8 pm.

So they are trying to 'make their assets sweat'. They do not want offices and phones to be sitting idle, instead they want to push the workers to work longer and harder without increasing their pay; this is moving towards the creation of a shift system. It seems that their end target is a 24-hour civil service. The problem that they have is that the workforce is not going to just lie down. Many workers are on the old contract system of 37 hours a week, Monday to Friday. The management wants to open longer, but they cannot do it with the existing staff, so there is a constant drive to force the old staff out. When a person leaves they can bring in new people under a new contract.

Inland Revenue staff are being asked to consider introduction of a 'Team Pay' agreement, which is based on an agreement that was made last year through a pay ballot. The Treasury has not delivered the information that is required in order to develop a bonus paying or 'Team Pay' system. Because of this, the National Executive Committee of the PCS Revenue Group has decided that it will hold the Inland Revenue management to the

3-year deal that was agreed last year.

This 3-year deal would mean a 2.5% pay rise backdated from last August, a 2.25% pay rise from this August and a 2.0% pay rise from August next year. These pay rises included money for increments, something that the left in the union have long argued should be separate from any overall pay award. In the last week the group executive committee have agreed to hold the Inland Revenue to these payments on the basis that they have not delivered the information that was required to develop the new pay system.

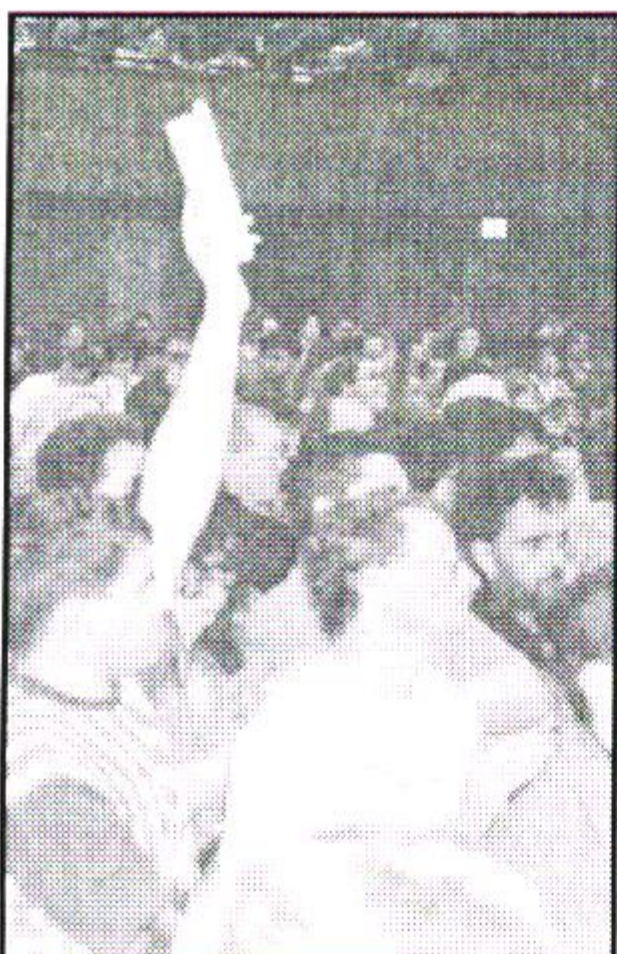
The left in the union have argued that we should ballot our members on the issue immediately. But the right-wing organization 'IR Membership First', which currently has the majority on the Revenue Group Committee have refused to ballot the members; they argue that we should accept the pay rises without a ballot. The pay rises have no real significant benefit to the membership, and tie our hands for the next two years, while many other changes are implemented around us.

Management proposed changes include the move towards 'functionality' and breaking down jobs into their basic components, which really means the creation of a factory-style system. Many national PCS negotiators, usually the un-elected fulltime officers, have agreed to various changes in working practices around the country to the detriment of ordinary

union members. Certain individual branches, such as Leicester are actually fighting some of these issues, one of which was the idea of using agency staff to implement the New Tax Credit system; this has been successfully resisted after initial agreement by the national union. Further changes are the move towards Contact Centres, where members are having all but the basic job taken away from them, so instead of varied and changing work they are put into doing the same repetitive job over and over again.

Local branches like Leicester have been opposing this and are currently in the forefront of resisting these onslaughts. They not only have defended their members against the 'reforms' that are taking place in the Inland Revenue, but also against agreements that are being made on their behalf by non-elected fulltime officials. GEC election nominations are currently being sought. It is imperative that we get Left Unity candidates elected and that we campaign hard across the country to ensure this becomes a reality.

To defend workers rights adequately, and give a national lead in the struggle to check the government's attacks, will take a major change in the leading body of the union. We must have a left wing NEC and GEC to complement the election of Mark Serwotka, the left unity candidate for General Secretary. □



Time to fight back!

by Peter Currall, Amicus/AEEU
convenor Corby steel works,
personal capacity

At the end of last month speculation was rife in the media about the likelihood of a further 1,500 job cuts in Corus. This would be on top of over 6,000 cuts from UK plants since 2001. Despite the rumours of job cuts, the collapse in share prices from 170p in 2000, to 15p at the beginning of this month, and the expected operating loss this year of £400m, the workers have been kept in the dark.

Corus has fallen behind its main competitors on the world steel arena. In the current world market, with rapidly declining demand, there has been a massive increase in overcapacity, which has brought cutthroat competition between producers. Corus has come under pressure from cheaper, or more efficient, foreign producers. Because of this despite rising steel prices Corus is losing market share to more competitive rivals.

In an attempt to extricate themselves from the difficulties they face the Directors of Corus in July 2002, tried to take over CSN, a Brazilian steel manufacturer and mining operation. The main reason for the merger was to guarantee a cheap supply of raw materials which would save Corus £250m a year. They might also have had thoughts about cutting jobs, and shifting production to CSN plants, where labour costs would be much lower.

By November of 2002 the merger with CSN had fallen through. Corus share prices collapsed from 70p at the time of the merger to 27p after the failed merger, and the company was left with its loss-making plants in Europe. Corus have

failed to invest in new plant, and have therefore fallen behind. They are trying to takeover or merge with a producer in a country with low wages so they can gain an advantage by cutting production costs. But now they are left with very limited capital, and because of the low share price and high debt level, it is difficult to raise any money for investment from sale of stock, or new loans.

The company is trying to 'slim down' and introduce 'efficiency savings', which is managerial shorthand for making job cuts, and investing in plant in locations with low labour costs. They are desperate to raise cash, so they are selling some of their non-steel operations. The company management is now beset with an internal wrangle over the plans to sell off the remainder of its aluminium processing operation for £500m to the French producer Pechiney.

In the meantime neither the workers nor the unions have been told what is going on. There is an atmosphere of incredible instability, we do not know if we are going to keep our jobs or not, because we are getting no information from the bosses. Wages were frozen in 2002, which was a sacrifice reluctantly made by the workers to try to keep their jobs. Discussions began on March 3rd on the wage rise for the next year, but patience is now beginning to wear thin.

On March 14th Corus is expected to announce a massive operating loss of £400m. The Corby plant alone is budgeted to lose £3m in the next year, what a position to start from! I have been told that 40 job losses would save £1m a

year. But I would be reluctant to accept this, we have given an inch before and they always take a mile.

We must refuse to accept any further redundancies! All sectors, of manufacturing are in crisis, we are on the verge of losing the privatised mining industry, and everywhere you look there are job cuts. In the current industrial climate attacks are on the agenda and workers must be prepared to take action to defend their jobs.

Why should the workers pay the price for the crisis the managers have brought on the company? If there is not enough work to go round, jobs should not be cut. We should demand a reduction in working

hours without any loss of pay.

At the end of the day if the incompetent Corus management are incapable of running the industry without making huge cuts, then we must put pressure on the Labour government to nationalise the industry under the control and management of the workforce - while there is still an industry left to nationalise!

This can be combined with the nationalisation under workers control of other failing sections of the economy. That way we can develop a national plan for production and development in the interests of working people, rather than in the narrow interests of the bosses. □

Union leaders demand special TUC conference on war

The leaders of unions opposed to the war on Iraq have demanded a special conference of the Trades Union Congress.

Mick Rix, general secretary of ASLEF, Jeremy Dear, general secretary of the NUJ, Paul Mackney, the leader of NAFTHE, Billy Hayes of the CWU, Mark Serwotka of PCS and Bob Crow of the RMT have pressed the TUC under rule 8K to convene this special conference. The rule states "In order that the trade union movement may do everything that lies in its power to prevent future wars, the general council shall, in the event of there being a danger of an outbreak of war, call a special congress to decide on industrial action, such congress to be called, if possible, before war is called".

This unprecedented move also coincides with the threat of industrial action in the event of a military attack on Iraq.

“Market fundamentalism”

Stiglitz blows the gaff by Joseph Stiglitz

Reviewed by Mick Brooks

Maverick Nobel prize-winning economist Stiglitz lifts the lid on his years as Chief Economist to the World Bank and what really goes on behind the scenes. Though he's certainly no Marxist, his insights confirm the correctness of the Marxist outlook on the world economy and its ruling institutions. However, Stiglitz's book is not really about globalisation. It's about global institutions, particularly the International Monetary Fund and the World Bank. Joseph comes across in his book as a decent cove who took the top job so he could improve his fellow human beings' lot. He did not succeed.

He asked himself "What could we do about the 1.2 billion people around the world living on less than a dollar a day, or the 2.8 billion people living on less than \$2 a day - more than 45 percent of the world's population?" His answer came back from the facts in the book - their plight actually got worse over the 1990s.

Certainly there's a bit about the turf wars between the two bureaucracies of the IMF and the World Bank in his account. The IMF, in particular, is driven by a hard right theory called the Washington Consensus - Stiglitz describes it as 'market fundamentalism'.

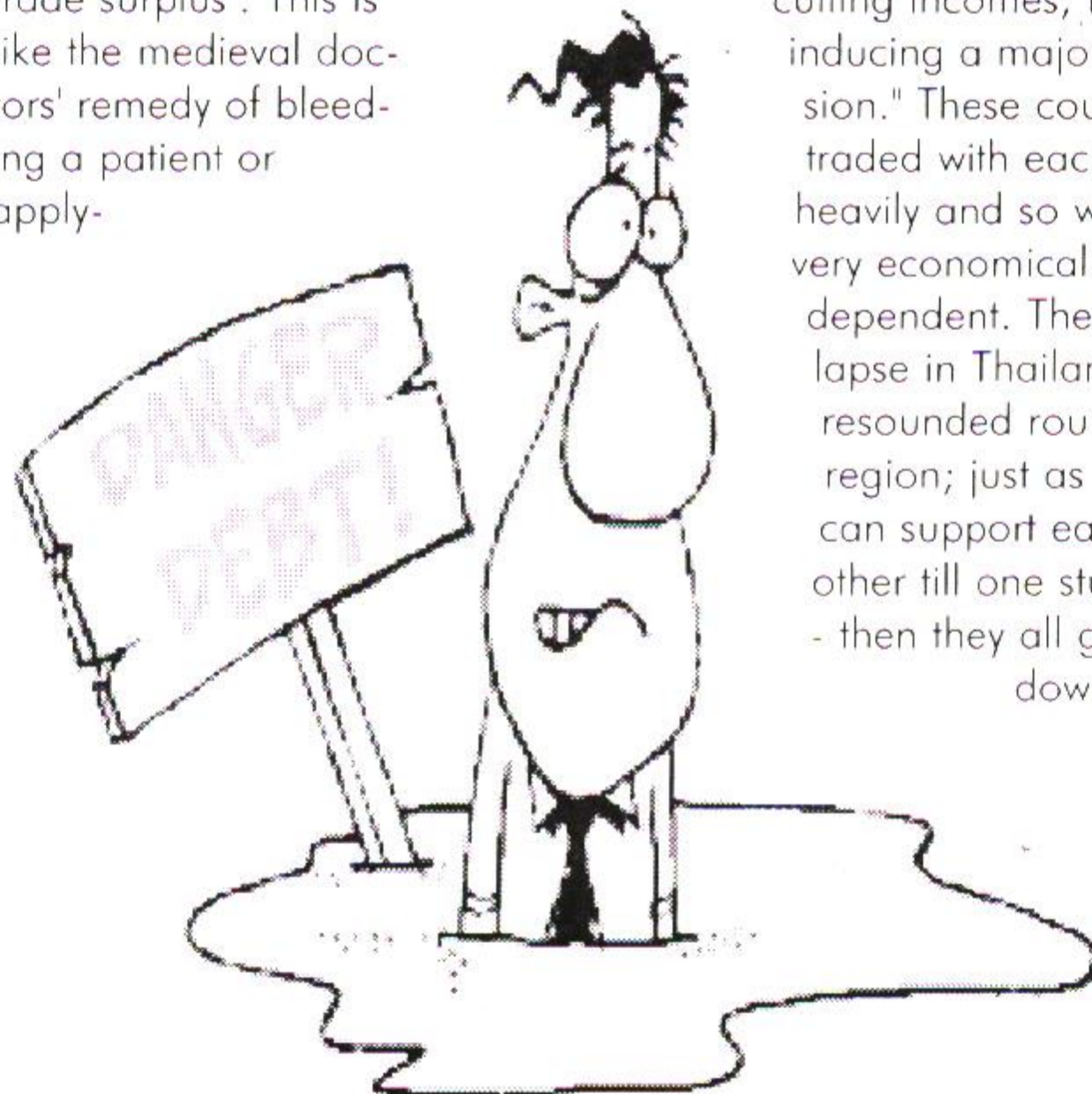
Stiglitz's story is devastating. The IMF screwed up big time. Every chapter heading tells the tale - 'The East Asia crisis: how IMF policies brought the world to the verge of a global meltdown' and 'Who lost Russia?' are examples. The problem, according to Stiglitz, is 'mistaken economic theories'. Is that really all there is to it?

The East Asia crisis began in the summer of 1997 when a

tidal wave of speculation drowned the Thai currency, the baht. It emerged that Thai capitalists had been borrowing from abroad like there was no tomorrow to 'invest' in property speculation. As a result they were running a big deficit with the rest of the world. And Western banks were happy to hurl money at them. Then the property bubble burst, as bubbles do. The collapse led to a 'contagion' of slump spreading throughout the region.

Cutting deficits

According to Stiglitz, in East Asia after 1997 "IMF policies not only exacerbated the downturns but were partially responsible for the onset". And he's right. "The IMF typically provides funds only if countries engage in policies like cutting deficits, raising taxes or raising interest rates that lead to a contraction of the economy." and "Countries were told that when facing a downturn they must cut back on their trade deficit, and even build a trade surplus". This is like the medieval doctors' remedy of bleeding a patient or apply-



ing leeches to their limbs when they were suffering from a fever. The patient stopped being feverish - sometimes by dying - because of the shortage of blood. But the fever, like the trade deficit, was just the symptom, not the disease itself. And how were the deficits to be curbed? Well, by making the people so poor (bleeding them) that they couldn't afford to buy imports any more. As Richard Littlejohn says, 'you couldn't make it up'. But that's what the IMF insisted on.

"Bankruptcy and standstills were not (and are still not) welcome options, for they meant that the creditors would not be repaid". Likewise devaluation is ruled out by IMF orthodoxy for a country in crisis. Why? Because it means creditors will be paid out in devalued coin. And tariffs? No, no. That would stop capitalists in the rich countries blowing developing country industries out of the water. "With tariffs and devaluation ruled out there were but two ways to build a trade surplus... to reduce imports - by cutting incomes, that is, inducing a major recession." These countries traded with each other heavily and so were very economically interdependent. The collapse in Thailand resounded round the region; just as drunks can support each other till one stumbles - then they all go down.

The IMF is not about 'mistaken economic theories'. It is about the hard-faced interests of creditors. When the IMF goes in it does so to save the creditors, that is the rich financial institutions in the advanced capitalist countries not the wretched of the earth, as we shall see in Stiglitz's case study of Russia. Does a loan shark worry if the occasional wretched victim is driven to suicide? No, 'it's a lesson to the others'. And if the IMF have made things much, much worse for their favourite patient - Argentina - as Joseph Stiglitz convincingly shows they have, then that's just too bad.

The IMF's quack remedies

Not only did the IMF crash round the third world making people poorer as a deliberate act of policy, they awarded certificates of credit-worthiness to national economies according to how emaciated they had made them. Their credit rating is an important badge for poor countries to win so western banks will keep on lending to them. Take the well-known basket case Argentina, for instance, "a country like Argentina can get an IMF 'A' grade, even if it has double-digit unemployment for years, so long as its budget seems in balance and its inflation seems in control."

This seems heartless lunacy to Stiglitz and, I expect to readers of this journal. But, "though this be madness, yet there be method in it", to quote Shakespeare. Argentina got an IMF 'A' grade for starving its children. Likewise a money lender doesn't care whether a debtor starves their children as long as they get their payments

in on time.

And surely that's the point. The IMF is not an institution for making poor people's lives better. It's a debt enforcer for the rich countries. With IMF 'rescue' operations "there were billions and billions for corporate welfare, but not the more modest millions for welfare for ordinary citizens."

Stiglitz occasionally hints at the deeper problem with the IMF and other global capitalist institutions, as in the chapter 'The IMF's other agenda'. "Stan Fischer, the deputy managing director who played such a role in the episodes described in this book, went directly from the IMF to become a vice chairman at Citicorp, the vast financial firm that includes Citibank. One could only ask, was Fischer being richly rewarded for having faithfully executed what he was told to do?"

He goes on, "The IMF is pursuing not just the objectives...of enhancing global stability and ensuring that there are funds to pursue expansionary policies. It is also pursuing the interests of the financial community. That means the IMF has objectives that are often in conflict with each other." And, as an insider, he can spell it out in chapter and verse.

For instance Stiglitz convincingly makes the case that removing capital controls puts small countries at the mercy of waves of speculative 'hot' money, and destabilises their economies. And yet the IMF in particular just takes it for granted that it's got to happen. Is this because it's in the interests of the bankers who run the IMF? "Surely...there must be some basis for their position, beyond serving the naked self-interest of financial markets, which saw capital market liberalisation as just another form of market access".

After the East Asian catastrophe that the IMF did so much to make worse, the unfortunate countries in the region had to sell their assets

at what Stiglitz calls 'bargain basement prices'. Who conducted these sales and trousered the juicy commissions? "The sales were handled by the same foreign financial institutions that had pulled out their capital, precipitating the crisis." These Western banks are like that contract killer bloke in the 'Road to Perdition' who moonlights for the papers by taking photos of the deceased - who he's just killed.

Wrong on the IMF

However, Joseph Stiglitz is dead wrong about one thing. He thinks the IMF has been subverted from its original purpose. "Over the years since its inception, the IMF has changed markedly.... Founded on the belief that there is a need for international pressure on countries to have more expansionary economic policies...". In other words Stiglitz believes the IMF was an institution founded on Keynesian principles.

And he believes Keynes to have been a great man. "In the 1930s, capitalism was saved by Keynes, who thought of policies to create jobs and rescue those suffering from the collapse of the global economy."

Actually the Great Depression bottomed out in 1933. It is true that in 1936, the year in which the first edition of Keynes' principal work *The general theory of employment, interest and money* was published, tens of millions languished in poverty and unemployment all over the world. But Keynes was regarded as a rebel against the then economic orthodoxy, and at first his book had no effect on policy. It was only during the Second World War, when workers swapped the horrors of war for unemployment, that Keynesianism became the new orthodoxy.

Keynes went to the Bretton Woods Conference at the end of the War as the most famous economist in the world. He had a plan for the

international economic institutions - the IMF and World Bank - which the proceedings set up. Contrary to Stiglitz's 'history' his plan was utterly rejected. Surely not because Keynes was stupid or his arguments were wrong! Keynes lost for the same reason the poor countries always lose the argument now. He was the representative of a debtor country - Britain - that had no negotiating muscle. His American counterpart Harry Dexter White bulldozed all his proposals through on behalf of the only creditor country in the world at that time. As the economic powerhouse the States could call all the shots. The IMF and World Bank were set up from the word go as muscle men for the rich and powerful.

In case you think Stiglitz is just some big softy among bourgeois economists, he is also very critical of the IMF rescue plan for Russia the following year. And he's quite right. The Russian rouble was massively overvalued by any objective criterion in 1998, a dead parrot nailed to its perch by massive interest rates. "If for... the country as a whole, the overvalued exchange rate was a disaster, for the new class of businessmen the overvalued exchange rate was a boon. They needed fewer roubles to buy their Mercedes, their Chanel handbags, and imported Italian gourmet foods. For the oligarchs trying to get their money out of the country too, the overvalued exchange rate was a boon - it meant they could get more dollars for their roubles, as they squirreled away their profits in foreign bank accounts". So the IMF conspired with the mafia in the restoration of capitalism, as the ruin of Russia was called.

The IMF mobilized millions (of our money when it comes to it) to save the rouble from the speculators. They failed. "By lending Russia money for a doomed cause, IMF policies led Russia into deeper debt, with nothing to

show for it. The cost of the mistake was not borne by the IMF officials who gave the loan, or America who had pushed for it, or the Western bankers and the oligarchs who benefited from the loan, but by the Russian taxpayer." The IMF throughout this episode "allowed a few smart money managers (more accurately white-collar criminals - if they did what they did in the...United States, they would be behind bars) to walk off with millions of dollars of others' money." Why? As Stiglitz explains, "bankruptcy and standstills were not welcome options, for they meant that the creditors would not be repaid." The IMF was not bailing out the Russian people. On the contrary, they picked up the bill. They were bailing out their taskmasters, the Western banks.

What guarantees did the prudent and experienced bankers at the helm of the IMF demand? Just the word of a scoundrel. "When Chubais was asked if the Russian government has the right to lie to the IMF about the true fiscal situation, he literally said, 'In such situations the authorities have to do it. We ought to. The financial institutions, despite the fact that we conned them out of \$20 billion, knew that we had no other way out.'" To add insult to injury, "When the IMF was confronted with the facts - the billions of dollars that it had given (loaned) Russia was showing up in Cypriot and Swiss bank accounts just days after the loan was made - it claimed that these weren't their dollars."

Privatisation

Joseph Stiglitz is not a socialist. One of his chapters is entitled 'Better roads to the market'. Though he agrees with privatization (or 'briberization' as he tells us it is called) in Russia and Eastern Europe in principle, he believes the way it was carried out was botched. The least unsuccessful of the East

European economies is Poland. "Former deputy premier and finance minister Grzegorz W. Kolodko has argued that the success of his nation was due to its explicit rejection of the doctrines of the Washington Consensus." And Stiglitz concludes that in the case of Russia, in taking the 'best' advice from the West's economic establishment, "must treat what has happened as pillage of national assets, a theft for which the nation can never be recompensed."

Liberalisation

Stiglitz's comments on opening up to foreign capital give the lie to the notion that the power of nation states being washed away by the tide of money of 'globalisation'. On the contrary the imperialist powers use the global institutions - the Bank, IMF and the World Trade Organisation - to jemmy open the markets of the poor countries. The French government, for instance went out to bat for their water company Suez Lyonnaise, which unexpectedly found itself in a bum deal when it bought into an Argentinian water utility. The French government used its influence to see Suez Lyonnaise alright - at the expense of the Argentinian people, of course. Free markets? They're OK for suckers.

'Do what we say, not what we do' is imperialism's watchword. Look at Botswana. "Shortly after independence, the (diamond) cartel paid Botswana \$20 million for a diamond concession in 1969, which reportedly returned

\$60 million in profits a year. In other words the payback period was four months!" An IMF economist advised Botswana, strictly off the record, that this was not a good deal. The Bank demanded it be understood the economist was not advising Botswana on behalf of the World Bank. Botswana replied, 'that is precisely why we are listening to him.'

Or let's look at Haiti for another instance of the lunacy of market fundamentalism. Haiti had their arms twisted to lift all controls on imports of grain. American grain imports poured in, all propped up with massive subsidies from the American government, and sank the small farmers. According to the neoliberals, the resources thus 'liberated' should have automatically 'flowed' to some other and more productive use. Strangely, they didn't. The 'resources' (peasants) starved and starve still. As Stiglitz puts it, "...moving resources from low-productivity uses to zero productivity does not enrich a country, and this is what happened all too often."

Joseph Stiglitz presents a trenchant critique of economic orthodoxy in practice. He shows the economic theory they operate on is rubbish. He is not always clear that 'mistaken economic theories' are not the root of the problem. The economics is indeed rubbish, but it is rubbish that well serves the interests of the rich and powerful. Joseph Stiglitz has done us all a favour by showing the squalid, self-serving nature of our ruling financial institutions. □

It's official - capitalism doesn't work

In his book 'The Wealth of Nations' (regarded as the founding classic of bourgeois economics) Adam Smith gives us his alternative to planning the economy, as we socialists advocate. It is the 'invisible hand' of self-interest. We look to get our daily bread from the butcher, baker and brewer not by appealing to their altruism but by reminding them (if they need reminding) that it is in their interests to produce the goods and sell them to us.

Smith says, "by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention".

Got it? Self-interest means chasing the money. You can't make money in the end, Adam Smith asserts, unless you produce something someone wants enough to pay for.

We have a very slight problem. Capitalism doesn't present the fine picture of the harmonisation of interests Adam Smith paints, where all's for the best in the best of all possible worlds. What's wrong with the theory of the invisible hand?

In a recent article in the *Guardian*, Joseph Stiglitz quotes the research of a psychologist Kahneman who "shows not only that individuals sometimes act differently than standard economic theories predict, but that they do so regularly, systematically and in ways that can be understood and interpreted through

alternative hypotheses, competing with those utilised by orthodox economists." Stiglitz goes on to draw the conclusion that last year's Nobel prize winners "implied that markets were not, in general efficient...Adam Smith's invisible hand - the idea that free markets lead to efficiency as if guided by unseen forces - is invisible, at least in part because it is not there." The article is entitled 'There is no invisible hand!'

The problem, as Stiglitz sees it, is that people don't always know what's best for them. And the people who want to find out what they want so they can supply it are also not omniscient, as economists say in the trade (that means they don't have all the information in the world before them). What sort of doctor would let you dose yourself up against an illness with pills that were yellow, just because that was your favourite colour?

But if you don't always know what's best, what chance has anyone else got of guessing? Adam Smith's homely example of the village alewife and baker is profoundly misleading. They might know what people want, but that's because they know everyone in the village, not because of 'market signals'. What chance do modern multinationals have of reading our minds? Perhaps that's why they spend so much money on advertising and such like in trying to tell us what to like.

If the invisible hand doesn't work, that means socialist planning is on the agenda.

Youth pay the price of crisis

Recent figures from the Tyne and Wear Research and Information Unit (TWRI) indicate that youth unemployment is rapidly increasing in the Tyneside Area. Figures for Newcastle between January 2001 and January 2002 rose by 45.1%, while the figure for North Tyneside was 54.1%. Once again young workers are being expected to pay the price for the crisis in British and World Capitalism. These figures will no doubt

be repeated throughout the country. No need to send in Doctor Blix to investigate this one though, its a blatant example of Capitalism doing what it does best, preserving profits at the expense of working people. 10,000 jobs have disappeared in one town alone, North Shields, in the past 20 years. The ruling class have always been dab hands at mass destruction. Perhaps we need a regime change?

As Hoon goes on holiday squadies slum it...

by Kris Lawrie

According to an MOD report one in three British front line troops has low morale, while only 19% thought morale was high. None of this seems to have bothered the government much. At the end of Last month, as these findings were published, the Defence Secretary went AWOL.

Geoff Hoon, or Buffhooon as he has been nicknamed, staged his great escape in true military style, and fled to Switzerland. From there he travelled to his luxury chalet in the French resort of Chamonix at the foot of Mont Blanc, the cost of the weekend was reported to be £1000.

But on a salary of £118,000 a year, thanks to a 40% wage rise last year, Mr Hoon can certainly afford it. But the Defence Minister is obviously so overworked that he has not had time to give the proper thought to the other holiday

options available to him. For only a few thousand pounds more he could have hitched a ride to the Middle East with his brothers in arms.

Admittedly there is an acute shortage of food in the British camp, and it is not quite up to the same standard as the Hameau Albert hotel in Chamonix, (from £70 a main course) which has just been awarded its second Michelin star. It is lucky for the British troops that the American capitalists in the form of KFC and MacDonaldis have decided to gallantly step in and help the war effort by setting up outlets, selling burgers and fries to the lads.

And yes, due to the incompetence of Mr Hoon's department there is no toilet paper, shower facilities, or dessert uniforms, and British forces are sleeping in dirty old tents. While the Americans just across the road, in their air-conditioned tents, with an adjoining toilet

and shower block, have nicknamed their British cousins The Borrowers because they are always popping by to pinch food and equipment, and use the toilets and showers.

The biggest complaint is the lack of modern equipment. British troops have guns whose plastic components disintegrate in the heat, and jam when a grain of sand gets stuck in the barrel. The American troops have a sophisticated hydration system, which allows them to drink on the move; the British troops store water in a bottle in their backpack. Since most of the fighting will be done at night so the Americans have brought sophisticated night vision goggles, and radio communicators; the British troops will have to

fight in the dark.

But the government still insists that morale is high, even despite of the recent warnings from the Commander-in-Chief, Sir Michael Boyce. But neither Boyce nor the government ministers will have to do the fighting. Under these conditions is it any surprise that morale is low.

Having returned from his Alpine tour, The Mr Hoon will be travelling to the Gulf to give a stirring address to the troops. It has been widely speculated that in a bid to boost morale - he might even show them his holiday snaps!



Education for Socialists

What is dialectical materialism?

A study guide to questions, answers and original writing

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Education for Socialists

The masses are on the march!

Millions demonstrate against the war worldwide

By Alan Woods and Fred Weston

On Saturday February 15, tens of millions of people participated in mass demonstrations in 600 cities in five continents. CNN estimated that the total figure of demonstrators was a staggering 110 millions worldwide, but this is impossible to verify. However, it is clear that well over ten millions marched in Europe alone, and that huge demonstrations were held all over the world, from Tasmania to Iceland - in Sydney and Bangkok, Tokyo and New York, in Paris, Rome and Berlin. This was the first truly global mass demonstration in history.

Everywhere the numbers who responded greatly exceeded the anticipations of the organisers. There were at least 500,000 in New York, 500,000 in Berlin. In Rome the organizers had to allow the march to start two hours early because of the sheer size of the demonstration. Initially reports said that more than a million people were on the march, but it may even have been anything from two to three million. In Syria 200,000 marched.. In Tokyo, demonstrators gathered outside the US embassy. In Cape Town they burned the American flag. There were demonstrations in South Korea and in Hong Kong, in Moscow and Athens. In Turkey 45 people were reported to have been arrested. Between 5,000 and 10,000 people, both Israelis and Palestinians, marched in Tel Aviv.

The number of demonstrators in Paris, initially estimated as 50,000 was increased to 100,000 even before it started. However, here there were obvious political weaknesses. The idea was put forward by some that "the French government is



for peace and we must support our government". This is a fatal mistake. The French government reflects the interests of the French bankers and capitalists. Its actions are dictated by crude realpolitik, and its position on the present war can change at any time. We must have no illusions on this score. Today they may be causing the US imperialists problems (for their own interests), but tomorrow they can easily change their position.

The biggest response in Europe was in Spain, where about six million people participated in demonstrations all over the country. There were two million on the streets of Madrid, and one and a half million in Barcelona - the biggest demonstration in the history of that city. In Valencia there were half a million. In Bilbao, 100,000 turned out. And even in traditionally conservative Valladolid, 60,000 people protested. The mood of the demonstrators was one of militant opposition to the war and to the Aznar government. People carried placards that read: "With or without a Resolution - No War!" In Barcelona, one of the speakers demanded the illegalisation of

the PP (Aznar's party) as a terrorist party that by its actions was encouraging the spread of terrorism!

The present truly worldwide movement shows the depth of anger of the masses against existing governments. There is a feeling among a growing number of people that they are not represented by their governments. The Italian government is run by a common criminal, a multi-millionaire who was only saved from a prison sentence by using his fortune to get himself elected. He naturally feels sympathy with the present government of the United States, which is made up of the same type of people as himself. But the great majority of Italians have other ideas.

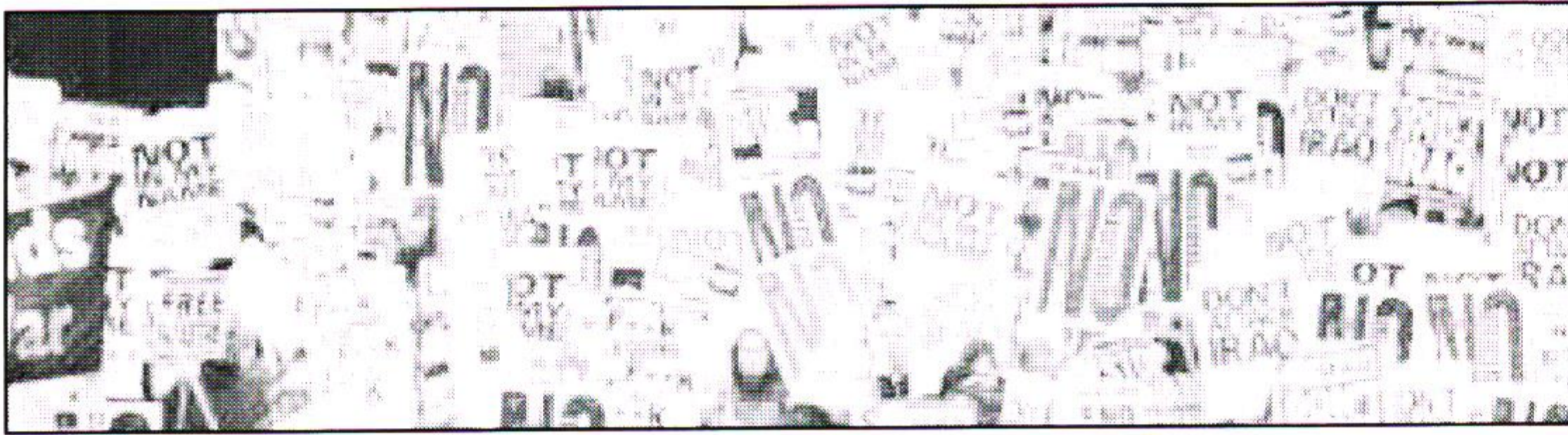
Big marches were held in Australia and New Zealand. Australia is supposed to be one of the most fervent allies of the USA but there is massive public opposition to the war. This was reflected in big demonstrations in Sydney and Melbourne, Perth and Canberra. Apart from Britain, Australia is the only other member of Bush's "coalition of the willing" and has sent "2,000 troops to the Gulf. The Australian ruling class burned its fingers in

Vietnam and for a while kept well out of foreign military adventures. But the intervention in East Timor, which is now virtually an Australian colony, went quite well. So now they want to drag the Australian people into new military entanglements. This is just what most Australians do not want.

One of the biggest demonstrations was in London, where up to two million participated. Other demonstrations took place in Glasgow and Belfast. The organisers of the London demonstration initially had been expecting 500,000. But as the day of the demo drew closer it was clear that far more than that would be turning up. In the event several times that number poured onto the streets of the capital in an unprecedented act of protest against the threat of war against Iraq.

London

Britain has never seen anything like it in living memory. A sea of placards and banners moved slowly along the banks of the river Thames. Standing on the Embankment it was clear from the early hours that this one was going to be huge. A never ending flow of people just kept filing by, among them many trade unions and many, many Labour Party members, some carrying their Party banners in defiance of the Blairite leadership. Even the police, who always underestimate the numbers of demonstrators, admitted to three quarters of a million. But the Murdoch-owned Sky News put the numbers at one and a half million, which was much closer to the true figure. In the end the organisers reckoned that up to two million people had been mobilised in the biggest political protest in the history of



Britain. One would have to go back to Chartist times to find anything remotely comparable to this.

Demonstrators set out under leaden skies and in bitter cold from two separate points, bringing central London to a halt for hours. The temperature in London was chilly but the mood of the protesters was ebullient. For the first time in many years the feeling on the demo was one of a movement with immense power. It took several hours for the demonstrations even to set out on the route to Hyde Park. At half past three, two and a half miles from Hyde Park, the compact columns of protesters were still moving, slowly but with cheerful determination, away from the starting point at Embankment. When the two demonstrations converged at Piccadilly people could hardly move. The road, the pavements, right up to the shop windows, were completely blocked with a human mass moving slowly forward.

So huge was the number of demonstrators that most did not even reach Hyde Park to hear the speeches. Many did not reach the park until dusk. People were still arriving in Hyde Park at 6.30 pm, although the demonstration began at 12.30 pm. Initially the government had attempted to stop the demonstration from using this traditional venue with the pathetic excuse that the grass of the park would be damaged! But it was compelled to back down by public pressure.

There was a lively carnival mood among the marchers, many of whom had never been on a demonstration before. The New Labour spin-doctors must have been watching the demonstration on television

with horror. Here was the real expression of the overwhelming majority of the people of Britain. The threat of war has politicised the masses in a way that the politicians could not have anticipated. According to one TV reporter, the numbers involved exceeded those that participated in the victory celebrations at the end of World War Two.

These magnificent demonstrations are an indication of a change of mood and a different situation on a world scale. What they show is that in all countries, from Britain to South

deaf to all protests. The war preparations are continuing. What is being prepared is anything but a carnival.

All sections of British society were present - old people with walking sticks, disabled people in wheelchairs, young children, black and white trade unionists and Moslems, Labour Party members and revolutionary Marxists.

The supporters of *Socialist Appeal* were out on the demo distributing the journal and the printed edition of the *In Defence of Marxism Manifesto against the war*. Our material

key issue relating to the very nature of the system.

This event signifies the beginnings of the awakening of the masses to political life. And in the beginning there is always an element of naivety. Although there was a significant layer that was open to socialist ideas, it was also true that hundreds of thousands of people were there to say no to the war, without having drawn all the necessary conclusions about the nature of society we live in. The full seriousness of the situation has not yet dawned on them. The very broad sweep of

This massive turnout is a clear indication of the way in which British society has been stirred to the very depths. This marks the beginning of a sea-change in the mood of British society.

Africa, from the USA to Australia, on all continents a seething discontent has been piling up. The impending war has just brought into focus the enormous contradictions within society. In every country spending on schools, hospitals, pensions, is being drastically cut. But when it comes to defending their own narrow interests the capitalists and their governments are prepared to spend billions. This understanding was expressed with the words "No blood for oil" on many banners and placards.

Rome

Simply listening to the radio the mood of the people is clear. Many former soldiers, including Gulf veterans and officers, have expressed their outright opposition and participated on the demonstration. Jesse Jackson said: "Bush and Blair will listen or they will pay the price." That is undoubtedly true. But Bush and Blair are

was selling like hot cakes, so much so that we sold out of our *Manifesto*! There was a genuine desire to understand. In spite of all the propaganda about Marxism being dead, many, many demonstrators were keen to read a Marxist analysis on the coming war against Iraq. Many commented that the real socialists should be in the Labour Party and not the likes of Tony Blair.

This massive turnout is a clear indication of the way in which British society has been stirred up to the depth. This marks the beginning of a sea-change in the mood of British society. The issue of the war has served as a catalyst to bring to the surface a mood of deep discontent that has been simmering beneath the surface for years. And within this process many are very open to the genuine ideas of socialism. There is a logic in this. To challenge the capitalists in their war plans is to challenge them on a

the movement in its early stages is itself both a strength and a weakness. This is shown by the very heterogeneous composition of the marchers and the predominance of liberal, Christian and pacifist elements on the platform. The presence of bourgeois politicians like Charles Kennedy, the leader of the Liberal Party, underlines this. Kennedy is not opposed to war, but only the launching of war at the present time and under the present conditions. He can, and undoubtedly will, change his tune later on.

The speakers at the closing rally in Hyde Park added very little to the debate on Iraq. Tony Benn was one of the few to depart from the usual pacifism and moral outrage and put forward some political arguments. The veteran Labour Left politician stated that this was the beginning of a "new political movement". He was the only one to refer to the

injustice of the present world order: the world, he pointed out, was dominated by the big monopolies and arms manufacturers. Five hundred billionaires have the same income as half the world population, he said, while 35 million die of starvation every year. He demanded that the money wasted on arms be spent on houses, food and clothing.

Unfortunately, Benn's case was marred by his customary obsession with the (dis) United Nations. He was immediately followed by Kennedy, who quickly latched onto the absence of a "mandate from the UN" as his main objection to war against Iraq. This crafty bourgeois carefully leaves himself a convenient escape route. The Liberal Democrats, he said, would not support war without a UN resolution. The implication was that with such a resolution, they would.

Second resolution

This shows the Achilles heel of the anti-war movement. An extremely negative role has been played by those who have persistently argued in favour of the United Nations. This has introduced an element that can split the anti-war movement and undermine it fatally. Blair and Bush still have the opportunity to bribe some members of the Security Council to procure a second resolution. This would sow massive confusion, seriously damaging the potential of the movement. It is an urgent task that we systematically expose the reactionary role of the UN and make it clear that we oppose the war, with or without a UN resolution.

The argument about the UN is a joke in very bad taste. Israel has been flouting UN resolutions for decades and actually has nuclear weapons. It is led by a war criminal who is responsible for the murder



of thousands of Palestinian men, women and children in the Lebanon. Yet no action is taken against him, and the issue of the UN's "honour" is never mentioned. At the end of the day the UN is financially dependent on the USA. The Americans can bully and bribe the members of the Security Council to vote for a new resolution that will open the door to military action. If they do not succeed in this, they will start a war anyway. To entertain any illusions on this question would be criminally irresponsible.

Even as millions were demonstrating against war, Kofi Annan was already changing his tune, saying that arms inspections "cannot continue indefinitely without full Iraqi cooperation", and that a second UN resolution "might be necessary". This slick operator is sending a message to the Americans - the equivalent of a sly wink in diplomatic terms - to reassure them that a second resolution is entirely possible that will prepare the way for the use of force. Thus the UN will prove to be, not a vehicle for peace, but a launching pad for war. And in that case, what will the "friends of the United Nations" have to say?

Hypocrisy of Blair

This demonstration was a kick in the teeth for Blair. But Blair, who talks a lot about democracy (for Iraq),

is not very keen on listening to his own people, and is not even willing to allow a vote on war in the Mother of Parliaments. His arrogant defiance was spelled out in the Labour Party Spring conference in Glasgow, which coincided with the anti-war demonstrations in London and Glasgow. Significantly, Tony Blair told the conference that the real aim was the removal of Saddam Hussein. This assiduous churchgoer and born again "Christian" tried to present a "moral" case for war against an "evil dictator". In this new and "improved" version of the Sermon on the Mount he made out that war was morally justified.

Crocodile tears

Blair stated that there would be "serious consequences" if the anti-war protesters were to succeed. In an astonishing piece of verbal gymnastics, he argued that the removal of Saddam by war would be a "humanitarian action". This means he has a "moral case" for sending British soldiers to bomb and kill Iraqis. Blair weeps crocodile tears over the people of Iraq. Yet for the last ten years British and American bombers have bombed the Iraqi people, and western imposed sanctions have led to the deaths of a million of them. As if in answer to Blair, among those on the London demonstration were Iraqi women with their faces covered to prevent them

being identified, opposed to the dictator Saddam Hussein, but also opposing the war against the Iraqi people.

"I do not seek unpopularity as a badge of honour," the prime minister went on, obviously angling for some sympathy. He may not seek it but he has certainly got it, as anyone present on the demonstrations would know. Most people now listen to these hypocritical arguments about "morality" and "humanitarianism" with undisguised contempt - including the big majority of Labour Party members. In a Party where most conferences are now carefully stage managed, most of his audience sat with their arms folded. He must have been relieved that nobody walked out of the hall. But the great majority of Labour Party members are completely opposed to the war.

Blair is now absolutely isolated. The only people who applaud him are George Bush and the British Conservative Party leaders. Having delivered his revised edition of the Sermon on the Mount, the Labour leader then hastily packed his bags and left before he could enjoy an encounter with the 80,000 protesters on the Glasgow demonstration. According to those who know him he has, for some reason, suddenly lost all interest in his beloved focus groups. This great democrat is stone deaf to the message of the majority. The services of his polling guru, Philip Glass, are apparently not in much demand these days. Blair does not want to read the polls because they show that the overwhelming majority is against him.

The hypocrisy of Bush and Blair has been exposed to a large and growing number of people. The Bush administration has a first-strike policy, yet is supposed to be making the world a safer place! This is the expression of the lunacy of

the Republican religious right, of which George W Bush is the most dedicated representative. It is also an expression of the aggressive policy of US imperialism that demands complete freedom to wage war on any nation it considers to be problematical and overthrow any government that does not suit it.

Blair fears that the moment for action may pass. He and Bush are in a hurry because the inspectors may find nothing and thus deprive the USA of its excuse to attack. In his State of the Union speech, Bush said that the course of this country does not depend on others. That means that if the UN does not fall into line, the US will go to war in any case. And Blair will be with him.

Demonstrations are not enough

This unprecedented movement undoubtedly sends a powerful message to the governments of Britain and the USA. But since Bush and Blair are committed democrats, the message will fall on deaf ears. George W Bush wants the right to attack any country that might conceivably be a "threat" to the USA in future, that is, any country that it is against the interests of US imperialism. The problem for Washington is not that Saddam is a dictator but that the Baghdad regime will not accept the dictates of Washington and the big US corporations.

The mass demonstrations must therefore not be the end but the beginning of a mass movement against the war. The Marxists will be in the front ranks of this movement, but will strive to fill it with an anti-imperialist and anti-capitalist content and link it firmly with the labour movement. There is a mood of growing anger. But it is not enough to "send a message" to Tony Blair in a demonstration that the day after tomorrow can be forgotten. A fire has been lit under Tony Blair's backside

that will not easily be put out. But it must be given an organised political expression. The opposition to Blair must find an expression inside the Labour Party. It is time for a serious fight back. The unions must use their strength to transform the Party, kick out the careerists and carpetbaggers, and return it to the purpose for which it was created.

Mass action is important but in itself insufficient. To leave the mass movement at the level of spontaneity, to confine ourselves to general appeals for peace, to accept the lowest common denominator in the name of false "unity" would be to condemn it to sterility. It is necessary to set out from the present level and the immediate demands, but to take the movement forward. We must prepare new demonstrations, mass meetings and days of

action and, wherever possible protest strikes. But above all we must organise a serious campaign of explanation. Our task is on the one hand to broaden and deepen the movement, but also to raise the political level and raise socialist and class demands.

Under capitalism wars are waged for markets, raw materials and spheres of interest. The Bush regime is simply an extreme expression of the inevitable logic of capitalism. Capitalism means war. It is necessary to explain to the activists that this war, like every other war, is a direct consequence of capitalism, and that therefore the struggle against war can only succeed if it becomes transformed into a struggle against capitalism on a world scale.

The mass demonstrations today show that there are

already the beginnings of a worldwide movement against imperialism. This fact should fill us with optimism. But the key to ultimate victory is the international unity of the revolutionary proletarian vanguard. The anti-war movement must be armed with the ideas, programme and policies of Marxism! It is this, and this alone, that can guarantee victory. Let us unite all the forces of genuine Marxism and build a worldwide movement on the unshakable foundations of socialist internationalism!

- Mobilize against the war on Iraq!
- Down with imperialism and capitalism!
- Build the international Marxist tendency!
- Another world is possible - It is called socialism!

Blessed are the warmongers...

Tony Blair and his friend George W are both well aware of getting the Almighty on board (or "on message" as they put it these days") in good time. They have even shown pictures on the television screens of the US government leaders - Bush, Powell, Condoleezza Rice, and the rest of them - saying their prayers before they vote to send goodness knows how many young Americans (not to speak of Iraqis) to their deaths. One can only wonder what the content of this prayer consists of. Maybe it went something like this:

"O Lord of Hosts, mighty in battle, rise up and destroy the Evil Axis! Smite them hip and thigh! Make their soldiers as stubble to our swords, and destroy their seed, leaving no trace on the face of the earth, that we might praise Thee forever.

"Lord, shower Thy blessings on our bombers as they shower their bombs on the cities, towns and villages of Iraq.

"Make their aim good and true, so that they destroy our Enemy and Thine in double-quick good time, so as not to cause too much bother in Saudi Arabia, which is next door, and not too much damage to the infrastructure of the oil industry.

"And let there be a minimum of body bags on our side so that we might smite the Democrats and dwell in the White House forever.

"Deliver unto our hands the cities and oil wells of the Unbelievers so that we may glorify thy name and replenish our coffers without raising the taxes of the rich men that are pleasing in Thy sight.

"Thou ledest me beside running lakes of crude and falling prices of other raw materials. Thou restorest my rate of Profit and renewest my Credit Rating. Yeal my stock market boometh. Surely, goodness and a low rate of inflation shall follow me all my days.

"Thou preparest a table in the midst of mine enemies and annointest my head with Iraqi oil. My cup runneth over.

"Give us this day our Second Security Council Resolution, and lead us not into new anti-war demonstrations but deliver us from the French Veto.

"For THINE is the Kingdom, the Power and the Glory...

"But OURS are the Second Biggest Reserves of Oil in the World for ever and ever. Amen."

★ For the full article -Their Morals and Ours - by Alan Woods visit www.marxist.com

Karl Marx, "his ideas live on" by the editor

"Philosophers have only interpreted the world in different ways. The point is, however, to change it." - Karl Marx

March 14 marks the 120th anniversary of the death of one of the greatest men of all time. Karl Marx revolutionised the world. He radically altered the whole course of human history. His brilliant theories in the field of philosophy, history, sociology and economics have radically affected all these fields. Today, despite all the attempts to downplay Marx's role and belittle his ideas, no serious person can doubt the tremendous vitality of his thought; its richness, depth and extraordinary scope.

The *Communist Manifesto*, written when

Marx and Engels were still young men, is a landmark in history. It is as fresh today as when it was first written in 1848. Indeed, it is more relevant now than when it was written. Today, it is possible to see the superiority of the method of Marx very easily. Just take any bourgeois book written 150 years ago, and it will be immediately evident that it is only of an historical interest. But if you read the *Manifesto*, you will find an accurate description of the world, not as it was in 1848, but as it is today. Phenomena such as globalisation, the concentration of capital, the exploitation of labour under the guise of modern technology - all these things were not only predicted by Marx but explained scientifically.

Marxism is a science. It is scientific socialism. And in order to understand the problems of the modern world, a scientific method is necessary. Today, the bourgeoisie and its academic servants are completely unable to explain what is happening in the world. One would look in vain in the pages of the economic journals for a rational explanation of the world crisis of capitalism. As for sociology, philosophy, psychology etc. - the less said the better. In its progressive phase, the bourgeoisie produced great ideas. In the phase of its senile decay, it produces only gibberish.

It fell to Marx and his

great co-thinker and lifetime comrade, Frederick Engels to provide the working class with the ideological weapons it requires to change society. For without a scientific understanding of the world it is impossible to change it. Some say that the writings of Marx and Engels are difficult. This is not true. Marx wrote in such a way that a person of average intelligence could understand him. Marx wrote for the workers. But Marx did not believe in writing down to the workers as if they were little children. Every worker knows that life is hard, and also that everything in life that is worthwhile has to be worked and struggled for. To the person who is prepared to study the works of Marx with the necessary attention, it may mean an effort. But it will yield the most marvellous results in the end.

Reading the works of Marx and Engels is like climbing a high mountain. Exertion and perseverance is required, but once you reach the summit, what a glorious perspective opens up at your feet! Here is not just politics, but philosophy, art, history, science, and all the riches of human thought as it has been developed and perfected for centuries and millennia. The advanced worker must make it his or her duty to climb this mountain, to master the ideas of Marx - the most profound and comprehen-

sive set of ideas ever worked out by one man. The task of conquering theory is not an academic exercise. These marvellous ideas are the tools and weapons by the aid of which the working class can conquer the world.

For thousands of years, knowledge and culture have been the monopoly of a tiny handful of wealthy exploiters, who have used and abused their monopoly to keep millions of their fellow men and women in chains. Socialism will put an end to this odious monopoly once and for all, giving free access to the wonders of culture to every man, woman and child on the planet. This is the meaning of socialism: to make actual that which was always potential in the human race. That is the greatest end to which anyone can aspire, the only cause worthy of giving one's life for. Karl Marx gave his whole life to this cause, sacrificing everything for the cause of the emancipation of the working class.

Marx died 120 years ago. But his ideas live on to educate and inspire the new generations of class fighters all over the world. We salute the memory of this mighty thinker and pledge ourselves to continue the struggle he began, until the day dawns when humanity will triumph over all obstacles and raise itself up to its true height.



"His name will endure"

Frederick Engels' speech at Highgate Cemetery

On the 14th of March, at a quarter to three in the afternoon, the greatest living thinker ceased to think. He had been left alone for scarcely two minutes, and when we came back we found him in his armchair, peacefully gone to sleep - but forever.

An immeasurable loss has been sustained both by the militant proletariat of Europe and America, and by historical science, in the death of this man. The gap that has been left by the departure of this mighty spirit will soon enough make itself felt.

Just as Darwin discovered the law of development or organic nature, so Marx discovered the law of development of human history: the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion, etc.; that therefore the production of the immediate material means, and consequently the degree of economic development attained by a given people or during a given epoch, form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion, of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of vice versa, as had hitherto been the case.

But that is not all. Marx also discovered the special law of motion governing the present-day capitalist mode of production, and the bourgeois society that this mode of production has created. The discovery of surplus value suddenly threw light on the problem, in trying to solve which all

previous investigations, of both bourgeois economists and socialist critics, had been groping in the dark.

Two such discoveries would be enough for one lifetime. Happy the man to whom it is granted to make even one such discovery. But in every single field which Marx investigated - and he investigated very many fields, none of them superficially - in every field, even in that of mathematics, he made independent discoveries.

Such was the man of science. But this was not even half the man. Science was for Marx a historically dynamic, revolutionary force. However great the joy with which he welcomed a new discovery in some theoretical science whose practical application perhaps it was as yet quite impossible to envisage, he experienced quite another kind of joy when the discovery involved immediate revolutionary changes in industry, and in historical development in general. For example, he followed closely the development of the discoveries made in the field of electricity and recently those of Marcel Deprez.

For Marx was before all else a revolutionist. His real mission in life was to contribute, in one way or another, to the overthrow of capitalist society and of the state institutions which it had brought into being, to contribute to the liberation of the modern proletariat, which he was the first to make conscious of its own position and its needs, conscious of the conditions of its emancipation. Fighting

was his element. And he fought with a passion, a tenacity and a success such as few could rival. His work on the first *Rheinische Zeitung* (1842), the *Paris Vorwärts* (1844), the *Deutsche Brusseler Zeitung* (1847), the *Neue Rheinische Zeitung* (1848-49), the *New York Tribune* (1852-61), and, in addition to these, a host of militant pamphlets, work in organisations in Paris, Brussels and London, and finally, crowning all, the formation of the great International Working Men's Association - this was indeed an achievement of which its founder might well have been proud even if he had done nothing else.

And, consequently, Marx was the best hated and most calumniated man of his time. Governments, both absolutist

and republican, deported him from their territories.

Bourgeois, whether conservative or ultra-democratic, vied with one another in heaping slanders upon him. All this he brushed aside as though it were a cobweb, ignoring it, answering only when extreme necessity compelled him. And he died beloved, revered and mourned by millions of revolutionary fellow workers - from the mines of Siberia to California, in all parts of Europe and America - and I make bold to say that, though he may have had many opponents, he had hardly one personal enemy.

His name will endure through the ages, and so also will his work.

March 17, 1883

Anniversary public meeting

120 years since Marx's death

"The relevance of Marxism today"

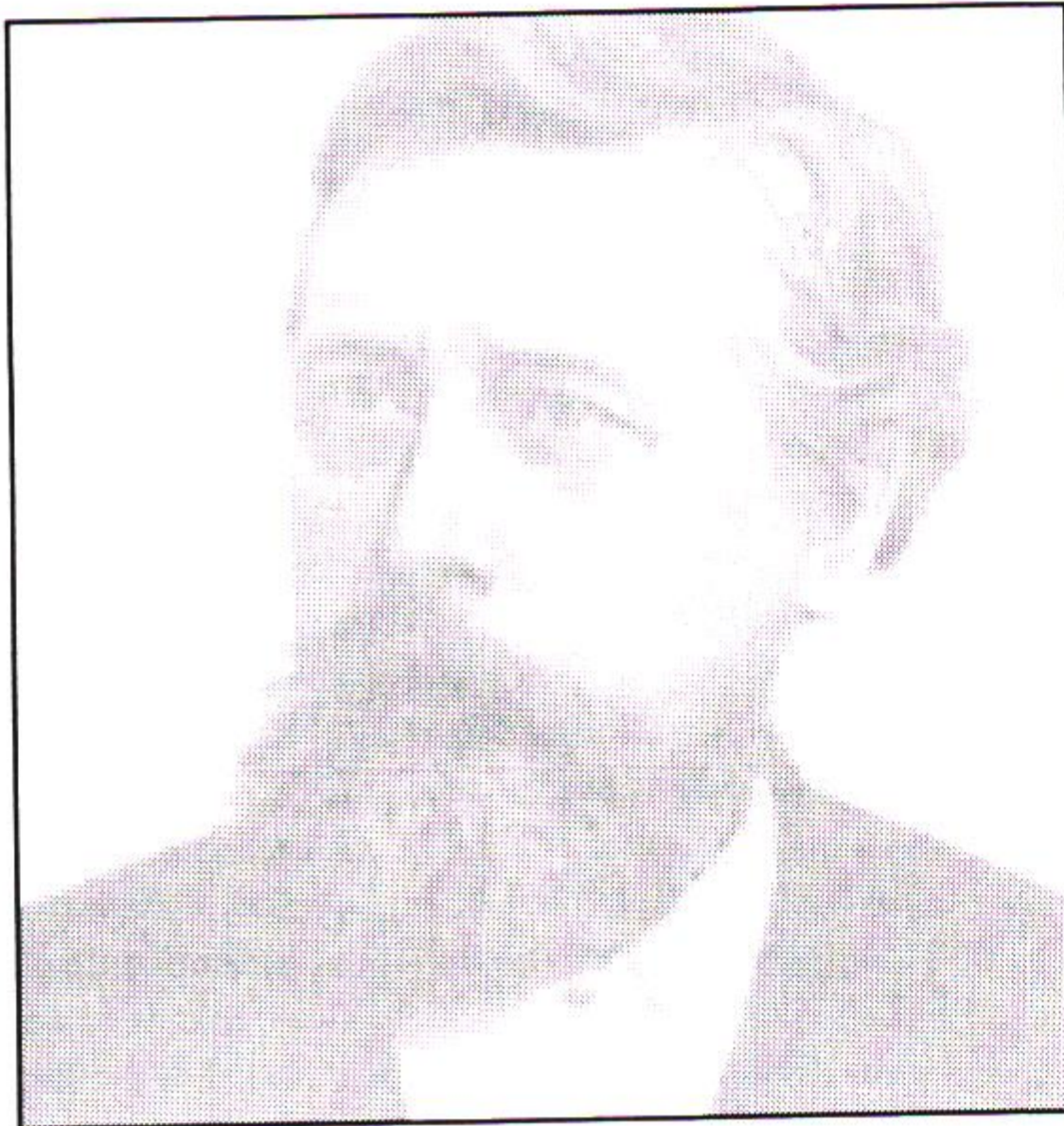
Speaker: Alan Woods
(Editor, *Socialist Appeal*)

Friday, 14 March, 7.30 pm
Conway Hall, Red Lion Square
(nearest tube, Holborn)

Wilhelm Liebknecht, leader of the German Social Democratic Party, spoke at Marx's graveside:

"I have come from the heart of Germany to express my love and gratitude to my unforgettable teacher and faithful friend. To my faithful friend! Karl Marx's greatest friend and colleague has just called him the best-hated man of this century. That is true. He was the best-hated but he was also the best-loved. The best-hated by the oppressors and exploiters of the people, the best-loved by the oppressed and exploited, as far as they are conscious of their position. The oppressed and exploited people love him because he loved them. For the deceased whose loss we are mourning was great in his love as in his hatred. His hatred had love as its source. He was a great heart as he was a great mind. All who knew him know that.

"But I am here not only as a pupil and a friend, I am here as the representative of the German



Social-Democrats who have charged me with expressing their feelings for their teacher, for the man who created our party, as much as one can speak of creating in this connection.

"It would be out of place here to indulge in fine speeches. For nobody was a more vehement enemy of phrase-mongering than Karl Marx. It is precisely his immortal merit that he freed the proletariat, the working people's party, from phrases and gave it the solid foundation of science that nothing can shake. A revolutionary in science and a revolutionary through science, he scaled the highest peak of science in order to come down to the people and to make science the common good of the people.

"Science is the liberator of humanity.

"The natural sciences free us from God. But God in heaven still lives on although science has killed him.

"The science of society that Marx revealed to the people kills capitalism, and with it the idols and masters of the earth who will not let God die as long as they

live.

"Science is not German. It knows no barriers, and least of all the barriers of nationality. It was therefore natural that the creator of Capital should also become the creator of the International Working Men's Association.

"The basis of science, which we owe to Marx, puts us in a position to resist all attacks of the enemy and to continue with ever-increasing strength the fight which we have undertaken.

"Marx changed the Social-Democracy from a sect, a school, into a party, the party which is now fighting undaunted and which will be victorious.

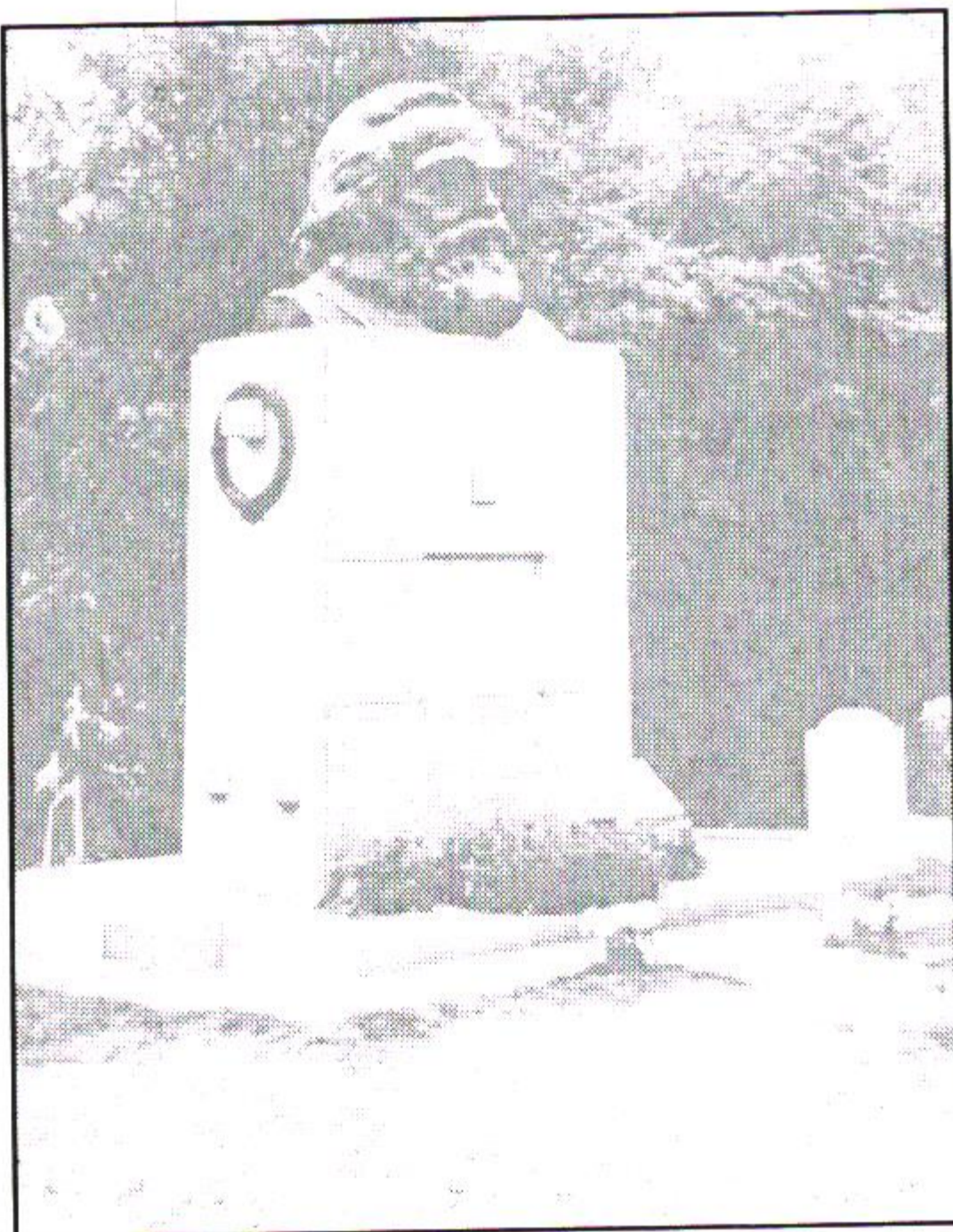
"And that is true not only of us Germans. Marx belongs to the proletariat. It was to the proletariat of all countries that his life was dedicated. Proletarians who can think and do think in all countries have grateful reverence for him.

"It is a heavy blow that has fallen on us. But we do not mourn. The deceased is not dead. He lives in the heart, he lives in the head of the proletariat. His memory will not perish, his doctrine will be effective in ever broader circles.

"Instead of mourning, let us act in the spirit of the great man who has died and strive with all our strength so that the doctrine which he taught and for which he fought will be put into practice as soon as possible. That is the best way to honour his memory!

"Deceased, living friend, we shall follow to the final aim you showed us. We swear it on your grave!"

17 March 1883



Call to support Pakistani Postal Workers!

by Sadaf Zahra and Aamir Raza,
in Pakistan

More than 18,000 employees work in the postal services of Pakistan. The national organization of the postal employees' union, the CBA, is the main representative of the Pakistani postal employees. In this modern era of science and technology, however, the Pakistani government is completely incapable of establishing a postal service along modern lines. For this reason it is lagging far behind the standards of what should be a modern communication system. It is in fact almost 100 years old. And because of this postal employees are living in great poverty.

After the Musharraf dictatorship came to power, the political and economic exploitation of the postal employees increased. The Musharraf dictatorship appointed a retired army officer as the chairman of the Pakistani postal services. Since this recent director general took charge unconstitutionally (on a contract basis), the attacks on the rights of the postal workers have increased enormously in order to strengthen the position of the corrupt managers.

Initially actions were taken against the CBA by using their illegitimate authority. This was especially the case with Musharraf's presidential ordinance, which were used in 2000-2001 to impose restrictions on any union activity. In this regard the director has issued a circular to management stating that any employee who takes part in any union activity will be prosecuted accordingly and will possibly be fired from his

job. At the same time another circular was issued, forbidding clerical staff from taking part in union activities, in order to weaken the postal employees' union. This, in spite of that fact that in accordance with IRO 1969 and international laws, postal employees from grade 1 to grade 9 are allowed to take part in union activities.

At the same time as all these measures have been taken a vigilance cell has been established with the help of army. It is responsible for monitoring all union activities, and giving reports if anyone is found guilty of union activity. Thus, whenever a report has been given by this vigilance cell prompt actions have taken. More than one hundred employees were fired from their jobs on the basis of reports of the vigilance cell.

Army officer

The military government has explained the appointment of an army officer as chief of the post office as a step towards cutting the deficit. But this is the biggest lie one can ever utter, because this appointment is merely a measure to oblige the army chiefs. At this moment retired army director, general Agha Masood al

Hassan, is being paid 175000 rupees for his services, But obviously this is not enough for him, as he has now been accused of corruption on a big scale. The accusations range from "unnecessary international tours, TADA, taking funds in the name of the post foundation, to taking commissions in the name of computer expenses, etc. And for these reasons instead of cutting the deficit of the post office these have increased.

This director is firing employees in order to minimize the deficit and is curtailing all the rights of postal employees. Measures of state oppression against the postal employees have gone as far as the use of torture! As a result of this a postal worker from Lahore recently committed suicide. At the same time the director general has fired all those who have fought for the rights of the workers and against all anti-working class policies. The Director General has not only backed all these corrupt officers, but he has also given protection to them, while at the same time he has not kept on any sincere, honest and right man at all. A clear example can be quoted from Baluchistan, where the provincial president and the president of the Khuzdar division, comrade Nazar Mengal, and the chairman of the Khuzdar GPO, Mohammed Baksh Sasoli, were forcefully retired. They were accused of

fighting against the oppression of the director general and for the common rights of postal workers and the daily wage workers. More than hundred workers were fired from their jobs.

The workers in the post office do not get any benefits from the post office, not even health, education etc. Postal workers and their children are living in great poverty because their wages are extremely low. The workers work day and night and are not paid accordingly, which has resulted in mental depression for many of them, because they cannot see any hope for the future.

The postal workers have appealed to the so called "democratic government" to remove that cruel dictatorial army officer from his position as chief of the postal services and save workers from oppression. Jamali has tried formally to remove him, but Musharraf stepped in to stop this. Hence the workers in the Pakistan post office are appealing to all international workers' organizations, trade unions and associations to organize a world wide campaign to force the Pakistani state to remove retired army director general Agha Masood al Hassan, and save the postal workers from any further oppression, and remove all restrictions on unions activities, so they can fight for their just rights. □

Send protest letters to General Pervez Musharraf at: ce@pak.gov.pk And to the Embassy of Pakistan in London at the following address:

**The High Commissioner:
Mr. Abdul Kader Jaffer,
35/36 Lowndes Square, London SW1X 9JN.
Telephone number: 0207 6649200**

**Fax: 0207 6649224
Email: pareplondon@supanet.com
Please send copies of all protest and solidarity messages to the PTUDC at:
info@ptudc.org
Or by post with cheques made payable to the PTUDC and send to:
PTUDC, PO BOX 6977, London, N1 3JN,
Britain**



The beginning of the end?

By Michael Roberts

Over one million marched in London and millions elsewhere. Even the craven and weak Labour MPs split and over 120 voted against the war in parliament. Without the payroll vote of the Labour ministers and the Conservatives, Tony Blair would have been pushed close to defeat on his policy of backing the cowboy adventurism of the Bush administration.

Is it the beginning of the end of the American empire? In some ways you'd have to say no. After all, American imperialism has never seemed stronger. Its military might is greater than the rest of the world's put together. The great enemy of Stalinist Russia and its acolytes has been vanquished – not by American might, but by the popular struggle of the masses. But it has seemingly left the US without any opposition (strikingly similar to lack of opposition, so far, to the New Labour administration of Blair). And the economic power of the US, apparently weakened during the post-war years as Japan and Germany became major industrial powers, appeared to be renewed during the great 'hi-tech

revolution' of the 1990s in which the US was the leader and driver.

The 19th century was the century of British imperialism at its apex and it subsequent decline. The 20th century was the century of America's rise to supremacy, first economically, then militarily in the Pacific against Japanese imperialism and finally as leader of the 'free world' against Stalinism.

But already at the end of that century, America was showing signs that its feet were not eagle's claws but were made of clay. The great New Economy has turned out to be a myth. US productivity growth in the 1990s has been no faster than it was in the 1980s, and has been less than it was in the golden era of 1950-1973. The same was true for economic growth. The 1990s showed weakish growth by post-World War 2 standards.

Two things happened at the beginning of the new century and new millennium that suggest the next hundred years will not be ruled by Pax Americana. First, the great symbol and lubricant of capitalism, the US stock market, collapsed. For nearly three years with hardly a break, the stock markets of the world have fallen by

up to 60%. The wealth of companies and rich households across the US empire has been wiped out. Big organisations have gone bankrupt or been found out cheating on their accounts to cover up their losses. In the US, the average household has lost nearly 25% of its paper wealth in stocks and shares. Of course, most Americans and Brits don't have their wealth, such as it is, in the stock market. It is mostly in the value of their houses. And, so far, those values have held up handsomely. But even here, the death knell is beginning to ring.

The dollar

Second, the banner of US economic might, the dollar, has begun to decline. In the last year alone, its value against Europe's single currency fell by 15%. It has even weakened against the Japanese yen, a currency that is the economic flag of an economy that has been stagnating for nearly 14 years! Of the major currencies, only sterling has weakened along with the dollar. Just as Blair has tied the political interest of the British ruling class with the policies of Bush, so has sterling been caught in the

same economic web that the old imperialist power of Britain is in with the new imperialism of the US.

Behind the bursting of the American stock market and currency bubbles lies the growing cancer within the economic body of the American empire.

The Roman empire lasted for hundreds of years. No army could defeat it for long. There were temporary victories, one of the most long-lasting being the slave army revolt of Spartacus. But even he was eventually defeated militarily. What brought Rome to its knees was the eventual decline and failure of its economy. The Roman republic was an economy based on free peasants working the land. The empire led to the development of huge landed estates owned by the rich few. They needed masses to work the land. That meant slaves. Roman military conquest provided the manpower. But a slave economy eventually exhausts itself on declining productivity and manpower. It abhors technology (why bother when a slave can do it) and slaves don't reproduce well or work well, on the whole. Eventually, the empire's slave economy could no longer finance the extrava-

gant consumption of the Caesars, the idle city population of free Romans and the military campaigns of bickering and feuding generals. It took a long time, but eventually Rome fell apart from within, drifting into Christian division and mythology.

The US has the same seeds of collapse within it. The stock market bubble was pricked because investors came to realise that the company shares they were buying at ever increasing prices would not deliver the profits that the companies claimed they would. US corporate profitability began to fall as early as 1997 but the light bulb only went on for investors in early 2000.

Profitability died because, despite the New Economy, US multinationals could not get enough surplus value out of their workforce to compensate for the huge investment in the new technology they had made. They 'over-invested'. Such is the Achilles heel of capitalism – production for people's needs is subordinated to the realisation of private profit. Without profit, there will be no production. But profit cannot be created indefinitely and sufficiently to maintain investment because it arises by squeezing it out of the labour of others.

Anarchy

There is no planning, but anarchy. There is no cooperation for maximum efficiency, but competition. The result is that boom is followed by slump.

It is no accident that just as the US economy begins to show its weakness, its emperors try to flex their muscles militarily. They must exert their military might to re-establish economic and political control both over the world's resources (oil) and convince a confused people who might begin to question the very nature of the Empire. A war against Iraq takes the minds of peo-

ple away from the whether "it is the economy, stupid" that's the problem and turns it onto the idea of an evil Hitler of the Middle East who must be confronted and defeated. This Hitler was fostered and supported by the very Empire that now condemns him.

Nothing was done to stop him gassing his own people or thousands of Iranians. All that is quietly forgotten. He only became Hitler when he misjudged the situation and tried to take over in Kuwait from an equally undemocratic bunch of gangsters. The Empire preferred the Sheikdom of Kuwait to Saddam to look after its oil, so he had to go.

Axis of Evil

And after 9/11, Saddam became more than Hitler. He was suddenly a friend of Al Qaeda, along with others in the Axis of Evil. And here is the beginning of the Empire's decline (if not yet fall). Emperor Bush and his Senate seem set on taking on every 'barbarian' who does not kowtow to their will. Through an 'alliance of the willing', they are set to take on North Korea after Iraq and then perhaps Iran and Syria and even Libya and Cuba. Apparently Burma has been left off the list despite the nightmare dictatorship there; or China, where millions have been killed or displaced by the dictatorship there. But these 'barbarians' do not threaten the interests of the Empire, so they are not in the axis.

But is not this plan of permanent war going to be too much for the Empire's economy to handle? The cost of the war against Iraq is estimated by the optimists to be just \$50bn. That assumes a quick victory within weeks and maybe just two months of occupation by American troops before a new government friendly to the West is installed. A more pessimistic view might be that the war lasts several

months and the occupation forces have to stay at least two years (it will be getting that way in Afghanistan). And then there is the cost of reconstructing a devastated economy – essential if a friendly government is to survive. That would cost closer to \$150bn – large but manageable.

The real problem is this. If the war drags out and so does the occupation, oil prices could stay up very high (they are close to \$40/b now).

That will dramatically increase costs back in the Empire and its acolytes in the West. Spending will fall back and the world economy could slip into recession. The cost of this loss of output has been put at \$1.5trn! That's equivalent to knocking off 1% point from annual global GDP growth over the next five years.

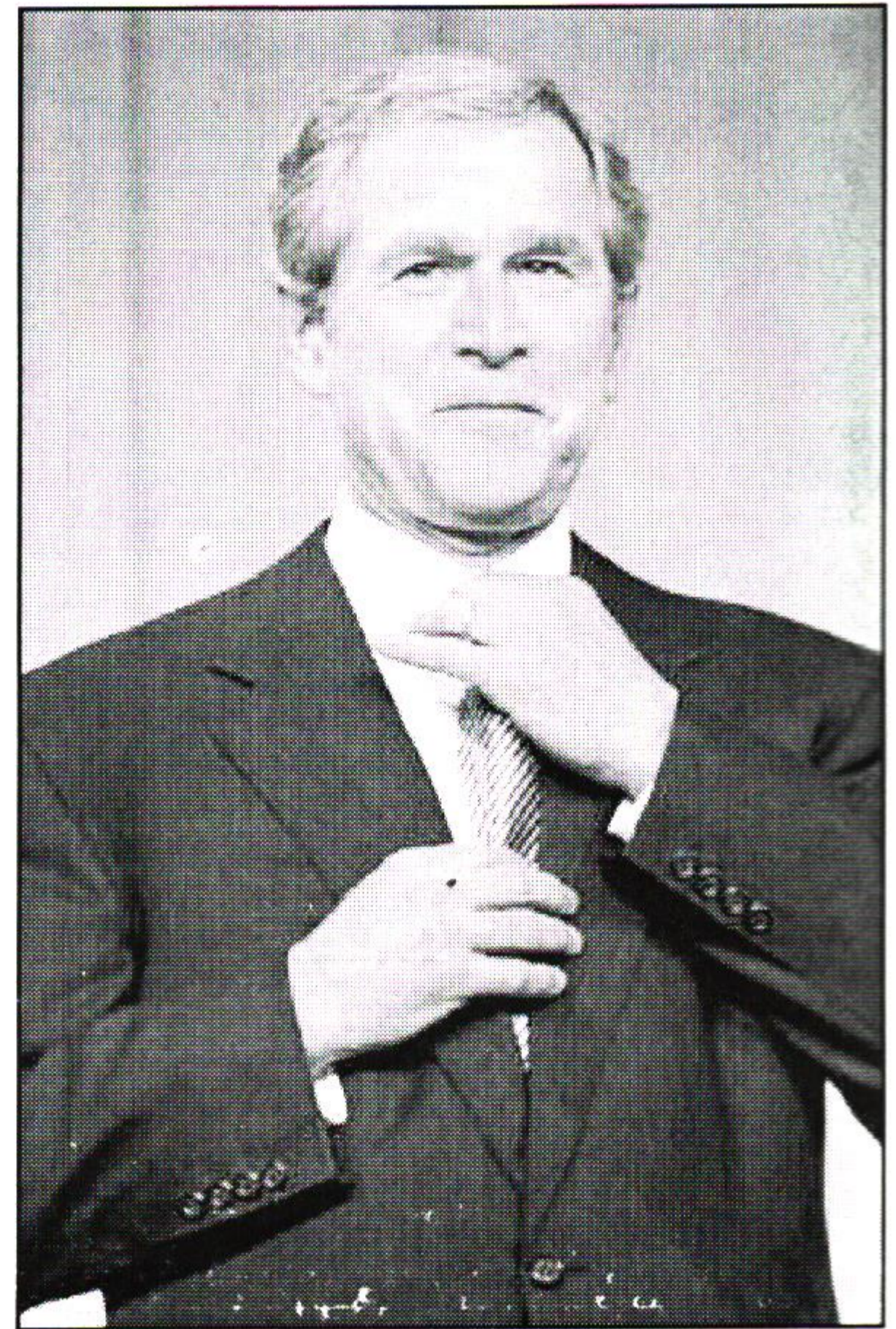
Already the globe is not growing very fast. The Empire's own economy was flat at the end of 2002. The UK economy grew at just

There is no planning, but anarchy. There is no cooperation for maximum efficiency, but competition. The result is that boom is followed by slump.

above 1%. The German and Japanese economies did not move. If another 1% is knocked off growth each year over the next few years, recession and stagnation cannot be avoided. And that's before the Empire moves on to the next confrontation with nuclear-

armed North Korea or elsewhere.

The Empire looks as though it might be overstretching itself just when it seems that it is all-powerful. The economic failure of the Roman empire brought political division and collapse. That could happen to the American empire in this early part of the 21st century, just as the British empire folded in the early 20th century. The difference with the slave Roman empire is that there is



The United Nations Smokescreen

By Fred Weston

Opposition to the coming war against Iraq is massive. A huge majority of the peoples of Europe are against the war. In countries like Italy and Belgium a majority is against the war whether there is UN backing or not. And as the day of reckoning draws closer tensions are now growing between the major powers.

As we said, the movement against the war, the real opposition, expressed by millions of ordinary working people around the world (not the false opposition of minor capitalist powers), is growing. Unfortunately, however, many of the antiwar movement leaders are basing their opposition on the UN criteria. They are demanding that there be no war unless the UN backs it. The UN is presented as some kind of legitimate "world government" (which it is not). The argument is that, if the UN approves, then it is OK! Unfortunately many of those who oppose the war do so on the basis that it would be a unilateral action without the support of the UN.

The decision on an eventual second resolution will be taken by the Security Council. This is made up of 15 members, five permanent and ten non-permanent. If we look at the make up of the present council and the position of each country involved we will see quite clearly that this is no independent body. The United

States is the richest and most powerful country in the world, and it has ways of "convincing" most of the Security Council members.

A significant number of the present Security Council members depend on US aid or trade with the US. And the US officials are quite blunt about what this means. One of them said: "We would certainly not remind those countries who receive US aid of that assistance in a meeting when we are discussing an issue like Iraq. That would be inappropriate." But he also added: "Those countries that receive aid from the United States themselves recognise the importance of donor dollars, and don't need to be reminded." (*The Guardian*, February 1, 2003)

In order to be convincing the USA and Britain need to get a sizeable majority on the Security Council. It is generally accepted that they need at least nine to support the war. Britain and the USA are already for war. That means they need to "convince" another seven. How hard or difficult

this will be will become evident if we examine briefly the position of each of them.

Security Council

Bulgaria is supporting US policy to the hilt. Bulgaria's economy is in a mess. It has a total GDP of \$19 billion (\$2,560 per head). Compare this to the US GDP of \$10,885 billion (\$37,600 per head) and you get a clear picture of the real balance of forces here. Bulgaria's Simeon II National Movement government is attempting to privatise the old state run system. Some of it has already been sold off, but things are still slow for the likings of the western bourgeois. Part of the policy of privatisation also involves huge cuts in welfare spending and this is leading the government to lose support among the population. Because of all this Bulgaria is not up for immediate acceptance into the EU, but it desperately wants to get in and get "help" from the west. In an attempt to ingratiate itself with the west it has applied for membership of NATO. It has also granted the US Bulgarian bases for its mobilisation against Iraq. Just two months ago the US invited it to join and now the Senate is discussing ratifying its membership. So Bulgaria is not going to do anything that goes against the interests of the US.

The Spanish government of Aznar is also fully supporting US policy. It wants to demonstrate its firmness in the "war on terrorism". It has its own home grown problem of

ETA. Bush has allowed Spain access to US intelligence on ETA activities. So, as the saying goes, "they owe one" to the US. But more importantly Spain is a minor power within the EU and sees in the present line up between the US and Britain on the one side and France and Germany on the other an opportunity to redress the balance of forces within the EU. So Aznar is really joining Blair as a poodle of US imperialism. This is similar to the behaviour of some of the weak Central European countries. In order to strengthen their position in their relations with their stronger neighbours such as Germany and France they try and lean on the USA, thus swapping one wolf for another!

Chile is economically tied to the US. It has been through a long process of negotiating free trade with the USA. With the crisis that has hit its neighbours, especially Argentina, it cannot afford to lose outlets for its exports. Therefore, knowing which side its bread is buttered on, it will side with its master, the USA.

Angola depends heavily on US investments. The US is Angola's biggest importer of oil. And in January the US state department announced "emergency refugee relief" for Angola to the tune of \$4.1m. So Angola is in the bag as well.

The Cameroon's principles are determined by oil, the same as Bush. It has been in an ongoing conflict with Nigeria over who owns the oil-rich Bakassi peninsula, which lies on the border between the two countries. In October the International Court of Justice ruled in favour of the Cameroon. And, surprise, surprise, in spite of



Nigeria's complaints, (and its long history of being within the British sphere of influence, while the Cameroon comes within the French) the US and Britain supported the Court's decision. What would their position have been if Nigeria had been on the Security Council instead?

Then we have Guinea. This is one of poorest countries in Africa. It will vote for a second resolution and support the war. Could this be because this small country has been receiving \$50m a year, and military training, although it can in no way be classed as a democracy?

Mexico has recently asked for more time to be given to the inspectors. But 85% of its exports go to the USA. Therefore what its final decision is going to be is not difficult to work out.

Pakistan is also calling for continued weapons inspections. General Pervez Musharraf has plenty of problems at home. There is widespread opposition to the war among the population. He therefore needs to portray himself as being against the war. But Bush has promised sizeable loan arrangements to Pakistan. Therefore Musharraf may find his way to abstaining. But because opposition is so strong inside Pakistan itself, he may be forced to vote against. He may do this on the understanding that there is already a sufficiently large majority on the Council. But he would undoubtedly pay the consequences at a later stage. Already the US is making noises about the Pakistani secret services harbouring al-Qaeda terrorists.

France is playing hard to get. Its present position is that the inspections must continue. It has come up with a propos-

al, together with Germany and Russia that would delay any war. It would involve the sending of huge numbers of UN troops. The US has obviously refused this kind of offer on the part of the French.

This latest position does not reflect a principled stand against war. As we have pointed out in other articles even French participation in an eventual force is by no means ruled out.

As *The Economist* has recently pointed out: "...even France, though President Jacques Chirac seems to share the populist tendencies of Germany's Gerhard Schröder, has not ruled out joining military action in the right circumstances." (February 1, 2003)

What would these "circumstances" be? France is working out how much it would lose in the Middle East if the US and Britain went in alone and took control of Iraq. What would happen to all those valuable contracts it has signed with Saddam Hussein? These are France's guiding principles. Thus if it decides that it should side with the USA, in order to salvage something, a declaration from Blix that Iraq is not fully "complying" would be used to do an about-face. (Blix has already indicated that Iraq is not complying fully.) On that basis even France could be "brought to its senses" and vote for a US sponsored resolution on the Security Council.

Russia has come out in support of France's proposal, and is also calling for more time to be given to the inspectors, but it has also declared that if Baghdad hampers inspections then it may change its position and vote for war. In this sense, it is



in a similar position to France.

In an attempt to appease Russia the US has agreed to a request to blacklist three Chechen rebel groups. What this means is quite clear. If the Russians support the US in Iraq then the US will close its eyes to what the Russians are doing to the Chechen people, all in the name of the "war on terrorism" of course.

Russia's oil companies are also worried about several multibillion dollar contracts they have signed with the present Iraqi regime, but the US have promised that they will honour these contracts.

Again, as *The Economist* explained: "Russia has huge oil interests to protect in Iraq, under contracts, some of them signed very recently, with Mr Hussein's regime, and wants to recover \$8 billion or more in Soviet-era debts. It is therefore less concerned at Iraq's misbehaviour, argue some American and European officials, than it is about receiving American assurances before any council vote that its commercial interests will be taken into account. Yet this week President Vladimir Putin for the first time publicly warned Iraq that Russia's position would toughen if it failed to co-operate with the inspectors. And if Russia were to acquiesce in military action, China probably would too." Thus Russia also has a price.

China is also insisting on

the inspections. But it does not want to see the UN lose its so-called "legitimacy". Therefore it is likely to oppose the US verbally, but not vote against a second resolution, and will probably follow the same road as Russia.

France, Russia and China are the other three permanent members of the UN Security Council. They have the right to use the veto and thus stop any UN resolution from being approved. It is unlikely they will actually use the veto. They will make a lot of noise, but will not go that far. In any case the US and Britain have made it abundantly clear that they will ignore the veto, if there is a majority on the Security Council. If this happens the irrelevance of the UN will become apparent to all. So France, Russia and Germany have the choice of either applying the veto and then being ignored, or of allowing a resolution to go through and appear to still have weight within the Council and also to maintain the fiction that the UN has a real role in world affairs. And, more importantly it would be in a position to salvage something of its contracts. At the end of the day it is all about profits!

Germany is still opposing any moves towards war. However, the fact that Germany has already sent specialists in chemical, biological and nuclear weapons to Kuwait, despite its public

opposition to war, shows its opposition is cosmetic and purely for domestic purposes as opposition to the war is strong among the German people.

Also, there is the fact that Germany's economy is already faltering. It needs to export heavily to try and climb out of the downturn. The US is quite clearly indicating that Germany may well be excluded from any contracts once Iraq is under US military control. So although it may vote against, it still has time to rethink its position, and either vote in favour or abstain.

That leaves Syria. President Assad is desperate for help from the west. In fact it has been passing information on al-Qaida operations to the US in an attempt to ingratiate itself to the imperialists. But because of its proximity to Iraq it may be the only member of the Council to actually vote against. If it does it will not affect the final outcome in any way, and at a later stage may have to deal with US pressure. If the US manages to install its military machine on Iraqi territory it will have a much more convincing way of getting Syria to buckle.

Thus we have the US, UK, Bulgaria and Spain already backing war. As we have seen, Chile, Angola, Cameroon, Guinea and Mexico can easily be "convinced" to change their position. That makes the magic figure of nine that the US needs on the Security Council. Pakistan can be neutralised, and France, China, Russia and Germany may also be pulled around, for the reasons outlined above.

And just in case any of the smaller countries, dependant on aid, have any doubts, there is always the so-called Yemeni precedent. As *The Guardian* pointed out: "The poorest are the most vulnerable to US



economic muscle. Phyllis Bennis, author of *Calling the Shots*, said the 'Yemeni precedent' - the US stopped aid to Yemen within days of it voting against a resolution on the last Gulf war - was a sobering example for any developing country contemplating opposition." (February 1, 2003)

These are the real criteria that will determine the vote of the UN Security Council members. The final decision will be based on bribery, bullying, promises of juicy profits and guarantees on spheres of influence and power. Thus, it will be more like a gathering of Al Capone and his cronies - more akin to that of a Mafia gang than to that of some "impartial" Court of Law.

The inspectors

Here it is worth looking at the behaviour of the UN inspectors. As recently as January 30, they were saying Iraq was complying with UN inspections. They also declared that they had found nothing - not exactly what Bush and Blair wanted to hear.

"Both Hans Blix, head of UNMOVIC (which is investigating Iraq's biological, chemical and missile capabilities), and Mohamed El Baradei, of the International Atomic

Energy Agency (which is doing the nuclear snooping) had enough nice things to say about Iraq to sustain the peacemongers. Mr Blix reported that Iraq has co-operated 'rather well' on the mechanics of inspection: his staff have been admitted to all the places they have visited, almost always promptly. This contrasts with the absurd shenanigans of the 1990s, when inspectors were frequently turned away from suspect sites or kept waiting while sensitive material was removed."

"For his part, Mr El Baradei reported that his team had 'to date found no evidence that Iraq has revived its nuclear-weapons programme' since it was dismantled during the 1990s."

"Since they began their work in November, the inspectors have not found anything startling enough to be considered (in the popular parlance) a 'smoking gun', at least by Mr Bush's critics." This is quoted from *The Economist* (January 30, 2003), which is not exactly a member of the peace camp!

But as the day of reckoning has been drawing closer Blix and his friends have been changing the emphasis of their statements. Their statements have become more ambiguous. This weekend Blix and El Baradei returned to Baghdad in a "final effort" to see if Iraq will "cooperate fully". Why a "final" effort? Because the date set by the US military is drawing closer.

They are nearly ready to launch their attack. Therefore they need Blix to sing a different song.

No doubt in their next report the inspectors will explain that Iraq has not been "complying" sufficiently. El Baradei has already warned that there will have to be drastic changes in Iraq's attitude if they are to be convinced that Iraqi officials are cooperating. This behaviour shows quite clearly that Blix, El Baradei and the other inspectors are not objective or independent. They are also in the pockets of the powerful and mighty. Their job is to fabricate the excuses which will be used to strengthen the hand of the USA. Their job is to create the conditions whereby France, Russia and China can also be convinced of the need for war. Or to put it more precisely: their job is to create the conditions whereby France, Russia and China can change their position without losing face. It is with all these manoeuvres that a final UN resolution would be achieved.

We have said it many times over and we will continue to repeat it: the UN cannot be counted on to stop this war. The UN is not an impartial, objective "world government", standing above and apart from the interests of the various capitalist powers. At the UN sit the representatives of the various national governments. The US representatives are there to defend the interests of US capital. The same is true of Berlusconi's or Putin's or Chirac's representatives. The coming together of all these gangsters under the umbrella of the UN does not change their nature. Ten wolves sitting round a table do not suddenly become ten mild and meek, and "democratic" sheep!

The real decisions are taken on the basis of the real balance of forces worldwide, both economic and military. Today's balance of forces is unprecedented. It is heavily weighted in favour of the USA. It is the most powerful super-

The final decision will be based on bribery, bullying, promises of juicy profits and guarantees on spheres of influence and power. Thus, it will be more like a gathering of Al Capone and his cronies.

power ever known in history, and it is using this power to force the UN to adopt the position it wants. Thus even a UN backed war would not change the essence of it. It will still be a war waged by the USA for control of oil in the Middle East.

That is why all the talk about UN backing is a smokescreen to hide the real situation. To base opposition to the war on whether there is UN support or not is to weaken the antiwar movement. What will the movement do if there is a second UN resolution? Will the war then be declared a just war, and everyone just goes home? Opposition must be based on the real situation and not on some fairy story about the United Nations.

No to war, with or without UN backing!

This is an imperialist war of plunder, full stop! Opposition must be maintained with or without a UN resolution. The interests of the capitalists must be exposed. Bush, Blair and co., are about to unleash a terrible machine of destruction and mayhem on the Iraqi people. Mr Blair and Mr Bush will pontificate from the comfort of their nice houses, thousands of miles from the war zone. In Iraq ordinary working people, men women

and children, will be killed, maimed and driven from their homes.

The workers and youth of the US and Europe have no interest in supporting such a war. The trade union leaders have a big responsibility in this. What is needed is firstly a campaign of counter-information in the factories, offices and colleges and schools. Meetings should be called where the real situation is explained, where the real reasons for this war are exposed. On this basis a trade union boycott should be organised. The transport unions should refuse to move any material to do with the war effort. We have already had the courageous stand of two British train drivers.

This campaign should be linked to the problems at home. While they can spend billions on bombing Iraq they are increasing student fees, cutting back on welfare, attacking pensions, privatising what is left of the public utilities. The transport system is in a mess. Passengers have been killed on British trains for lack of investment in the infrastructure. Thousands of people are infected in British hospitals every year due to lack of hygiene because of the cuts in staff.

This is a quiet, silent war that has been going on for years against the workers of Britain,



and of all the other capitalist countries. The number of victims is huge. So far this has been a war of unilateral action on the part of the bosses against the workers. These same bosses have been bombing Iraq regularly over the past 12 years. Hundreds of thousands of Iraqi children have died from their sanctions. Now they are going to kill more.

We should raise the idea of no to this war, but yes to the class war. The Iraqi people are not our enemy. Saddam Hussein is the enemy of the Iraqi people

and it is their duty to overthrow him. And, in spite of their nice suits and ties and sweet sounding words, Bush, Blair, Berlusconi, Aznar are enemies of the working people in the west. Our duty is to struggle to replace these people with genuine representatives of the working class in all countries. And to put an end to this rotten economic system based on the profit of the few and the suffering of the many. That, in the end, is the only real way of putting an end to the threat of war once and for all. □

May Day greetings!

To all Labour and Trade Union Organisations

Dear Brothers and Sisters,

It is the intention of the editors of *Socialist Appeal* to carry a May Day supplement in our May edition, containing greetings from Labour and trade union organisations in Britain and internationally.

2003 is a very important year for *Socialist Appeal*. Last year we celebrated our tenth anniversary with some important steps forward. This year we will continue to defend the ideas of socialism within the labour movement, and report on the struggles of the workers in Britain and across the world.

Our struggle is the struggle of the international working class!

We therefore ask you to consider sending us greetings and messages of Solidarity.

Our rates (indicated below) are very reasonable and different sized designs are available.

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Yours with fraternal greetings,

Alan Woods,
Editor *Socialist Appeal*

Please make all cheques payable to *Socialist Appeal* and send to P.O.Box 2626, London N1 7SQ

Venezuelan Trade Unionists Shot - Urgent Solidarity Appeal



Semosa workers occupy the factory

The Editorial Board of In Defence of Marxism and the Hands off Veenzuela Campaign are making an urgent call for international solidarity with the workers of Convencaucho. In the best traditions of the international labour movement, an injury to one is an injury to all.

Send solidarity messages to:

ricardogalindez@cantv.net

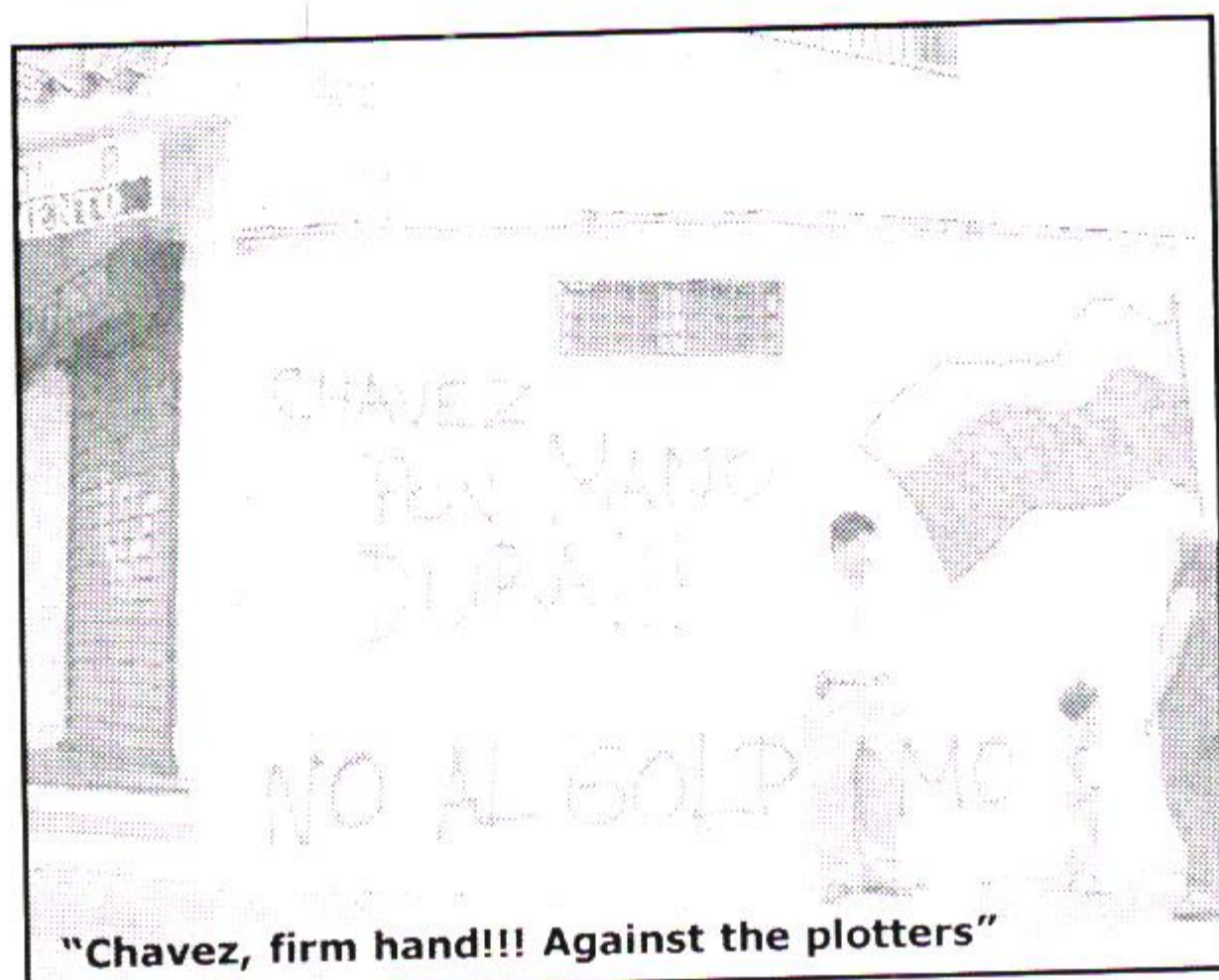
with copies to:

Hands Off Venezuela Campaign
handsoffvenezuela@yahoo.co.uk

Aporrea puebloalzao@aporrea.org

Voces Urgentes

vozurgente@hotmail.com



Convencaucho workers under attack for defending their rights!

On Thursday February 13th at 5.30 am, some 30 Covencaucho workers were attacked while they were going to their workplaces in the company coaches in Barquisimeto, Lara, Venezuela. Two workers were injured, one with a bullet wound in his arm and another one with glass fragments in his eye.

Last January Covencaucho workers, a tyre factory in Barquisimeto with some 400 employees, decided to occupy the factory to protest against the attempt of the bosses to force them to take "unpaid holidays" as a part of the opposition-called lock-out. These workers' struggle forced the employers to re-open the factory and the removal of the old trade union leaders who were in cahoots with the bosses.

José Capitán, a member of the Class Struggle and Democratic Trade Union Block in Carabobo describes the events:

"Shortly before 6 am one of the company coaches was, as usual, driving down Libertador Avenue in Barquisimeto carrying a group of workers to the factory. Then a phone call told the driver to drive to a side street in the Pastora neighborhood. When they passed by a police officer the driver slowed down, someone shouted "here they come" and then a group of people opened fire on the coach. Nine bullets were shot and two workers were wounded... Another group of workers from the company were also on their way to work when an unknown man jumped on the coach and looked through it looking for the trade union leaders and founding none he left. The coach which was

shot at was carrying three of the leaders of the newly elected trade union committee".

Juan Carlos Pacheco, Campaigns Secretary of the Covencaucho Union (SINTRACOVIN) denounced the harassment which they are suffering at the hands of the former members of the trade union committee. Juan Pacheco appealed to the unity of the labour movement, to the police forces to act and to the national government to apply the full weight of the law.

This is not the first time that democratic trade unionists in Barquisimeto have suffered attacks. On Sunday, January 26, shortly after the occupation of Covencaucho by its workers, Ricardo Galindez, member of the regional committee of the CTV in the State of Lara was also shot at.

Ricardo, a trade union leader belonging to the democratic trade union tendency The Workers' Mole was shot at outside his house and a bullet passed just centimeters away from his heart. Galindez had also suffered a severe beating outside his workplace back in November and had also been attacked by thugs at a factory gate while distributing copies of The Workers' Mole bulletin.

After the occupation of Covencaucho and the election of a new trade union committee, the workers at Embutidos Semosa, also in Barquisimeto, occupied their factory on February 3rd demanding the full payment of their wages which had been withdrawn during the bosses lock-out. (<http://www.vocesurgentes.8m.net/proletarios.htm>). This group of workers has also received death threats.

Socialist Appeal is planning a public meeting on the Venezuelan revolution in April, where Jorgè Martin will speak about his eyewitness accounts of the revolution. There will be also be a showing of the marvelous film "Venezuela, otro modo es posible", about the Venezuelan revolution

Advance Notice: New book from Wellred!

In the Cause of Labour

A History of the British Trade Unions

By Rob Sewell

Approx 250 pages

Price: £9.99

Publication date: May 2003

We are pleased to announce the publication in May of a new book by Wellred on the history of British trade unionism. The original idea for this book arose from the series of monthly articles Rob Sewell wrote for the *Socialist Appeal* in the early 'nineties. Although the material contained in this book is based on those articles, they have been considerably expanded, polished and revised. The conclusions are, nevertheless, the same as Rob Sewell wrote a decade ago. The only difference is that these conclusions have been confirmed by the events that have occurred since that time.

The book spans the two-hundred year history of the workers' movement, dealing with the birth of illegal trade unions, the Chartist movement, model unionism, New Unionism, the rise of the Labour Party, the war years and their aftermath, the General Strike, and the

period covering up until the present day. The book is a Marxist history, which draws on the writings of Marxism to illuminate the lessons from the struggles of the working class in Britain. It is particularly relevant today with the shift to the left of the trade unions and the emergence of a new generation of trade union activists.

A foreword for the book has been written by Jeremy Dear, general secretary of the NUJ and newly elected member of the General Council of the TUC.

All readers of *Socialist Appeal* are being given a chance to take up an introductory offer of receiving an advance copy of the book post-free. To reserve your copy as soon as it comes off the press and to take advantage of our special offer please send a cheque for £9.99 to Wellred Publications,

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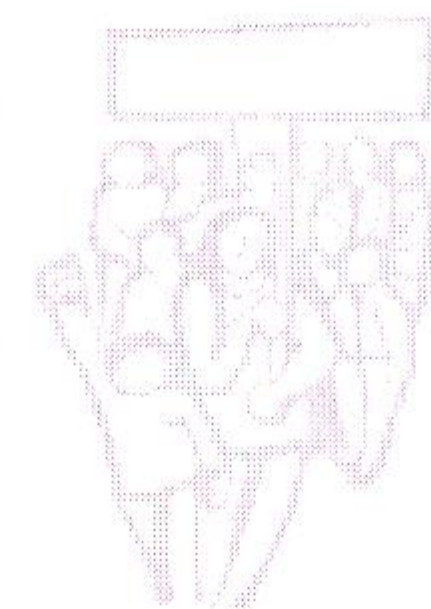
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Stalin

50 years after the death of a tyrant

By Alan Woods

Fifty years ago this month, the world learned of the death of Stalin. For twenty years, he ruled the USSR through a repressive totalitarian regime that condemned millions to death and physically exterminated Lenin's Bolshevik Party. Those followers of Stalin in the USSR and abroad who covered up these crimes against Communism and the working class helped to discredit the very idea of socialism and Marxism-Leninism. They prepared the way for the undermining of the nationalised planned economy and the destruction of the Soviet Union.

Lenin and Stalin

When Lenin and Trotsky stood at the helm of the Soviet state, the working class enjoyed full democratic rights. But Lenin understood the danger posed by bureaucracy in a workers' state, especially in conditions of an isolated and extremely backward country. Conscious of the danger of bureaucracy, after the October revolution Lenin established four conditions - not for socialism or communism, but for the day after the establishment of workers' power:

- 1) Free and democratic elections and the right of recall of all officials in the Soviet state.
- 2) No official is to receive a wage higher than that of a skilled worker.
- 3) No standing army or police but the armed people.
- 4) Gradually, all the tasks of administration to be performed by everyone in turn: "When everybody is a bureaucrat in turn, nobody is a

bureaucrat."

Lenin, who was always very honest, pointed out that wage differentials were a survival of capitalism that would be reduced as the USSR moved towards socialism. In fact, precisely the opposite happened. Under Stalin, Lenin's principles were trodden underfoot. The victory of Stalin and the bureaucracy was rooted in the conditions of extreme backwardness in Russia. Once the revolution was isolated in such conditions, the rise of a bureaucracy was inevitable.

In his last writings and speeches Lenin warned insistently of the danger of bureaucratism in the workers' state. In his last letter to the Party - known as Lenin's *Testament* - he demanded the removal of Stalin from the post of general secretary. This was no accident. He realised that Stalin had concentrated enormous power in his hands and was using his position to form a bureaucratic faction within the leadership. Lenin had broken off all personal and comradely relations with Stalin.

October revolution

Shortly before his death, Lenin urged Trotsky to take up the fight against Stalin. After Lenin's death, Trotsky and the Left Opposition tried to base themselves on the working class to defend the real democratic and international heritage of the October revolution. But the working class was exhausted and weakened by the long years of war, revolution and civil war. Gradually they fell into passivity. By contrast, the bureaucracy was ever more confident and aggressive. By degrees the power slipped out of the hands of the workers.

Superficial commentators are convinced that Stalin came to power as a result of his superior foresight and planning. Nothing could be further from the truth. Actually, Stalin foresaw nothing and understood nothing. He was thrust into power as a result of a particular correlation in the class balance of forces when the revolutionary tide was ebbing in Russia.

Lenin's death

After Lenin's death, a caste of privileged officials usurped power in the Soviet Union. They were represented inside the Party by the bureaucratic faction that formed around Stalin. As long as Lenin was alive, the Stalin clique had to proceed cautiously. The memories of the October revolution were too recent, and Lenin's personal authority too great. But once Lenin was removed, they began manoeuvring to seize control of the Party.

More than a worked out idea, Stalinism began as a definite mood of reaction among the officials. The campaign against "Trotskyism" was in essence the reflection of a petty bourgeois reaction against October. The functionaries enjoyed higher salaries and privileges not available to workers. They therefore had material interests to defend.

The numerous caste of Soviet officials were tired of the storm and stress of revolution, which they associated with the idea of "permanent revolution". However, the anti-working class and anti-socialist policies of the bureaucracy had to be disguised in "socialist" phraseology. This was provided by the anti-Marxist "theory" of socialism in one country.

The Opposition defended the principles of Leninism and October. It warned against the disastrous policy of compromising with the rich peasants (kulaks), and advocated taxing the kulaks and industrialisation, including five year plans, linked with measures to restore workers' democracy, against bureaucratism and for proletarian internationalism.

But the struggle was uneven. Stalin mobilised the full weight of the apparatus to crush the Opposition. Oppositionists were sacked from their jobs, expelled from the Party, persecuted and arrested. Stalin used hooligans to break up Opposition meetings. All this was completely alien to the clean traditions of the Bolshevik Party. In 1927, the Opposition was expelled and the next year Trotsky, the architect of the October revolution and Lenin's closest comrade and collaborator - was sent into exile.

Stalin's zig-zags

The argument that Stalin won because he was more skilful and perspicacious than Trotsky is entirely false. The outcome of the struggle was determined by the class balance of forces, which by this time was unfavourable to the proletarian vanguard. The personalities of the contending forces were an entirely secondary feature. What happened here was a triumph of the bureaucracy over the Soviet working class and its vanguard. In the person of Stalin the bureaucracy found a leader in its own image.

Stalin proceeded empirically, according to the temporary interests of the bureaucracy. The Left Opposition's warnings of the kulak danger was

ignored by Stalin until 1928, when the kulaks launched a grain strike to overthrow the Soviet power. In reply, Stalin staged a 180 degree somersault and adopted the crazy policy of forced collectivisation.

The result was a bloody civil war in which the Red Army had to be sent into the countryside. As a result of Stalin's lunacy, a terrible famine swept across the land in 1932-3. There were cases of cannibalism in the Ukraine and Central Asia. Soviet agriculture never recovered from this blow. The adventurist policy of forced collectivisation of agriculture provoked a terrible disaster. Stalin later admitted to Churchill that ten million people had starved to death.

In the field of industry, Stalin performed a similar somersault. When Trotsky put forward the idea of a Five Year Plan and industrialization in the 1920s, Stalin ridiculed it, saying that the proposal for electrification (originally proposed by Lenin) was "like offering the peasant a gramophone instead of a cow". But now proclaimed the lunacy of carrying out a "five year plan in four years." This led to serious dislocation of the economy and growing discontent, which he attempted to head off by launching a series of Purges.

The enemies of the October revolution try to show that Leninism and Stalinism are the same. This slander is easily answered. In order to consolidate his power Stalin had first to destroy Lenin's Party. He did this by physically exterminating the Bolshevik Party in the notorious Purges. A wave of terror was unleashed by Stalin against the people of the USSR. Tens of millions of innocent people were arrested, condemned and sent into the Gulag. Khrushchov revealed at the 20th Congress in 1956 that those arrested were subjected to brutal tortures, and only confessed to "all kinds of grave

and unlikely crimes" when "no longer able to bear barbaric tortures."

The principal defendant in the Moscow Trials, however, was not present. From his exile in Mexico Leon Trotsky kept the banner of Leninism and internationalism flying. He tirelessly exposed the Moscow show trials as a frame-up. He alone represented a mortal threat to Stalin. As long as Trotsky remained alive Stalin could not rest. In August 1940 Trotsky was murdered by one of Stalin's agent in Mexico City.

Stalin in power

Stalin's foreign policy was merely a reflection of his twists and turns in Russia. The Communist International was reduced to the role of a border guard of the Soviet Union and a passive instrument of Moscow's foreign policy. The ultra-left policy of the Stalinists in Germany led to a disastrous split in the German working class movement that allowed Hitler to boast that he had come to power "without breaking a window pane."

This crime against the world working class placed the Soviet Union in great danger. Stalin then swung to the opposite extreme and embraced the policy of the Popular Front, which derailed the revolution in France and Spain. Stalin's betrayal of the Spanish revolution led directly to the Second World War. In a desperate attempt to prevent war with Germany, he signed the notorious Hitler-Stalin Pact in 1939.

Stalin's policies placed the USSR in extreme danger. The Purges had so weakened the Red Army that it was the main factor in persuading Hitler to attack the Soviet Union. The infamous Hitler-Stalin Pact of 1939 was a desperate attempt on Stalin's part to avoid war with Germany. He even went to the length of handing over German anti-fascists to Hitler and banning all anti-fascist agitation in the

Soviet Union. The guards in Stalin's camps were forbidden to call the prisoners "fascists" as a term of abuse.

Stalin had left the USSR defenceless before the German onslaught in the summer of 1941. Millions of Red Army soldiers were encircled and captured almost without a fight. Most of them perished in Nazi death camps. Many of those who survived were then sent to their deaths in Stalin's camps, accused of collaboration with the enemy.

In the end, the workers and peasants of the USSR defeated Hitler thanks to the colossal achievements of the nationalised planned economy. But they won in spite of Stalin, not because of him.

Shortly before his death, Stalin was preparing another Purge, which would have had disastrous results. There was deep discontent in the masses because of the low living standards, which contrasted scandalously with the pampered existence of the elite. Scapegoats were necessary.

Absolute power

In his last years Stalin was a complete megalomaniac. This is not surprising. Absolute power inevitably ends in insanity. We see the cases of Stalin and Hitler, both of whom were insane in the end, but also the mad tsars and Roman emperors in the past. Stalin was by now completely paranoid. He lived like a recluse in his dacha. He started to accuse Voroshilov, his old crony, of being a British spy and excluded him from meetings of the Politburo.

Then Stalin arrested all the Kremlin doctors in the so-called Doctor's Plot. They were accused of attempting to poison Stalin. As they were all Jews, this was an excuse for an anti-Semitic campaign in the Soviet Union. Khrushchov, Malenkov and the other members of the elite realised that in a new Purge their heads would fall. Moreover, it would completely destroy the

prospects for economic recovery. So they agreed to get rid of the old man before he got rid of them. Stalin's death in 1953 was certainly no accident.

Stalin's heritage

Stalin's crimes were later exposed by the very people who had slavishly followed him and praised him as the "great Leader and Teacher." But though Stalin was dead and discredited, the totalitarian bureaucratic system he had established remained in place. The corrupt caste of officials suffocated and wrecked the nationalised, planned economy and prepared the way for the restoration of capitalism, as Trotsky had predicted.

In the end, the sons and grandsons of the old bureaucrats had a purely bourgeois lifestyle and mentality. They had not even the slightest link with the working class or socialism. They went over to capitalism with the same careless ease of a man passing from a smoking to a non-smoking compartment of a train. The so-called "Communist" Party of the Soviet Union collapsed overnight like a pack of cards, and its top members fell over themselves in their eagerness to transform themselves into private capitalists.

What has occurred in Russia, Eastern Europe and China over the last ten or twenty years is the result of decades of Stalinism. The Stalinist bureaucracy - that greedy and corrupt caste of privileged officials - eventually undermined and destroyed the Soviet Union. Now the enemies of socialism try to show that the collapse of the USSR proves that socialism and planned economy cannot work. "It was tried and it failed" is their monotonous refrain. But what failed in the USSR was not socialism but only a monstrous bureaucratic caricature of socialism called Stalinism.

Fight for Socialism

Countless billions of pounds are being spent by America and Britain in pursuit of their war aims in the Middle East. Meanwhile these self same governments find it impossible, so they tell us, to find enough cash to properly fund hospitals and railways, schools and council services. In Britain they are quite happy to demand 'modernisation' (i.e. cuts) in the fire service and refuse to pay the firefighters a living wage whilst at the same time merrily watching the money which could fund the full 30% claim and more quite literally go up in flames in the form of missiles and bullets. This is the language of priorities as spoken by the representatives of imperialism.

Millions in Britain and all around the world have been marching and demonstrating against the obscenity this represents. But to just be angry and want to protest is not enough. We need to understand the real reasons for war and all the other problems confronting the peoples of the world at the present time. More than that we then need to be able to confront them and struggle for the solution - socialism. With all the wonderful technological and material resources available to the human race in the 21st Century we should be facing a bright future, free of poverty and conflict. But under capitalism and the yoke of imperialism we are now being offered instead a world without hope. The position of *Socialist Appeal* is that this is not acceptable. Our task is to explain and analyse but also to organise

the fightback - in the unions, the Labour Party, in the workplaces and colleges and on the streets.

But to do this we - as always - need your help. Big business is always ready and willing to fund the sinews of their war but we rely instead on the sacrifice of ordinary people who are prepared to give what they can to stop the ruling class and their merry-go-round of greed. To keep our journal going and available to readers at an affordable price we need the donations to keep flowing in.

Our final total for January was £860 and with a few days to go in February we have collected in £620. Recent donations received include £150 from Southampton readers, £125 from London supporters, £430 from Ian (London), £50 from Bob (Midlands), Andy Blake £100, Damon Cummings £20, Igor £30, Sarah Glynn £15, Doros and Athena £20 and many others too numerous to mention. We thank you all. To make a donation please send what you can to us at PO Box 2626, London N1 7SQ. If you wish to make a regular monthly donation by standing order from your bank - something which is useful for us and easy for you to administer - then drop us a line and we will send you a form. You can also make donations online using your credit card by visiting the Wellred online bookshop at www.marxist.com.

Steve Jones

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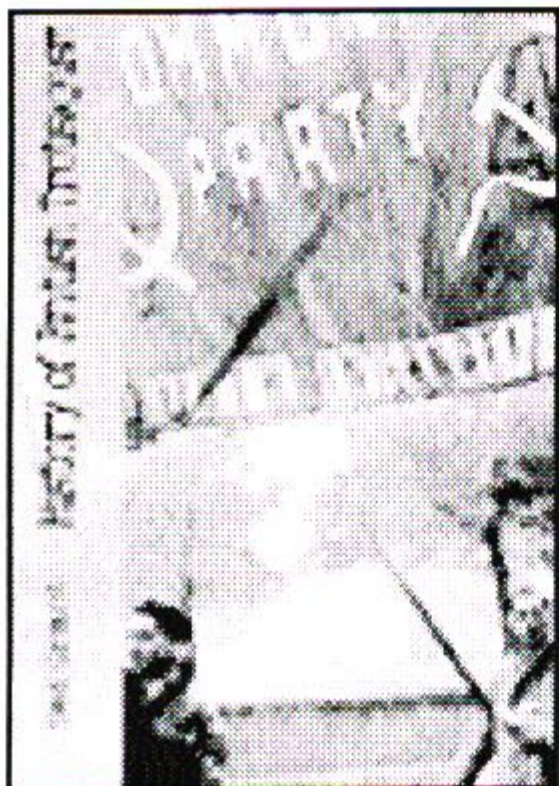
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History of British Trotskyism

by Ted Grant

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

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

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

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

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

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notice board

March 2003

Labour Against the War Conference, London

Saturday 29 March 2003
9.30am - 4.30pm, Friends Meeting House, Euston Road, London

Speakers include Alan Simpson MP, Andy Gilchrist (FBU), Tony Benn, George Galloway MP and others

Further details: latw@gn.apc.org or 020 8985 6785
www.labouragainstthewar.org.uk

Socialist Appeal Stands for:

✚ **For a Labour government with a bold socialist programme!** Labour must break with big business and Tory economic policies. Vote Labour and fight to reclaim the party.

✚ **A national minimum wage of at least two-thirds of the average wage.** £8.00 an hour as a step toward this goal, with no exemptions.

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

✚ **No more sell offs.** Reverse the Tories privatisation scandal. Renationalise all the privatised industries and utilities under democratic workers control and management. No compensation for the fat cats, only those in genuine need.

✚ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining.

Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.

✚ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.

✚ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and higher education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.

✚ **The outlawing of all forms of discrimination.** Equal pay

for equal work. Invest in quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act.

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

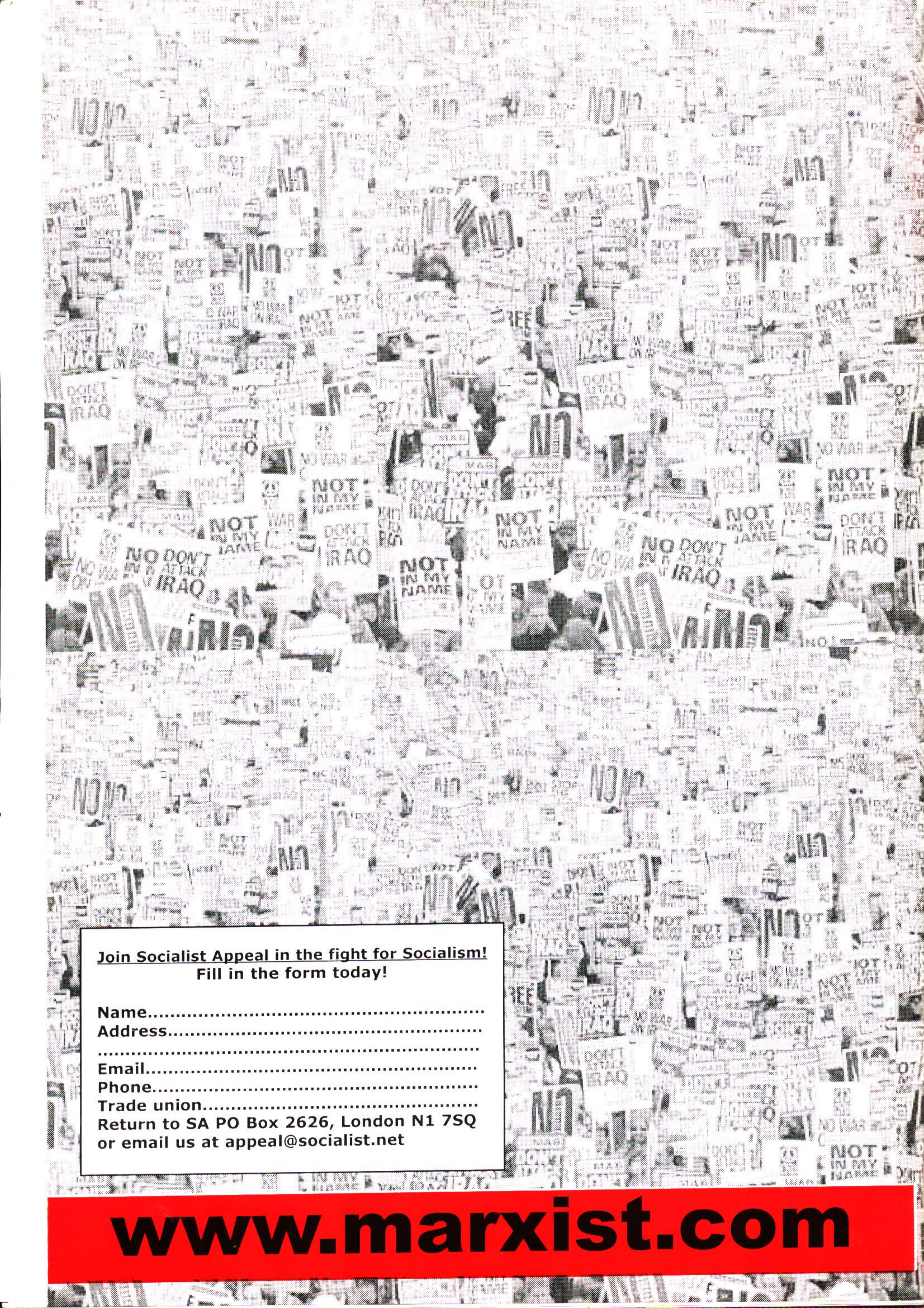
✚ **Reclaim the Labour Party!** Defeat Blairism! Fight for Party democracy and socialist policies. For workers' MPs on workers' wages.

✚ **The abolition of the monarchy and the House of Lords.** Full economic powers for the Scottish Parliament and the Welsh Assembly, enabling them to introduce socialist measures in the interests of working people.

✚ **No to sectarianism.** For a Socialist United Ireland linked by a voluntary federation to a Socialist Britain.

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

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



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