

10th anniversary issue

SocialistAppeal

The Marxist voice of the labour movement

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Italy, Greece, Spain... General Strikes rock Europe!



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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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The deadline for articles for issue 104 is August 20th

"We're all Thatcherites now!"

Or so claims the principal cheer-leader of Blairism, Peter Mandelson. Whilst this may be true for the clique of careerists at the top of the Labour Party, it is a dirty insult to the rest of us. When Tony Blair met the newly re-elected French President to discuss his anti-immigration plans, a spokesperson commented that he was more comfortable in the company of the right winger Chirac than he had been with former Socialist Party Premier Jospin. No doubt it isn't only asylum seekers that Blair wants to stop travelling to Britain. The wave of militancy spreading across Europe, General Strikes in Italy, Greece and now Spain are a warning of what is to come here.

At a certain stage, no matter how unlikely it appears today, there can be a general strike in Britain too. There are no cosy, safe jobs anymore. A recent survey, quoted by the TUC, claims that British workers suffer the highest level of job insecurity in the world with the exception of South Korea. As a result, there will be generalised action in the future involving every section of the working class. Such developments do not drop from a clear blue sky. In Italy and Spain anger and discontent built up beneath the surface before bursting forth in militant action. Just such anger and discontent is growing in Britain. A British general strike may not be on the order of the day yet, but the increasing militancy in workplaces around the country, which can no longer be denied, marks an early stage in that process.

Why after five years of Labour government, and a supposedly booming economy, are workers being forced to take to the road of struggle? Because the Labour leaders are out-Torying the Tories. They persist with privatisation, they are obsessed with the

market economy. They stubbornly refuse to take the railways back into public ownership as one disaster follows another whilst even the right-wing Evening Standard appeals for its "full blooded renationalisation."

Interest rates, inflation and unemployment are at their lowest levels for decades. So if everything is so rosy how does one explain Labour's falling popularity? A poll conducted by YouGov for the Sunday Times puts the Tories on 35% just behind Labour's 38%. The press claim it is a reaction to the shenanigans concerning the Queen Mother's funeral. While the mounting sleaze surrounding the government has an effect, the real answer is more profound than that. It is increasingly difficult for workers to see the difference between this government and the Tories. This explains why Labour's lead over the Tories has fallen from eight percent last month to just three percent now.

Previously the idea that the Tories could make an electoral comeback in the short term was risible. As we have pointed out previously, however, it is precisely the failure of Blairism and the continuation of Tory policies which could lead to a Tory recovery. This has nothing to do with any success on the part of the latest invisible man to lead the Tory Party, Ian Duncan Smith, but

instead reflects the growing disillusionment with Blair.

Despite years of economic boom on the coat tails of the US and world economy, many public services remain in crisis. The NHS ranks alongside Hungary's health service in a survey by the OECD, while our transport system is so dilapidated it actually kills people. The gap between rich and poor has continued to widen under Blair. Skyrocketing house prices, which cannot be sustained, prevent young families from buying, or trap them in debt which will turn to negative equity when the property bubble bursts. For the third month running mortgage lending has hit a new record high. £19.5 billion was borrowed last month, over £7 billion of it for remortgages as homeowners cashed in on the newly inflated value of their houses. This is a house of cards which will come crashing down around our ears. The Council of Mortgage lenders are pushing for an interest rate rise to bring the property bubble under control. But with the economy stagnant, and industrial output already in sharp decline, a rate rise would push the economy back into recession. It is heading that way anyway.

All the Blairites are seen to be interested in meanwhile is spin. What was the Prime

Minister doing on the day of the Queen mothers funeral?

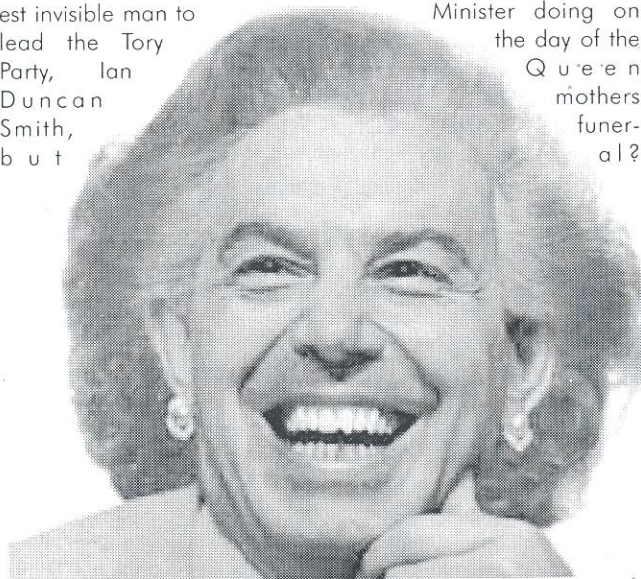
How many times did Stephen Byers lie to parliament?

This is just froth. While superficially there appears to be little to separate the Labour leaders from the Tories there is an all important difference - we can change the Labour Party, and the key to that change is the unions.

Workers in the health service, in local government, postal workers, railworkers and others are fighting right now against the government, for better pay and conditions, or just to keep their jobs. That fight must be taken into the Labour Party. Growing militancy in the unions is resulting in a shift to the left particularly at the tops of those unions who have been engaged in the most recent struggles. At a certain stage this process must be reflected inside the Labour Party. A campaign led by the unions to reclaim Labour would find a ready echo amongst rank and file Labour members all around the country.

No doubt as industrial action escalates we will hear the familiar chant "don't rock the boat - you'll let the Tories back in." It is clear now that the responsibility for any Tory revival lies with the failure of Blairism. Defeat Blairism and reclaim the Labour Party, that's how to keep the Tories out, more importantly its also the way to defend jobs, to rebuild our transport, health and education systems. The fight is on to save jobs and stop privatisation. Industrial action must go hand in hand with political action inside the Labour Party. The fight for socialist policies is the only way to defend jobs and services from the ravages of the failed market economy.

- No More Privatisation
- Hands off postal workers jobs
- Defeat Blairism - Trade unionists reclaim the Labour Party
- Fight for socialist policies



UNISON: Tide turns against Blair's attacks...

The Annual Conference of UNISON took place against the backdrop of looming industrial action in England, Wales and Northern Ireland over pay in local government and the accelerating use of PFI and PPP schemes in the public services. These schemes result in the privatisation of school and hospital buildings.

by Gray Allan,
Secretary Falkirk Council 07340,
personal capacity

Some 2,500 delegates and visitors packed the Bournemouth International Centre to hear speakers attack the Blair Government for its policies of privatisation.

In common with other Trades Unions UNISON activists are hotly debating the nature and the future of the Union's links with the Labour Party. Unlike any other Trade Union UNISON has 2 separate political funds only one of which is directly affiliated to the Labour Party (the Affiliated Political Fund or APF). The other fund (the General Political Fund or GPF) pays for campaigning work on issues that are political with a small "p". The GPF cannot be used to pay for Party political campaigns. UNISON members choose which fund to pay into. Both the APF and the GPF can only use the cash received from payers to affiliate to the Labour Party or to carry out

non-party political campaigning work.

Therefore, only PART of the Union is linked formally to the Labour Party. The APF pays its affiliation fee to the Labour Party nationally and also upkeep grants to selected Constituency parties. No money is paid directly to Labour MPs or Councillors.

UNISON members are questioning why the Union should be paying money to the Labour Party when a Labour Government is attacking them. At UNISON's Conference in 2001 delegates instructed the National Executive Council to carry out a review of the APF and GPF arrangements and report to the 2002 Conference. The half-hearted way in which the NEC set about implementing this decision meant that only an interim report was presented to delegates in Bournemouth.

Conference censured the NEC for this failure and decided that there should be the widest debate in branches on the future of the political funds. Supporters of "Socialist Appeal" spoke in the debate and argued for UNISON members to get active in the APF and in the Labour Party and win the Party back from the New Labour Tendency, which has temporarily hijacked it. There is now a great opportunity for socialists as every UNISON Branch can affiliate to all CLPs where Branch APF supporters live who are willing to take on New Labourites inside the Party.

Conference voted for resolutions condemning the importance of PFI in the Government's Third Comprehensive Spending Review. Delegates also voted heavily for action to defend publicly provided residential homes for the elderly and agreed to lobby Parliament about this and donated £10,000 to the Residents Action Group for the Elderly.

As front line workers in the public services UNISON members are well aware of the corrosive effects of racism and the limited electoral success the fascist BNP has had in parts of England with some councillors being elected in Oldham.

Delegates voted for a TUC led demo to be held in the Manchester area but voted against affiliation to the Anti Nazi League in a debate that degenerated into sectarian name-calling.

In the Local Government section delegates threw out attempts to approve the Government's code of practice for the treatment of workers transferred to the private sector in PFI schemes. The code was rejected because it was voluntary and not enforceable.

The left in the Union grouped in a loose body called the "United Left" had some notable victories this year. Among a layer of activists the tide is turning against New Labour cuts and privatisation. ♦

... and conference rejects breaking labour link

UNISON is Britain's largest public sector union with over 1.3m members. As such it represents the main obstacle between New Labour's privatising agenda and the attacks on low paid workers' jobs, pay and conditions.

by Mark Turner
Cardiff County UNISON APF Officer
(personal capacity)

It is well known that the New Labour hawks have been looking forward to a national conflict with UNISON since the 1997 Labour election victory. They look forward with relish to the next phase of 'the Project'; the breaking of the links with the trades unions and public and state funding of political parties. As a result of their Tory policies of cuts and privatisation, the alliances with right wing leaders across Europe such as Berlusconi, angry

trades unionists have called for unions to review the money given to Labour. Last year, the left in UNISON succeeded in forcing the leadership to conduct 'a review' of the value for money of the political funds.

UNISON has a political fund structure that even its activists don't fully understand. When the three unions formed to make UNISON nearly ten years ago, the leaderships were presented with a problem; NUPE and COHSE were affiliated to the Labour Party but NALGO, despite having the largest individual membership of the Party was not affiliated. In addition, NALGO was lay member led and had a sizeable left wing. It was this that led to the leaderships creating two political funds—the General Political Fund (GPF) and the Affiliated Political Fund (APF) to 'cater for the two traditions'.

According to Labour's General Secretary writing in the last UNISON

Labour Link newsletter, the APF has more influence on policy than any other union. If that's true UNISON APF must be in favour of privatising away its members and their pay and conditions. Clearly the only people who think that it is successful are the New Labour apparatchiks in Mabledon Place. Even Rodney Bickerstaffe in his last APF speech attacked the APF leaders, reminding them that it was supposed to represent the union in the Party and not the other way around! The leadership have created a closed, undemocratic constitution which ensures little controversy or dissent, have done nothing to ensure that all those individual ex Nalگو Party members have transferred into the APF and have been totally ineffective in the 'lobbying' that they constantly crow about.

But does that mean that UNISON should disaffiliate? Clearly, all of the ultra left were convinced in their perspective



Attempted coup in civil service union

The desperate attempt of the right wing 'Moderate' group at the PCS National Executive Committee meeting on the 23rd May to remove the democratically elected General Secretary, Mark Serwotka, and to impose as General Secretary the unelected right wing 'Moderate' faction member, Barry Reamsbottom, has met with a flood of protests from PCS members.

By Rachel Heemskerck

Meetings of the 'Campaign for Democracy' have taken place across the country with hundreds in attendance. At the London meeting, held on the 19th June with over 350 present, one of the platform speakers was Hugh Lanning, the defeated candidate of the right wing Membership First faction, who spoke in favour of Mark Serwotka's right to take up his elected office.

In Newcastle a former 'Moderate' member who stood on the NEC 'Moderate' slate, Ray Stokoe, attended the meeting, having severed his ties with the right wing and now giving support to the Campaign for Democracy. Leafleting of right wing NEC member branches has taken place. The Falkirk Child Support Agency Branch, which nominated 'Moderate' member Moira Campbell, was leafleted, forcing her to call a special meeting to try to defend her position. It is this pressure from the members that will split the right wing forces and force them to abandon their attempted coup.

At the June 11th meeting of the DWP Group Executive, the largest section of the union, a motion was passed, 21 to 11, to send messages of support condemning the actions of the undemocratic 'Moderate' clique and to organise members petitions and to hold special branch meetings to demand a recall conference of the union. This should be taken up by all sections of the union.

At the meeting of the NEC on the 19th June the 'Moderate' faction walked out of

the meeting after they unsuccessfully tried to impose undemocratic standing orders and the appointment of two right wing officials and the appointment of Reamsbottom onto the TUC General Council.

At a high court hearing on the 21st June a ruling was made that all legal costs of opposing the attempted coup incurred by Mark Serwotka and Left Unity supporting president, Janice Godrich would have to be met by the union. This legal victory followed after the 'Moderate' Vice President, John McGowan, had read a statement prior to the NEC walkout that all costs of "unofficial legal opinions" would be "charged personally" to Janice. The next legal battle will take place on the 15th July with a hearing scheduled in the high court to rule on the General Secretary position.

The desperate tactics of the right wing to cling to power have led to their complete disarray and discredit in the eyes of the members and will pave the way for a Left Unity victory in the next set of NEC elections. ♦

and demand that a genuine socialist party should be created, supported by the trades unions disillusioned by Labour. And although last years motion only called for a review it was clear what they thought the outcome should be. However, this move seems to have backfired somewhat. The inevitable reluctance on the part of the leadership to conduct an open and democratic review has angered those APF supporters who see it operating, in the words of one moderate Branch Secretary, 'like a secret club, an organisation within the organisation', in which members and activists can have little influence. This has prompted both anger at the leadership and a desire to make the APF and the Link work properly.

So now the 'left' seems totally confused as to what its position should be. The new position, supported by some

Labour lefts, is that there should be only one political fund, and that we should only support those candidates who support UNISON objectives, which sometimes will mean Labour, sometimes not. This is an untenable position. There is no way that the Labour Leadership would allow a trade union to pay lip service to the party and then oppose its candidates in elections. If anything this would undermine our arguments within the Party. Also, it would lead to disunity within the union, with the possibility opened up of one Branch supporting the Labour candidate and another supporting someone else in the same constituency. It is a recipe for disaster! However, the fact that they have pulled back from the disaffiliation position is in itself an acceptance of the position that this journal has argued from the beginning; the ordinary rank and file trades unionists still

see the Labour Party as their Party no matter what Blair and his spin doctors say.

A motion which censured the National Executive for not completing the review in an open manner (the Welsh Region held its Regional 'consultation' just a week before conference) and calling for a proper review involving the widest participation was passed at this years conference on a card vote. This is to be welcomed. UNISON has moved gradually to the left over the last 5 years, and even the right wing leadership is now openly critical of Blair and New Labour policies. There is not one area of policy on which UNISON is now not opposed to the government. The new political fund review gives genuine lefts the chance to take the opportunity to argue for the fight for socialist policies within the Party and for the Labour Link to be fully re-connected to the member-

ship and activists as a whole. The artificial partition which separates politics and the APF from the rest of the union must be demolished, and one political fund contributing to the Labour Party created. UNISON, as the biggest union contributor to the Labour Party, has not, as of yet, been punching its weight. We have nothing to lose from an equally balanced debate, bureaucratic manoeuvring is not the way to keep the Link, but reinvigorating the union by fighting for better pay, against PFI and privatisation, and directing that energy into the Party will bring the members the rewards they deserve. ♦

- Keep the Labour link!
- For one political fund - Affiliate the whole union!
- Fight for socialist policies
- Let's take our party back!

Goals and greed

So another World Cup has come and - by the time you read this - gone. Now Planet Football must face up to a none too certain future as the wild promises which have marked the last ten years are shown to be somewhat short of the mark.

by Steve Jones

The passionate support of the fans in Korea and Japan during June has to be set against an ongoing saga of greed, self-serving avarice and incompetence from football's governing authorities and the multi-national corporations behind them.

World Cup 2002 was always intended to have a purpose over and very much above a sporting one. The choice of Japan and South Korea as joint venues itself had a long term commercial dimension to it. Such are the real priorities of those who run and own world football.

As far back as the late 1980s a plan was hatched by football's power brokers to "open up" the potentially extremely lucrative and until then largely untouched Asian market. European clubs were starting to notice the interest from Asia in their teams and therefore the potential purchasing power for team strips etc. During the 1990s Manchester United made a particular effort to cut into this new territory with tours, Asian based commercial wings and so on. Arsenal followed this up by purchasing a Japanese player, Junichi Inamoto, a cult player in his home country. Mr. Inamoto never actually made more than a small handful of appearances for Arsenal (and those were all in meaningless games), yet featured prominently in commercial handouts, shop catalogues and so on. It was hard not to suspect a non-footballing motive for this player's signing.

In Japan itself the money men had set about creating a whole football league structure out of thin air in order to prepare the ground for the transformation of the country into a football loving and hopefully spending market. Hence the J-League. The next step was to bring the World Cup to the Far East.

Fortunately for them FIFA was, as usual, obliging. Having the finals split across two countries was an unexpected bonus.

Sadly for the men in suits at FIFA HQ, the build up to World Cup 2002 was marked by a most unseemly, for them anyway, washing of dirty linen as accusations of corruption and incompe-

tence flew back and forwards. Up to now none of this would have ever worried these gentlemen were it not for the almighty mess they had got themselves into following the mysterious collapse of FIFA's commercial wing, ISL. So the knives were out for supremo Sepp Blatter but the old rogue had worked hard buttering up the various FIFA delegates and the old Don survived a vote of confidence by a considerable margin. However this is a problem that will not go away and reflects the worldwide "downturn" in the football industry. Lucrative television deals have been botched - including some of those for the World Cup itself - and the crisis which has hit the media giants over the last year or so has had its knock on effect so far as football is concerned.

ITV Digital

At home, despite all the flag waving support for the England team over the last couple of weeks, things are not much brighter, quite the reverse in fact. Share prices of football clubs have fallen as doubts about the profitability of the national game grow. The crisis surrounding the ITV Digital deal with the Nationwide League serves to remind us once again of the inbuilt inability of capitalism to face reality when it is staring them in the face. In an orgy of spending ITV Digital had decided to boost the fledgling terrestrial digital service by forking out millions of pounds not only on the Premiership but also on the Nationwide League, this to a degree far beyond anything ever considered before. Clubs rubbed their hands at the promise of huge payouts which were supposed to now come their way without even thinking about the possibility that ITV Digital could not actually afford all this. When it became apparent that technical problems with the system used by ITV Digital, linked to the slow take up of the various sports services provided by the company, meant that the whole deal was in jeopardy, panic set in. Incredibly ITV Digital had managed to mess up what should



have been a sure thing, using football to underwrite the expansion of long overdue new technology. Now with ITV Digital going bust, all the Nationwide Clubs are facing a huge shortfall in projected income for the coming year. The response has been a rash of layoffs, staff cuts and in some cases clubs going into administration themselves. The gravy train has well and truly gone off the rails. The Premiership - with its existing deals with ITV and BSkyB - has largely escaped the fallout from this collapse but all the industry experts now predict that the next set of television rights deals to be negotiated will be for far less cash on the table than was the case last time.

Whatever commercial spinoffs arise from the World Cup - and this was largely dependent on the continued success or otherwise of the England team who survived to the quarter finals - will be more than offset by the sharp decline in television money. For the Nationwide League that day has already dawned. Fans already disgusted by the rampant exploitation by football's money men of their loyal support will only feel anger as their clubs raise ticket prices, cut squads or even go bust. The struggle to reclaim the game for those who really care about it as a sport not a source of financial gain must be revived and intensified as the issue of who owns football becomes more and more central. ♦

MSF AEEU - AMICUS Conference: Fight for a democratic union

The MSF and AEEU sections of the newly formed Amicus union, held separate conferences at the beginning of June in Blackpool.

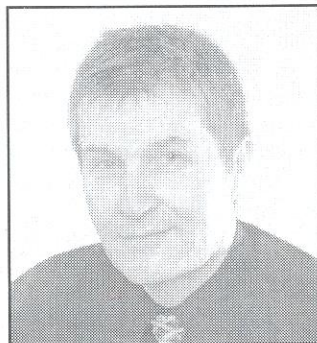
by Kris Lawrie

The MSF policy conference opened with a controversy. It is normal practice for the conference to elect their delegates to the TUC. The MSF Executive, which has a right wing majority, had received legal opinion that as the TUC delegation was a joint AEEU and MSF delegation only the joint Executive of Amicus could appoint the delegation. This was challenged by many on the floor but eventually the vote was narrowly in favour of the Executive decision, much to the consternation of many activists. In the debate which took up half an hour before the conference even began, what emerged was that any decision taken by the MSF section policy conference was subject to alteration by the joint Executive of Amicus and carried no weight other than as a sectional policy decision. No policy decision of the MSF conference would be binding on the TUC delegation or any other joint Amicus delegation.

In the eighteen different AEEU national industry conferences in Blackpool, delegates put forward motions from the various regional industry conferences, which are open to all shop stewards to attend and elect delegates and send motions to their National Industry Conference. Each National Industry Conference elects delegates and passes motions to the national bi-annual Policy Conference. The debate in most of the conferences was quite dry, not because ordinary members have nothing to say, but because the unions apparatus was reportedly working hard to prevent delegates from sending controversial motions. They can use various underhand

and dishonest methods to achieve this. One delegate told me about an incident at his regional transport industry conference where Roger Maskell, at the time a senior full time officer of the union, prevented a member submitting a motion to the conference on PPP for London Underground - a proposed motion for debate at the national industry conference for submission to the unions 2003 policy conference - because the proposed motion was not in line with the existing union policy on PPP!

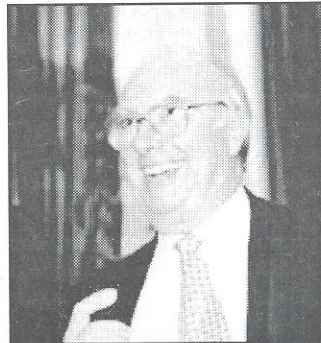
Nonetheless these were very significant conferences coming a week before the opening of the ballot for the election of the AEEU General Secretary an election that the union machine was compelled to hold, under threat of legal action. It has been reported that the same machine is working at double speed to ensure the re-election of Sir Ken Jackson (65) to the post. Jackson must have butterflies in his stomach because it is the first time he has had to face an election of the entire AEEU since the merger of the EETPU and AEU in 1992, having only ever been elected by one third of the AEEU membership, as General Secretary of the former EETPU section. As well as being entitled to draw a state pension, Jackson occupies a management post at Nirex



to employ AEEU workers. The election tended to dominate the conferences.

As the conferences began news was breaking in the press about the resignation of Roger Maskell, a senior union officer from the South East of England, and previously a close ally of Jackson. Maskell is said to have boasted to Jackson, that Simpson would not get a single nomination from his region. He has since been accused of fixing branch nominations in favour of Jackson by moving full-time officials around so they could vote in more than one branch in the nomination process (see May's Socialist Appeal). Allegedly, he then illegally altered computer records to cover up his initial indiscretion.

The left wing candidate, Derek Simpson was at the conference, but not in an official union capacity. Having resigned from his post as a regional officer of the union effective as of the end of the year (this was a precondition of his standing in the election) he was denied holiday leave to contest the election at the conference. Simpson will now face disciplinary action for leaving his post without permission. Jackson addressed all eighteen conferences, while Simpson was compelled to wait in the foyer and speak to delegates as they came out.



Sir Ken Jackson is seen as Tony Blair's leading supporter in the Trade Unions, both the Chancellor and the Health Secretary attended parts of the conferences and all the delegates were given a video of 'fraternal greetings' from Tony Blair, where he explicitly mentioned Jackson's contribution several times. Jackson stands for the policy of 'partnership' with the employers, which has so far been ineffective in maintaining wages and conditions and preventing industrial closures. Under the current leadership the union has lost its democratic traditions, the number of branches has been reduced (eroding local democracy), while the number of full-time officers has shot up. Meanwhile more and more members have left in disgust.

Simpson stands for the democratisation of the union, bringing the union back to the members, an end to 'sweet-heart deals' with the employers and negotiation and where necessary struggle to defend jobs and conditions. He is a member of the Labour Party, but says he would like to see the same processes taking place there, that the members should reclaim the party and force the leadership to put forward their interests.

Given the current shift to the left in the trade unions, which reflects a change of attitude in the members, it is quite likely that Derek Simpson will win, with the result expected on the 12th July. He must make sure he carries through his election promises. It is essential above all to build the forces of the left within Amicus so pressure can be maintained on the leadership to further the interests of workers. ♦

Every Loser Wins

Not a day goes by without news of another fatcat bonus. The International Corporate Governance Network, representing pension funds and other investments totalling over \$10 trillion worldwide is concerned at growing public anger at these payouts. If this continues, they warn "the managerial capitalism that currently dominates the world will be under threat." It's almost enough to put one off one's golf swing. Not enough to put the fatcats off scooping up their winnings though. Here's a few of this month's 'winners', and what they've done to 'earn' their super salaries.

Vodafone's chief executive, Sir Christopher Gent, was paid £2.4m in the year to March, although the mobile phone company lost £13.5bn during the year. Sir Christopher also received, in a separate payment, bonus issues of Vodafone stock currently worth a total of about £1.6m.

Heavy financial losses, severe job cuts and falling share prices, shouldn't stand in the way of a bonus, otherwise he'd obviously be headhunted by another firm wanting to lose millions. Vodafone last month disclosed the largest loss in British corporate history, including £20bn of writedowns and other charges related to acquisitions.

Meanwhile, the chief executive of Yell, the telephone directories company, was paid a £3m bonus by the company's former owner BT for helping sell it to a consortium of venture capital firms. On top of the bonus, John Condron is set to receive shares in Yell worth more than £15.5 million. Finance director John Davis will get £6.5m worth of shares. The big winners, however, are Apax Partners and Hicks Muse Tate & Furst, the venture capital firms which bought the owner of Yellow Pages from BT for £2.1bn in June 2001. They will see the £650m of cash they invested in Yell double in value. They are also getting a £50m management fee from Yell. Advisers Merrill Lynch, Goldman Sachs and JP Morgan will share £40m in fees.

Wireless network O2, which used to operate under the Cellnet brand in the UK, has seen its share price more than halve in value since it was demerged in November. The company has revealed that senior management are nevertheless being given 'performance' bonuses. Chief executive Peter Erskine is getting a bonus of £250,000 on top of a salary and benefits package

worth £481,000.

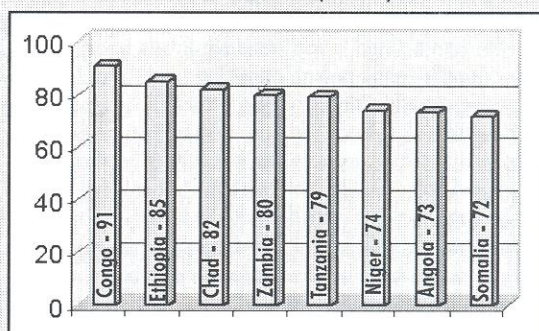
But you don't have to lose money in telecoms to get a big bonus. You can lose money (providing your a boss and not a worker) at any number of firms and rake in fat cat bonuses. The chief executive ousted from Marks & Spencer after the retailer's worst-ever results has picked up a six-figure bonus, nearly two years after losing his job. Talk about backdated pay!

M&S's 2002 annual report notes that a £140,000 bonus was paid this year to Peter Salsbury, who left the company in 2000 after a disastrous 23-month reign. Under Mr Salsbury, who received a £600,000 pay-off when he left, profits fell by £500m and the retailer cut its dividend to shareholders for the first time in its 74 years as a public company. M&S also paid £2.5m into Mr Salsbury's pension to cover his early retirement - although the former chief executive, who spent 30 years at M&S, now works as a "coaching consultant" for senior executives.

Before these companies make workers redundant they should be forced to open their books. Those firms who pay out ludicrous bonuses to failed management while sacking workers to pay for them should be nationalised, without any more compensation for these already overpaid failures. ♦

Meanwhile at the other end of the scale, a new report by the United Nations this week, finds that the number of people in Africa living on less than \$1 per day is set to rise by one third by 2015. The figures for the current numbers surviving on less than a dollar are staggering enough.

Percentage of the population living on less than \$1 per day:



British state support for murder gangs exposed

It is hard to imagine anything rivalling the expose of the Shoot to Kill Policy, or the events of Bloody Sunday and the subsequent enquiries, but as we go to press, BBC's Panorama programme is revealing the extent of the collusion between the different wings of the British state, the army, the RUC and the secret service with loyalist death squads in Ireland. Many in nice, liberal, democratic Britain would like to think that government death squads are something associated with South America, not here. Panorama's investigation uncovers the role of the British state - in particular the army's spy in the camp of the UDA, agent 6137, Brian Nelson - not only in 'collusion' but even directing the loyalist murder gangs. The secret filming of gunman Ken Barrett produced some shocking admissions. The British army provided the UDA with up to date files on those

they suspected of involvement with the Provisional IRA. Only, to use their words, "legitimate targets" were to be killed. Their aim, according to their own records was to professionalise the murder gangs' organisation. However, many with no association with any political group, who found themselves on the death lists were killed too. One man was shot in front of his family because the killers had been sent to the wrong address. Perhaps most shocking was Barrett's revelation about the murder of lawyer Pat Finucane. "Finucane would have been alive today if the peelers hadn't interfered." he confessed.

The startling revelations of this documentary should be seriously studied by the labour movement, by anyone who believes in the independence, and even handedness of the state apparatus, and by anyone who believes that these forces can in anyway contribute to tackling sectarianism or solving any of the problems facing workers of all backgrounds in Ireland. ♦

William Cooks Foundry Workers Out For 61 Weeks!

Eddie Grimes, William Cooks Strike committee (Personal Capacity)

The dispute stems back to 1997, when the company faced a hostile takeover bid and the management team borrowed millions of pounds to fight it off, and buy back shares to take the company off the stock exchange. In 1997 and 1998 we had no wage increase, in 1999 they gave us £5 per week. In 2000 the bosses came back and said they needed us to take a wage reduction. The reduction was negotiated, 250 people were made redundant, and we took cuts of £20-30 per week. In 2001 the firm came back again with similar demands, they wanted between £80-120 per week reduction for each man. We had a vote in the union meeting, our decision was to negotiate, but to put plans in place for industrial action; we had decided enough is enough; we were not prepared to take any more cuts. The negotiations were fruitless, it was 'take it or leave it', 'sign it and that's it, we're not altering anything.'

We had more meetings as a union and decided we were not willing to accept the situation and would ballot for industrial action. When the management heard about the ballot they posted out a new contract and informed us that if we did not sign it they would give us notice and we would be dismissed, the dismissals were to proceed in phases based on a last in first out basis. The first dismissal date was set for the April 20th 2001, we carried on trying to negotiate but to no avail, when the ballot came through it was 100% in favour of industrial action.

On April 12th we came out on strike for 1 day, on the 13th (which ironically was Good

Friday) we tried to go back in, and we were told that we could not return to work if we did not sign the agreement to end our union action; if we did go into work it would be deemed voluntary work and they would not pay us for it. Nobody signed the contracts so we were locked out, and we have been locked out ever since, they employed scab labour within 5 days of locking us out.

The dismissals

The dismissals started on April 20th, but the first internal appeal against the company's decision did not take place till the 30th of April. So men were dismissed before we had the internal appeal, the later external appeal, took place because the first appeal failed. They carried on with the sackings. We went to the external appeal, the verdict of which was exactly the same as the internal appeal, the message was: 'We don't need you, we've employed other people, we're not having you back.' Our appeal to the Employer's Federation upheld the same result

So we filled in the industrial

tribunal forms, with a tick the box for jobs back on the original terms and conditions, every single member did that. We were given a tribunal date for 5th November, in the meantime we lobbied the Blackpool AEEU conference (see previous issues of Socialist Appeal) and were allocated a national officer (Bob Shannon) to work alongside our regional officer Derek Simpson. Shannon reopened negotiations with Cooks, but we had to take the picket off while he was negotiating. We told him we'd take the picket off, but he had better not come back with a payoff deal; he came back and it was a payoff offer for each member to walk away. The maximum that was offered to anybody was £4500, and nobody was willing to accept. Shannon then began Binding Arbitration negotiations with ACAS; we went to ACAS, and Cooks people went, but they walked out when they found that we wanted to negotiate reinstatement on original terms and conditions. We haven't seen or heard anything from Shannon since.

We turned up to the tribunal on November 5th but we were told it would have to be

cancelled because they did not have a room big enough to accommodate the 16 members present. We were given an alternative date, 25th Feb 2002, we turned up to that and lost a week right away because our solicitors forgot to send our number one stewards statement, the tribunal went on for two more weeks before we ran out of time, the next available date was July 12th 2002.

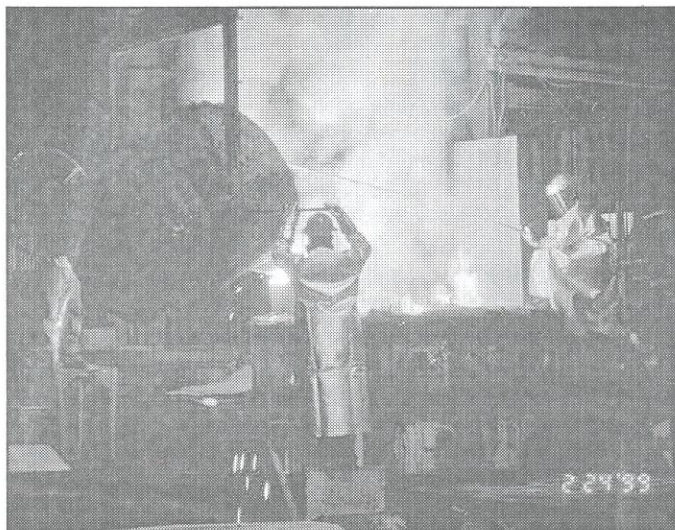
In the meantime we carried on picketing the company, we had quite a bit of success blockading deliveries from certain companies, especially from the Post Office, British Telecom etc, but many people who drive delivery trucks are self-employed and are not going to stop.

I don't know how we are going to move on with this strike, (but we need your support. Please raise this in your union we need messages of support and donations to our funds which can be sent to the address below.)

There is also a battle going on now inside the union for the General Secretary's position. We are supporting Derek Simpson not only because he has backed our dispute but because we want the union to regain its fighting traditions. It is important that people in other workplaces and in other unions learn the lessons of our dispute. ♦

116 Richmond Park
Crescent,
Sheffield,
S13 8HG.

Send email messages of solidarity to
appeal@socialist.net
We will forward them to the
lads at Cooks.



Support Sacked Belfast Airport Strikers

We are appealing for messages of support and financial backing for 24 airport security staff in Belfast who have been sacked for striking against the low pay and poor conditions imposed upon them by the management of ICTS UK Ltd. Notably the workers sacked were prominent union activists, including two key shop stewards. One worker was even told by management that he was being sacked for speaking at a union meeting and taking too strong a line with management! The response of some of the higher up offi-

cialists in the union - the T&G - and at union HQ has been woefully inadequate, especially when it becomes clear that after initially sanctioning the strike of the airport officers as legal and official, they later turned around and repudiated the action opening the way for management reprisals.

Gordon McNeil, one of the sacked shop stewards, spoke to Socialist Appeal.

SA: Why were you and your work-mates sacked?

Gordon: We were out fighting a trade dispute for extra money, but the management, I believe, have a hidden agenda. They want to get rid of the two shop stewards - ie myself and my other colleague Madam Gupta. The others who've been sacked have all been heavily involved in union activity, they have been very strong when in forcefully voicing our opinion to management. I think the underlying agenda here was to remove the strong people from the security of employment. Therefore, the management have embarked on a litany of abuse against the staff. Clearly their aim is to remove the strong people so that they can crush the rest.

SA: What are the issues surrounding the strike and how exactly did it come about?

Gordon: The strike came about following a massive 97% majority in a postal ballot for strike action. We had been involved in paytalks with this company since November 1st 2001. We have had problems with our regional

officer within the union, Mr Joe McCusker. We had been in touch with Mr McCusker who asked us to suspend our action on Wednesday 8th May until Tuesday 14th May pending discussions via the LRA to resolve the dispute. We entered these talks on the understanding that it was to be a meaningful dialogue with the company - but the company basically laughed in our face; they were not serious about making offers of money. We then sought advice from the union on Monday 13th May to resume our action from Tuesday 14th May because it was the named time and date, and we'd already gone through the full process of serving it on the company. The union told us to just go ahead, we engaged in action on Tuesday morning, and on Wednesday morning we had a repudiation notice served on us by our regional officer, Joe McCusker. We felt very angry that we had been told that we were fully entitled to engage in a strike because it was perfectly lawful and legal, and then for the union to go ahead and repudiate it left us wide open. This is why the company jumped on the back of this repudiation to dismiss us. We have subsequently taken advice on this and the union have now stated that the advice we were given on Monday was indeed that it was official action, and also that on Tuesday afternoon they had even told the company that it was official. But they still seem to be adopting the position, as we speak, that it was an unofficial strike action, even though they now admit the advice they gave at the gates on the Monday.

SA: Are you unhappy then with the role the union has played in both the action to begin with and their response to the sackings?

Gordon: Yes I am, I must say I am quite angry. A union is a body of people, and the ordinary members and lay activists on the street are not the ones I am angry at. I am angry at some of the regional organisers, and the director of the legal services of the union, Fergus Whitley. We have had quite poor representation till now, but one thing that has really galled me, and I would like people to reflect on this, is the fact that the management has been able to use this situation to further their own ends, and that they are really very despicable in this whole situation. Take the communication between our National Secretary Tim Lyle, who is the civil aviation officer for the union, on Wednesday of last week with Ben Lewis who is the company secretary of ICTS about the sacking of the 24 officers. Tim Lyle stated that Ben Lewis laughed at him down the phone, Mr Lyle said: 'do you think that's funny that you have sacked 24 workers?', Mr Lewis replied that he thought it was hilarious that he had ruined 24 lives. Naturally there is great anger amongst the staff particularly those who have been sacked, but also among the staff still there in the airport.

SA: What support have you had?

Gordon: The support we have had has been outstanding. We are planning on upping our campaign and we just require as much support as possible,

Therefore, the management have embarked on a litany of abuse against the staff. Clearly their aim is to remove the strong people so that they can crush the rest.

even if it is just a signature, it all goes to show that we have support. That the public are not going to stand back and let a company, especially a company that are so adamant that they can rule the workforce, get away with it. Therefore, we think that it is an abuse not only upon ourselves but it is an abuse on all people who dare to speak out in the workplace to further the rights of workers.

SA: Is the mood and morale of the activists is high?

Gordon: Very strong, we are obviously very angry, but we are also resolute that we will not be beaten down. I will not have my voice silenced because I am only speaking out for basic rights for these workers. At the end of the day the whole dispute was over a 30p per hour pay rise which would have taken us up to £5.50, we are on £5.20 at the moment, no sickness benefit, and no overtime rate. When we see an airport porter, and I am not being derogatory towards porters here, on a substantially higher wage than ourselves, with full sickness benefit for 6 months a year, and they get over time on double rates. I think there has to be a correlation brought into the job we do in relation with other workers in the airport, and therefore we will have our say and we will not be beaten down by this management or any management.

SA: What do you see as the way forward specifically for your dispute? What can trade unionists in Britain and Ireland do to help your dispute?

Gordon: The first thing would be the monetary aspect, finances. Twenty four officers are now sitting on social security benefits some of them don't even get that. We would need financial support to pay the bills and to build this campaign which we intend to run against this company. I would ask people in their workplace to raise their concerns with their regional officers, and to write to Mr Morris of the TGWU.

The headquarters of the company in London are Devonshire House ICTS UK LTD, I would ask people in London

to make representations there and to send letters and demand answers to why these officers here, who do a fantastic job, we protect the lives of the travelling public regardless of their race, colour or creed, have been treated in this despicable manner. It is not particularly nice for a security officer to have to go through peoples personal belongings or get physical with people and search their bodies, but we do it in order to secure passenger safety. We ask the public across Britain to show support for us to organise and demonstrate on our behalf, and not let this company be seen as a successful union buster. The company has behaved disgracefully towards their employees

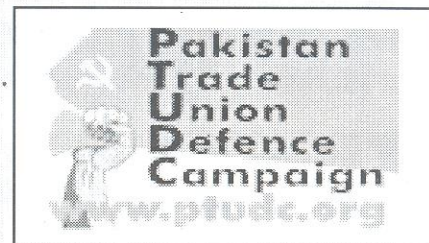
Thank you to every single person out there who has shown support, and a great thanks for those who will show support in the future. We will do all we can over here to fight our cause. At the end of the day this is an attack on all workers who dare to challenge management on the conditions in their workplace. So this is an attack not just on one sector but an attack on all, because it is me today but it could quite easily be you tomorrow.

Eugene McGlone, sacked Irish T&G official told Socialist Appeal that he had met some of the sacked workers and that "it is disgraceful that nothing has been done about this. Not just words of support but action is needed. The union must stand up for its members, for workers and their families. The campaign for our reinstatement (the campaign to reinstate Mick O'Reilly and Eugene McGlone - SA) gives its 100 percent backing to the sacked airport workers and would appeal to trade unionists everywhere to offer their support." ♦

Protests should be sent to:
ICTS UK Ltd
Devonshire House
1 Devonshire Street
London
W1W 5DP

Gordon has asked us to forward messages of support to the strikers, so please email us with messages from you union or organisation, or individually to
appeal@socialist.net

Please also raise this matter in your union branch and your workplace. Take up a collection for the strikers and send them your financial and written support.



Hameed Khan and ALL Quetta strike Leaders and workers released!

Comrade Hameed Khan and all the other workers and leaders involved in the April civil servants' strike in

Quetta/Baluchistan have been after two months of imprisonment.

On his release comrade Hameed has sent a message of revolutionary gratitude to all those trade unionists, workers and youth internationally who had campaigned for their release. This has been the longest struggle and imprisonment of any workers and trade unionists for launching a struggle for their rights under the present military regime in Pakistan. Thousands of protest messages were sent to the dictatorship from around the world against this repression of trade unionists.

All the workers have been released unconditionally and the cases against them have been withdrawn. The comrades agreed to be released only with the clear guarantee that ALL the dismissed employees would be fully reinstated.

Shortly after his release, Hameed Khan said the following: "... Our struggle is one with the greatest cause on earth... a Socialist Revolution. Whether it is fought in Spain or in Baluchistan, its destination is the same. I am confident that in the battles ahead we shall fight and we shall win." ♦

For militancy and democracy - The struggle inside the T&GWU

by Peter Black

The election of Tony Woodley, regarded as the left candidate, in the recent T&GWU Deputy General Secretary election is an important step forward in the struggle to reclaim the union for its members. Woodley has consistently supported the victimised Irish officials Mick O'Reilly and Eugene McGlone, and must now act to see them reinstated. In the near future Morris will retire and there will be an election for General Secretary. The election of another left candidate, perhaps even Woodley himself, would mark yet another step forward. The Deputy General Secretary election coming on top of the election of class fighters and socialists like Dawn Stuart to the GEC of the T&G demonstrate that this is no one off isolated event, but rather a process, a shift taking place within the union. The tide is beginning to turn.

If such a shift were confined to the T&G it would be welcome but might only represent some specific issue or personality. However we must not be lulled by the apparent surface calm in the movement as in society, which so often masks a seething groundswell of discontent beneath. Nor must we be blinkered in only looking at one geographical area, or one trade union. Developments in the T&G must be seen in the context of events unfolding in the trade union movement in general. The process of shifting left which is now evident in the T&G, can in fact be seen across the trade union movement in Britain. In the last 12 - 18 months elections in the RMT(railworkers), PCS(civil servants),

CWU(postal and telecoms), NUJ(journalists), and now the T&G have returned left candidates to leading positions. This will soon be repeated in the AEEU (electricians and engineers), regarded as the fortress of the right wing in the British trade union movement. In fact, whenever the rank and file are allowed a vote they are casting those votes for a new layer of left or at least left leaning individuals.

This is not an accident, but an expression of a more militant mood developing beneath the surface. How could it be otherwise, after years and years of attacks on workers rights and conditions, sooner or later something has to give. The respite many hoped would come from the election of a Labour government has failed to materialise, as the Labour leadership of Blair and co. continue with pro market, Tory policies. Frustrated on the political front, workers are left with little option but to look to their union to stand up for them against privatisation, low pay, deteriorating conditions, closures and job losses. When they look to their union many workers are surprised to discover that while they've 'been away', that is, less actively involved, busy working overtime to pay their bills etc. all too often their leaders have been more concerned with partnership deals with the bosses than standing up for their members. So increasingly when a vote takes place it results in the election of new leaders in the hope of a more militant stance, a proper trade union stand in defence of workers.

The right wing bureaucrats who have held sway at the top of the movement against little opposition in recent years are suddenly shocked to discover that the tide is turning against them, and their social partnership, ie, class collaborationist approach. In the case of 'Sir' Ken Jackson, and Barry Reamsbottom, of the AEEU and the PCS respectively, the right don the mantle of King

Canute and try to hold back the tide. They cancel elections, or postpone them, or declare them null and void if they lose! Their manoeuvres will not save them in the long run however. The first splashes of water around their ankles today will be followed by a flood as the class struggle bursts forth in the future.

The whole basis of the right wing domination of the tops of the unions is a combination of manoeuvring with a period of little participation in the unions affairs by the rank and file. Once the rank and file move into action, they will cast aside those leaders who refuse to stand up for their interests. Of course this will not happen overnight. What we are describing here is a process, within which there will be ebbs and flows, periods of class struggles and victories, periods where the unions can be transformed again and again, but also periods of defeat. After all if every union struggle resulted in a win then we would be living in a socialist society already. With the kind of leadership currently comfortably installed at our movement's top tables it can be no surprise that there will be set-backs along the way. Yet through these struggles the workers test out leaders and policies. Over time those who betray will be cast out. New leaders and new policies will be tested out.

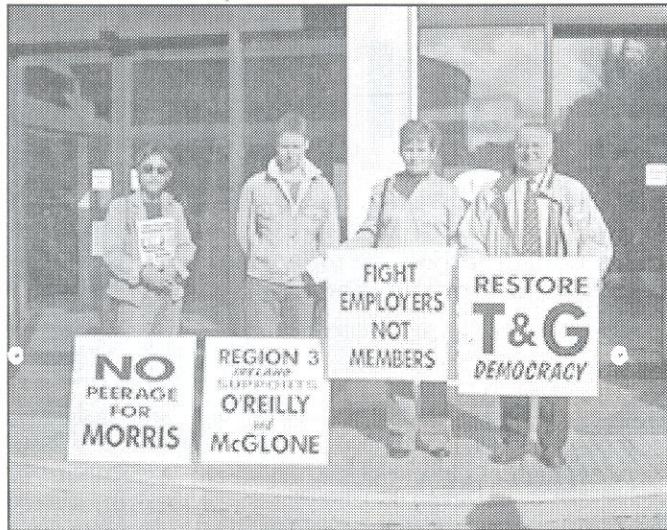
Let's not get too far ahead of ourselves though. The struggle is on now inside the union movement to abandon class collaboration (social partnership) and adopt a more militant approach. There is a definite shift taking place across the trade union movement. To the extent that this changing mood is organised, given direction and given alternative candidates and policies, big steps forward can be taken in reclaiming the trade unions for their members and for the working class as a whole. The biggest threat to that struggle is the understandable frustration and impatience of activists who have become

We must not be lulled by the apparent surface calm in the movement as in society, which so often masks a seething groundswell of discontent beneath.

sick and tired of the treatment they have received at the hands of the right wing bureaucrats. Frustration is a poor taskmaster however, and can lead to serious mistakes. The biggest mistake of all would be to split the forces fighting to regain the union. It is clear that such a danger currently exists inside the T&G. The whole history of the trade union movement however is testimony to the consequences of such errors. The breakaway of the Blue union in the 1950s is within the experience of the T&G itself. The Glassworkers breakaway from the GMB as a consequence of the Pilkingtons dispute left that union firmly in the grip of the right wing.

The experience of the EPIU split from the electricians union is a sobering one. Many of the best activists split away, leaving the rank and file in the hands of the most appalling bureaucracy, and allowed the right wing a free hand in the merger with the AEU. As a result the new union was founded on the basis the right wing wanted. The experience is keenly remembered by activists today. Despite the wholly undemocratic twistings of the right in the AEU to keep General Secretary 'Sir' Ken in his job past retirement age, there has been no suggestion of a split. No-one would seriously consider such an option. Instead the left have stepped up their own organising efforts and as a result are on course to defeat Sir Ken, an executive director of Nirex (the nuclear waste company), in the union's forthcoming General Secretary elections.

Understandably many in the T&G, not least activists in Ireland, have reached the limits of what they can take, being treated worse by their own leaders than even by the bosses - look at the case of Mick O'Reilly and Eugene McGlone in particular. Such attacks cannot be taken lying down. They must not be



walked away from either. They must be fought. The only place they can be fought is inside the union. The temptation to split away, or even just to leave, must be immense in the circumstances. At the same time to follow that kneejerk reaction through would be a terrible mistake. The right wing would rub their hands with glee to see the best activists leave. That those class fighters now considering the possibility of a breakaway are doing so with the best of intentions is beyond doubt. However the way to somewhere very warm is paved with good intentions. As the whole history of the union movement demonstrates breakaways have an unerring tendency to end up in the wilderness. Meanwhile, the rank and file, who even now are demonstrating by their votes that they want to change the union, will be left in the hands of the right wing bureaucrats. Do not be deceived into believing that this is an argument about the viability of a 'new' union, however. Whether such a breakaway could survive or not, it would still be a mistake, abandoning workers in other areas to their own fate. We must have a wider view. What is in the interests of our members, of the whole union and of the working class as a whole? These are the questions we must address. We must answer them by playing our full part in transforming

the union movement from top to bottom.

A colossal opportunity would be wasted by splitting away. The right wing in the AEEU, the PCS and others would look green with envy at their friends at the top of the T&G who had been let off the hook, and wish that the bothersome left, the activists in their own union, would only split away too and leave them in peace to sell out their members over dinner with the bosses.

The following question alone needs to be considered to put an end to the idea of splitting. Who would benefit? The workers? Those who remain loyal to their union will be left in the clutches of the right wing without their comrades support. Those who leave will be in a weaker position, a smaller group with less influence, starting from scratch. Many others will give up, annoyed at the whole business and not even have union representation anymore. The workers would gain nothing and lose a lot.

What about the bureaucrats? They would be back in the driving seat. The shift to the left would be arrested by the departure of the most consistent fighters against bureaucracy. There are all sorts of rumours flying about a merger with the GMB and even a threat to the all Ireland unity of the union, an historic conquest of the working class which must be

defended. None of these could be stopped (in the case of division) or controlled democratically from outside the union. The bureaucrats would breathe a sigh of relief and return to their normal cosy relationship with the employers.

What about the bosses? They would love it. Unity is the workers strongest weapon, anything that undermines that unity, that undermines the workers ability to organise and fight for themselves is in the bosses interests.

So the bosses and the bureaucrats would win, and the workers would lose. There is no more compelling argument against splitting.

In any case the tide has begun to turn in our favour. Now is precisely the time to step up the fight inside the T&G not abandon it. A consistent, organised opposition within the union would find a ready echo across Britain and Ireland from workers whose jobs are under threat, whose conditions have deteriorated, who have gained nothing from the class collaboration of social partnership on either side of the Irish sea. The campaign to reinstate O'Reilly and McGlone could succeed not only in restoring these two officials to their posts, but also spark a struggle to reclaim the union for its members. The fight is on for a militant democratic T&G. This union has a long and proud history. In the hands of its members, casting off class collaboration and bureaucracy it can again take up its place in the front rank of the workers movement. ♦

- Unity is strength!
- Organise the fight inside the T&G!
- Reinstate O'Reilly and McGlone!
- For a fighting democratic union!
- No to social partnership, for militant trade unionism in defence of workers!

UK: Never had it so good?

Back in 1959 - I know it's a long time ago - the then Tory prime minister, Harold Macmillan, went into an election with the slogan that the British people had never had it so good as under the Conservatives. Economic growth was over 3% a year, wages were rising, house prices were firm and, above all, everybody was in work - and all this with low inflation.

By Michael Roberts

Well, here we are nearly 50 years later and now this is the cry of the New Labour spin doctors, and of its leading exponent, Tony Blair, when timidly interviewed by BBC's Jeremy Paxman. Tony tells us that under New Labour, Britain is booming, that inflation and interest rates are low and that, above all, everybody who wants a job can get one. Sure, more needs to be done, on health, education, transport etc, etc, but give us time, says Tony, and it is all going to fall into place.

But are things in Britain so rosy? Let's look at the economy first. OK, the number of Britons in work has risen to a new record, reaching 28.4 million in the first quarter of this year. The official unemployment rate is just 3.4%, the lowest in the OECD! However, this figure is bogus. The best measure of unemployment is the number of people seeking work but unable to find it. On that basis, there are 1.5 million Britons still out of work. That puts the real figure at 5.1% of the total workforce.

However what this shows is that Britain needs more workers not less. Net immigration into the UK will reach 160,000 this year and that's only half of the increase in employment that would be needed in order to meet the government's national output target of 3.0-3.5% for next year.

Working harder

The reason that we need so many more workers is that the productivity of the existing workforce in the UK is so poor. It's not that the British don't work hard enough. As we know, apart from the workaholic Americans and the dragooned Japanese, nobody in the OECD works harder. Since, under the pressure of British big business, New Labour opted out of the 1998 EU directive to limit most workers to a 48-hour week, nearly 4 million Britons are working longer than this. That's up 350,000 compared to ten years ago. And now one in ten men work 55 hours a week and one in 25 do a 60-hour week! 60% of the workforce says they work unpaid overtime for their bosses.

And this sweated labour is killing us. One health research unit pointed out that if you consistently work more than 40 hours a week, you will damage your health and live a shorter life. The International Stress Management Association found that more than half UK workers cited stress and one in four take time off work as a result.

Despite this, UK capitalist business is the least efficient in Europe, with the exception of Greece and Portugal. Manufacturing productivity is just 67% of that of the US, while France is up to 85%, even though French workers have the longest holidays and shortest working week in Europe.

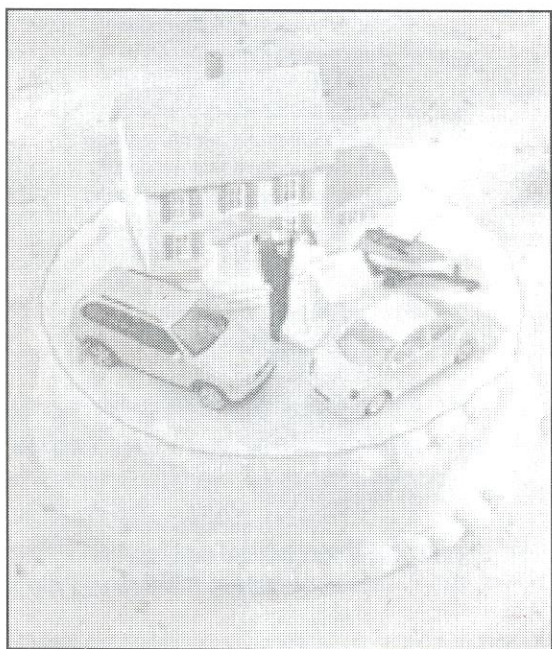
Indeed, the government's own survey of industry found that of 18

industrial sectors, British productivity was lower in eight (media, insurance, chemicals, autos, engineering, electronics and other manufacturing). It was higher in just five (banking, oil, pharmaceuticals, supermarkets and retailing). It's no surprise that the UK leads in "rentier" industries of finance in the City of London and retailing (a nation of shopkeepers) but not in the heartland of new technology and industrial innovation. The British economy is a parasite on the rest of productive capitalism.

For that very reason, British capitalism's dependence on the rest of the world's capitalists, it has done well in the boom years. But it also means it will do badly in the lean years. And that is what has been happening. Beneath all the talk of success, the UK economy is beginning to flounder. In the first quarter of this year, real GDP grew by just 0.1% compared to the last quarter of the year. And in that last quarter national output was totally static. So that's six months of stagnation. And growth in the last 12 months has been just 1%, the weakest rate for a decade. Having grown faster than the US and Europe last year, it is now the weakest economy.

Industrial output is the weakest sector of the economy. It is diving at an annual rate of 7.4%! Only the services sector (finance, property, etc) has kept the UK economy growing. The weakness in industry has been reflected in a rising deficit in trade with other countries. Exports fell 8.7% in the year to March 2002 and the trade deficit rose to 2.3% of GDP. Such is the decline of British manufacturing that it is worth remembering that back in 1982 UK manufacturers sold £2 billion more abroad than foreign manufacturers sold here. Now, 20 years later, British manufacturing runs a £25 billion deficit with those overseas.

New Labour's pathetic trade and industry secretary, Patricia Hewitt, is





right for once when she says that "modern manufacturing is central to our future as leading knowledge-based driven economy." The problem is that British capitalists don't agree. They prefer to invest in financial services or send their profits abroad. As a result, British industry is increasingly not British-owned at all. Whereas in 1973, 17% of UK manufacturing output came from foreign-owned companies, now that figure has reached 25%, and the share of British workers in foreign-owned manufac-

ture has risen from 13% to 17%. Inward investment from foreign companies was just 0.5% of GDP back in the days of Harold Macmillan. Now our prosperity and the financing of our trade deficit depend on nearly 3.5% of GDP coming from investment by foreign manufacturers (over half of which are American). And that's the big worry for British capitalism. If inward investment should die, the UK will be exposed. Last year 19% of all investment into Europe went to the UK. But US companies cut their investment into Europe by 25%.

However, optimism about the future exudes from New Labour spin doctors. Well, at least most of them. Low and

The weakness in industry has been reflected in a rising deficit in trade with other countries. Exports fell 8.7% in the year to March 2002 and the trade deficit rose to 2.3% of GDP.

behold Peter Mandelson! The arch spin doctor, witch-hunter of the left and exponent of New Labourism, now tells us that New Labour has failed. He breathtakingly tells us that the government has lost public trust by "clumsy, crude over-use of spin". He goes on: "too many of the worst estates and deprived communities in Britain remain unchanged by five years of Labour describing them as bleak ghettos depressing the spirits of all who live in them" (not him I might add!) What has New

Labour (with Mandelson in the Cabinet, remember) done about this deprivation and inequality? "Has it really taken these citadels [of deprivation] by storm and made a difference for the sort of young people who live there and feel shut out because so many paths are barred to them? The answer is no. We just tinkered," concludes Mandy.

Outburst

The evidence confirms Mandelson's belated and self-seeking outburst. Inequality has never been so bad for over one hundred years. The latest analysis by the Rowntree Trust shows that poverty (defined as an income 60% or

less of the average) is still just as bad as it was when New Labour came to office in 1997. Indeed, whereas inequality (the share of income going to the top 10% versus that going to the bottom 10% of income-earners) rocketed under Thatcher's Tories in the 1980s (the top 20% of income earners saw their incomes rise 30 times faster than the bottom 20%), it was actually reduced a little under Major's government. Under Blair and Brown, it has widened again.

The latest data show that the top 10% of households spend nearly seven times more than the bottom 10% of households every week. The rich 10% spend £850 a week on average, while average households spend £390 a week and the poorest 10% spend just £125 a week. The rich 10% spend ten times as much on eating out or going to the theatre or holidays than the poorest 10%. And they spend 14 times more on their motor cars. But just as depressingly, the rich 10% spend only 50% more a week on cigarettes and cigars than the poorest 10%.

One of New Labour's great pledges has been to reduce child poverty. They aim to eradicate it by 2020. In 1997, Gordon Brown predicted that over 1.2 million children would be lifted out of poverty by April 2001. The result was 500,000. It's better, but it's only tinkering.

The worst feature of continued tinkering with the inequalities and injustices of British capitalism must be housing. Sure, we know the weakened state of the health service, the lack of opportunity in our education and training services and the impossibly shocking state of public transport. But the government talks the talk about these. It says nothing about housing. We are now in a massive property bubble that will eventually burst, but in the meantime it is creating more and more inequality in wealth and income.

Last month, public service workers in London demonstrated against the impossibly high

cost of living in the capital and the need for higher "London weighting" allowances. The key reason for high costs is the cost of property. Property prices are still rising at over 16% a year. Teachers and health staff under 30 cannot afford to buy even a flat and teachers under 40 cannot trade up to give their families some more room. And this is also at a time when private sector workers are seeing a sharp slowdown in their pay settlements.

And yet the supply of "social housing" (good accommodation at reasonable rents) has disappeared. Thanks to destruction of council housing by the Tories and New Labour, there is no decent public housing to live in and rents in the private sector have rocketed. The Rowntree Trust found that new house construction is at its lowest level since 1924!

Young people are forced to stay with their parents (the average age of a first-time buyer is now 34 compared to 29 three decades ago), or crowd into shared flats or spend hours commuting. At the same time, rich property owners are using their wealth to buy more property to rent out to the poor. The rich 10% are turning themselves into a rentier class. Left to the market, the housing needs of the average Briton will never be met. Public ownership and national planning is essential, just as it is for public transport.

The New Labour spin-doctors continue to spin. Gordon Brown tells us that the UK will grow at 3-3.5% a year through the rest of this parliament. Even the IMF doubts this - its forecast is just 2.5%. If the US slides back into recession by the end of this year, as I expect, even that forecast will be revised down. Then New Labour will get nowhere near its huge number of timid targets for improvement.

Poverty, inequality, instability and stagnation are the Four Horsemen of the Economic Apocalypse. They remain brooding over the British Isles. And they will crush the optimism of the New Labour spin doctors. ♦



Into the Whirlwind Trotskyism in the 1930s

By Rob Sewell

The 1930s were a decade of revolution and counter-revolution. On the one extreme was the victory of fascism in Germany and the atomisation of the German working class, on the other, after the overthrow of the monarchy in 1931, was the unfolding proletarian revolution on Spanish soil.

Spain was to become the key to the international situation. Under the circumstances, with the historic defeat in Germany, the outcome of the Spanish revolution would decide the fate of humanity. It was a beacon to the working class internationally. The revolution unfolded in a protracted fashion until the victory of the Popular Front in the elections of February 1936. This provided a new filip to the revolution, as the masses attempted to actively carry out the programme of the Popular Front themselves. This in turn provoked a fascist rebellion in July under General Franco, and the beginning of the Spanish Civil War.

Despite calls for assistance from the Republic, the "democratic" governments of Europe refused to give aid to the legitimate government of Spain under the pretext of the "non-intervention" Pact. In the meantime, the fascist powers backed Franco to the hilt. By the autumn of 1936, 150,000 Italians and 50,000 Germans were fighting on Franco's side, and German and Italian ships were blockading Spanish shores.

At first, Stalin also adhered to the policy of "non-intervention". While backing the Republican government in words, the Stalinist regime refused to send arms, fearing involvement in a wider war. Only in the fall of 1936, when the Republic was in a desperate position, did Stalin send arms, but at a price. They wanted payment in gold, and there were other strings attached, political ones.

"We cannot allow Spain to become a free camping ground for all anti-Soviet elements that have been flocking there from all over the

world", stated Slutsky. "After all, it is our Spain now, part of the Soviet front... and as for the anarchists and Trotskyists, even though they are anti-fascist soldiers, they are our enemies. They are counter-revolutionaries, and we have to root them out."

According to Walter Krivitsky, "the problem of world revolution had long since ceased to be real to Stalin. It was solely a question of Soviet Russia's foreign policy." This policy was dictated by the interests of the Soviet bureaucracy that was interested at this time in striking a deal with the Western "democracies". In this way it would secure its borders and be allowed to build 'socialism in one country'.

Revolutionary revival

However, the Spanish revolution that was spurred on after the Franco uprising, especially in Catalonia, threatened the position of the Stalinist bureaucracy. A successful revolution in Spain would become a beacon of attraction for the Soviet masses, whose revolutionary spirit would be rekindled. Under these conditions there would be a revolutionary revival within the USSR and the likelihood of a political revolution that would restore workers' democracy.

Stalin therefore sought to derail the unfolding revolution in Spain. Using the lever of arms, he set about attempting to influence the Republican government. Soviet troops were dispatched to Spain under the guise of volunteers. Besides the military personnel, a large group of NKVD officials were dispatched to Spain under the control of Alexander Orlov, military adviser to the Republican government.

Another angle for Stalin was an attempted alliance with the Western "democracies". To further this aim, Stalin was prepared to betray the Spanish revolution. This action

would prove to the imperialists that the objective of world revolution had been abandoned and that he was a man that could be relied upon.

Spontaneously in Catalonia, the workers had stormed the barracks and taken power into their own hands. Here, the anarchists and the POUM were at their strongest. Their militias provided a powerful defence of the Republic. The POUM was continually attacked by the Stalinists as a Trotskyist organisation, focusing on "provocations, raids and murders." This was completely false. Although, anti-Stalinist, some of its leaders like Andres Nin, who had originally come from the Left Opposition, had politically broken with Trotsky a few years earlier. Trotsky described the party as centrist in character, very radical in words, but essentially reformist in deeds.

"The Communists contended that the POUM propaganda divided and weakened the government forces and thus endangered the war", writes George Orwell, who fought with the POUM in Spain. "Tentatively at first, then more loudly, they began to assert that the POUM



was splitting the government forces not by bad judgement but by deliberate design. The POUM was declared to be no more than a gang of disguised fascists, in the pay of Franco and Hitler, who were pressing a pseudo-revolutionary policy as a way of aiding the fascist cause... This implied that scores of thousands of working class people, including eight or ten thousand soldiers who were freezing in the front line trenches and hundreds of foreigners who had come to Spain to fight against fascism, often sacrificing their livelihoods and their nationality by doing so, were simply traitors in the pay of the enemy. And this story was spread all over Spain by means of posters, etc., and repeated over and over in the Communist and pro-Communist press of the whole world."

In reality, there were two civil wars being fought out on Spanish soil. One was the Republican struggle against the forces of Franco, while the second was being waged secretly by the Soviet secret services against all those who defied the orders of Moscow and the Comintern.

The very logic of the civil war, beginning in Catalonia, was its transformation into a revolutionary war. The resist-

ance to the fascists led to revolutionary actions by the working class, by nationalising the factories and distribution. In turn, the land-hungry peasants seized the land. Organs of workers' power sprang up spontaneously, with revolutionary committees deciding how things would be run. As the old bourgeois state disappeared, workers' militias sprang up organised by the trade unions and the political parties.

Obviously, the liberal bourgeoisie was alarmed by these developments and attempted to curb them wherever possible. They were supported by the Communist Party! For them, under instructions from Stalin, the main task was not the socialist revolution, but to defend bourgeois democracy. First win the war, was their cry. "At present nothing matters except winning the war", they said. "Without victory in the war all else is meaningless. Therefore this is not the moment to talk of pressing forward with the revolution... At this stage we are not fighting for the dictatorship of the proletariat, we are fighting for parliamentary democracy. Whoever tries to turn the civil war into a socialist revolution is playing into the hands of the fascists and is in effect, if not in intention, a traitor."

This was the line of the Stalinists. The revolution, rather than being encouraged and promoted, must be stopped in its tracks. The revolution would frighten the liberal bourgeoisie, who are needed to restore "democracy". Therefore the Communist Party carried out a counter-revolutionary policy in Spain, dictated by the interests of the Moscow bureaucracy. According to Orwell, the Communists "showed themselves willing to go a great deal further than the Liberals in hunting down the revolutionary leaders."

Trotsky clearly understood the counter-revolutionary role of Stalinism. The forces of Trotskyism in Spain were very weak. Trotsky appealed directly to the leaders of the POUM to conduct a consistent revolu-



tionary policy aimed at winning over the best of the anarchist workers, and preparing the ground for the conquest of power. This was the only way the fascists could be defeated. Military means was not sufficient.

POUM

"How many members does the POUM now have?" wrote Trotsky. "Some say twenty-five thousand, others say forty thousand. This question does not have, however, decisive significance. Neither twenty-five thousand nor forty thousand can by itself guarantee victory... Forty thousand members with a hesitant and vacillating leadership are capable of only lulling the proletariat, thereby preparing a catastrophe. Ten thousand, with a firm and insightful leadership, can find the road to the masses, break them away from the influence of the Stalinists and Social Democrats, charlatans and windbags, and guarantee not only the episodic and fragile victory of the Republican forces over the fascists, but the complete victory of the toilers over the exploiters. The Spanish proletariat has shown three times that it is capable of achieving such a victory. The whole question lies in the leadership."

Unfortunately, the leader-

ship of the POUM was not up to the task. The provocation of the Stalinists in May 1937, resulted in the "Barcelona Uprising", and the crushing of the revolutionary forces and a tragic end to the Spanish revolution. This episode prepared the way for the victory of Franco and the Second World War.

In the USSR, at the beginning of the Spanish civil war, the Stalinist bureaucracy was terrified by its revolutionary implications. A successful revolution in Spain would be the end of the bureaucracy and the restoration of workers' democracy. The revolutionary events in Spain could push a layer of "Old Bolsheviks" into opposition to the regime. At this time, Stalin was feeling increasingly isolated in the leadership. He was fearful that any of the "Old Guard" could move against him. He therefore set out to remove all threats to his position in an ever-widening purge. After eliminating Kirov, a top Stalinist official, in late 1934, Stalin prepared the ground to isolate his potential enemies. Eventually, this led to the horrendous Purge Trials which began in August 1936. This "one-sided" civil war as Trotsky described it was aimed at eliminating all those with connections to the Bolshevik Party of 1917.



Trotskyism



Evidence and charges had to be invented to carry through this ghastly crime. Everything was manufactured, people were broken, and confessions extracted in the most monstrous show trials in history. The revolutionaries were put on trial for counter-revolution. The main defendant was Leon Trotsky, tried and found guilty in his absence, for the organisation of a fascist take-over of the Soviet State!

The first show trial in August 1936 placed on trial Kamenev and Zinoviev, known as the Trial of the Sixteen or the case of "the Unified Trotsky-Zinoviev Centre". Endless filth was poured on the revolutionaries. "The case of Trotsky-Zinoviev-Kamenev breathes its stench upon us from the bandits' underground," wrote Pravda. "The snakes slither up to what we hold dearest of all... We uncovered ties between the Zinovievists with Trotsky's foreign counter-revolutionary organisation, and systematic ties with the German fascist secret police... No mercy, no leniency for enemies of the people who have tried to deprive the people of its leaders."

A hue and cry was launched against Trotskyism both within the USSR and internationally. This was to prepare public opinion for what was to come. The Stalinists had embarked on a murder spree, which had as its central plan the assassination of Trotsky and his close entourage.

"A revolutionary epoch brings the popular masses

together", wrote Trotsky. "On the other hand, a period of reaction signifies the triumph of centrifugal forces. During the last 14 years not one single breach in the Bolshevik party has been closed up again, not one wound has healed, not one conflict has ended in reconciliation. Capitulations and acts of self-abasement have not helped. The centrifugal forces have acted to enlarge the slightest opening until it is transformed into an unbridgeable chasm. Anyone drawn into this opening, even by his little toe, has lost irredeemably. [Stalin] ... seeks to strike not at the ideas of his opponents, but at his skull."

Revenge

Stalin had expelled the Left Opposition from the party. He had exiled Trotsky from the Soviet Union and taken away his citizenship. He was effectively exiled on a planet without a visa, hounded and persecuted by the Stalinist press, and the physical threat from the GPU. But Trotsky carried on a daily exposure of the mistakes and betrayals of the Stalinists, which was a constant thorn in Stalin's side.

Unable to immediately reach Trotsky, Stalin sought revenge on his friends, children and close collaborators. Trotsky's son Seigei disappeared in the concentration camps. Sedov, his close political collaborator and son, was murdered in Paris. Other secretaries and political associates were also systematically eliminated. Rudolf Klement

was kidnapped and killed in France; Erwin Wolf in Barcelona; Walter Held crossing Russian territory; Ignace Reiss murdered after he broke with Stalin and joined the Fourth International; Krivitsky was eliminated in Washington; Nin and Landau killed by the GPU in Spain; and finally Leon Trotsky assassinated in Mexico in August 1940. This was the bloody trail left by the Russian secret services at the behest of Stalin.

Between 1936 and 1938, Stalin had physically destroyed all those cadres of Bolshevism linked with the victory of the October Revolution. Revolutionary leaders like Zinoviev, Kamenev, Bukharin, Rykov, Radek, Piatakov, Sokolnikov and many others, were slandered and shot. The great military minds like Tukhachevsky, Yaqir, Uborevich and Eideman were also eliminated, serving to behead the Red Army, and providing Hitler with greater confidence to attack the Soviet Union in June 1941.

How did these revolutionaries confess to the crimes they were falsely accused of? Trotsky explained that this was a process that had lasted 10 years, when they had repeatedly capitulated, hoping to save the situation and themselves. "For 10 years they had been enveloped by clouds of slander paid for in heavy gold. For 10 years they had been suspended between life and death, first in the political sense, then in the moral sense, and lastly in a physical sense. Can one find in all past history examples of such systematic, refined, and fiendish destructive work upon the spines and nerves, upon all the elements of the human spirit?"

The horrendous destruction of Bolshevik cadres in the name of "enemies of the people" grew into millions throughout the purges of the 1930s. On their bones was created the Bonapartist dictatorship of Stalin and the bureaucracy. All vestiges of workers' democracy had been utterly destroyed. Trotsky once

remarked that apart from the nationalised planned economy that remained from the October Revolution, the Stalin regime was very similar to the regime of Hitler.

Trotsky explained that while defending the Soviet Union from the attacks of imperialism, the main task facing the Soviet workers was the overthrow of the Stalinist bureaucracy. Without that, the USSR could not move towards socialism, on the contrary, the bureaucracy would move towards capitalist property relations. After 50 years delay, this prognosis was borne out by events in the collapse of the Soviet Union and the restoration of capitalism.

Today, we have entered the most disturbed period since the war. The euphoria of the bourgeois after the collapse of Stalinism has disappeared. The so-called war against terrorism threatens to further destabilise world relations, with the prospect of new conflicts and wars. The partial economic recovery threatens to run out of steam, as the world's stock markets plunge and the dollar slides. The crisis of capitalism has manifested itself in the economic crisis sweeping Latin America where there are no any longer stable capitalist regimes. The revolution in Argentina is a mirror of what is to come in the rest of the continent. The mass demonstrations and general strikes in Italy and Spain, as well as the protest movements in France have witnessed the reawakening of the European proletariat. Since the collapse of the USSR, Trotskyism, which has been an isolated current in the workers' movement due mainly to the block of Stalinism, has new opportunities for connecting with leftward moving workers. The new epoch that opens up is also one of revolution, counterrevolution and war. On the basis of events, genuine Trotskyism can become a mass tendency, and prepare the ground for socialist revolution worldwide. ♦

History of British Trotskyism



Details:

History of British Trotskyism

By *Ted Grant*

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This work by Ted Grant is a unique contribution to the history of British Trotskyism. He has been a central figure in the Trotskyist movement for something like six decades. This has given him a colossal personal experience that he has drawn upon to produce this book, which spans the origins of British Trotskyism to the break up of the Revolutionary Communist Party (RCP) in the middle of 1949.

Grant regards the period prior to the formation of the Workers International League (WIL) in 1938, as in effect, the "pre-history" of the movement. The WIL, and later the RCP, constituted a qualitative break with the approach of the past and undertook a courageous struggle to sink roots in the working class. It can be said that during the war the WIL and RCP under the Haston-Grant leadership conducted the most effective work of any Trotskyist group in the world.

The book goes into detail about the new situation that

emerged in the post war period. While the 'leadership' of the Fourth International failed utterly to grasp what was going on, the RCP leaders, and in particular Ted Grant, correctly analysed the situation and successfully reoriented the British section. Their continuous political clashes with the International, led Cannon and Co. to conspire to remove the Haston-Grant leadership, which was to result in the shipwreck of the organisation.

These were tumultuous years, which tested Trotskyism to the limit. How the movement was able to face up to its historic tasks, 'warts and all', is outlined in this book.

The introduction by Rob Sewell serves to trace the evolution of the 'Grant tendency' from 1950 to the present day, and provides an important continuity to the work. This authoritative account is essential reading for those who wish to better understand the development of Trotskyism in Britain.



Ted Grant's **History of British Trotskyism** is already proving to be one of our best-sellers. With orders reaching us from all over the world, it is gratifying to learn that the book is not just very popular, but is also being put to good use. A new order for additional copies has been received from Austria where young comrades intend to study the book in a discussion group to try to

draw upon the many lessons it contains for building the movement today.

The international appeal of the book is being matched here in Britain too. If you would like a speaker to introduce a discussion on the History of British Trotskyism contact us here at the Socialist Appeal office. If you haven't got your order in yet, hurry up, they are selling like hotcakes.

US capitalism: Digging a deeper hole



There's a story about the Great Depression of the 1930s. A distressed American banker decided to end it all by jumping out a window on the 12th story of the old Maryland National Bank building in Baltimore. As he was going by the 5th floor, he was heard to remark: "Well, I'm all right so far."

By Michael Roberts

That was the consensus coming from the economic pundits in the US and UK until just a few weeks ago. But now the mood is changing. Now the papers are full of worry and concern with headlines like "Capitalism is sick" or "It's all gone bear-shaped". The capitalist pundits are worried that the US and world capitalist economy is not recovering as they expected. And stock markets around the world are plummeting.

The experts are beginning to agree with what we said last October in this column: "Indeed, there are four bubbles. The first was hi-tech investment in dot.com and internet companies. That has well and truly burst. The second was the collapse of the stock market that financed all those internet start-up companies. Share prices around the world are now down 30-60% from their peaks in March 2000. But there's further to go. The third bubble is still expanding: namely, the property market. American and British households, in particular, having had their fingers badly burnt by investing in the stock market, continue to push cash and borrow more to buy bricks and mortar - the safe investment. That bubble has still to burst. And further down the road is the bubble of paper currencies, in particular, the dollar.

Now the dollar is falling and the papers are full of concern about how long the expanding balloon of property prices can go on without bursting. Stephen Roach is the lead-

ing economist at the US investment house, Morgan Stanley. He comments that the world economy is on "an inherently unstable path that can only end in tears."

Indeed this current capitalist economic cycle has no precedent in the whole post-war period. Investment spending is unusually weak and consumer spending unusually strong. Yet this pattern has at least one ominous parallel before the second world war: the US economy of 1926-29.

Economic cycle

There are two features of the current economic cycle that suggest that the tears will come. First is the massive increase in debt. Last year US national income grew by \$179 billion. Debts, on the other hand, increased more than \$2 trillion, ten times faster than income. Telecom debt alone now equals nearly as much as the combined total of the infamous US Savings and Loan crisis of the 1980s and the junk bond crisis of the 1990s. And the value of these telecom companies on the stock market has been destroyed. The \$2.5 trillion lost in the telecom meltdown was the largest single loss of wealth ever to occur in the stock market.

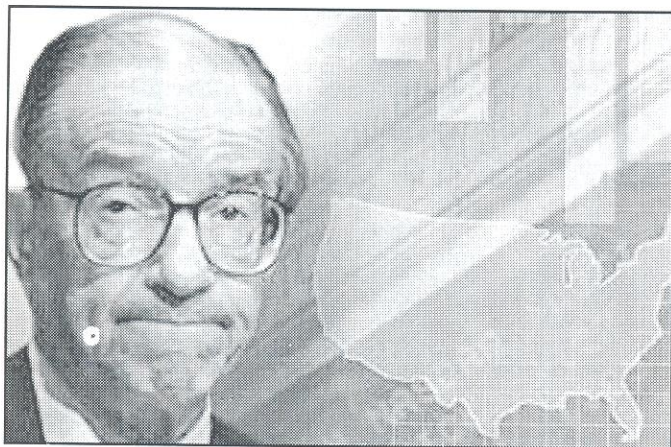
Americans have mortgaged up their houses as never before. 19 million Americans now pay more than 35% of their incomes to keep a roof over their heads, up from just 16 million in a similar circumstance

ten years ago. Bankruptcies are becoming more and more common. And older Americans - those 65 and up - are declaring bankruptcy at a rate 244% higher than they were ten years ago. Fewer people are finding jobs - the number of people collecting long-term unemployment benefits is at a 19-year high. Credit card payments are getting stretched, late payments are at a 5-year high.

The second factor that suggests the failure of recovery is the lack of profit. The optimists continue to argue that as long as Americans go on borrowing and spending, then the economy will pick up and all will be well and everything else, like profit and investment spending, will take care of itself."

After all, there appears to have been a dramatic surge in economic growth in the US during the first quarter of 2002. Gross domestic product (GDP) grew at a 5.8% annual rate. "On the face of it, America's economy is roaring back," adds the *Economist* magazine, but "dig beneath the headline figure for growth and America's performance looks less miraculous. Most of the GDP growth came from a slower rate of inventory reduction and a big jump in government spending. Defence outlays are growing at a 20% annual rate."

And even more important is the failure of profits to grow with spending. Under capitalism, production is for profit and profits matter. But US corporate profits peaked in the second quarter of 2000 at \$518 bil-



lion. By the fourth quarter of 2001, they were down 44.4%. Manufacturing companies earned \$175 billion during the second quarter of 2000. That dropped 71.2% by the fourth quarter of last year.

Profits are essentially the unpaid part of the value added by the workforce. And if profits are the basis for investible resources for the future, then a chronic lack of profits indicates that America is consuming its capital; eating its seed corn. Value - wealth - is being consumed. US corporate profits have slumped to their lowest level in the post-war period. In the 1960s, they were 9% of GDP. At the nadir of the recession in 1991 they had plummeted to 4%. But currently, profits are less than 3% of GDP!

For a few years, during the great hi-tech boom, the reality of the decline in profitability was hidden by cheap accounting tricks, but the scandal of Enron has exposed all that. And the greed and graft of some of America's top corporate executives has increasingly angered middle-class investors who now stay out of the stock market as a result.

The story of Tyco Corporation CEO, Kozlowski, is the latest horror story. He persuaded his board to give him hundreds of millions of dollars of cash, stock and perks. And he took home tens of millions of dollars of pay that supposedly reflected his improvement of the company's performance, while Tyco lent him yet more millions of dollars, while the company's profits and stock price plum-

meted.

And the funeral pyre of bruised and tattered corporate reputations grows higher by the day. Even Vice President Dick Cheney's former company is being investigated for cooking the books.

The bubbles of the New Economy and the stock market burst in millennium year. In 2002, the bubble of dollar supremacy is also bursting. The dollar is diving against other currencies as foreign investors stop buying US companies, shares and bonds. In 2001, net inflows of capital into US markets equalled \$44 billion each month. But in each of the first three months of this year, only \$25 billion came in. And foreigners own 39.5% of the US Treasury bond market and 23.8% of the US corporate bond market. Both levels of ownership are at record highs. And foreigners also own 12.7% of the US stock market.

the US. Taking away US investments in Europe it was a net \$214 billion to the advantage of the US. That alone financed half of the huge US trade deficit. Now European purchases of US companies has dropped to just \$7 billion. So the dollars dominance over currency markets is slipping and the trade deficit is starting to spook the capitalist economists.

Dollar crash

What would happen in a dollar crash? Morgan Stanley's Stephen Roach gives us this picture: "In my view, a dollar crash would have a devastating impact on US financial markets that could well be amplified in other capital markets around the world. The result would be lower prices for equities and bonds, alike. It would undoubtedly deal a devastating blow to consumer confidence, finally sealing the

supremacy would mean the end of the global economic upswing of the last ten years.

The US rules the economic and political world like an empire. As the American historian Paul Kennedy, puts it: "No country has been as dominant culturally, economically, technologically and militarily in the history of the world since the Roman Empire. The Roman Empire stretched further afield," he notes, "but there was another great empire in Persia and a larger one in China. Today China is no competition. It is just another country on America's hit list."

The modest republic of 1776 has become the great empire of 2002. If the past is any guide, an empire's successes are inevitably followed by humiliating defeats. Financial progress is always trailed by national bankruptcy and the destruction of the currency. And the good sense of

For a few years, during the great hi-tech boom, the reality of the decline in profitability was hidden by cheap accounting tricks, but the scandal of Enron has exposed all that.

One of the largest sources of dollars was from foreign companies buying US companies or setting up production facilities in the US. In the period 1990-95 average annual European dollar flows from mergers and acquisitions (M&A) was only \$10 billion. But in 2000, Europeans invested over \$600 billion in

fate of the long-awaited consolidation of the American consumer. The negative asset effects would also result in a higher cost of capital that would most likely impede business capital spending."

In other words, a dollar slump means eventually a global economic slump. The end of the era of US capitalist

a decent people is soon replaced by a malign megalomania which brings the whole bunch to complete ruin. A great empire is to the world of geopolitics what a great bubble is to the world of economics. It looks omnipotent at the outset, eventually it is a catastrophe. ♦



General strike in Spain

As I write these lines, everything indicates that the strike call has been massively followed in practically all the regions and provinces of Spain. The demonstrations have started with over 100,000 in Seville,

about 50,000 in Granada, and about 30,000 here in Malaga, from where I write.

— by Alan Woods —

The strike has been total throughout Andalusia. On the road to Malaga, for a distance of over 100 miles, one could see that not a single factory or building site was working and that even the small shops and bars in the villages were closed. In all that distance, we only saw one man - clearly the owner of a small shop - standing outside the doors looking very disconsolate.

Arriving in Malaga one could see that every shop and bar was closed and shuttered with a sticker posted "Closed due to general strike". About the only exception was the big chain store known as El Corte Ingles, where the union is controlled by the bosses and the workforce was compelled to work.

The demonstration here was the biggest for years. The mood was a combination of militancy and euphoria. In bright sunshine, workers of all ages, men and women, chanted anti-government slogans. The government's so-called reform will hit Andalusia particularly hard, making it easier for the bosses to sack workers, and above all slashing unemployment subsidies that will threaten many Andaluz agricultural workers with misery, and force many to leave the land altogether.

It is clear that this one-day strike and these mass demonstrations are a manifestation of a change of mood in Spanish society - or more correctly, they have brought to the surface a simmering mood of anger, frustration and discontent that has been slowly building up over the last period.

The growing mood of rebellion became evident as the demonstration reached the El Corte Ingles store, which had remained open in defiance of the early morning pickets. Here the cheerful mood of the crowd changed into blazing anger directed mainly at the sight of the riot police, who with their black body armour, helmets and shields, looked exactly like Roman legionnaires.

"Aquí están, esos son, los piquetes del patrón!" shouted the demonstrators as they passed the menacing ranks of the forces of "law and order". ("Here they are, here they are - the pickets of the bosses!") This was an ironic answer to the anti-strike propaganda of the government and the media, who, as always, combined a hypocritical "defence" of the right to strike with an insistence on the "right to work" (what about the unemployed?) and an attack on "coercive pickets". The ruling class naturally singles out for attack the pickets - the

front line of the strike and the shock troops of the working class - but conveniently forgets its own coercive shock troops, for whom the workers showed their contempt, describing them as "the mercenaries of the PP".

It should, however, be pointed out that the police itself has been affected by this strike. How could it be otherwise? A general strike makes evident the power of the working class. It shows that not a light bulb shines, not a wheel turns, not a telephone rings without the kind permission of the proletariat. It therefore affects every part of society, even the state itself.

On the eve of the strike, the SUP (the unified police union) and two other police unions made public a communiqué in which they warned the government that they were not prepared to be used against workers in struggle, that they were not willing to defend the "right to work" (i.e. the right of scabs to break a strike) but only to defend the right to strike itself. This fact itself shows how deep the mood of dissatisfaction has gone.

It is precisely this mood of the masses that explains the present strike. It has not been brought about by the leaders of the UGT and CCOO (Workers' Commissions) but by the growing pressure from below.



For the last six years the trade union leaders in Spain - as in Britain, Germany and other countries, have systematically capitulated to the pressure of big business, accepting all sorts of cuts in wages and living standards, under the banner of so-called "new realism". They have attempted to adopt the pose of "realistic pragmatists" and "responsible statesmen", embracing the capitalist free market, liberalisation and all its works. They hoped that by so doing they would be rewarded by big business, which would at least have the good manners to respect the rights of the trade union bureaucracy. Vain hope! They did not understand the elementary fact that weakness invites aggression. Every retreat was immediately followed by a demand for two more. In this way the so-called "realists" have been exposed as the worst kind of utopians.

Last year, the UGT leaders under the pressure of the rank and file expressed a willingness to back a general strike (the Marxist-led Students' Union has consistently been agitating for this), but the CCOO leaders would not hear of it. As late as last December the leaders of UGT and CCOO were willing to reach a pact with the government for "wage moderation". The response of the government to this moderation was the savage decree attacking workers' rights and living standards. The reply of the work-

ers was outright rejection of any further compromises and a general strike.

The union leaders have thus been placed between a rock and a hard place. They have finally understood that their constant retreats have led to a situation where the government and the bosses do not take them seriously (as "negotiating partners") and they are losing support among the workers. The trade union bureaucracy's first concern is to defend its own interests, that means above all to protect the very existence of the unions upon which they rest. They have been forced into opposition by the pressure from below and the fear of losing all credibility.

It was therefore in the interests of the union leaders that the present strike should be successful. But the weakness of the trade union leaders was again revealed by the inadequate preparation for the present strike. While there has been a certain amount of campaigning by the leadership, it has been woefully inadequate. The amount of posters we saw today was not very considerable, and we saw piles of posters that had not been posted on the floor of the UGT offices. There is no reason to believe that the situation in the CCOO is any better.

There have been some mass meetings in the factories, but again there has been no serious campaign by the union leaders to explain the

reasons for the strike to the workers. As usual, the bureaucracy has shown a complete lack of confidence in the working class. Their policy seems to have been that in those factories where they had a majority, the committee would vote for a strike without any mass meetings. This is a fatal mistake. The success of a strike - above all a general strike - depends on the active involvement of the workers. The strike must be debated democratically, the arguments for and against must be put, and the workers must decide. Any other method is necessarily fatal.

Standing success

There is no doubt that today's strike has been an outstanding success. But this success owes very little to the leadership, which, once again, has shown itself, to use an old British expression, "incapable of organising a party in a brewery". The strike has succeeded thanks to the determination of the working class and the union rank and file. Naturally, the most militant elements were to the fore including the Spanish Marxists.

Let us take just two instances. In Madrid, in the suburb of Fuencarral, where 70% of the firms are new industries like mobile telephones, with little or no union organisation, the strike was a great success. On the other hand, the SUP police union last night denounced the fact

that the newspaper *El Mundo* was being distributed by police vans. However, the manoeuvre was frustrated by the mobilisation of a mass picket of 300 vans driven by news distribution workers.

As usual the news on the radio presented a lying version of the events taking place in Spain: the country was working as usual, the big stores were open (no mention of industry). There were supposed to be "reports from the regions" but in fact only one region was cited - Galicia, which, by a strange coincidence, is controlled by the PP, and where, we were solemnly informed, the civil service was working normally - and even that functionaries of the regional government had reported early for work!

Even these dishonest reports contain a tacit admission that today's strike has been an overwhelming success. The fact that the government's disinformation machine made no reference to industry is a tacit admission that all the big factories had closed down. From the partial information available at midday, we know that all the big factories were out: Opel, Renault, Citroën, the engineering and metal industries, the ports, and even the building industry, 90% of which was out. Only in one part of the Spanish state was the result of the strike unsatisfactory. In the Basque Country, the nationalist trade unions ELA-STV and LAB called a separate strike on the 19th, for the purpose of demanding a separate "Basque dimension" for labour affairs. This criminal policy has led to a serious split in the working class and even confrontations between Basque workers. On the 19th, members of ELA and LAB formed pickets to stop members of the UGT and CCOO going to work. The nationalists were largely successful in Guipuzcoa and to a lesser extent Vizcaya, but failed in Alava and Navarra. The situation was reversed in today's strike. The only losers were the Basque working class

Spain

who are suffering the effects of Aznar's decrees the same as the workers of Madrid and Seville. And Aznar and co. are rubbing their hands with delight.

Dirty tricks

The right-wing Aznar government has used every dirty trick in the book to sabotage the strike (in a "democratic" way, naturally!) The main trick was, as usual in "democratic" Spain, the so-called law of "minimum services" that requires the workers to operate a certain percentage of trains, buses, etc. This law is always used and abused by governments to sabotage general strikes. Thus in Madrid, in a day of general strike, it seems that 40% of public transport was running!

The unions resorted to the law to protest this, and the judges as always were "sympathetic" but - there is always a but - they withheld a final decision until - after the strike! They will - as usual - pronounce in favour of the unions, but what use is that when the strike is long over? And this lawyers' farce is what passes for "justice" in a bourgeois democracy!

The law of "minimum services" is an undemocratic assault on the right to strike. In Barcelona the workers rightly ignored it, and the metro was not running. This law should be abolished. The workers are quite competent to decide themselves what services should operate in a strike. The workers are responsible people and would never allow the old, the sick and so on to suffer unnecessarily. But the decision as to which services should be allowed to operate should be a matter for the strike committees in each area. Incidentally, the author of the present article has seen this system of workers' control run very efficiently in strikes in Britain in the past.

Meanwhile, the bourgeois "democracy" has been showing its true face in Madrid, where the police have been involved in heavy-handed repression, even surrounding the UGT headquarters, drawing pistols, beating up strikers and arresting people (seven in Leganes alone) - just like the good old days of Franco! There is no doubt that the same picture will emerge in other provinces.

The conclusion is inescapable. While the workers' leaders have been falling over themselves to show "moderation", the only effect has been to encourage the bosses and their government to ever greater excesses in their attacks against the working class - not just in Spain but everywhere.

Let us remember that in a period of boom, with ever-increasing profits of the bosses, we have seen constant attacks

against wages, conditions and rights of the working class everywhere. While the labour leaders have been preaching sweetness and light, the bosses have been organising an unprecedented counterattack of Capital against Labour.

No doubt in tomorrow's newspapers the union leaders will express their astonishment at the extraordinary response of the workers to the call for a general strike, while the government will continue to deny that the strike took place at all. That is quite predictable. The union leaders are always astonished when the workers show their readiness to struggle. They have no faith in the class or in their own membership, or even in themselves, if the truth were to be told.

The success of today's general strike is a motive of great satisfaction, of great joy for all those who have the workers' interests at heart. It is a great step forward. It shows the colossal power that lies in the hands of the working class. With the right organisation and leadership, that power could change society and create a better world for all.

Militant policy

But let us also be frank. A general strike of 24 hours is really only a demonstration - although a demonstration on a massive scale. It has undoubtedly shaken the government, but it will not necessarily make it change its course. That will depend on the conduct of the workers, the unions and the leadership.

What is needed is a militant policy that will really challenge the power of Capital. If, as we must fear, the union leaders see the general strike as just a means of putting pressure on the government, a way of making it "see sense", of returning to the negotiating table and "listening" to the "moderate" leaders of UGT and CCOO, then it will have failed in its most important objective. It is necessary for the activists to be vigilant. Prepare for another general strike! Organise mass meetings in every factory, workshop, office and mine! Involve the women, the youth, the peasants! Make this a hot summer and even hotter autumn for señor Aznar!

Aznar will respond with the accusation that this is a "political strike". We answer: yes! A thousand times yes! This is a political strike against a reactionary government - a government of the capitalists and bankers whose main aim is to destroy the living standards and rights of working people. Our aim is to stop this government in its tracks, to prevent it from carrying out its anti-worker plans, and yes, to overthrow it.

The leaders of the parliamentary opposition, after two years of collaborating with the government, have at last been pushed by the working class into semi-opposition. But Zapatero, the leader of the PSOE, wishes to hunt with the hounds and run with the hare! On the one hand he tells the people they must oppose the unjust decrees of Aznar, on the other hand, he insists that the PSOE does not call for a general strike! The socialist workers did not vote for the PSOE leaders to play games but to actively fight against the PP. They should stop this shameful sitting on the fence and openly support every strike of the workers against this reactionary government.

The beginning

The general strike of June 20 has broken the ice. It is not the end of an episode, as the bourgeois hope, but the beginning of a process. Until now the workers of Spain had their heads down. They were waiting for a lead that never came. Many activists of the UGT and CCOO were disappointed and passive. Now the entire mood has begun to change. Older activists have recovered their spirits when they saw the class once again on the move. The new generation is beginning to awaken to political life and look to the unions with hope in their hearts. At last - someone is prepared to fight!

It is a beginning, and a most important one, but it is still only a beginning. The final success will depend on one thing and only one thing: the fight to transform the unions into genuine fighting organs of the working class to change society. It is not possible to separate trade unionism from politics. The fight against the present reforms is in essence a fight to overthrow the Aznar government. This immediately poses the question of an alternative.

The unions must call a general strike with a demand for new elections. Down with the Aznar government! Call a general election now! For a government of the PSOE and IU with a genuine socialist policy! That is the only way to carry the movement forward. ♦

Stop Press: This article was written during the events described. Later the same day half a million marched in Madrid, the same number in Barcelona, 150,000 in Vigo, etc. In many cities the demonstrations were the largest for 25 years, and the total number participating in demonstrations all over the country was 3 million.

June 2002 General Strike in Greece

Workers' growing militancy

What sparked off the anger of the Greek workers last year was the plan of the government to introduce severe cutbacks in social spending. The government was proposing to raise the retirement age from 60 to 65 and to introduce measures which would have reduced pensions by 20-30%.

By Fred Weston in Athens

Last year's two general strikes forced the government to back down. The workers had had enough and were not prepared to take any more. Until then the Greek workers had been on the retreat, with each successive year producing fewer strikes. As we explained last year, the two general strikes of April and May 2001 marked a watershed.

The workers have regained their confidence and are prepared to struggle. Testimony to this has been the ever-increasing number of strikes over the last year. The transport workers have been out on several occasions. They came out for today's general strike, but have extended their strike to 48 hours. In fact today there were no buses or tubes running in Athens. The ship workers (merchant navy and passenger ships) have come out. The air-traffic controllers are on a 48-hour strike. The doctors have been out also. And there has been a whole series of small strikes, such as that of the toll gate workers.

The difference with the past is that most of these have ended in victories for the workers. The militancy of the Greek workers has been increasing all the time. All this explains why the government has not attempted to introduce the same law as last year. They have had to water down their proposals. And they have also attempted to divide the workers by attacking some sections more than others. In the private sector they have made some concessions on the age of retirement and on the levels of pensions. But for the new young workers, they have actually made it worse. The idea was to divide the older workers from the younger work-

ers. Women, especially those with children, also come out worse off.

Role of the PASKE leaders

However, because it is a watered down version, the PASKE trade union leaders (those close to the PASOK, which is in government) have tried to present the new proposals as good. This affected the participation in the demonstration today. Although the GSEE (the Greek TUC which unites all federations) called today's strike, the PASKE leaders inside the GSEE voted against. They did say that they would still support it, but they obviously did not mobilise their forces and this was evident on the demonstration, where most of those taking part were from PAME (the trade union linked to the Communist Party). We should add that the transport strike did not make things any easier. A lot of workers could not get to the demonstration. Nonetheless the participation was still quite low, about 10,000 workers.

Although the strike was a success, considering the size of the demonstration, and the backing of the PASKE leaders, the government will most likely go ahead with the new proposals.

Although this new law will be a step back for the workers, for the Greek bosses it doesn't go anywhere near far enough. The bosses are demanding much

more. The PASOK government has done as much as it could. That means the usefulness of the PASOK in government for the bosses is coming to an end.

For now this is the best the right-wing leaders of the PASOK can do for the bosses: So the PASOK faces a dilemma. It has gone too far for the workers and not far enough for the bosses. This will have an impact on the next general election in Greece, which should take place in 2004. Before then there are the municipal elections in October. All opinion polls show that the most likely outcome is a big fall in the PASOK vote and a victory for the ND (New Democracy). Rather than a shift to the right, a big abstention on the part of the workers is expected. A big defeat in the October municipal elections could bring forward the parliamentary elections where the most likely outcome would be an ND victory.

A victory of the ND would mean a new onslaught against the workers. The bosses would want to achieve with the ND

what they have failed so far to achieve with the PASOK. Thus the policies of the present Simitis government have served only to prepare the ground for the right wing, just like in Italy and France. If the ND get back in, the responsibility will lie firmly on the shoulders of the right-wing leaders of the PASOK.

An attack by the ND would be seen as a provocation of the working class. And with the PASOK then in opposition the pressure would mount on the leaders of PASKE to mobilise the workers together with the PAME. What we will see is a scenario similar to the one we have recently witnessed in Italy with Berlusconi, where millions of workers have taken part in a general strike.

Although today's demonstration was relatively small, it is important to note that new layers were present. Groups of workers who had never been on strike were demonstrating in front of the parliament building. These were young workers coming into struggle for the first time. The whole of the Greek working class is being shaken into action by the general situation they are facing. Layer after layer is becoming more and more militant. Stormy years lie ahead. ♦





First round of French general elections:

Left staring defeat in the face

by M.C. in Paris

The following article was received before the results of the second round were known. They confirm its analysis.

www.lariposte.com

The results of the first round of the parliamentary elections held in France last Sunday show that the Left has virtually no chance of regaining power after the second round of voting on Sunday 16. The right-wing parties seem to be riding on the wave created by Chirac's presidential election victory a month ago and have come top of the poll. The UMP alliance (comprised of the Gaullist RPR and pro-Chirac elements of the centre-right party UDF[1]) obtained 34.23% of the vote compared to 25.28% for the Socialist Party (PS) and left-radicals. By adding the votes of the other right-wing candidates, their score totals 43.66% of the vote compared to 37.47% for the mainstream Left (socialists, left-radicals, communists and greens). However, the most striking feature was the rate of abstention which stood at a record 35.62% (nearly 15 million voters) compared to 32.04% five years ago and 16.99% in 1978, just three years before socialist president

Mitterrand took power. Interestingly, the far-right National Front (FN) did not emulate its spectacular score of nearly 17% in April's presidential elections. With only 11.1%, they scored even lower than in the 1997 general elections. Sadly, the Communist Party (PCF), once the mightiest communist party in the western hemisphere, won a miserly 4.7%, which is exactly half the votes obtained last time.

Bending the knee

As we explained in the French Marxist magazine *La Riposte*, regarding the results of last month's presidential elections, the main reason for the Left's poor performance once again has to be laid squarely at the feet of the socialist and communist leadership who, despite a few meagre reforms, spent their time backtracking and bending the knee to the bosses and the Right during their time in power between 1997 and 2002. Nevertheless, the very same leaders (Hollande, Strauss-Kahn

and Fabius for the PS, and Hue for the PCF) did not change their mistaken political programmes one iota in order to face these general elections. As during the presidential election, the PS's programme followed in the wake of the Right's and focussed a disproportionate amount of time on the reactionary themes of "insecurity" and "law and order", which is the Right's favourite battleground. Apart from vague commitments to stop privatisation (after the Left government had actually privatised more than the previous right-wing one) and to give a little "boost" to the minimum wage, the Left's programmes were completely empty and offered no real alternative to the mass of workers looking for an alternative to the developing crisis of capitalism. On top of their weak and lacklustre campaign, the Left leaders clearly shot themselves in the foot with their behaviour during the second round of the presidential campaign, when they ran about like headless chickens calling for a Chirac vote to stop the

"threat to the Republic" represented by the "fascist" Le Pen. Instead of denouncing Chirac and underlining the many similarities that exist between his political programme (and past acts) and Le Pen's, the Left leaders added to Chirac's prestige by presenting him as a "defender of the Republic and Liberty". Clearly, presenting Chirac in such a favourable light led to even more confusion in the electorate and boosted the Right's votes in these elections.

However, not all is gloom and doom for the Left. Despite the socialist and communist's essentially pro-capitalist policies whilst in government and their failure to fundamentally change living conditions for the better for most workers, the Socialist Party vote held up particularly well.

The meltdown that occurred nine years ago after the previous period of Socialist Party government between 1988 and 1993 did not occur. Despite the collapse of the Communist Party vote, the Socialists did relatively well despite the



circumstances, particularly in Paris where the Left continued its good performance following the capture of the City Hall last year. In fact, nationally, the SP received more votes than in the first round of the legislative elections of 1997. The reasons for this are clear. The most politically conscious sections of workers know very well what a future right-wing government holds in store for them, despite the rather dull and flabby nature of its most likely leader, Jean-Pierre Raffarin[2].

"War machine"

The fact that Alain Juppé, the former right-wing prime minister who governed between 1995 and 1997 and whose infamous austerity programme, the "Juppé Plan", provoked the massive public sector general strike of November-December 1995, is apparently pulling the strings of this new government has raised these workers' fears even further. If the truth be told, if the Right goes on to win next week, the resulting government will be a veritable "war machine" launched against the interests of the working class, the youth and pensioners. The Right wants its revenge for the victories of December 1995 and the electoral victory of June 1997 and wants to implement its Thatcherite programme of tax cuts for the rich, deregulation of the public sector and even more privatisations. For these

reasons, many on the Left decided to rally around the only tool capable of beating the Right on the electoral field - i.e. the Socialist Party.

However, due to the uninspiring campaign of the Left, many other workers decided to refrain from voting, showing their disgust for the Right but also their unwillingness to support the ineffectual leaders of the Left. This is why the rate of abstention and spoilt ballot papers was so high. It is a matter of fact that most people who abstain in elections are workers who would vote for the Left, but are not inspired to do so. The fact that the abstention rate, as mentioned above, was 16.99% in 1978 shows this - at the time the Socialist and Communist parties had a semblance of a left-wing programme that included nationalisations and a "trans-

formation of society" amongst the reactionary voters who plumped for Le Pen six weeks ago probably voted for the traditional right-wing parties now that the latter have adopted a large chunk of the National Front's programme! Finally, the results of this election are also a refutation of the tactics of some on the far left who want

trial north, the Parisian and Marseilles suburbs) around the country, the pro-capitalist leadership has led it into a blind alley. As many Left voters can no longer see the difference between the "social-democratic" communists of Robert Hue and the Socialist Party of Hollande, they would rather vote for the party with the most chance of beating the right-wing candidate - i.e. the Socialist party.

Traditional support.

After its triumphant result in April, the National Front has returned to its more traditional levels of support. This is a poke in the eye for many in the Left leadership who tried to play up the fears of an imminent "return to fascism" last month to justify their support for Chirac. In reality, many of

to build separate parties to lead the working class. After winning around 10% in the presidential elections, the combined far left vote (Lutte Ouvrière and Ligue Communiste Revolutionnaire) in the general elections did not exceed 3%!

Once again, this shows that when the working class moves on the electoral field to fight the right, it uses its traditional organisations to do so, no matter how rotten the leadership. This also vindicates the tactics of those in France who want to take the fight for genuine socialist and revolutionary ideas, amongst which supporters of La Riposte, into the mass parties and negates the tactics of those who want to build phantom parties on the fringe on the labour movement. On this last point, La Riposte supporters have already encoun-

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formation of society" amongst other radical measures, which inspired many to go out and vote.

In conclusion, it seems that the Communist Party has become a spent force, electorally speaking. Although it remains strong in a number of specific areas (e.g. the indus-

tered a certain level of support for their ideas in a number of Young Communist sections up and down the country. However, with regard to the election results, a fuller analysis of events and future trends can only be given once the second round is over.

[1] The UDF split on whether to join the RPR in the UMP alliance. A major proportion of this party opted to join the pro-Chirac alliance, whereas the minority stood as independent UDF candidates with the UDF leader François Bayrou.

[2] By a quirk of the French constitution, in the wake of the former Socialist Prime Minister Lionel Jospin's resignation following his resounding defeat in the presidential election on April 21, a right-wing government under Raffarin has actually been in power since the beginning of May as Chirac as the winner of the presidential election was able to choose his own government to replace Jospin.

The Tolpuddle Martyrs

by Barbara Humphries

For the sole "crime" of defending themselves from starvation wages, by joining a trades union in 1834, six farm labourers from the Dorset village of Tolpuddle were sentenced to seven years transportation. These six - George and James Loveless, Thomas and John Standfield, James Hammett and James Brine, members of the Friendly Society of Agricultural Labourers, were not aware that they had broken the law. They were victims of a vicious campaign on the part of the landowning and employing class at the time to crush the trades unions and to impose savage cuts in working class living standards. In this campaign the employers and their political representatives - the Whigs and the Tories - made every use of the law and their courts in order to defeat the trades union movement. As far as the Home Secretary, Lord Melbourne and the Tolpuddle magistrates were concerned, the purpose of the trial at Tolpuddle was to 'teach the trades unions a lesson' and to prevent their growth. For this reason the punishment was to be as harsh as possible.

Tolpuddle - the background

The trial of the Tolpuddle labourers came after a tremendous growth in the number of trades unions. This had gone hand in hand with the rapid development of industry, which took place in early 19th century England. At first the government tried to repress the unions by passing Combination Acts to make them illegal. Due to increasing pressure from the working class, these had been repealed in 1825, and the gates were opened up for further growth in trades union membership. Attempts were made to set up general unions, to include workers in all trades, such as the National Association for the Protection of Labour, led by John Doherty, a cotton spinner from Manchester. The second attempt at setting up a general union led to the formation of the Grand National Consolidated Trades Union. This was initially organized by socialists who were supporters of Robert Owen

The ruling class and their political parties watched the growth of the trades union movement with fear. The

industrial wing of the capitalist class had gained the vote when the 1832 Reform Act was passed. This had given them the political power to do what they liked. They used that power to try to destroy the organized working class, which had previously been in the forefront of the struggle for suffrage reform. The Tories (representing the landowners) and the Whigs (representing the industrialists and forerunners of the Liberal Party) may have had their differences, but they both had a vested interest in breaking the trades unions. In 1832 the Tory Home Secretary, Sir Robert Peel, told the incoming Whig, Lord Melbourne, of the need to defeat the trades unions. By 1833-34 economic slump and widespread unemployment gave the bosses the whip hand to organize their attack. Increasingly trades unionists who resisted cuts in their wages were "locked-out", and in some areas, such as South Wales, employers used the "Document", which they forced workers to sign, swearing that they would never join a trades union. Because of the level of unemployment, they could get away with this. It was against this background that the Tolpuddle trial began.

Tolpuddle labourers join the union

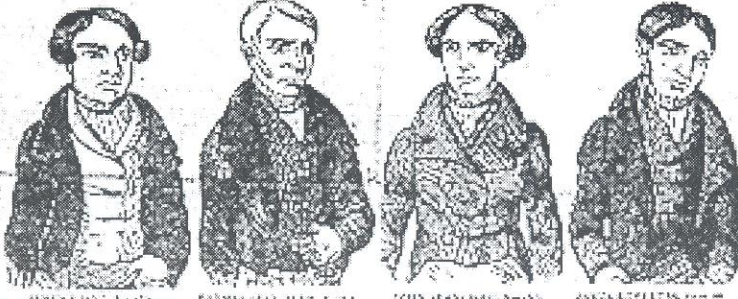
Industrialisation meant overnight fortunes for a few, but for the majority of working people it was accompanied by appalling living conditions, long hours and a criminal lack of safety and health provision in factories. In many cases children were employed for over twelve hours a day.

At the same time, on the land, the 'heart of Tory England', there was increasing poverty for the majority of labourers. The Enclosure Acts had taken the common lands from the people, and had allowed the landowners to divide the land up amongst themselves. Farm labourers were now completely landless, unable to provide themselves with food, they were wholly dependent on being employed by the landowners. Increasing rural unemployment, the system of Poor Relief, which encouraged both low wages and the sacking of labourers, drove many to the workhouse, to the bottle or to crime.

In response to the desperate situation, a whole series of revolts and riots took place under the name of Captain Swing, a mythical figure. In every village meetings were organized, the gentry and magistrates were begged to set a minimum wage. If they refused, they were threatened with the destruction of their property. The movement started in Kent and spread right across the south of England. In fact no lives were lost but farmers' equipment was burned. The government of the day had no hesitation in taking repressive measures. 250 farm labourers were sentenced to death, 500 transported and 600 imprisoned. This violence on the part of the ruling class was perpetuated under the name of the law.

Agricultural wages continued to be lowered. The average wage of a farm labourer in the 1830s was ten shillings a week. In Tolpuddle the wages were reduced to eight shillings, then to six shillings a week. In protest the Tolpuddle farm workers called a meeting to appeal to the magistrates to fix wages. This was refused by the magistrate, James Frampton. He told the workers that they must work for whatever wages their masters chose. But this was to mean starvation. George Loveless looked for an alternative solution. The rioting of the Captain Swing riots had been counter-productive and had to be avoided. He and his friends and family met under the sycamore tree in Tolpuddle to discuss the formation of a trades union branch. They drew for their inspiration the success of industrial workers in forming trades unions. George Loveless contacted the Grand National Consolidated Trades Union and set up a meeting in the cottage of Thomas Standfield. Two representatives from the GNCTU attended and forty farm labourers, nearly the entire male population of the village of Tolpuddle. At this meeting the rules of the trades union were read out, and the problems of trades unions in rural areas were discussed. For instance in rural areas the magistrates who had the powers to arrest were also the farmers who being asked to pay higher wages and from whom labour would be withdrawn if necessary. It was decided to set up a Friendly Society of

THE RETURNED "CONVICT"



These men were the Tolpuddle Martyrs, who were sentenced to transportation for their part in the Tolpuddle Reformation. They were: James Frampton, Robert Owen, John Loveless, and Joseph Smith.



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Agricultural Labourers in Tolpuddle as a branch of the GNCTU.

Following the decision to form a branch, the members had to undergo an 'initiation ceremony' a practice which had dated back to the days when trades unions had been illegal. It involved oath-taking. It took place on December 9th 1833, when the first six Tolpuddle labourers were enrolled into the union. It was this routine event which due to the presence of a labourer called Edward Legg, who was to turn into an informer, which was to give the ruling class the opportunity they were looking for in order to take on the whole trades union movement.

The conspiracy of the bosses

The landowners and industrialists viewed the growth of trades unions and political societies with fear, not only because they intended to push up wages, but also because of their more revolutionary implications. Their mere existence challenged the myth that only a tiny privileged class could govern society. If working people formed their own organizations, and could manage their own affairs, then they would soon come to the conclusion that they could run the whole of society itself. In such a society there would be no place for a governing class, which owned land and industry. It was this challenge to the whole of society itself that frightened the

landlords above all else, and a campaign against the trades unions, to attempt to discredit them in the eyes of working people, was started by the Whigs and Tories

The Whig Home Secretary at the time, Lord Melbourne, had a particularly anti-working class record. During the 'Swing riots', he had sent a circular to magistrates, giving them a free hand to deal with the rioters, in any way and without fear of subsequent enquiry. He had also seriously considered reintroducing the Combination Laws. He had family connections in the Dorset area, which brought him into contact with the Tolpuddle magistrate, James Frampton.

It is significant that at a time of increasing trades union militancy the government chose a Tory rural area in which to pick their victims. They chose Dorset, not Manchester in order to pick their victims. This was a place where they could take revenge and get away with it. They also significantly picked a time, when due to increased unemployment, the Grand National Consolidated Trades Union was facing losses.

The efforts of the Whig government began to backfire on them. Like the attacks of the Tory government led by Edward Heath 1970-1974 which tried to take on the trades union movement and failed, so these attacks in 1834 fuelled a backlash. A campaign was

launched by the Grand National Consolidated Trades Union to release the prisoners. A meeting of over 1,000 people was called in London and a resolution condemning the sentences was passed and Robert Owen made a fighting speech in which he put forward the case for socialism

Such was the response of the growing labour movement, that the Whig Government was forced to change its policy towards the trades

unions. James Frampton wrote to Lord Melbourne suggesting that farmers sack all union labour and he was sharply rebuffed. In revenge, Frampton and his fellow magistrates refused parish relief to the wives and children of the Tolpuddle Martyrs.

Contributions from workers all over the country were sent into Tolpuddle and a relief committee was set up. Ironically the attack of the Whig Government had the effect of strengthening the trades unions, at a time when they were losing members, an indication of how the labour movement can go through periods of retreat and then spring into life again when the hard-won rights of the working class are threatened. In April 1834, a one day demonstration was organized in London by the trades unions in the capital. This was attended by 200,000 people according to some estimates.

Return home

Finally, after months of debate and resolutions in Parliament the sentences at Tolpuddle were remitted and in 1837 the Tolpuddle Martyrs returned home to England. This was after three years of slavery as political prisoners. There can be no doubt that it was the solidarity of the organized working class that was mainly responsible for securing their release. This was in marked

contrast to Labour Governments which have been reluctant to act to release victims of Tory government legislation.

Although they were free, the Tolpuddle labourers returned to an England where there was still unemployment, poverty and distress. Although the attack on trades union rights had been defeated for the time being, the living standards of working people were under attack day by day by the employers and their government.

Trades unions were no longer enough, the working class needed its own party and its own government. This was the lesson of the struggles of the 1830s - for the right to vote, trades union rights and the working day. At the end of the decade the Chartist Movement was created which brought all these campaigns together. Uniting the working class around the six points of the Charter, which included universal suffrage, annual parliaments and payment of MPs. This movement aimed for political power in order to effectively bring about a re-distribution of wealth. Its aims went beyond the reform of the House of Commons. The working class wanted the full fruits of its labour - a foretaste of the socialist movement of the future.

The five Tolpuddle Martyrs who moved to Essex when they returned to Britain, set up a branch of the Working Men's Association, and campaigned for the Charter in their village. They drew the conclusion that the alternative to victimization under the rich man's law was to fight for a society which would be run by the workers themselves, and where wealth, power and privilege would be abolished. George Loveless, one of the martyrs wrote a pamphlet - 'The victims of Whiggery' - in which he concluded that the 'rich and great' would never act to alleviate the distress and remove the poverty felt by the working people of England.' 'What then is to be done? Why, the labouring classes must do it themselves, or it will for ever be left undone.' ♦

Keep the cash coming in

Anyone who has ever been involved in a strike will know to expect little support from the bosses press: quite the reverse in fact. Workers - at a rank and file level anyway - expect this and instinctively know where their true friends are to be found. When you are engaged in struggle, the solidarity and support of your fellow trade unionists and activists from the labour movements counts for a lot. The stop press report printed elsewhere in this issue on the release of the trade unionists in Pakistan shows that even international solidarity can raise morale and have an important effect.

The intention of Socialist Appeal is to help inform activists of what is happening, where, when and why. But more importantly, our aim is to provide an explanation and a way forward. In other words to raise the sights of the movement beyond the immediate. Central to this is the struggle for socialism and the Marxist programme which can achieve this. You cannot rely on our so-called free press for this. Can you see the Torygraph, the Daily Wail or the Daily Depress allowing any such ideas to be presented in their pages? Of course not! Rupert Murdoch and the rest of

the media owning gang know who interests they expect their papers to defend - and it is not yours or mine.

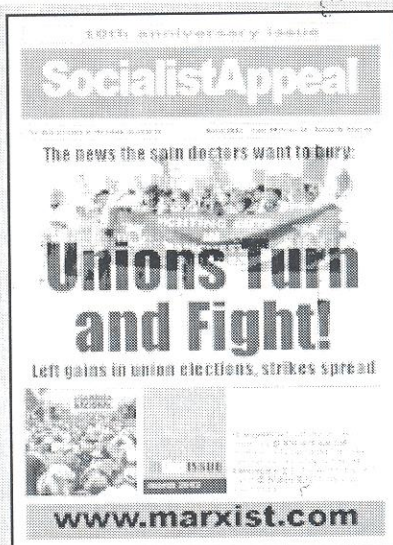
So we need to build our own voice and our own resources. This task needs your support. So far, since June 1st, we have raised over £800 in donations, a figure which we hope will be a lot higher by the time this journal hits the streets in July. But we need this level of support to be kept up, at the very least, during the summer months. So please send any cash you can to ensure that our voice is heard as loudly as possible.

Thanks to those delegates, visitors and sellers at all the various union conferences for all your financial support over the last few weeks. Special thanks also to the following: London AEEU steward £40, Kenny Cairns £10, Jim Brookshaw £200, Juliana Grant £100, John Cooze £50, St Andrews' readers £20, Cath and Bob Rice £108, Northern Unison activist £100, Tyneside readers £50 and many others - well done, lets keep it up! Donations should be made payable to Socialist Appeal and sent to us at PO box 2626, London N1 7SQ

Steve Jones

Special International appeal

As regular readers will know we always organise at this time of the year a special campaign to help raise cash for the struggle of Marxists worldwide. We are confident that, despite the importance of our own on-going financial appeal, our readers will respond with an additional amount for the work to raise the ideas of socialism around the world and show the internationalism of the organised labour and trade union movement. Last year we raised around £2000 for this, let's try and beat this in 2002. Please send any donations, made payable to Socialist Appeal, to us as the usual address and clearly marked "International Appeal". Thanks in advance!



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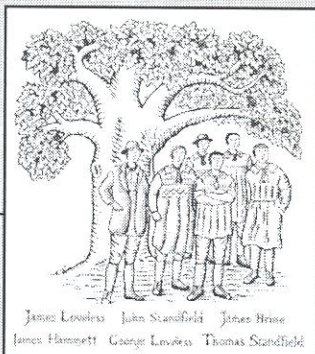
July/August 2002

Socialist Campaign Group Conference for Labour Party members and Trade Unionists

"After new Labour"
10:00 am to 4:00 pm
Saturday 20 th July 2002

TUC, Congress House,
London WC1

Tolpuddle Martyrs Festival 2002



Look out for the new Socialist
Appeal Tolpuddle Martyrs pam-
phlet on sale at the festival

The annual festival &
rally in honour of the
Tolpuddle Martyrs

With speakers, enter-
tainment, beer tent,
food & children's
attractions

Saturday 20 July
Sunday 21 July

Tolpuddle near
Dorchester,
Dorset

Socialist Appeal Stands for:

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

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

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

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

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

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

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

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

Socialist Appeal

Marxist
voice of the
labour movement

Post Office/Consignia crisis **Fight Cuts!** **Fight Job losses!**

Cuts in deliveries, cuts in jobs - that is the prospect facing Britain's once world famous post service following the Consignia debacle. On the back of a staggering £1.2 billion pound full-year loss, Consignia bosses have announced a further 17,000 job cuts on top on the 13,000 already promised.

These jobs cuts are being linked to a whole series of new working practices including the abolition of the already patchy second delivery. Post workers who keep their jobs may be forced to work longer rounds with some domestic deliveries not arriving until after midday.

One other change is the dropping of the Consignia name itself, brought in at great expense as part of the preparations for total privatisation. By acting like a privatised company, management hoped that the Post Office would become a fully fledged privatised company. Cutbacks were instituted, wages undermined and attacks launched to try and break the power of the CWU. However things have not worked for these wannabe profiteers. The union has fought back at least at a rank and file local level against the various provocations and attacks initiated. Schemes which the bosses thought

would make millions have instead lost millions. A project to bring new computers into post offices linked to benefit offices failed at a cost of a billion pounds, yet another example of the 'cost-ineffectiveness' of PPP initiatives so loved by New Labour.

Unfortunately the attitude of the CWU leadership has not been as steadfast as that of the union members around the country. The union has stated that it will "work with the employer to improve productivity where it was reasonable and beneficial to the service" (CWU News, June 2002). However when bosses talk of improving productivity they only ever mean the sort of cuts listed above. The union needs to stand firm against all job cuts and reductions in services - there can be no middle way. Industrial action should not and cannot now be ruled out. A serious campaign should be launched, seeking to mobilise people against the decimation of their post service. Such a campaign would gain massive support.

New Labour should be reminded that the post service is, despite the fantasies of management, still a public utility and should therefore be run like one. Trade Secretary Patricia Hewett's comment that the cuts represented an

"anxious and difficult time" for post workers as a result of the "very painful" decisions being taken suggests that the government consider themselves as nothing more than unconnected observers. This is nothing more than an attempt to avoid responsibility. Labour was elected to stop the Tory threats to the post service not carry them out with enthusiasm.

Management moan on about low staff moral without ever imagining that they themselves might be responsible. The prolongation of a low wage culture combined with rotten working conditions have had an effect, staff are not prepared to accept the situation any more. Workers need to be paid a proper wage, at least £300 minimum basic per week linked to a thirty-five hour week. The Post Office should be run as a public service for the benefit of all. The best way to do this should be through workers control and management in partnership with users and the government as part of a socialist plan of production.

- Mobilise now to fight cutbacks and defend jobs
- Oppose all closures
- A living wage for all Post Workers
- Fight Privatisation

www.newyouth.com

Youth for International Socialism