

# Socialist Appeal

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## After the June elections

Unions must demand

# Labour change course

## Reject Blairism

## Fight for Socialist policies



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The deadline for issue 125 is August 16

# Historic defeats for Blair

ONLY A month ago Tony Blair pledged to resign if he became an electoral liability to Labour. The results of the triple elections held on June 10 confirm him, and more importantly his policies, as just that. In not one, not two, but three elections on the same day Blair was given his marching orders. Labour suffered its worst electoral defeats ever.

As usual, however, Blair's earlier promise was quickly forgotten as all the lame excuses about "mid-term blues" were trotted out, to explain away Labour's record breaking defeats.

With perhaps only a year to go to a general election, Super Thursday's poll for local councils nationwide, London's Mayor and Assembly, and the European Parliament provide an important indicator of what the future holds for Blair and co.

A lot can still happen in the twelve months or so before parliamentary elections. Blair could yet resign or be forced out, although that looks less likely with each passing day and each glibly ignored defeat. The results of Thursday's polls cannot tell us exactly what will happen in a year's time, but they do tell us quite clearly the results of the last seven years of Blair.

Like all elections, this latest only provides a snapshot of opinion at a given moment. Nevertheless some snapshots can tell you more than others, and this one provides a great deal of information about the developing mood in Britain and the growing polarisation of British society.

These results represent a decisive rejection of Blair and Blairism - that combination of a slavish support for US imperialism overseas and willingness to do the bidding of the city of London at

home. For many this was an opportunity to express opposition to the war in Iraq by voting against Blair or by not voting at all. It was more than just a referendum on this question, however. Patience has long since run out with Blair not only in relation to the lies over the disastrous occupation of Iraq, but with his government's failure to solve any of the problems facing the working class in their daily lives.

In the local elections Labour were beaten into third place behind both the Tories and the Liberal Democrats. Labour's share of the vote was the worst on record at 26 percent. In 1983, when Blair's predecessors - the SDP - split away from Labour, the party narrowly avoided such a humiliation. At that time the right of the party began their ascendancy, claiming the need for a new direction. How much more so is that the case today? In 1983 with a manifesto described by the right-wing as the longest suicide note in history, Labour did better than they did in these elections under Blair.

Labour's vote in the council elections was the worst of any governing party in history. They lost more than 460 councillors and relinquished control of seven councils, including Newcastle upon Tyne, Trafford, Doncaster and, for the first time in 25 years, Leeds.

Labour has never previously lost Doncaster, and Newcastle was a stronghold for 30 years. Even in Barnsley, Labour only clung on by one seat.

In London, Blair had allowed Livingstone back into the party, in a desperate bid to prop up Labour's vote in the assembly election. That strategy failed too, Livingstone's re-election was combined with a hammering

for Labour in the assembly ballot.

The biggest casualty was Toby Harris, leader of the Labour group in the London assembly and chairman of the Metropolitan Police Authority. His 4,380 majority in Brent and Harrow was overturned as his vote was squeezed by the other parties to give the Tories a 4,686 majority.

If the council elections were the worst electoral result for Labour since the second world war, then the European election results are the worst by a sitting government in a national vote since the first world war.

## Rejection of Blairism

So bad are these results, that even some of the Blairite leaders have been forced to concede that this is not just mid term blues - but also that they have been badly damaged by the war in Iraq. Any hopes they may harbour of that position changing in the next twelve months are but pipedreams. The so-called handover of power on June 30 will see little alter dramatically on the ground. The impact of the war in Iraq, and the lies surrounding it will continue up to the next general election and beyond.

In any case this was about more than the disastrous imperialist occupation of Iraq. This was a protest too over schools, health, and the state of life in Britain today.

These results can only be interpreted as a rejection of the entire Blair project. In fact, they are record breaking on several levels. The 2004 European election is the first in which the two major parties struggled to win a majority of the votes cast; the first in which parties not represented in the House of Commons took more than 25 percent of

the total; and the first election in British history in which the "winning" party got less than a third of the votes. No election since the unique "khaki election" of 1918 has seen the share of the vote enjoyed by the top parties fall so low.

In the European elections Labour came second with a paltry 22 percent, taking 19 seats. The Tories meanwhile secured a humiliating victory securing just under 27 percent of the vote and 27 seats. The Tories may have won, but they did so with their worst vote since 1832.

Across the continent there was a bruising for the parties in power. The press are keen to assure us that this is typical 'anti-incumbency'. However, if the 'incumbents' were acting in the interests of the majority, and carrying out measures that benefited ordinary working people, the majority would not vote against them simply because they are the incumbents. The vote against each of them was in reality a reflection of the opposition of huge numbers across Europe to the capitalist policies being carried out by governments of both right and left against the interests of the working class.

Spain was one of the few countries where the government escaped a kicking - as yet their policies at home have not been tested, but they did withdraw troops from Iraq, the policy which swept them to office on the back of a mass movement against Aznar's support for Bush and the invasion of Iraq.

When the results of the European elections were announced here, Labour had done even worse than the disaster of the local elections. Yet this was not the triumph the Tories had hoped for paving the way for a return to office in the next general election. They won the local elections, and the European

# Elections

elections, but saw their vote splinter to the right with the rise of the UK Independence Party.

Across each of the three elections in Britain we see the same process, a polarisation of society reflected in a splintering of the vote to right and left. The Tories hoping for the 40 percent that would have put them on course to win a general election, following their 38 percent in the local elections, lost 45 percent of their votes to UKIP in the European poll.

Meanwhile, as many as 50 percent of those who voted Labour in 2001 did not vote for them this time. However, they could not find an alternative either. With all due RESPECT, the 'new party' of George Galloway, apart from the expelled Labour MP himself, failed to make the breakthrough they had hoped for. If ever there was an opportune moment to stand against Labour from the left, in opposition to the war etc. this was surely it. They failed. The only conclusion one can draw is that there is no room outside Labour to the left. These forces, were they united against Blair and co. fighting for socialist policies inside the movement, could make a decisive difference. Outside they are whistling in the wind. They can provide a home for disenchanted activists who can take no more, and those on the left who have never been in Labour.

No-one can doubt the honest intention of those who have joined Respect or those who voted for them, the problem is that this road leads only into the wilderness, as all history demonstrates.

Respect managed just 1.5 percent of the vote overall - although Galloway himself managed to take 90,000 votes in London. In the rest of the country they managed a total of 160,000 votes.

Some Labour voters will have turned to the Liberals, the Greens (whose vote increased in some areas), or even UKIP (for whom some will have voted in protest against all the major parties, rather than for their policies). In reality, most were voting against Blair, but not for anything. The majority of the protest vote against Blair stayed at home and voted for no-one. Meanwhile the Tory protest vote went to UKIP.

In the first results to be declared, in



London, Labour was the biggest loser down 10 points compared with the Tories' six-point drop. The gainers were UKIP up five points to a 12% share of the vote, the Lib Dems up four points to 15% and the Respect coalition took 5% of the vote. The Greens maintained 8%.

## UK Independence Party

Overall UKIP scored the biggest successes, with the media now talking about the rise of a new force in British politics. This is an exaggeration. In reality, in addition to some protest votes against politicians in general, gained by their demagogic appeals against corruption and waste, this is largely a right wing Tory splinter. Some workers will have voted for them in protest at the huge waste that the European parliament represents. It is an expensive talking shop, though Europe itself - the EU - is a serious entity with important political and economic repercussions for workers, its decisions are taken in the boardrooms of the big companies and the European banks, not by MEPs. The alternative to this European club of bosses and bankers cannot be found on a national basis, in splendid isolation. To meet the needs of the majority, the resources of more than this island are needed. The pooling of the resources of the continent could provide for the needs of the majority and more, but that will not happen on the basis of a capitalist Europe. Only a Socialist United States of Europe could gather together the immense wealth and potential that exists and plan their use rationally and democratically in the interests of the vast majority. Neither those who stand for capitalist isolation from the EU nor those who believe in more integration into the bosses club can offer us any solution.

The isolationist UKIP secured 16 percent of the vote taking 12 seats, with 2.6 million votes, but many of these will be returning to the Tories at the next general election.

Labour could indeed lose that election as we have explained for some time. They may yet do so. However, the Tories suffered something of a humiliation too, despite winning. They won with just 26.7 percent of the vote. In the shape of some of UKIP's support, we got a glimpse too of the reactionaries lurking behind the Tories coat-tails.

Many Tories - unwilling to turnout in recent years to back the likes of failed leaders Hague and Duncan Smith - are returning to their roots. Their vote will pick up at the next election, following their disaster in 2001. On this occasion, however, a large number of them turned up, but did not vote for Howard and co. Instead they voted in protest over Europe, and in

protest at their own leaders not being Thatcherite enough, by voting to the right of the Tories for UKIP.

Europe may be UKIP's preoccupation, but its significance is wider. The party is recognisably reactionary, anti-immigrant, and anti-politician. Ironically parties of this kind are more familiar on the continent. They share many similarities with those small right wing parties who have gained significant votes in Europe in recent years. This is the first time such a party has made such an impact in a UK election. Rather than the new force in British politics that the papers describe them as, they show us the future of the Tory party as it moves further right, and, in the future, more serious splits to the right of the Tories.

UKIP won 12 seats in the European parliament, but even with their share of the vote repeated they will not win any seats in the next general election. They may however split the Tory vote in some areas.

UKIP will also have taken some votes from the fascist BNP. The BNP had high hopes of winning a seat in the European elections in the North West of England. They did not. Nationally they won 4.9 percent of the poll, with over 800,000 votes. They actually lost a couple of their council seats in the local elections in the north of England, but gained a couple in the south. Whilst the threat these pernicious creatures pose should not be exaggerated, they clearly cannot be ignored. The policy pursued by the leaders of the main parties, shamefully including Labour - vote for anyone to stop the BNP - will not defeat them. Where they represent a physical threat to individuals the labour movement must be mobilised to drive them out. In the long run this kind of filth can only be defeated by a labour movement struggling for a socialist society. The failure of a Labour government wedded to the market is what breeds the conditions in which these viruses can grow.

Is this then the new watershed in British politics declared by former right wing Labour MP and disgraced TV presenter Robert Kilroy-Silk (who resigned from his job after writing a racist anti-Arab article in a national daily paper)? Kilroy-Silk has now shown his true colours. He is, and always was, a Tory. It is unlikely, however, that his party's success in these elections will be repeated in the general election to come. The impact of their vote will be to push the Tories further to the right and not just on Europe. They will now attack asylum seekers, and adopt a more harshly right wing line to woo back those who defected to the little Englanders of UKIP.

The Liberals meanwhile still dream about winning office. They continue to talk about a three horse race at the next elections despite having been pushed into

fourth position with 15 percent of the vote. However, the next British election will be a two horse race between Labour and the Tories. If it is a three horse race, the third contender will be neither the Liberals nor the UKIP, but the stay-at-home-and-refuse-to-vote party.

The nationalists in Scotland and particularly in Wales have not been able to gain from Blair's woes. In Scotland the SNP's vote fell, while the Scottish Socialist Party of Tommy Sheridan made only small gains, falling a long way short of winning a seat.

In Wales, whilst Labour historically lost control of councils in Cardiff and Swansea, in the valleys Labour managed to win back councils lost a few years ago to the Nationalist Plaid Cymru. Experience of these Tories wrapped in their national flags - despite their occasional left-wing rhetoric - in office locally has exposed them.

In the European elections Labour's vote actually increased in Wales while Plaid Cymru's vote plummeted. In both Scotland and Wales none of the other fringe parties scored any noticeable success.

What conclusion will the Labour leaders now draw from these earth shattering defeats? All past evidence of Blair and his clique of advisers suggests they will ignore the abstentions and the sizeable votes to their left, and attempt once more to out Tory the Tories, drawing the erroneous conclusion that the electorate is right wing, pushing still more Labour voters to withhold their vote.

However, for the Blairites it is not they or their policies which are wrong but the electorate: "These people who think they get a free hit will find themselves with a rude shock and a Tory MP," said Peter Hain, the Labour leader of the House of Commons. "They could deprive us of our majority." In other words, it's not Labour that has to change, but the electorate. This staggering arrogance brings to mind Bertolt Brecht's advice to the East German Stalinist leaders, in response to their reported disappointment in the people, Brecht ironically advised them to dissolve the people and elect a new one. Blair would like nothing better.

## Blair will go

Mandelson and the other gurus of Blairism will now argue for a shift still further right, and to ape whatever policies the Tories put forward. Down this road lies defeat. The only reason Labour remain favourites to win the next election is the mess in which the Tories still find themselves.

UKIP might be able to do enough to split a few Tory votes and help keep Labour in office. That will not save Blair, however. If not before the next election then soon after - whether Labour win or



lose - Blair will go.

The Tories can win the next election. The only way to guarantee they do not is for Labour to dump Blair and Blairism. Former right wing deputy Labour leader Roy Hattersley argued following the election results: "The prime minister will not extract himself from the debris of that policy by following the Mandelson prescription and proving that he is still in charge by dragging the party further and further to the right.

"Redemption for the government lies in respecting the hopes and fears of its traditional supporters... But the disastrous decision to follow George Bush to war - and to justify the folly with fake evidence about WMD - is now regarded as no more than an example of Blair's shortcomings. He has to prove that he stands for something - something with which families earning less than £50,000 a year can identify."

Despite Blair and co continuing their Tory privatising agenda, they may yet limp back into office. However, on the economic, industrial and political front the whole situation in Britain is changing. A third Labour government, if that is what emerges from the next election, will be faced with conflicts with the unions, a struggling economy, and backbench MPs more willing than ever to rebel. Even before that election however, there can be big battles with the unions industrially, and inside the party. Super Thursday's results put the penultimate nail in the coffin of Blairism. The final nail is in the hands of the trade unions and the ranks of the party who must now move to drive it home.

These elections did mark a turning point in British politics. Not because of the rise of the much trumpeted new political force, but because of the polarisation of society they reflect. The period of consensus in Britain is decisively over. The next period promises to be a stormy one in Britain. In those storms the working class will move again and again to reconquer and transform its own organisations. In those struggles the ideas of Marxism provide the key to understanding the relation-

ship between the working class, the unions, Labour and the struggle for socialist change.

The Guardian's series of interviews with voters at the 2004 elections provided some interesting results, none more so than the reply of May King Tsang, a trainee manager in a telecommunications billing company:

"I've been voting Labour ever since I was old enough to vote. I withdrew my Labour membership earlier this year as a protest but recently I have reinstated it.

I disagree with the way Blair has handled the whole Iraq affair but I have had to rejoin Labour because I just couldn't find an alternative. And if you look at all the other alternatives there isn't a party that's big enough to make the change.

I think the only viable solution for Labour voters is to stick with the Labour party and change it from within. Go to the grassroots and root out the problem, which is Blair and New Labour, and try to reclaim the party." (my emphasis - PM)

The myth that Blair wins elections has been utterly destroyed. He must go and take the whole Tory, market dominated philosophy with him. The convening of a conference by the trade unions to fight to reclaim Labour for the working class and for socialist policies could not come at a better time. However, simply to replace Blair with Brown will not be nearly enough. Blair's removal must be the beginning of a struggle for socialist policies throughout the movement. That struggle in turn is only a part of the fight to transform society.

## End of Blair is only the beginning

A new period has opened in Britain. It began with the mass movement against the war, and the first big strikes for a decade and more. In these elections we see the confusion which inevitably marks the opening of a new stormy period. The growth in support for the right wing of various shades cannot be ignored, it must be combated by the labour movement. That requires a socialist programme. But this development on the right will not be the dominant feature of the next period. It is a temporary phenomenon. It will be the rise in militancy of the trade unions, the struggles of the working class industrially and politically, inside Labour, which will characterise the next few years. In conducting those struggles, the perspectives of Marxism, the analysis, and programme of *Socialist Appeal* will be a vital weapon.

The final defeat of Blair and Blairism is not the end for us. It is only the beginning. The beginning of the struggle to reconquer the labour movement for socialism, and the struggle for the socialist transformation of society. ☐

# Back-Breaking Bosses

written by Per Grove Stephensen and edited by Rachael Webb

DEAN TOLHURST broke his back while driving a truck for a Danish owner: Viggo Jespersen. Technically Viggo Jespersen rented Dean's labour from a Gibraltar based agency ETC International Ltd.

Dean usually lives in Lithuania, with his wife and three children. He works as a driver for ETC for which he is paid .23 Euro cents per driven kilometre

Dean was in North Wales loading the truck. As he opened the door to the trailer he was pulling, the wind caught it and Dean was thrown to the ground with great force. The safety lock broke and the door hit him in the head and chest and he was thrown several metres.

When he regained consciousness he realised his back was broken. He informed his Danish employer. Dean had worked for Viggo Jespersen since October 2003 and expected that Viggo Jespersen would pay his tax and insurance. Viggo Jespersen, however hadn't paid any social insurance and refuses to help his driver. "He was never employed by me, it is not my responsibility" Viggo Jespersen told the Danish magazine Fagbladet - published by the Danish affiliate of the TGWU - SiD, (Danish Trade Union). ETC also denies any responsibility.

Dean is getting no money or insurance coverage and he cannot support his family. He did not belong to any trade union so he was very much on his own.

He was an illegal driver in the sense that he didn't adhere to European road transport regulations that prohibits payments based only on kilometres driven.

Carsten Paulin - chair of the Danish Export Drivers Association within SiD and Chair of the Baltic Committee within the European Transport Workers Federation says: "Too many drivers turn their back to the union and in the end they break that back, and they break the unity among the drivers".

"They make themselves easy victims of exploitation as we see in this example where Dean has been driving at a salary 50% lower than the industrial contract the union and the Danish employers in road transport have agreed on".

If Dean had been a union member he could have phoned the union from North Wales and the Union would have made sure that Viggo Jespersen had secured a proper medical, and accepted transportation, health care and compensation for Dean and his family.

Now Dean has a Danish lawyer who is asking the Danish Ministry of Justice for financial backing to take Viggo Jespersen to Court and make him personally accountable.

The Danish union SiD is paying for the lawyer. Dean has joined SiD and received the help of fellow drivers and not least their wives, whose organisation bent their rules and donated 5,000 Danish kroner to Dean, although he was not a member.

Carsten Paulin says: "It is important that we send a clear message to the employers that we can not tolerate that they exploit workers and exploit the drivers ignorance of rules and rights and not the least that we can use this case to demonstrate that unity among workers pays!" □

## "90-day deadline to improve" - or face the axe

By Stephen Peters

HOW WOULD you feel if you were told you had "90 days to improve" knowing that failure to do so would result in the loss of your job, loss of income for your family, and the destruction of your local community? This is the stark reality facing workers at the "Crewe Works" plant in Crewe, Cheshire.

1100 workers at the famous train repairs plant have been issued this "ultimatum". Yet the workers have not been given any targets. Mick Roberts, the Amicus union convener at the plant, said: "We have been told there needs to be a turnaround, but they have not told us how."

Clearly this has left many workers suspicious as to the real motives of the "improvement plan". Bombardier is shedding 1,300 jobs at plants across the UK and closing sites at Doncaster, Derby and Wakefield. Alstom, the other remaining train builder, at Washwood Heath near Birmingham, is due to close this summer with the loss of 1,600 jobs.

It is well known that the plant has suffered from chronic under-investment, so as to cut costs and maintain profits for the shareholders. Now that this money has been extracted from the workers' labour, it is time for the bosses to move on, in this case to Spain, where there is cheaper labour to be exploited. This is a shared sentiment among the people of Crewe:

"From what I can make of the situation it seems that there is enough work at the plant but the equipment is sub-standard so some pencil pushers that have probably never been to Crewe would rather shut the plant than improve the equipment... People like that are just thinking about how to line their own pockets and couldn't care less about the impact on people, families and the community."

Bombardier have never been afraid to use dirty tactics in order to keep their gains high. In March 2001 a tribunal in Northern Ireland found that the company had unlawfully deducted wages from workers since 1995 following a dispute over vacation entitlement. Shift workers lost up to 30 hours per week holiday entitlement, however, as a result of the militancy and struggle of the Belfast workers, the tribunal ruled that millions of pounds were found to be owed to the company's 7,000 workers

Bombardier has also decided as a solution to its own failures, to penalise the workers of the plant, by banning all overtime premiums in order to "cut costs". However, the workers have rejected this arrogant "solution". Mick Roberts continues "Workers feel they are having their pockets picked for something that's not their fault". □

## Fighting Edinburgh school closures

by Heather Scott, East Edinburgh CLP (personal capacity)

ON MAY 21 hundreds of parents and pupils from the five Edinburgh primary schools threatened with closure joined forces to march down Edinburgh's Royal Mile to lobby Labour councillors at the City Chambers.

The following week a packed consultation meeting took place at Lismore School, where parents, pupils and rank-and-file members of the local Labour Party made their opposition forcefully known to the panel of council representatives. Many excellent points were made against the closure of the school in this

deprived area, emphasising the importance of the school to the local community.

A few days later a similar consultation meeting was held at Brunstane school. Local Labour MP, Gavin Strang, attended the meeting expressing support for the campaign from the East Edinburgh CLP, and he received a great cheer when he spoke against the closures.

Meanwhile, the Edinburgh-wide campaign continues, and further demonstrations and protests are planned. □

# Sunderland NHS Staff Protest Against "Agenda for Change"

by Ron Graves, UNISON Convenor (personal capacity)

IT'S SUPPOSED to be the new pay system that will bring fairness and pay-rises for NHS workers, but Agenda for Change is starting to unravel - and NHS staff are angry.

Reports from the Early Implementer sites indicate that a far greater number of staff than the 80,000 predicted by the government will suffer a pay freeze if Agenda for Change is introduced later this year.

At the City Hospitals Sunderland Trust, Admin and Clerical management told staff that about 40% of them would be downgraded and get one year of protected pay, followed by up to four years of a pay freeze. With prices, rents and interest rates rising that means year on year pay cuts.

One angry worker told the local newspaper:

"Although we were under the impression that NHS workers' pay was going to be improved, it would appear that a great many of us have been downgraded, some by as much as £2000 a year...Do they not think we do a good enough job? Do they think we are worthless?"

So incensed were staff that many of them, supported by colleagues from other disciplines, staged a spontaneous walk out in protest. Within a week, the Trust managers had written to every affected worker acknowledging that the number of staff who would be "financially disadvantaged under A4C is greater than anticipated" and promising to delay implementation of the new pay system.

Tellingly, management's letter also states that the outcomes in Sunderland are the same as at the other Early Implementer sites. So, we can expect huge numbers of staff to be downgraded by a system we were told would improve pay and remove inequalities!

Nationally, introduction of Agenda for Change has been put back from October to December. This is because the new scheme is not fit to be introduced and management is buying time to tweak details while continuing to claim that A4C is a step forward for staff. Their hope is that UNISON and Amicus will sell this shabby con trick to their members ahead of ballots to be held later this

year.

Sadly, the national leadership in these unions claims to be as surprised as the bosses about the scale of downgrading. Why? Union activists have been predicting exactly these outcomes since the Early Implementers started their planning. The fact is that capitalism is not prepared to pay for public health care and is planning deep cuts into the pay and conditions of NHS workers, not as an isolated cost cutting exercise, but as part of the creeping process of making health workers attractive to private bosses: PFI, Foundation Hospitals and Agenda for Change are all part of a privatisation package.

NHS workers are not against a new

pay system and will not reject one which they can see as basically progressive, but any proposals that include pay freezes and cuts for some staff must be opposed. With special conferences and ballots planned for the Autumn it is time for UNISON and Amicus to adopt a united and uncompromising stance:

**No pay cuts!  
No pay freeze!  
No losers!**

If any union member will suffer under Agenda for Change, the unions must block its introduction and unite around a substantial pay claim. □

## Edinburgh tenants under threat - DEFEND COUNCIL HOUSING!

ON JUNE 19, big plans by Edinburgh's Labour Council to transfer all their houses to housing associations were unanimously rejected by the 150 tenants at the Edinburgh Tenants Association (E.T.A) Annual Conference.

Tenants see that, as elsewhere when such transfers have happened, there will eventually be higher rents. It is not a false feeling, privatisation always means less quality and more expensive rents.

However, the millions of pounds, owed by the council to financiers for the loans used to pay for the housing, will be written off by the government. Millions more are promised to improve the homes when transferred. Nevertheless it does not convince the tenants who explicitly said no to those plans.

When I pointed out in

the Annual Conference that debts should be paid off now, as the money is available and the improvements started, it was enthusiastically supported. I also pointed out there was £3 billion spent on the Iraq war and occupation, that should have been spent on housing. This contribution was also very well received. The exception was the Labour councillor responsible for the Council's housing policy, who hysterically cried out: "It is nothing to do with Iraq". This display of cynicism was condemned by the tenants who were utterly angry due to the pro-capitalist policies of the council.

The tenants showed the mood to start a struggle to defeat the plans of the council.

The council are also amalgamating primary schools, some of them

under the threat of closure. This attack has also met with outright opposition from the parents and East Edinburgh Labour Party.

Tenants and school children parents should join forces to defeat those anti-workers measures. A united front is necessary with the council unions, starting with the Fire Brigade, also under attack from those Tories disguised as Labour. The wider trade union movement should also be involved through the local Trades Council, which has a long history of supporting council housing and opposing rent rises. □

Kenny Cairns,  
Edinburgh Council  
Tenant,  
and Labour Party  
member  
(personal capacity)

# FBU - Firefighters Rekindle Dispute

## Take the fight back into Labour!

by Kris Lawrie

UNION DELEGATES from the 58 fire service regions to the FBU Special Recall Conference in Southport at the end of last month voted to end the union's 86-year affiliation to the Labour Party.

The anger felt by rank and file FBU members is understandable, but nonetheless the decision taken by delegates is a big step back for the union and the movement as a whole. Not only does it deprive the union of any political representation but will mean the loss of the FBU from the union delegation to Labour Party Conference, removing 50,000 left votes. Taken together with the RMT disaffiliation earlier this year the left have probably lost around 100,000 votes.

This decision flows from the disastrous outcome of the pay dispute that began 2 years ago. The pay deal that was recommended by the EC and subsequently accepted by a delegates conference was far short of what they were asking for at the beginning of the dispute, and would have taken their pay from around £21,000 up to £25,000. Not a bad increase? The problem was that this was tied to a whole raft of changes in the structure of the service, and the duties of the fire fighters. The government and employers described these changes as 'modernisation', and when they start mentioning that word you have to get worried. The Fire Service was one of the few remaining

services that the Tories hadn't been able to 'modernise'.

The dispute between the FBU and the local government employers was seen as a way to break the union and push through modernisation. Scandalously the Labour government stepped into the dispute again and again to prevent a settlement. However in spite of the actions of the employers and the despicable role Labour government, the dispute was still winnable. You expect the bosses to line up against you. There was certainly no lack of stomach at the bottom of the FBU, all you had to do was visit any picket line to see the high level of morale and determination, and massive backing the fire fighters were getting from the public and workers in other unions. Determination alone is not enough, however when faced with such opponents, and little support from the leaders of the TUC

In such a situation the tactics employed become crucial. The key is to remain firm and to step up pressure, all the while informing and involving the workers taking action in decision making. The FBU leadership was coming under intense pressure from the employers, the press, and the TUC to moderate their demands. They consistently called off strikes at the last minute without any deal on the table or promise of one. Many reports suggest that in the absence of proper consultation confusion set in which inevitably meant that divisions began to arise in the union about

which way to go. The dispute dragged on and eventually the leadership caved in and recommended a deal which didn't deliver much in the way of pay, and meant massive restructuring.

As the workers have seen what the deal is going to mean in practice it has given rise to massive frustrations and tensions within the union. This led to a wave of unofficial industrial action that culminated in the spate of wildcat strikes of May this year. Industrial action is now back on the agenda, and the 2002/03 dispute could be rekindled.

### Struggle inside Labour

The approach the Executive has taken is to blame the government, but no lead has been given to organise giving Blair a kicking inside Labour. The FBU could easily do this. Instead frustration and anger have led to the union's power inside the party being switched off. We are all in favour of teaching a lesson to Blair and co. but breaking the link is letting them off the hook. Blair will be rubbing his hands together with glee.

The question that remains is: where does the FBU go from here?

Breaking away from the Labour Party has put Blair in a stronger position by removing another important point of support at conference for left ideas. Ultimately it will be the members of the FBU and the wider movement who will suffer from this decision. Politically there is no way forward outside the Labour Party. But the unions must take a proactive position in relation to the Labour Party. It is not enough for the left leaders to talk radical about a Labour Party that represents us and then do little or nothing to achieve it.

Blair may have forgotten who built and funded the Labour Party throughout its history but we should not forget it. The unions still hold the Labour Party purse strings and we must use these to take back control.

It is the duty of the left inside the FBU to prepare to make the case for re-affiliation and a struggle to return labour to its socialist roots. At the same time industrial action is back on the agenda and the potential is there to scrap the false modernisation plans and still win a victory in the pay dispute. In that struggle fire fighters deserve our support. We could do with that militancy in the struggle against Blairism inside Labour. □



## Amicus Conferences 2004:

# Election promises must be implemented

by Kris Lawrie

THE DEFEAT of Sir Ken Jackson in the election for General Secretary of the AEEU section of Amicus two years ago by Derek Simpson, who stood as the candidate of the broad left organisation Amicus Unity Gazette, has been instrumental in altering the right wing dominance which had ruled in the old AEEU and MSF. Since then there have been further gains for the left in the newly merged union Executive Council elections. The victories of candidates standing on the policies of the Gazette shows that when we campaign for our ideas they are getting support. This reflects a membership that is looking for solutions to their problems. There is still a long way to go to transform the union into a fighting and campaigning union, and it is down to the branches and conference delegates to put pressure on the leaders.

Derek Simpson stood on policies of decentralising the union, returning it to membership control, ending sweetheart 'no-strike' deals, and returning the union to its campaigning, fighting tradition. Its is our duty to ask if this is now being done, as there are a number of measures which have been taken that have caused disappointment.

In the run-up to the Executive elections last year Derek Simpson was seen by many as having tried to sabotage the left campaign by proposing a 'consensus' slate with the right wing. By taking the returning officers position he was able to remain 'neutral' during the election, although leaflets were circulated among full time officers promoting this 'consensus' slate. However, despite all the efforts the 'consensus' slate was unsuccessful with the left backed Amicus unity Gazette candidates winning 23 out of 48 seats.

During the election there were a number of anomalies. One of the successful Gazette candidates for General Industries, Peter Taylor, who was a sitting member on the AEEU Executive for the General Industry sector, found he had been placed without his knowledge into the Motor Components & Vehicles sector. Within the Construction sector vast numbers of construction engineering members were wrongly placed into different constituen-

cies. This disadvantaged the Gazette construction candidate Phil Willis, as many of the members that he represents were excluded from voting in his sector.

Since the election the Executive has refused to honour a promise made by the returning officer to publish nominations for the industry candidates. The left on the Executive should demand that all nominations be published in order to dispel doubts as to the validity of the nomination and election process.

Since the election Simpson's relationship with the left has deteriorated further. His latest act has been to remove left-winger Linda McCulloch from the TUC General Council and replace her with a rightwinger. His appointment of Assistant General Secretaries (on extremely high salaries) goes against his campaign commitment for the election of officers, and this despite a recruitment freeze and recent redundancies within the union.

### Office Closures

Simpson criticised Jackson for carrying through an office closure programme. Now the GPFC is proposing an office closure programme that would leave the North East, East and East Midlands regions with only one office. The proposal to sell 25 offices and lease less than half that number to replace them will raise £6,895,000. Out of this £1.55 million will be spent on the freehold purchase of the Sheffield office and refurbishment of the King Street and Moreland Street offices in London, despite an election pledge to sell the King Street office. This action would represent an asset stripping of the union that would not only cost the union more in leasehold payments for the future but also give a diminished service to the members.

As part of a commitment to stay in touch with the conditions of his membership the left General Secretary of the PCS union, Mark Serwotka returns a portion of his salary to union funds. Derek Simpson should have taken this example but instead proposed last December that the union pay his tax bill (approximately

£35,000) on tax incurred from the benefit in kind for the union house bought for him for £500,000 in 2002 as well as his £80,000 salary. It was also agreed that he or his partner would have the house for the rest of their lives at a rent of £1 per week while in office and 10% of his pension when retired. The union is also paying for recent refurbishments to the house which include a £20,000 kitchen! This extravagant lifestyle bears no relation to the pressures faced by ordinary members who elected him and should be ended now! Workers representatives should receive the same pay as their members

Since Derek Simpson took office there have been some changes in the union that have modified the worst excesses of the old regime, and raised some of the problems that members face such as pensions. But there is still a long way to go. The union must step up the fight for retirement at 55 with a full state pension, while at the same time defending those workers in danger of losing their occupational pensions.

The union must also take up the issues of low pay, long working hours, and the relentless closures and job losses in manufacturing and finance. Now is the time to kick-start the fight for a 35-hour week without loss of pay.

### Militant Policies

Both the General Secretary and a large number of EC members have been elected on a programme of returning the union to its members and beginning to solve the problems of working people. If they fail to deliver they can be replaced again.

Above all it is vital that we maintain a strong campaigning broad left with the policies and a stomach for a fight. The Gazette played a key role in getting the current leadership elected, and it was elected because it put forward policies in the members' interests. Only with militant policies and a fighting approach can the problems that our members face be overcome. □

# A future for the construction sector

Phil Willis, Sector Conference Delegate, Construction

FOR MANY years the Construction Section, throughout numerous mergers and union consolidations has fought to keep our section's identity and organisation alive and kicking in the UK.

The erosion of the Construction Section identity has been gradual; it is the product of the non-supportive leadership over the period of many years, successive mergers and the introduction of practices that have undermined the way in which Construction organises.

At a time when workers most need the support of their union and their comrades, many of our branches have closed. This means that many construction workers, who move around a lot cannot attend a branch. Transient workforces require transient branches to be created and made available to them so they can gather to organise and to debate the issues that most effect their employment and their working lives.

Another major issue facing all Engineering Construction workers today is the deliberate mis-categorising of sites, in order to keep wages lower than they should be and boost the employers profits. The current full time officials do not have the training, the knowledge or the background to go in and fight our corner and redress these

injustices on our behalf.

Recent events have shown the appalling state of membership records for Construction. In the NEC elections several hundred of our members were unable to vote because they had been placed into the wrong industrial sector

There have been further embarrassments this year whilst attempting to extract membership data in order to run ballots for Industrial Action. This data needed to be physically gathered and collated over the period of three months, by FTO's before the ballots could take place. What message does this send to the employers? In the recent NAECI pay claim, so sure were our Employers of our inability to organise and ballot members that they threw down the gauntlet and closed the door in our faces, offering only a take it or leave it attitude to what was on offer. Had it not been for the tenacity and resolve of our members on a few sites and the relentless pressure applied by our National Officer for Construction, both the pay claim and the very existence of the blue book faced toppling into the abyss.

We are seeking to address many of these issues by calling for the reinstatement of a specific Construction Sector in order that we may rebuild our industrial identity and regain

much of the ground that has been lost. We are not asking for separate financial autonomy from Amicus, nor do we seek to break from the administrative controls that bind us to the centre, what we seek is a strategic, defined, industrial structure controlled and operated by construction workers for construction workers.

Our National Officer should head the construction sector and he should have the power and responsibility for the industrial remit of all full time officers employed within it. Under his direction and working to a strategic plan, as defined by the industry forums, full time officers will need to embark on rebuilding data, visiting sites and addressing the issues specific to construction. In order to do this successfully, officers must take hands on approach and must first understand our industry by having been involved at grass roots level.

Construction workers join a union predominantly for the protection of their employment rights and to achieve improvements in their working lives. They want first class representation and advice, but more than anything else they want an industrial and democratic structure that works for them, and a union of which they can be proud, once again. □

## Support composite 1

## Pensions Demo - Dignity for all in retirement!

10,000 PENSIONERS and trade unionists gathered to demonstrate on June 19th in London following a call by the TUC to highlight the issue of pensions. The initiative for the TUC demonstration came from the PCS union who moved a resolution at last years TUC congress calling for the demonstration to take place. This was passed despite pressure on the PCS from the TUC Executive to drop the motion. One of the demands of the demonstration was to restore the earnings link for state pensions. This was the mechanism that kept the state pension in line with wage increases. The Tories under Thatcher abolished it. Without the earning link state pensions in real terms deflate year on year. There have been recent articles in the press talking of the ageing UK population meaning people will have to work until the age of 70 to ensure that the state pension can be maintained. But spending on British state pensions has for some time been among the lowest in the developed world. By 2050 state pension spending per pen-



sioner, relative to GDP, will be only 58 per cent of the level in 2000 unless current policy is changed. The proportion of those over 65 with a household income below 60 per cent of the whole population has risen to 20 per cent. This is higher than average for EU countries. With declining state pensions, workers are urged to save more through private pensions. The cost to workers of providing for themselves through private pensions is rising. To obtain a private pension replacing two thirds of final wages, contributions required have been estimated as 24 per cent of earnings, paid continuously from age 25 to 65. One reason for the high cost of personal pensions is charges for

administration, investment management and annuitisation. These may reduce the value of contributions by 45 per cent, according to experts. An estimated 30-40 per cent of personal pension account holders find that charges actually exceed the amount they have contributed.

Tackling poverty and income inequality among pensioners requires better state pensions. Labour's policy of limiting basic pension rises to prices and extending means testing must be opposed. The government is failing in its responsibility to provide a decent standard of living in retirement. Their policy has contributed to growing income inequality in later life, left too many pensioners in poverty and brought dependency on means testing among pensioners to unprecedented levels.

**Dignity for all in retirement,  
Oppose the rise in the retirement age,  
For Retirement at 50 on a full pension,  
Defend occupational pensions,  
For a decent state pension for all.**

# Support Rail and Tube Strikes

by our Industrial Correspondent

STRIKES OF rail maintenance workers were due to start at the beginning of this month, coordinated with strikes of London Underground workers, and those in two of the three maintenance firms contracted out under Public Private Partnership (PPP) schemes. However the action on the over-ground has now been called off although the LU action is still, at time of printing, due to take place. The strikes would have involved over 15,000 workers around the country, shutting down most of the Underground and National Rail.

The union has been demanding the reinstatement of the final salary pension scheme that was recently closed. Under the old scheme retiring workers were paid a proportion, each month, of the salary they earned when they retired.

This has been the main bone of contention with the employers who until a week before the scheduled start of action had refused to budge in spite of the unions offer to make concessions by moving the date of the pay anniversary, and foregoing a portion of this years bonuses.

However the bosses have blinked and Network Rail has now offered to re-open the final salary pension scheme to new employees upon completion of five years' service. RMT general secretary Bob Crow said that this "...would include any agency or sub-contractor service in the rail industry prior to transferring into Network Rail.

"Employees with less than five years' service would meanwhile join a money-purchase scheme, but would be able to transfer into the final-salary scheme upon completion of five years' service.

"The offer also includes an improved 3.5 per cent increase on pay rates this year, and RPI plus three quarters of one percent next year, and an initial 25 per cent refund on rail season ticket costs. The 35-hour week is to be brought in by 2006, as previously agreed.

From London Underground and the Metronet maintenance companies, which control maintenance on two thirds of the network, the union is demanding a 35 hour-4 day week, and a substantial offer on pay.

Workers at Metronet BCV and Metronet SSL, will also be taking action short of strike action in the form of a 7-day overtime ban beginning on June 29th.

These strikes come at a time when the union is cranking up its criticism of the backdoor privatisation of the Underground. The same companies who have made billions from pocketing govern-

ment subsidies while running down the national rail network are now jostling to cut themselves slice after slice of the Underground.

According to the unions figures since the backdoor privatisation of maintenance services these companies have pocketed £1.2Bn in public money.

At the time when these contracts were awarded the government had just announced that Railtrack was to be brought back under government ownership, which was an implicit admission that private ownership of the network had failed.

Yet the current antics of Network Rail who are continuing to cut costs by axing services, while holding down pay and cutting back on pensions shows that little has changed in the current set-up. The priva-

teers have been taking handouts for years and now the taxpayer will have to pick up the tab for the state of the network. But the executives at Network Rail are continuing to pay themselves bonuses the length of a telephone number.

The privateers have proved unable to build a modern railway, they are only interested in short-term profit - it is time to kick them out! The Labour Government must act in the interests of the people and nationalise all transport under the democratic control of the workforce without any compensation to the privateers. And if they are not willing to do that the unions must make them do it!

Only an industrial and political struggle can achieve this so it is necessary for the RMT to take its struggle for a well-funded, nationalised transport system into the Labour Party. □

## CWU: Militant Action Needed to Stop Post Office Privatisation

DELEGATES ASSEMBLED in sunny Bournemouth for this years CWU conference with last autumn's industrial action in the Post Office still fresh in their minds. The union which organises both Post Office and BT workers had a number of issues to discuss which reflected the ongoing attacks of the various managements.

Conference was always going to be dominated by the question of the Labour government's attitude to the postal service. The last year has seen the introduction of new working practices which have led to a decline in service, not far short of a crisis in parts of the country. Although the union was able to beat off the attempts of the PO bosses to break the power of the union, it has become clear that management have engineered an improvement in the PO financial situation on the back of a sharp reduction in service to the public. Late post deliveries, delays and missing items, sharply differing standards of service around the country, and price increases, has been the outcome of these 'reforms.' Parcel delivery service has seen the cheaper delivery options removed in favour of various options which cost more and, often as not, gives less.

Now there is talk of a partial privatisation of the PO being put forward, as leaked to the *Times* newspaper of May 26th. The union conference passed an emergency resolution attacking this and demanded that action be taken to review

senior management's pay bonuses (which are mainly linked to financial targets not quality of service) and called for a full review of the operation of the Postal services Act 2000 and the role of the so-called regulator Postcomm. This to be done through a public enquiry. The union also demanded that the Labour government now give a clear commitment that the post service would remain in public hands and made clear that continued union funding of the LP would be linked to this. However, the CWU, noting the poor performance of the various alternatives, rejected any attempt to affiliate or fund other parties apart from Labour.

Many delegates felt that the Labour leadership is already heading down the road of privatisation and that, as one person put it in debate: "When Patricia Hewitt assures us we are not going to be privatised we need to launch a campaign yesterday." Calling for a public enquiry is not enough - a full campaign needs to be launched to defend public ownership, chuck out the PO management and bring it under proper public control, working for the benefit of the users and staff. This needs to be backed up with industrial action - the union gave Crozier and co a bloody nose in 2003 so it can be done again. Equally the CWU must use its position as an affiliated union to mobilise for the Labour Party to abandon its current course and adopt socialist policies. □

# The paradox of prosperity

by Michael Roberts

THE PUNDITS of capitalism are talking up success. In the US, each piece of economic data is greeted with enthusiasm. All the 'experts' on the business TV channels and in the newspapers are crowing that the American economy is really motoring. The officials in the Bush administration grin with pleasure at all this talk of economic recovery.

And it is not just in the US that economic growth is on the lips of the apologists of capitalism. After 14 long years of stagnation and deflation, PM Koizumi of Japan tells his parliament that Japan is now growing even faster than the US. Profits are up and consumer and company debt is coming down. It's all looking good in the land of the rising sun.

And indeed, at first glance, the economic figures seem to justify all the euphoria. In the first quarter of this year, the US economy expanded at an annual rate of 4.5%. Japan rocketed up at over 6%. Similarly average household incomes were reported to have risen at a 5% rate in the first three months of this year and as we complete the half year, that rate has hardly slackened. And it is not just consumer spending. Jobs are coming back in the US and Japan. For three years, Japanese and American workers have suffered over 3m job losses as corporations cut costs and shifted factories and operations overseas to places like China, India and Eastern Europe.

But now in 2004, the jobs are coming back - so the figures argue. Since April, over 700,000 extra jobs have been created in the US. At the same time, the average wealth of the American, British and Australian households has risen as house prices continue to rocket up. Much of this extra wealth has been spent as families take out larger mortgages and spend the difference.

So the crisis is over? After the threat

of major recession back in 2001, has the capitalist world turned the corner? Well, all is not what it seems. First, Europe is conspicuous by its absence from this tale of joy. In the heart of Germany, France, Spain and Italy, unemployment remains stubbornly high at anything between 8-15%. Economic growth is below 1% in Germany and barely above 2% in France or Italy. And in Germany house prices are actually falling despite mortgage rates below 3%! As a result, German and French households are tightening their belts. They are keeping control of their spending.

But that's not the full story. The reality is that America's prosperity is skin deep. In the heartland of America there is little sign of increased income, rising house prices or more jobs. Much of these most desirable things are to be found on the coasts of California or New York, or in the desert resorts of Las Vegas or Tucson. In Detroit, Cincinnati and Chicago, there is little joy.

The reality of daily existence for even so-called middle America or for that matter middle-England is two parents working long hours in order to obtain sufficient income to get decent health insurance, good schools, a reliable car and pay for a big mortgage and the annual holiday. There is no end to this process for many families with children. US healthcare premiums have surged over 40% in the last three years and another 15% is in the

pipeline for this year. And increasingly, there is the prospect of working until you are 70 in order to get a decent pension, now that contributions have been squandered in the stock markets by pension fund managers.

The prosperity that is talked about goes to the top only. Take the US. In the 1950s the chief executive of the average corporation earned about 40 times more than the average worker. Outrageous you might say. Well, in the year 2000, the average CEO earned 530 times the wage of the average worker. And even after the clampdown on corporate executive pay following the scandals of Enron etc and the recession of 2001, CEOs are still 'earning' 250 times more!

Basically the working class of America has not benefited from the economic recovery since 2001. According to official figures, their share of total national income has fallen to its lowest level since 1951. Indeed, the average salary of a US worker dropped to \$35,310 last year from \$44,570 in 2001! And the workers of Indiana, Ohio, Illinois and the other big industrial states of the US still see no new jobs that can replace the ones they've seen disappear over the last four years, many of which have gone overseas to China, India etc.

And there is no future for many older workers. Listen to this comment in a letter to the Wall Street Journal complaining about that journal of capitalism praising globalisation as benefit-

ing all. "I am the son of an elevator operator and an A&P checker. The former job has been replaced by automation and the latter is being done by part-timers and high school kids, though the formerly retired are now competing for those jobs. Despite only nine years of Depression-era education between them, they were able to raise



me and provide a decent primary education. Blessed with the abundant opportunity America offers, I was able, after an infantry stint in Vietnam, to be graduate from college and law school at night. We are losing those low-skilled jobs of my parents. Recently, I attended a Vietnam-vet reunion and 90% were blue-collar workers and farmers. They were terrified of globalisation. Now they are pushing 60 and have not been in a classroom for 40 years. Even assuming they had the energy, it would take two years of remedial classes, four years of college and two years postgrad to prepare to work in hi-tech, by which time many would be dead. So does globalisation mean that these people just have to work in WalMart?

Apart from the grotesque injustice that global capitalism imposes on people who no longer deliver any profit for the owners of capital and have been thrown on the scrapheap with no safety net of support, what is revealing about this letter is the changing nature of the major capitalist economies. The US, the UK, Japan and most major European economies are now increasingly dependent for their prosperity not on the production of goods or the extraction of minerals, but on the earnings of 'services'. And by services, we mainly mean financial and professional services. The US and the UK manufactures less and less TVs, cars, computers, clothes, food etc and instead delivers legions of lawyers, estate agents, bankers and stock brokers. As one American financier admitted: "We are not becoming a nation of hamburger flippers but of stock and bond flippers. Between 1960 and 1980, the financial sector accounted for around 15% of total business profits. Now the financial sector contributes 45%!"

It was in the year 1956 that the US first reached the point where more people worked in 'services' than in industry or agriculture. Indeed, that was the first time in history that any capitalist economy did. Now industry in the US and the UK, in particular, employs less than 20% of the workforce. Over 70% of the newfound jobs trumpeted in the US over the last few months were in government administration (particularly 'homeland security'), healthcare



and office staffing.

The point is that never before has the financial sector come to dominate the economic engine of capitalism by so much. This rentier capitalism, as it is called, is parasitic. Financial profits may come from the labour of workers in banks, insurance companies, estate agents, stock brokers etc. But financial sales come from fees and interest charged to the productive sectors of the economy, manufacturers and transporters, increasingly owned by foreigners. Indeed, many of the manufacturers have turned themselves into banks as well. In 1980, 92% of General Electric's profits were from manufacturing. In 2003, half its profits were from its credit division. It's the same with General Motors and Ford.

We've often argued in these columns that the financial sector cannot drive an economy forward indefinitely. Without the manufacturing sectors creating new products that people can use to live, the financial sectors cannot make profits and employ all the people they do. Sure, some countries can become rentier economies (Switzerland or the UK), but only if others take over the reins of capitalist production to make new goods, like Germany and Japan after the war and now Korea, China, Mexico, Brazil and India.

But the really frightening story of 21st century capitalism is that this huge grip of the big financial sectors means that if they collapse, then the productive sectors will go down with them. Never in the history of capitalism has its future depended so much on the stock market continuing to rise. Any slump in the prices of stocks and bonds means the collapse of credit and with that the closure of real production. Capitalism

is now so parasitic that it threatens to be paralysed.

And that is the danger of the next year or so. In a desperate attempt to sustain 'prosperity' and avoid a slump, the managers of capitalism have created the biggest financial bubble the world has ever known. Mr Greenspan at the Federal Reserve Bank in the US, the governor of the Bank of Japan and the President of the European Central Bank have driven up paper credit in the form of bills and loans. In the US it has risen from \$4.7trn in 1980 to \$28.9trn in 2001 and now to over \$35trn. This huge amount of debt is now three times the annual national product of the US.

American households and companies are managing to pay the financial sector its interest and repay its loans only because interest rates have been kept as low as 1%. With inflation at 2-3%, in effect the Federal Reserve Bank is ensuring that Americans can take out loans for free!

But now, interest rates are set to rise. Indeed, by the time you read this, the Federal Reserve Bank will have reluctantly agreed to hike interest rates by 0.25%. Elsewhere, the Bank of England, the Reserve Bank of Australia and the Swiss National Bank have already raised rates. So now that huge debt built up to keep capitalism booming is going start to cost the borrowers (house owners, corporations and governments) much more to pay back. This could spell the collapse of this financial house of cards.

Why are the banks raising interest rates when increased borrowing costs could threaten the financial sector and with it the whole capitalist economy? The problem is that inflation is coming back because the huge increase in credit is driving up demand for goods and services (particularly by workers in the financial sector) and the productive sectors of capitalism cannot match it with enough supply. The result is that prices are rising. That spells catastrophe for the profits of the financial sector. So they want to raise interest rates to restore their share of total profits.

The future of capitalism now depends on its parasitic financial sector. But its need for profit could actually destroy the golden manufacturing goose that lays the eggs of profit. Beneath all this talk of prosperity lies this fundamental paradox. ■

# Free at Last?

by Jack Duggan

AT SOME point in their lives, everybody arrives at that point where they become 'independent', usually at the time in their lives when they leave home to become a student. This article aims to address some of the difficulties the word "independence" brings with it in today's world.

The transition from young teenager to student is a development whose criteria has altered over time.

Whereas before the families central support, came in the form of a moral and social character, today the only thread which seems to bind the family together is one of monetary value.

In the words of Karl Marx in the Communist Manifesto: "The bourgeoisie has torn away from the family its sentimental veil, and has reduced the family relation to a mere money relation".

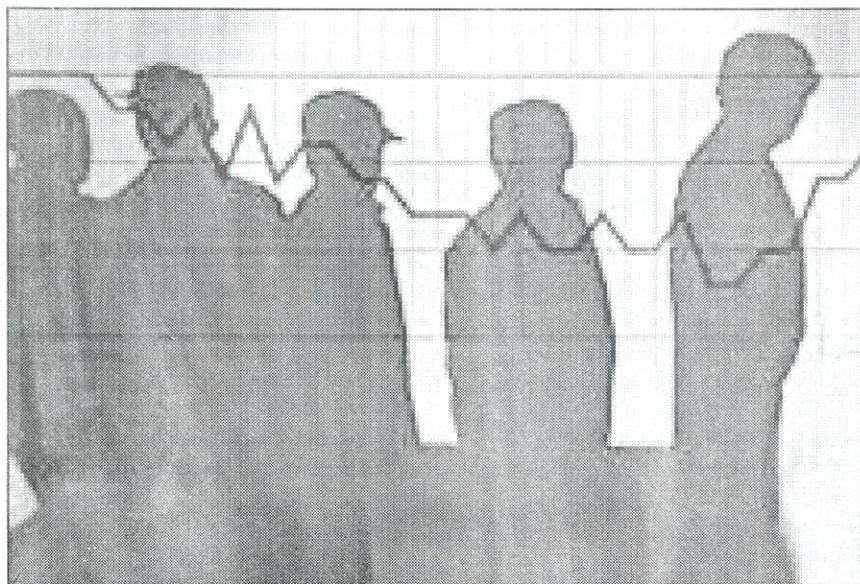
And under this banner, which defines each and everyone, of us as anonymous unit of potential capital we merrily sail out into the world.

To a degree, not even sheltered by the academic establishment of a university, whose character, as we have seen, has been severely distorted by the policies implemented by Tony Blair's band of New Labour thinkers, complete with fees soaring through the roof and the concept of a free market well onto its victory lap through university territory.

This being the case, and having

turned grants and loans into the smallest possible allowance for students to survive on, it is necessary for us newly independent souls to acquire an additional source of income, - a part time job. If this is possible, and where this is possible, the jobs available offer usually awkward hours for minimum wages - what an option!. For example if we consider McDonald's, who constantly advertise vacancies, they possess a work force where 75% consists of people are under the age of 21, and where 80% are part time employees - working 16 hours or less. A factor which places them outside of the protection of most employment legislation. Also, using this yarn and spinning it further, consider that under 18's employed at McDonalds earn a meagre one pound fifty eight an hour, and the pay increases by only fifty two pence for those over the age of 18. Incorporating these figures and facts into the equation, it is clear to see how it can effect the notion of independence as it is economically defined today.

Added to this is the economic pressure on the family to stay afloat in this ocean of capital. So much for the joys of independence free-market style - the independence of the serf, no doubt preparing us to be good citizens marching under the banner of big business towards an early grave and no pension to boot. □



## Solidarity with the Venezuelan Revolution in East Scotland

### Hands Off Venezuela Meeting in Kirckaldy

By Matthew McLean

ADAM SMITH, the father of bourgeois economics, would have been turning in his grave on Sunday June 13th as around 20 activists and socialists from various organisations met in his hometown of Kirckaldy to discuss and debate the Bolivarian revolution currently taking place in Venezuela.

A handful of comrades from the Scottish Socialist Party made the long trip through from Glasgow to attend, among them were two Venezuelan citizens who gave a detailed account of life in the country and the current struggles taking place.

Comrade Ramon (Secretary Hands Off Venezuela-Britain) then led off the discussion with some background information followed by a detailed Marxist analysis on the revolution. The discussion was then opened up and many good contributions and questions were put forward from a wide range of comrades. The discussion flowed freely, the tone was comradely and the mood positive.

An excellent collection of over £30 was raised as the discussion moved on to the possible formation of Bolivarian Circles being formed in Fife and Glasgow to work alongside the newly founded Venezuela solidarity group in Edinburgh by a local young activists group.

In all it was a very good day for the campaign and work is now underway to build on it's success to make sure that the message is loud and clear in Fife, in Scotland, and the rest of the World - "Hands Off Venezuela, Victory to the revolution and forward to socialism!" □

## Cuba, Venezuela and Colombia:

# Three different struggles against the same enemy - Joint Rally in London

by Ray Smith

ON JUNE 17, a rally against the US imperialist intervention in Latin America took place in London. The meeting kicked off at 19.30 in the main hall of the Union Chapel, a well known venue in North London. The hall was decorated with loads of banners, Che Guevara portraits, Cuban flags and posters published by the Bolivarian movement in Venezuela. 170 people turned up for the occasion. The meeting was made up of activists, trade unionists and youth and a big representation from the Latin American community in London was also there. The rally aimed to raise awareness of the situation in Latin America amongst the labour movement and the youth.

The event was started by Sue Branford (writer and broadcaster on Latin America) who gave an optimistic and positive view on the success achieved by the Cuban people since capitalism was abolished more than 40 years ago. She was followed by Diego Escobar who talked as a representative of the Colombian trade union movement. He gave a brief update of the current plans US imperialism is implementing in Colombia. Everything points to the fact that America plans to use

Colombia as the "Israel" of Latin America. In Colombia there are already 1000 US troops and military contractors directly involved in counter-insurgency and combat operations. This is part of the \$2 billion military assistance package, "Plan Colombia" (now called Plan Patriot), which aims to prop up the far-right government of Alvaro Uribe by waging a brutal dirty war against the people, especially the trade union movement.

The well known leftist comedian Mark Thomas made a contribution in his particular style. He talked on the role that Coca-Cola has played in Latin America. From supporting and financing counterrevolutionary movements in Nicaragua, to direct threats to their workers in Venezuela to murder the workers' representatives in their own facilities. He took advantage to present the Killer-Cola campaign (an initiative of the Colombian trade union SINALTRAINAL).

Next a supporter of the Cuba Solidarity Campaign led the collection of money. The money raised will be used to fund programmes to spread solidarity and support the struggle of the Latin American working class and poor. While the collection was taking place a number of fraternal greetings were read out by the chair;

Jeremy Dear, NUJ General Secretary, the Cuban embassy and the Venezuelan Marxist journal "El Topo Obrero" were amongst those who sent greetings to the rally.

Steve Wilkinson (CubaSi editor) explained the differences between the Cuba ruled by Batista and the current one, giving us a picture of the great advances of the nationalised planned economy. He also bitterly attacked the hypocrisy of the Miami gangsters who are trying to reinstall capitalism on the island.

Jorge Martin, International Secretary of Hands Off Venezuela Campaign and European correspondent for "El Topo Obrero" gave an update of the situation in Venezuela. He described the course of the revolution in Venezuela, and talked about the dangers that the Bolivarian revolution is facing. Jorge Martin used the example of the Chilean tragedy in 1973 to illustrate the reactionary threats to the Venezuelan workers' and poor. Quoting Chavez, Jorge supported the arming of the working class and the formation of popular militias to defend the Venezuelan Revolution. He talked about the massive advances made by the revolution but pointed out that for these to continue the Venezuelan workers need to



complete the process, to abolish capitalism and to build socialism as the first step towards socialism in all Latin America.

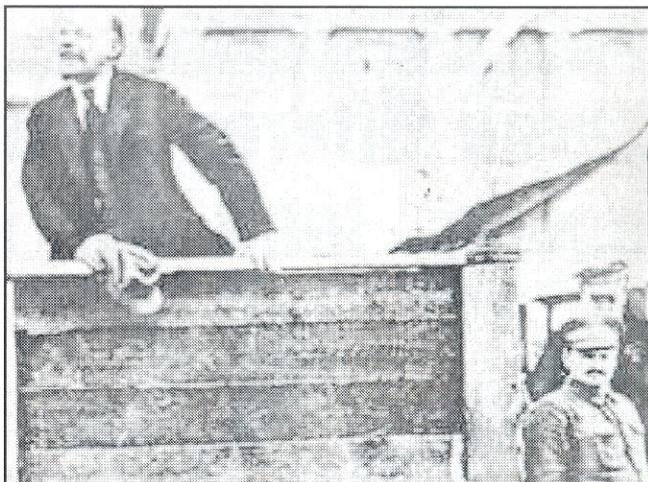
David Raby closed the meeting with his particular view on the events in Venezuela. He also encouraged audience to solidarise with the Bolivarian Revolution.

Rallies like this one are a good way to spread the internationalist solidarity with the struggle of our class brothers and sisters in Latin America.

- ❑ Hands Off Venezuela!
- ❑ Hands Off Cuba!
- ❑ No to plan Colombia!
- ❑ Down with Imperialism!



## VLADIMIR ILYICH LENIN



## 80th Anniversary of his death The Struggle for Marxist Theory

By Rob Sewell

**As part of our commemoration of the centenary of Lenin's death, we are publishing a series of articles about his life and ideas. Lenin not only led the first successful socialist revolution, but he also made an enormous contribution to Marxist theory. The present article deals with the important contribution he made on the subject of philosophy, the method of Marxism, dialectical materialism. The struggle for Marxist theory was not a secondary matter to Lenin, but a vital component of building the revolutionary party.**

VERY EARLY on in his political development Lenin understood that "without revolutionary theory there can be no revolutionary movement".

Although a great man of action, Lenin recognised the essential importance of Marxist theory as a guide to action in the building of a revolutionary party. As Engels explained, the class struggle must be fought not only on the economic and political fronts, but also on the theoretical front. In continuing this tradition, Lenin became one of the key Marxist theoreticians in the workers' movement next to the great teachers, Marx and Engels.

Marxism can be defined as the generalised historical experience of the working class. But it is much more than this. Marxism is in reality the culmination of the best of human thought accumulated over more than 2,000 years. It is the synthesis of the most advanced ideas of English classical political economy, the theories of French socialism, and the ideas of

German philosophy, namely Hegelian philosophy. These constituted the three sources and component parts of Marxism, to use Lenin's expression. However, the philosophy of Marxism, dialectical materialism, underpins its whole outlook as a science.

Historically, philosophy has centred round the question of human knowledge and its validity. Its central question has been the relationship of ideas to reality. Philosophy has always been, since its origins in Greece, an attempt to relate the thinking of man to the material world. "Logic is the science of cognition. It is the theory of knowledge", stated Lenin. By "cognition" Lenin means a scientific approach to the question of thinking. Dialectics is the theory of knowledge of Marxism, i.e., a scientific theory of the emergence and development of human thinking.

In the struggle of the rising bourgeoisie against feudalism, a new philosophy was developed to attack the

feudal outlook of scholasticism, metaphysics and the rest of the ideological justification for the old order. All the old feudal rubbish had to be destroyed, including the grip of the Catholic Church. The great English philosopher Francis Bacon, a product of the bourgeois revolt against feudalism, became the father of materialism. "The primary principle of empiricism is that all knowledge is founded on experience of the senses", declared Bacon. "What is most useful in practice is most correct in theory. For truth is shown and proved by the evidence of works." These ideas were later developed and deepened by the philosopher John Locke.

### Materialist Philosophy

This school of materialism, like the bourgeoisie it represented philosophically, was used to fight the idealists of the old feudal order and laid the basis for a new scientific revolution, essential for the development of capitalism.

Materialist philosophy got its next boost from the French materialist philosophers, reflecting the powerful influences of the great French Revolution. Everything was judged in the highest court of Reason. They proclaimed that the upbringing of men determined their life and character.

Unfortunately, while this outlook constituted a historic advance, given the science of the age, epitomised by mechanics, the materialists had a mechanical view of nature and man's place within it. There was no internal movement; all movement came from outside. It was like a clockwork universe, both static and dead. Furthermore, men's characters are not only changed passively by circumstances, but men also change those circumstances through their actions.

It was the philosophical revolt against this static universe and mechanical materialism that produced the philosophy of Kant. His outlook is very much at the centre of bourgeois philosophy today. He agreed with Locke that knowledge is based on sensation, which is caused by things. He went on to say, however, that things are not knowable. We know the sensation, we know the effect of things, but we cannot know things! In other words the material world (outside our senses) was unknowable. He separates man from nature in a dualist outlook: materialist in recognising that the origins of sensation is something material ("thing-in-itself"), but idealist in the sense that the conceptions of thought are unprovable and unknowable. In this sense these ideas were a throw-back to medievalism.

### Hegel's Logic

It was the concept of Hegel's logic and his development of dialectics that constituted in reality a crushing answer to Kant's dualism. This is why Engels said that very little needed to be said about Kant because most of it had already been said by Hegel.

Hegel brilliantly analysed thought and the history of thought and through this uncovered the dialectical laws of motion of thought and nature. He explained that everything is in a constant flux, of endless motion, driven by internal contradictions, a unity of opposites. There is a constant transformation from quantity into quality and quality into quantity. While development never repeats itself exactly, it does so on a higher level ("negation of the negation"). The purpose of dialectics, wrote Hegel in his *Logic*, "is to study things in their own being and movement." Lenin described the profound richness and subtlety of Hegel's dialectic as follows:

"A river and the drops in this river. The position of every drop, its relation

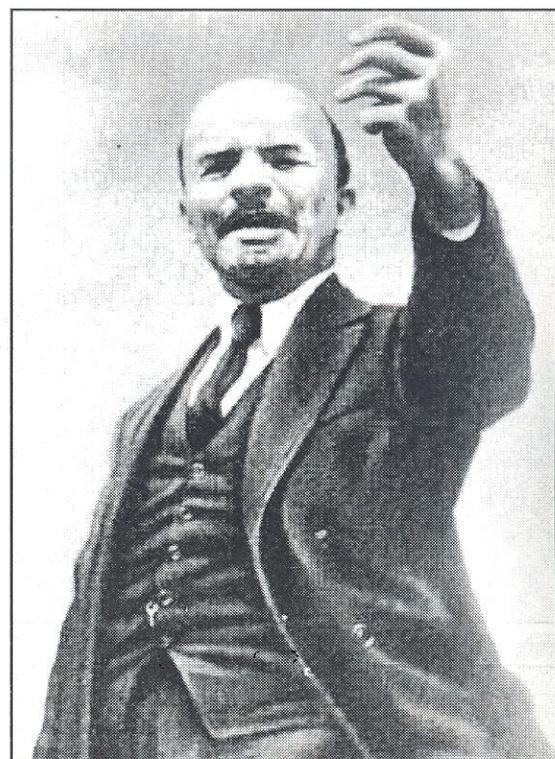
to the others; its connection with the others; the direction of its movement; its speed; the line of the movement - straight, curved, circular, etc. - upwards, downwards. The sum of the movement. Concepts, as registration of individual aspects of the movement, of individual 'streams', etc. There you have approximately the picture of the world according to Hegel's *Logic* - of course minus God and the Absolute."

This was a revolutionary way of looking at the world and nature, where the universal was enriched with all the detail of the particular, and was far removed from the mechanical outlook of the 18th century materialists. Unfortunately, Hegel, an encyclopaedic mind, had one key defect, he was an idealist, who regarded the material world as simply a reflection of the Absolute Idea, or God, as Lenin referred to it.

It was the contribution of Marx and Engels, who began as followers of Hegel, to purge Hegel's dialectic of its mystical idealistic character and give it materialist foundations. In reality, they rescued the dialectic by simply tearing off the cloak. For all his brilliance in analysing the forms of thought, and in criticising the rigidity of formal logic, Hegel remained imprisoned by philosophy itself. His life's work, a great feat of critical scholarship, exposed the limits and contradictions of previous systems of logic, but his solution through idealism was false. He took the activity of man as a purely mental activity. Therefore, in Hegel all the laws of the dialectic remained locked within pure speculative philosophy. In contrast, Marx saw human history and man's consciousness as the practice of social man in his endeavour to conquer nature.

"Men can be distinguished from animals by consciousness, by religion or anything else you like", wrote Marx and Engels. "They themselves begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence, a step which is conditioned by their physical organisation. By producing their means of subsistence men are indirectly producing their actual material life."

Lenin made a thorough study of Marx's method, the essence of Marxism. He devoured all of the writings of Marx and Engels, as well as learning a tremendous amount from Plekhanov, the father of Russian



Marxism. To deepen his knowledge he undertook a separate study of Hegel's works, which armed him with a colossal understanding of the dialectic and the philosophy of Marxism. He was so impressed with Hegel that he wrote:

"It is impossible completely to understand Marx's *Capital*, and especially its first chapter, without having thoroughly studied and understood the whole of Hegel's *Logic*. Consequently, half a century later none of the Marxists understood Marx!!"

### Understanding Dialectics

While this might be somewhat exaggerated, it certainly underlines the vital importance of understanding dialectics if one is to comprehend Marxism. Lenin's understanding of philosophy allowed him to undertake a serious defence of Marxism from the attacks of revisionists and the bourgeois enemies of scientific socialism.

Despite the attacks of bourgeois professors, there is nothing mysterious in the dialectical outlook. Dialectics as Marx and Engels explained, are simply the most general laws of motion that govern society, nature and human thought. While formal logic ("A" = "A") sees things in isolation and static, dialectics views things in their interconnections and in

their motion. As the material world is in constant motion and infinite, the dialect allows us to grasp and understand reality far more than any other outlook. "The world is not be comprehended as a complex of ready-made things", wrote Engels, "but as a complex of processes." The outlook of empiricism - or vulgar "common sense" - simply glosses over the surface of events and is incapable of understanding the deeper contradictory processes driving those events.

Empiricism is captivated by the "facts", the appearance, and not the essence of the phenomenon, which is in the process of constant change. At bottom, they are impressionists.

It is pretty standard that any attack on Marxism generally begins with an assault on dialectics. This had always been the case ever since Herr Duhring (although Duhring's ideas have since evaporated, his name lives on in the title of Engels' great work on dialectics - *Anti-Duhring*). The bourgeois critics of Marxism regard dialectics as a weak point, a mystical dogma. In fact, the dialectic is the revolutionary essence of Marxism.

### Materialism and Empiro-criticism

To discredit the dialectical method of Marxism is to discredit Marxism itself. That, of course, is the intention of its bourgeois critics. And that is precisely why Marx, Engels and Lenin conducted a fierce defence of dialectical materialism - the theoretical front - against all kinds of revisionists and bourgeois charlatans.

Lenin's first major defence of Marxist philosophy was a book produced in 1908 entitled

'Materialism and Empiro-criticism'. This was in the period of ideological retreat following the reaction after the 1905 defeat in Russia. The book was aimed at a group of Russian would-be Marxists - including Bogdanov, Bazarov and Lunacharsky - who claimed they were "developing" and "enriching" Marxism with the latest theories of science. They were especially impressed by Ernst Mach, the Austrian physicist and philosopher, whose theories were impregnated with the spirit of subjective idealism. Bogdanov and co. reflected the moods of pessimism amongst the bourgeois intelligentsia, adversely affected by the counter-revolutionary period. This trend lent support to the semi-mystical revision of Marxism, called 'god-building'.

Lenin tore into the controversy in defence of the

fundamentals of Marxism. He was not prepared to see the theoretical foundations of the party destroyed. "... there is a materialist line and an idealist line in philosophy, and between them there are various shades of agnosticism", stated Lenin. The vain attempts to find a 'new' point of view in philosophy betrays the same poverty of mind that is revealed in similar efforts to create a 'new' theory of value, a 'new' theory of rent and so forth." He continued: "All these people could not have been ignorant of the fact that Marx and Engels scores of times termed their philosophical views dialectical materialism. Yet all these people, who, despite the sharp divergence of their political views, are united in their hostility towards dialectical materialism, at the same time claim to be Marxists in philosophy!"

Lenin insisted that the new discoveries in natural science at the time, which contradicted the old Newtonian concepts of time and space, could only be understood on the basis of *dialectical materialism*. "A minority of the new physicists... influenced by the breakdown of the old discoveries of recent years, influenced by the crisis in the new physics, which has so clearly revealed the relativity of our knowledge, have, owing to their ignorance of dialectics, slipped into idealism by way of relativism."

### Lenin's Notebooks

While this attempt to revise Marxism was defeated within the party, Lenin, whenever the opportunity arose, used the time to explore in more depth the philosophy of Marxism. For instance during the first world war, while in exile in Switzerland, Lenin used the occasion to restudy Hegel's writings. The notes from these studies were published in volume 38 of his collected works. They are an amazing insight into Lenin's ideas on and analysis of dialectical materialism. In studying Hegel he sought to deepen his knowledge of Marxism, especially the method. Lenin's Notebooks on Hegel may appear rather obscure and unconnected to the mighty events that were going on around him, however, in such a period of ideological reaction as this (the betrayal of 1914 and the collapse of the Second International), it is on the theoretical front that the sharpest struggle must be fought.

It is precisely against the empirics and formalists within the movement, who introduce confusion and backsliding, that the fight has to be waged. It is in such periods that the fun-



damental ideas of revolutionary Marxism, especially its method, must be rigorously defended at all costs. To assume that dialectics are simply a side issue or an 'extra' for the fancy of theoreticians is a profound mistake. It is the essence of Marxism, the world outlook, the method that must be adopted on all questions.

Lenin makes many profound remarks and observations in the Notebooks. In relation to a definition of dialectics he says: "Dialectics is the teaching which shows how Opposites can be and how they happen to be (how they become) identical - under what conditions they are identical, becoming transformed into one another - why the human mind should grasp these opposites not as dead, rigid, but as living, conditional, mobile, becoming transformed into one another."

### Rearming the Party

Even within the Bolshevik party, Lenin constantly tried to educate the cadres in the Marxist method and deepen their understanding. The struggle against formalism and dogmatism came to a head in the early months of 1917, when Lenin rejected the out-dated formula of the 'democratic dictatorship of proletariat and peasantry' and was forced to rearm the party with a new perspective of socialist revolution. The 'Old Bolsheviks' like Kamenev and Stalin clung stubbornly to the old formulation, trying to make the new reality conform to the old theory. But truth is concrete, as Hegel explained. Russian capitalism had exhausted itself. The Russian bourgeoisie, a handmaiden to imperialism and landlordism, played a counter-revolutionary role. Only the



working class in alliance with the poor peasantry could lead the revolution, and in passing carry out the democratic tasks. This gave rise to the slogan 'All Power to the Soviets!' and the perspective of workers' power. The Russian Revolution constituted the first blow in the world socialist revolution. The 'Old Bolsheviks' were treating Marxism as a dogma, and not as a guide to action.

In 1920, in his polemics with Bukharin, Lenin was again reminding the party of the need to treat dialectics seriously, and urged the youth in particular to undertake a study of Plekhanov's philosophical writings. In the controversy over the relationship of the trade unions to the workers' state, Bukharin was rapped over the knuckles by Lenin for adopting an eclectic viewpoint, trying to glue together a list of partial views of others rather than developing an independent study of the question.

"Why is this argument of Bukharin's lifeless and vapid eclecticism? Because Bukharin does not make

the slightest attempt, independently, from his own point of view, to analyse the whole history of the present controversy (Marxism, i.e., dialectical logic, absolutely demands this) and the whole approach to the question, the whole presentation - or, if you will, the whole trend of the presentation - of the question at the present time, under the present concrete conditions.

Bukharin does not make the slightest attempt to do this! He approaches the subject without the faintest attempt at a concrete study, with bare abstractions, and takes a little piece from Zinoviev and a little piece from Trotsky. This is eclecticism."

It was no accident that even in his Last Testament, Lenin was again to remind the party not only about Bukharin's strengths but also his theoretical weaknesses. "Bukharin is not only a most valuable and major theorist of the party; he is also rightly considered the favourite of the whole party" stated Lenin. However, continued Lenin, with a certain rebuke, "his theoretical views can be classified as fully Marxist

only with great reserve, for there is something scholastic about him (he has never made a study of dialectics, and, I think, never fully understood it)."

Lenin was not one for sweeping theoretical differences under the carpet. He regarded the Marxist heritage of the party as sacrosanct. It constituted the very heart and soul of the revolutionary movement.

### Develop Cadres

The need to develop and sharpen the theoretical level of the cadres was a constant struggle, to equip them with the necessary understanding for the great tasks that lie ahead.

But Marxism is not based on a fix truth sent like manna from heaven. Marxist theory is born in struggle against bourgeois ideology and revisionism and through the struggles of the working class. This means a constant offensive on the 'theoretical front' in defence of dialectical materialism, the world outlook of Marxism, its essence, as well as its theory of knowledge. □

## Massive Bolivarian march launches referendum battle

by Jorge Martín

A MASSIVE march and rally in Caracas by supporters of the Bolivarian Revolution on June 6 marked the beginning of the campaign on the recall referendum in Venezuela. This came after the announcement on Thursday, June 3, by the National Electoral Council (CNE), that the opposition had collected enough signatures to trigger the presidential recall referendum. On the same day, president Chavez accepted the decision and called on revolutionaries to wage what he described as the "Santa Inés" Battle and soundly defeat the counter-revolutionaries in the recall referendum.

The decision by the CNE had caused a lot of anger amongst the Bolivarian masses, as we reported in a previous article. They rightly felt that widespread fraud had taken place and that under these conditions the referendum should not have been granted. There is plenty of evidence of fraud on the part of the opposition and we think it is worth explaining once again the whole process which has led to the recall referendum.

First of all, in December, the opposition said they had collected 3.8 million signatures. This figure is important since it is just above the 3.75 million votes Chavez got when he was re-elected in 2000 and it would mean that the opposition would be able not only to trigger a recall referendum, but also

to win it (to recall the president they need not only to win the referendum but also to do it with more votes than the number he got when elected). When the opposition, finally and after a long delay, handed in the signatures to the National Electoral Commission, there were only 3.4 million, thus 400,000 signatures disappeared "mysteriously". The National Electoral Council ruled on March 2nd, 2003 that 876,017 signatures had to be revalidated due to the fact that entire signature sheets seem to have been filled in with similar calligraphy ("planillas planas"). Another 143,930 signatures were rejected due to signers not being registered to vote, being minors, foreigners or not authorized to vote. 233,573 signatures were invalidated for other irregularities, including ID number or name not coinciding with each other, amendments made to the forms, removal or alteration of security features in the forms such as serial numbers. Some of these rejected signatures were later added to the revalidation process bringing the number of signatures that had to be revalidated to nearly 1.2 million.

### Widespread Fraud

Therefore it is clear that there was widespread fraud in the original process of the signature collection. The opposition protested against this decision by the CNE and



called for civil disobedience and organised burning street barricades, defended with Molotov cocktails and firearms (including rifles). At the same time opposition groups, in connivance with opposition-controlled police forces tried to organise provocations in working class and poor neighbourhoods in the capital. In El Valle they closed the main road and fired on the offices of the Popular Revolutionary Assembly. In El Paraiso they fired on the offices of the recently created National Union of Workers (UNT) and offices of the MVR and the PPT (two Bolivarian parties, part of the current government)

were assaulted and set on fire (with one MVR activist dying as a result). It was clear that for the opposition, legal means (ie the recall referendum) were just part of a wider campaign including the use of undemocratic, illegal and violent means. Also these well orchestrated riots (la guarimba) show that they knew it would be very difficult for them to get the necessary signatures re-verified.

During the re-verification process, about ten days ago there were also plenty of irregularities. These were reported in detail in an excellent article by Gregory Wilpert and Martin Sanchez (Venezuela's Signature Re-

certification Ends Without Major Incident but with Many Minor Ones), amongst which are the fact that thousands of forged ID cards and materials to make them were found in Accion Democratica offices in several parts of the country, workers who were threatened into verifying their signatures, and deceased people appearing not having been removed from the electoral register. Clear proof of electoral fraud is the fact that nearly 74,000 people whose "signatures" "appeared" in the original sheets, went to declare they had never signed (amongst these there are workers who had been coerced to sign by their employers, and also some who might have changed their mind since December). Further to this, CNE member Jorge Rodriguez announced that between 15,000 and 50,000 people who had died had not been removed from the electoral register that was being used for the re-verification process, despite the fact that this information had been sent by the competent bodies to the Electoral Register Commission. This figure by the way coincides with the 15,000 signatures that the opposition has allegedly collected over the necessary 2.4 million.

As an aside, on Friday, June 9, several dozen people disguised as "deceased" protested outside the CNE building, demanding to be taken out of the electoral register. Some of them declared "we want to be left to rest in peace" (see <http://www.rnv.gov.ve/noticias/index.php?act=ST&f=2&t=5970>)

Further to this, when the CNE made its final ruling on the recall referendum, CNE member Oscar Bataglini, refused to vote in favour since he said that the results were "spurious"

and the whole process could not be considered as being "transparent". Amongst the irregularities he denounced were: "participation in the verification process of deceased people, minors, foreigners, citizens with restricted rights, people with contested ID cards, people with more than one ID card, validation of signatures verified in electoral districts other than the one where the person is registered, cloning of ID cards in order to forge identity and forging of verification sheets". He added that the international observers from the Carter Centre and the Organisation of American States "had not acted in an impartial way" and "were biased" in favour of the opposition. He also denounced two CNE members Ezequiel Zamora and Sobella Mejias for having acted in conjunction with opposition spokespersons to ratify what was being "decided behind closed curtains".

The main argument of the rank and file Bolivarian organisations last week was precisely that since there had been widespread fraud there should have been no referendum. But it is also clear that once the decision had been announced by the CNE and accepted by the president the main task was to organise the revolutionary forces to win the referendum.

#### The question of leadership

The Comando Ayacucho became the main target of the criticism of the workers' and peoples' organisations. This was a body that had not been elected by the rank and file of the revolutionary movement and was composed of the leading figures of the main parties in government. The

Comando was in charge of the whole recall process and showed its complete inability at every step of the process. Angry resolutions from Bolivarian organisations last week demanded that it be disbanded.

On Friday there was a national meeting of the April 13th Movement together with the Popular Bolivarian Movement, Organised Communities from Western Caracas and some other revolutionary and peoples' organisations to discuss the whole issue of the recall referendum where a resolution was passed (<http://www.aporrea.org/dameletra.php?do cid=8461>). Amongst other things the resolution calls for "peaceful street actions to show the anger of the Venezuelan people faced with the vulgar fraud carried out by the opposition and through imperialist intervention, but also against the negotiation or incapacity of the leaders of the Comando Ayacucho". The resolution also calls for the formation of Bolivarian Peoples' Commands in every neighbourhood, school, factory and workplace and addresses the need for a democratically elected leadership of the revolutionary process by calling for a "national assembly of workers' and peoples' organisations where we will elect the men and women who, as proven social and revolutionary leaders, we want to place next to the president in order to fight this coming battle".

There is a strong feeling amongst the revolutionary masses that president Chavez is surrounded by a ring of steel of inept and reformist leaders and there is a real desire for the wishes of the revolutionary people to be conveyed to Chavez directly. When Chavez addressed the masses on Thursday, when

he announced that he accepted the CNE decision to trigger the referendum, he did not do so from the platform that had been placed outside the presidential palace, but from a TV studio within the palace, and his speech was relayed to the masses gathered outside through a massive video screen. There might be a number of reasonable explanations for this, and some were given: security, the need to broadcast the speech on national TV, etc. But some in the crowd immediately drew the conclusion that "they have kidnapped the president", "they do not want the president to know what the people think".

#### "Hablamucho"

In fact when Chavez addressed the mass rally on Sunday and asked the people to "thank the Comando Ayacucho for its hard work", no one moved a hand to clap, there was an uneasy silence and a part of the crowd actually booed the mention of the infamous Comando "Hablamucho" ("Talks too much") as it has become known by the people. After this Chavez announced that the leadership of this new battle for the referendum was going to be in the hands of a new Comando Maisanta (named after a peasant guerrilla leader from the 19th century), thus effectively dismissing the Comando Ayacucho.

#### Balance of forces

It will be almost impossible for the opposition to win the recall referendum. From a purely technical point of view they need to get more than the 3.75 million votes that Chavez got when re-elected in 2000 and at the same time get more votes in favour of recall than against. When trying to trigger the recall referendum they used all

sorts of tricks and fraud and they could barely get 2 million signatures.

The social plans of the Chavez government, giving access to health care and education to millions of people for the first time, have actually increased the support for the revolutionary process. A good measure of the balance of forces is the participation at the demonstrations at the weekend. The opposition demonstration on Saturday had in its favour the fact that they could claim a victory since they had managed to trigger the recall referendum. This was certainly one of the largest opposition marches in the last period, but attendance was nowhere near the hundreds of thousands that reaction could gather in the streets at the time of the bosses lockout in December 2002. According to Reuters there were only 60,000 on the opposition demonstration.

On the other hand the revolutionary demonstration on Sunday, which had been called under the slogan of "Against Fraud, to win the Battle of Santa Ines", was once again a demonstration of the revolutionary will of the Venezuelan people. Hundreds of thousands (according to Reuters) marched through the main streets of the capital in three different columns to finally rally in Bolivar avenue, in what was one of the biggest demonstrations since the beginning of the Bolivarian Revolution. The overflowing red human river can be seen in a series of extremely impressive pics published in the revolutionary website Aporrea ([www.aporrea.org](http://www.aporrea.org)).

### Threat of counter-revolution

Once again, as many times during the revolutionary process, the threat of counter-revolution, this time in the form of a recall referendum and the massive fraud used to achieve it, has galvanised the revolutionary spirit of the masses. But at the same time the mood is very critical and many lessons have been learnt. The most important of this is the need for the masses of the workers and the people to participate directly and

through democratic structures in the organisation of this battle and in the revolutionary process in general. In revolutionary meetings and assemblies taking place at the beginning of this week there was a general sense of enthusiasm and willingness to fight this battle. Chavez called for the formation of patriotic Comandos in every neighbourhood and block to fight this battle of Santa Ines. The leader of the peasant war Ezequiel Zamora fought the Santa Ines battle in December 1859. He used some very clever tactics; by pretending to have been defeated he withdrew and managed to lure the forces of the oligarchy into a trap where they were soundly routed.

The whole thinking behind accepting the recall referendum in these conditions, where it is clear that massive fraud has taken place, is so that the president can be legitimised in a democratic way and thus the campaign of bourgeois public opinion nationally and internationally of branding Chavez as an authoritarian dictator can be defeated. However, no amount of electoral victories will stop the campaign of lies and slanders against the revolution on the part of the oligarchy and imperialism. In fact Chavez has already won 5 electoral processes in the last 5 years.

Since the opposition cannot win a recall referendum in a clean and democratic confrontation they will resort to a campaign of dirty tricks, intimidation, international pressure,

etc. This campaign has already started. The day after Chavez announced he accepted the CNE decision on the referendum, Peter DeShazo, the Undersecretary of State of the US for the Western Hemisphere, announced that the US would only recognise the results of a referendum if this took place in "free and fair conditions" and in an environment "free of intimidation and violence". Since all the violence for the last 5 years has come from the side of counter-revolution, this is clearly preparing the ground for the opposition to not recognise a defeat in the referendum. If anyone thought that the opposition was going to concentrate exclusively on trying to win the referendum, they are clearly mistaken. Their main aim in the next few weeks will be to create a mood of chaos, violence, and economic sabotage so that they can eventually say the referendum was not free, there was intimidation against the opposition, vote rigging on the part of the government, etc.

This will be combined with a continuation of the provocations on the border with Colombia, in the attempt to brand the Venezuelan government as "terrorist" or "supportive of terrorism". This week the Colombian government has presented a number of ELN guerrilla "defectors" who claim they can prove that army officers from the Venezuelan Armed Forces are providing weapons to the Colombian guerrillas. This is quite clearly a fabrication and it is aimed

to justify, at a certain point, international military intervention against the revolution in Venezuela.

For this reason it is important that the campaign around the referendum is used not only to win the referendum, but above all to create structures of workers' and peoples' power which can then take the revolution forward. Comandos are already being set up in factories, neighbourhoods and workplaces. These should be coordinated through a structure of elected and recallable delegates at local, state and national levels.



These would provide the basic units for a new type of democracy, a workers' democracy which could do away with all that remains of the old bourgeois state which is sabotaging the revolutionary process at all levels. At the same time, the revolution must take defensive measures against the oligarchy and imperialism by wresting away the levers of economic power from them that they use to sabotage the economy. The banks and monopolies, starting with those owned by known conspirators, should be nationalised under workers' and peoples' control and their resources used to satisfy the basic needs of the people and finance the social reform plans in the fields of education, health, job creation, land reform etc. And in order to defend effectively the gains and advancement of the revolution these organisations of the workers and the people must also be armed, as Chavez himself has already called for.

### Revolutionary élan

Imperialism cannot allow the Venezuelan revolution to continue any longer. They have made repeated attempts to put a bloody end to it and they have been soundly defeated by the revolutionary élan of the workers and the people. As far as the interests of imperialism are concerned, this has now become a very dangerous example in Latin America. It shows to the Latin American masses that the power of US imperialism can be defied. This lesson has fallen on fertile ground in the whole of the continent. This is what makes it so urgent for Washington to put an end to the revolution by any means necessary. There is no way to appease imperialism and the oligarchy with concessions or negotiations. The only way forward for the revolution is to take decisive steps to strengthen it, to do away with the levers of power still in the hands of the oligarchy, and for the workers and the people to arm themselves to defend it. □



### COLOGNE

On June 8th, a group of activists from the Hands Off Venezuela Campaign in Germany and supporters of Der Funke gathered at Cologne University. Together with the Cologne branch of the PDS, they collected signatures, distributed articles and informed students about the events taking place in Venezuela.

The immediate intention of this campaign was to mobilise support for the PDS and Sahra Wagenknecht (PDS Executive Member, Candidate for the EU-parliament, supporter of HoV and coordinator of the German solidarity campaign Venezuela-Avanza) in the European Elections who would provide a platform for public information on the Bolivarian Revolution.

### MILAN

On June 7 there was a picket organized by the Italian "Hands Off Venezuela" Committee in front of the Colombian Consulate in Milan. The picket was called to protest against the interference of the Colombian Uribe Government, backed by US imperialism, in Venezuelan affairs.

The delegation from the Hands Off Venezuela Milan Committee together with the Association "Nuova Colombia" picketed the Consulate for one and a half hours. There were 30 people present who distributed leaflets and other material on Venezuela trying to raise awareness on the political situation in Venezuela.

### COPENHAGEN

On June 7, the Danish Hands Off Venezuela Campaign held a protest in front of the US embassy in Copenhagen.

The protest was arranged as a kick off for the campaign in Denmark, which is getting started now. The comrades handed out leaflets and collected signatures for the appeal, and the reaction of people was good except for one pro-opposition guy that thought Chavez should be put in a mental asylum because "you can't build utopia".

In the coming months we will take the campaign further by taking it up in the unions and

branches of the different worker's parties. People are very interested in Venezuela and are happy to get some information other than the lies most of the mainstream media puts forward about the situation.

### METAL WORKERS

As a result of the Hands Off Venezuela tour in Italy good links were established with the Metal Workers Federation of the CGIL, Italy's main union. Resolutions in support of the Bolivarian revolution, recognising the UNT as the representative of the Venezuelan workers were passed at the FIOM regional congresses in Campania, Emilia Romagna and Lombardia. Now the National Congress of the FIOM-CGIL, which took place in Livorno on June 2nd to June 5th has passed the same resolution, and the union's national secretary Gianni Rinaldini signed the Hands Off Venezuela appeal. The resolution expressed its solidarity with the Venezuelan workers and with the newly formed UNT trade union, and rejects the "corrupt bureaucracy of the CTV" for having supported the coup against Chavez in April 2002.

### CALIFORNIA

On Saturday, June 5, supporters of the Hands off Venezuela Campaign were present at the anti-war demonstration in Los Angeles, California. A few thousand people were on the demonstration which went from the Olympic and Broadway to the Los Angeles Federal Building to demonstrate against the occupation of Iraq; to call for the withdrawal of foreign troops from the occupied countries, and against US Intervention in Haiti, Korea, Afghanistan, Philippines, Colombia, Cuba, and Venezuela.

Sponsors of the Hands off Venezuela campaign met with supporters of the campaign from the Los Angeles Bolivarian Circle "Ezequiel Zamora". The campaign collected many signatures and distributed leaflets with information on the campaign and recent events in Venezuela. □

[www.handsoffvenezuela.org](http://www.handsoffvenezuela.org)

# Record Rip-Offs

by Steve Jones

A DEADLINE of July 22nd has been set for the European commission to rule on whether the proposed merger between Sony and BMG can go ahead - and the early indication is that they will give the all clear. So what? Who cares? Well these two media companies once merged will control, based on 2003 figures, over a quarter of the total global recording market. Even without the sales figures from Sony Japan (which is not part of the merger) the share will still, according to UBS Warburg, be over 22% of the world market.

The merger has been held up because of objections from small independent record companies and other representative organisations. The reason is simple - they see how this proposed merger is just another step in the growing global domination of the industry by the big five - Sony, BMG, Universal Vivendi, Warner and EMI. Just look at any CD in the shops, look closely at the small print. Chances are that the record label is owned by one of these five companies who now have between them over 80% of the market.

How has this on-going and increasing domination of the market affected the music industry? Well these companies are not just record producers but have interests across the whole entertainment industry from films and DVDs to the production of computer and audio-visual hardware to CDs and beyond. These giants have but one aim, the maximisation of their profits, year on year. This

has been achieved through a ruthless exploitation of the markets linked to an equally ruthless slashing of rosters which are not seem to be performing. Artists are picked up, manipulated and promptly dropped as soon as sales start to falter, often after just a couple of releases. No long term strategy exists whatsoever - only the balance sheet counts. Such an approach has not gone unnoticed and it is clear that a merged Sony BMG would, as a first step, start again to 'rationalise' their artist roster just as EMI did earlier this year on the back of poor sales figures. The suspicion also exists that these giants have been colluding on CD prices and using their position to push out the smaller independent companies.

The merger is taking place against a number of problems in the industry which are just getting

worse and worse. Not least there is the problem with the CD format itself. This format is now over 20 years old and was even in 1982 a sonic compromise, aimed at avoiding a format war similar to the VHS - Betamax conflict which occurred when video was launched a few years earlier.

## Profit rates

It has also been subject to the tendency to return less profit per disc produced, year on year, a law well known to Marxists if not the heads of Sony or EMI. At first with the new CD format it was a license to print money - perfect sound forever they said. Initially, the handful of CD presses in existence were all hard at work producing discs 24 hours a day non-stop for a market which seemingly could not be sated. No extra tracks, basic if not

downright shoddy mastering and even more basic packaging - all at full price and certainly far more expensive than LPs or cassettes. It did not matter, demand far outstripped supply. Even when the number of CD presses were increased it still did not matter since although more product was being produced the demand was still increasing by more than enough to hide the fact that the percentage return on each CD produced was starting to decline as the actual total percentage of each pressed run sold fell. But the 1990s saw things start to go into reverse. The market became static, more money had to be spent producing better packaged and mastered discs with promotion costs rising and sale prices dropping, all fighting for a now increasingly limited market. New formats such as Mini-Disc (which has survived) and Digital Cassette (which did not) were pushed into being followed more recently by DVD-audio from Warners and SACD from Sony and Phillips (both of which at least sound better than CD unlike its compressed predecessors) - all with the aim of replacing the CD and being the 'new future' for music - you bought it once, now buy it again!. But the CD has maintained its market dominance and will do so for sometime yet. So another card is now being played - the downloading of music using the internet. The only trouble is that this has been happening for some years now already, albeit illegally

So the first task has



been to destroy the existing arrangements prior to establishing new ones under the direct control of the industry itself. Indeed the representative organisations of the industry have been hard at work already cracking down on this great villainy. Over the last decade all manner of new draconian laws on copyright and 'product' rights have been pushed through worldwide to give wide ranging powers to the industry to crack down, first on piracy and bootlegging and now on illegal downloading. As usual the US has led the way.

There the organisations representing the major record companies launched a campaign where, having obtained the lists of names of all those people who had subscribed to file-sharing sites such as Kazaa, they then sent threatening legal letters to selective individuals demanding damages. These letters, including one sent to a 12 year old girl who didn't even own a computer (and whose mother is now counter-suing the industry for breaking racketeering laws!), demanded huge sums in settlement otherwise these poor souls would be dragged through the courts at a cost of millions.

The aim was to undermine through fear the use of free sites and push people towards the new official 'pay sites' where people pay a fixed sum for each track or album downloaded. These can be quite expensive (especially in Britain where prices per download are set to be much higher than elsewhere) but, with the development of new handheld music devices such as the very popular iPod, there is now a large potential market waiting to be exploited.

## Copyright

The music industry has always been concerned about what happens when a piece of recorded music is actually purchased by the ordinary punter and is therefore out of their

**The copyright on recorded sound is 50 years from first production. Up until now this has only affected old, poor sounding 78s and hissy radio broadcasts. But now we are entering the LP era. Soon the rock and roll period will be out of copyright and then the first great pop era of the 60s**

control. On the one hand they make great play about still owning the copyright etc. yet on the other hand they are equally keen to make money out of the technical abuse of these 'rights.' So in the 1970s we saw the rise of the compact cassette linked to the introduction of the personal stereo, developed by Sony and Phillips, which was clearly an open invitation to record from records and, later on, compact discs. What other purpose could cassette recorders in stereos have? The manufacturers surely did not imagine that people would just go and record non-copyrighted material such as their own voices? The reality is that they knew damn well what was going on and were happy to rake in the profits from their hardware and consumable divisions.

When the growth in the internet happened, with fast download times linked to personal computers with large hard drives and CD burners, the music industry was initially not that worried. They didn't even pay that much attention when new small file size formats for downloading music such as mp3 came long. In fact they set about producing personal cd players which could directly play mp3 files, burnt onto cdrs without the need to convert to wav files playable on standard machines.

Now we see the development of the new generation of hand held digital storage and playback machines such as Apple's iPod player. The prospect now is for ever larger capacity players, some built into palmtop computers and even mobile phones, where hundreds of tracks can be downloaded, or ripped from owners cds, and held in small file formats on these machines. The industry aim is to get people downloading

files off official websites, such as Apple's own music site which has just been launched in Europe, and paying a nice fat fee for it. So they don't want people buying these machines and then swapping files for free - where's the profit in that?

The argument they use is that they don't want artists to be deprived of fees they should be entitled to were they to get a cut off each track downloaded, in the same way that they would expect to be paid for each disc sold or track played on the radio. This is a serious question. However the main sources of artist exploitation are the record companies themselves. They make huge profits whilst leaving their roster of artists tied to often very poor contracts. Even the top paid artists only get a fraction of what is due to them - the labels always take the lions share. Evidence produced by the New Scientist has shown that CD sales are in no way affected by downloading - and the industry knows it otherwise why set up legal download operations which would then just take money away from other sales. The big five (soon to be four?) have put great faith in the future of downloading music - given the high cost and poor sound quality available at present, it is a gamble which may not succeed. They may be outfoxed by the free-downloaders and those seeking to use the internet as means of enabling people to sample different sorts of music rather than relying blindly on the judgement of the big labels whose aim is to reduce choice not increase it.

## Cuts and Mergers

The next ten years will be very difficult for the industry - and very bad for working musicians. Falling and ever chang-

ing rosters will continue to be the norm. A habit like this once formed cannot be broken. The traditional method of capitalism when faced with a crisis has always been cut, cut, cut and/or merge, merge, merge. The Big Five seem set to become The Big Four and already people are talking of a Warner-EMI merger possibility.

Another problem - unless the laws are again changed, which is possible - also beckons. The copyright on recorded sound is 50 years from first production. Up until now this has only affected old, poor sounding 78s and hissy radio broadcasts. But now we are entering the LP era. Soon the rock and roll period will be out of copyright and then the first great pop era of the 60s, including the first recordings by the Beatles and the Stones. The companies will continue to own the master tapes of course but as each record passes the 50 year barrier anyone will be legally able to grab an old LP version and press a new CD or whatever from it and then if they wish legally sell it, providing the mechanical copyright fee on the songs used are paid to the appropriate collecting organisation. So a very lucrative cash cow of archive recordings are about to run out of time. The big five labels have relied heavily on these as a reserve source of income aimed at the cash rich middle aged market. So more return will be expected from the current batch of performers and the industry's supposed role as a means of artists being able to express themselves and reach and enrich an audience will equally be reduced and degraded as 'product' replaces 'music' Until the music industry is run not for profit but as an artistic pillar of society this will be the norm. Another dose of Eminem anyone? □

## A Farewell to Ronald Reagan

By Rob Lyon

FORMER US president Ronald Reagan passed away on June 5. The state funeral, which was little more than a crude exercise in propaganda on the part of the Bush administration, was held the following weekend. It was the first such state funeral for a president since the one held for Lyndon B. Johnson in 1973. Past and present world leaders were in attendance. Reagan was presented as one of the strongest president's in US history.

This of course, was intentional. Since the beginning of his presidency, George W. Bush has harkened back to the Reagan years. Since his withdrawal from public life in the early 1990s, when he announced he was stricken with Alzheimer's, Reagan has been turned into an icon of the Republican party, which constantly hammers on about restoring America's greatness by returning to the policies and ideas of the Reagan years. Reagan already has an airport and an aircraft carrier named after him. Now there are calls for his face to be put on Mt. Rushmore, even for his face to replace Franklin Delano Roosevelt on the US dime.

This might appear strange to many, especially given the fact that Reagan was not all that popular during his years in office. The average of his approval ratings in office placed him below Kennedy, Johnson, Bush Sr., and Clinton, but above Nixon, Ford, and Carter. In 1992, polls showed that he was

the most unpopular living ex-president - next to Nixon of course. Since then, there has been a massive campaign to rehabilitate his name and image, and he has been turned into a revered historical figure, who brought America out of the dark years of the 1970s and into her golden age, or so the story goes. The entire exercise, culminating in the state funeral, reminds one of the death of former Soviet leaders. In order to recreate the image of Reagan, a lot of lying is needed. The level of historical revision that took place during this whole affair was astounding - but there was a reason for it.

Beyond the fact that the Republican right needed a figurehead, to repair the damage ironically caused to its image during the Reagan years, the current Bush administration is in trouble. Recent polls indicate that Bush's popularity and approval ratings are slipping to "dangerous" levels. 47% of people polled approved of Bush's presidency while 49% disapproved. Among likely voters, 49% would vote for Kerry, and 47% for Bush. Among registered voters, support for Kerry is at 48% while support for Bush is at 46%. This is not where Bush and his administration wanted to find themselves at this point in the race. They had hoped that the war in Iraq would be successful, and that Bush would be easily re-elected. This has obviously not been the case. The occupation of Iraq has gone badly - very badly in fact.



There is a general insurrection of the Iraqis against imperialist occupation, and attacks against occupation forces are still occurring on an almost daily basis. US casualties are mounting. On top of all of this, there was the torture scandal, which seems to have had a huge affect on how Americans view the war. Bush and his cronies fear they may lose the election - given that they are trailing in the polls and they can't seem to resolve an increasingly unstable situation in Iraq. Hence Bush needs Reagan, and his supposed legacy. But the ties that bind the two administrations are deeper than simple ideological ones - many of the same people who were in the Reagan administration, are also in the current Bush administration. These include James Baker, Elliot Abrams, Paul Wolfowitz, Colin Powell, John Poindexter, Donald Rumsfeld, and John Negroponte (who was recently appointed US ambassador to Iraq, and who had during the Reagan years been the US ambassador to Honduras, where he presided over the largest CIA base in the world - from where he supervised the dirty war against the Sandinistas in

Nicaragua).

Reagan has been used to justify the War on Terror and current US fiscal policy. Reagan was praised for teaching Republican's that small government is better than large government, and that the state has no role in the economy. Now the Reaganites do not actually mean that the state was made smaller and spending actually cut, whether it was during the Reagan years or the under the reign of George W. Bush. What they actually mean is that the state has no role in the funding of the welfare state and other public expenditures. Unions were smashed (the Reagan administration crushed the airline workers union, PATCO, a defeat from which the US working class is still recovering), welfare and social security were slashed, and state universities and mental health systems were eroded and gutted - all of this while state expenditure actually increased. The state grew under Reagan - the story goes that Reagan detested "big" government. This is still the propaganda tool of the right wing in the US. What they actually do is use government to redistribute wealth upward - this is the essence of Reaganomics. A strong

state is required to do this. They claimed, as they do now, that tax cuts get the economy going. Actually, taxes for the rich and for corporations were lowered and raised for the working class - the same as Bush is doing today. State, local, city taxes, fees, tolls, etc - all were raised under Reagan. The US deficit and debt actually reached its highest ever levels under the Reagan administration (save for the current regime in the US that is). Reagan, while attacking Keynesianism, actually employed a type of Keynesianism by pumping money into the arms race as a tactic to try drive the Soviet Union to ruin - so it is claimed (whether he actually intended or believed that the USSR would collapse as a result of the attempts to revive the US economy remains to be seen). On top of this, Reagan used the massive indebtedness of the so-called Third World to force these countries to accept trade liberalization, deregulation, privatization and the austerity packages of the IMF. What this all boils down to is that Reagan, by smashing the working class in the US and in the Third World, actually used the wealth of the working class to fund his massive arms expenditure programs and tax cuts to corporations. The US did this from a position of weakness, not strength. The economy was still struggling to recover from the economic recession of 1973-1974, and a crisis was looming on the horizon. As a means of avoiding the crisis, the state under Reagan spent millions in corporate hand outs and in the arms race. The Reagan years were good for corporate America and for the ruling class, and this is why Reagan's

legacy is so important for Bush. For the workers and the poor these were years of defeat. Between 1979 and 1989 in the US, the hourly wages of 80 per cent of the work force dropped, with the wage of the average worker falling by approximately 5 per cent in real terms. By the end of 1992, when Clinton replaced Bush Sr. the bottom 60 per cent of the population had the lowest share, and the top 20 per cent the highest share, of total income in US history. And to show what Reaganomics was really all about - within the top 20 per cent, the gains in total income were concentrated in the top one per cent, which received about 53 per cent of the total income growth among all families. The Reagan years were not years of strength at all, at least not for the majority of Americans - they were years of losses and defeats at the hands of the US ruling class - defeats which they must now overcome and from which which they must draw lessons.

### Soviet Downfall

During the speeches at the state funeral, there was a lot of talk about Reagan's greatness being due to the fact that he was single handedly responsible for destruction of the "evil empire" or the Soviet Union. If this sounds familiar, it should. The current US administration uses the same language in its war on terror - Bush constantly drones on about a war of "good" versus "evil". In fact, Reagan had very little to do with the downfall of the Soviet Union. Reagan did not break the Soviet Union as they would like to present it - it was already broken. The arms race, which did have an effect

on the Soviet economy, was simply the straw that broke the camel's back. The Soviet economy had long been suffering under the parasitic weight of the Stalinist bureaucracy, which eventually caused the economy to seize up. Bush and his cronies need to use this revision of history to cover up their own shortcomings and problems, and need to use the image of a strong America under Reagan to cover up their own weaknesses. America increasingly looks weak and vulnerable, both in the so-called war on terror and in Iraq. Not one of their objectives have been met. Terrorism still exists as a threat, and may in fact be a larger threat now than it was before September 11. As Reagan droned on about destroying the "evil empire" so Bush attempts to give hope that the US will win its war against "evil" and terrorism.

The really funny thing is that Bush and co. could not mention Reagan's own war on terror. In the early 1980s the Reagan administration launched its own war on terrorism. US forces launched "precision" strikes in Libya, and sent "expeditionary" forces into the Lebanon, and of course, sold weapons to Iran in order to fund the Contras in Nicaragua. We also cannot forget that the Reagan administration supported the apartheid regime in South Africa, and funded the UNITA killers in Angola. The invasion of Grenada can also not be forgotten.

There are many reasons why Bush and co. could not mention these things, but there is one bigger reason - well two in fact, both of which are directly linked to problems the Bush administration face. The

first is the problem of Saddam Hussein, and the war in Iraq. Who could forget the picture of Donald Rumsfeld shaking the hand of Saddam Hussein after making a business deal as Iraq was using chemical weapons against Kurds and Iranians. But perhaps the biggest reason for not mentioning the war on terror of their ideological mentor, was that it actually developed terrorism, and actually created the US's public enemy number one - Osama bin Laden. It was the Reagan administration that pumped billions of dollars and military equipment into Afghanistan to support the Mujahadeen against the Soviet Red Army. It was this policy that actually led to the growth and development of Al-Qaeda - who even at that time were openly hostile to the US. The CIA armed them, gave them millions upon millions of dollars to fight the "evil empire", and then promptly left them on their own to solve the problems created by years of war and social collapse - with training camps intact and the technical know-how to fight their second greatest enemy - US imperialism.

One would not actually expect Bush to bring this little fact up - that his mentor had actually created the monster he cannot seem to catch or defeat nor could one expect him to admit that it was the US under Reagan that actually created the conditions that lead to the events of September 11. This would shatter the little exercise in historical revision, and expose the war on terror for the stinking hypocrisy that it is. The US, both then and now (like in Venezuela or in Haiti where the Bush administration has supported the so-called "dem-

# Reagan

ocratic opposition" in attempts to overthrow democratically elected governments) actively sought and armed the most reactionary elements of society in countries like Afghanistan, in its attempt to stop the revolutionary developments in these countries and maintain their own imperialist interests.

## Reagan's Legacy

The real legacy of Ronald Reagan is clear. The workers of the US, and the world, cannot stand for the historical revision of the nature of the Reagan years, and the continuation of Reaganomics on the part of the Bush administration. The workers of the world must have a clear understanding of true nature of Reagan's legacy and the nature of the current regime in the US. George Bush Sr. cynically claimed at the ceremonies that Reagan's victory over Communism was a victory for peace for the entire world and that Reagan helped to build a better world for millions of people all over the world. This is astonishing - astonishingly near-sighted and stupid. Perhaps the people of the former Soviet Union, or the people in Africa, Latin America, the Middle East - in short the people of the entire world who suffered under the Reagan years may have something to say about that - is the world a better place for them? Is the world a better place for US workers? Most workers, especially youth, face worse living and working conditions than before the Reagan years.

## Instability

The world is a far more unstable place than it was even under Reagan some 20 years ago. The war in Afghanistan and Iraq are clear indications of this. In the end Reagan and Bush are not the cause or reason for this instability as some would claim - but products of this instability itself, which is a result of the crisis of world capitalism. It is the crisis of capitalism, the crisis of the world economy that has produced these individuals as they reflect the needs and interests of the ruling class and their desperation to get out of the crisis. An election defeat for Bush, will not fundamentally change the situation for the US and world working class. The only way to change the situation is for the workers of the US to overthrow the capitalist system, and replace it with a system of harmonious and planned production and establish a regime of genuine socialism. □

## New Issue of Asian Marxist Review

*Below is an extract from the editorial of the latest Asian Marxist Review. Copies can be obtained from the new address.*

"ONE OF the most formidable characteristics of the human race is its instinct for survival. But to survive does not mean merely to endure, to tolerate one's existence, it requires a struggle. The mightiest and most brutal of repressions in history have ultimately caved in to the resistance and struggle of the subjugated and deprived masses.

Few would have imagined the dreadful fate of the imperialist aggressors in post Saddam Iraq. The resilience and valour exhibited by the unarmed, tormented and scorned people of Iraq prove that even the mightiest of the evil forces of imperialism cannot prevail for long in the face of the power of the masses mobilised. The mass instinct of unity, survival, struggle and revenge - faced with the aggression of a foreign invader - has defeated the strongest and most ruthless empires in history. This fact is repeating itself on a much a higher plane in Iraq. But it is not just Iraq, from Spain to India and from Venezuela to Britain, we are witnessing a resurgence of mass defiance, and a desire to reject capitalism outright. One can see that the tide is beginning to turn. In spite of the fact that, for the masses, all doors were closed, all paths blocked and their traditional political parties hijacked, yet the oppressed have chiselled new avenues along which to express themselves, and they have made themselves heard...

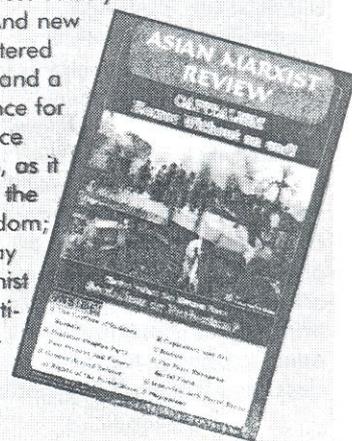
The shape and form of this upsurge varies in different regions but its basic characteristic - a revolt against capitalist drudgery and vandalism - is profoundly evident everywhere. The failure of imperialism's best laid plans - their perspectives for the economy, politics, diplomacy and even their military strategy - has shattered the confidence of the bourgeois leaders and their ideologues. An orgy of terror and bloodshed is ravaging societies and playing havoc with the lives of millions of ordinary people. This is the result of the contradictions of the system, sharpened by intensifying capitalist reaction, exploding through the surface. Imperialism and fundamentalism are two sides of the same coin: their brutal aggression and ruthless violence are products of capitalist decay. They cannot afford to allow the present state of affairs to continue, there is too much instability and chaos for the maintenance of capitalist profiteering. Yet they cannot salvage the situation either. Every

step they take, in any field, instead of solving anything only serves to further aggravates the turmoil. Today how true is Trotsky's decades old definition of US imperialism as "a monster with feet of clay". It is lurching from one fiasco to another. The prospect of a humiliating defeat in Iraq sneers in the faces of America's leaders... Meanwhile, the whole of Latin America is seething with anger and revolt. Even bourgeois politicians like Mexico's Jorge Castaneda has been forced to admit; "America's friends in Latin America are feeling this anti American wrath. They are finding themselves forced to shift their own rhetoric and attitude in order to dampen their defence of policies viewed as pro American or US-inspired and to stiffen their resistance to Washington's demands and desires".

In Asia, the election result in the world's largest Bourgeois democracy sent shockwaves in through the ruling elites everywhere. Even the leaders of the CPM and CPI themselves were flabbergasted at the votes and seats (the largest ever in India's post 1947 history)" their parties secured in these polls. If the CP leaders had been real communists, a Socialist transformation of the subcontinent would have been on the cards.

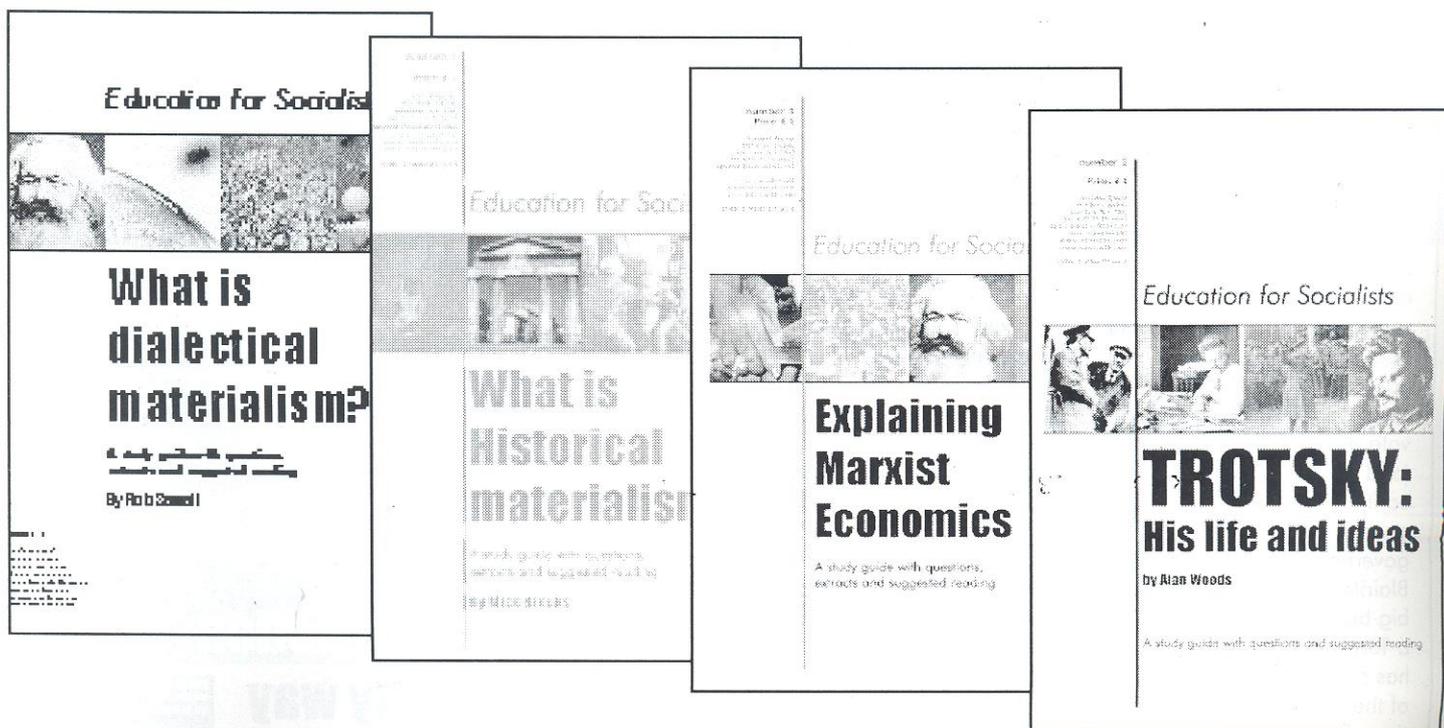
These are not just isolated incidents or unconnected events. They are symptoms of a profound disturbance, the beginning of a new wave of class struggle. Across the planet the oppressed are taking the first steps to enter the arena of history to transform their destinies. Never was there such a burning need for a revolutionary Marxist alternative. This new generation of the proletariat is yearning for that alternative with such fervour and passion...

Yes! This class war can be fought and won. History is on the side of the proletariat. This shall be the last and final class war fought in the history of humankind. Through a socialist victory the movement to create a classless society shall ensue. And new vistas of unfettered opportunities and a blissful existence for the human race shall open up, as it will enter into the realm of freedom; paving the way for a communist future - the ultimate emancipation of humanity." □



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# fighting fund

## Keep the cash rolling

WELL WE said the June election results would be bad for Labour. We were wrong - they were terrible. The facts speak for themselves - this was a very poor performance by any standard. Naturally we all had the usual pile of election material stuffed through our doors, all without a single mention of socialism - but that is enough about the Respect 'Party' campaign. The fact is that Labour's result was not just a vote against the Iraq war (and all those which preceded it) but also a vote on the general performance of the government since 1997. The Blairite policy of pandering to big business and presenting a Tory-lite series of policies has alienated large sections of the working class and left them angry and demoralised. In effect they voted with their feet and stayed away from the ballot box. Blair's middle class pals have also deserted him, returning to the Tories or giving their votes to the reactionary Ukup gang, the Mr Angry party.

Of course it gives us no satisfaction or pleasure at all to have to report on these losses. They have resulted in many councils falling to Tory or Lib-Dem control, which will be bad news for those council workers affected as well as the population at large. We have no desire to see Michael Howard walking into Number 10 armed with a programme designed, as it will be, to take revenge for the defeats of 1997 and 2001. Yet this is the ultimate consequence of Blairism and, since he will not change course, the question is now clearly posed - how do we get a Labour Party armed with a socialist programme and a fighting leadership which will act in the interest of ordinary people not the big monopolies and the City of London?

The Labour Representation Committee conference in London on July 3rd is therefore of great importance. This question will be dominating that event also - the time for talking is past. Action is needed. We urge all readers to attend this conference and demand that our party is reclaimed from the right wing and their SDP entrust colleagues.

But all this will not be new to readers of this journal. Our pages have been explaining the realities of Blairism and the need to fight for socialism inside the movement since day one. We have sought to analyse these processes so that workers and youth can have a clear understanding of what is to be done. And we have done this with very small resources, just those provided by our sellers and readers. We are reliant - and proudly so - on the financial contributions made by readers and sellers each month to ensure that our voice is heard. So far this month (June) we have received very little cash in, so action needs to be taken. Given the early print deadline for this edition I am having to write these lines only half way through the month so maybe there will be a late rush. This happened in May when a splendid late donation of £150 from Della Clyne helped push our month end total up to £984. We need to keep the cash flowing in over the summer period so please send in what you can to us at our new address which is:

**Socialist Appeal, PO  
Box 50525, London E14  
6WG.**

Remember, every bit counts!  
Have a good summer

Steve Jones

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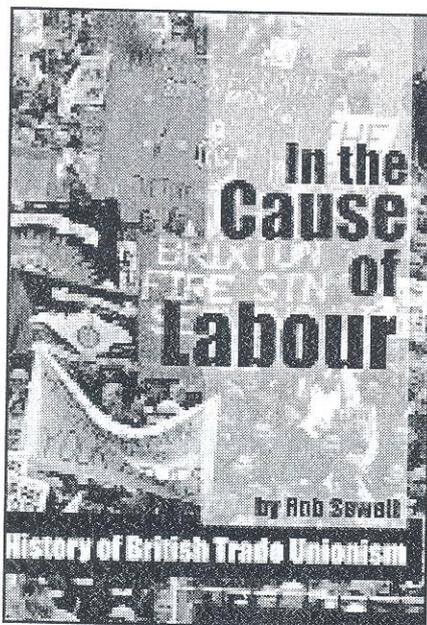
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**noticeboard**

**July/August 2004**



## Socialist Appeal Stands for:

- ✚ **For a Labour government with a bold socialist programme!** Labour must break with big business and Tory economic policies. Vote Labour and fight to reclaim the party.
- ✚ **A national minimum wage of at least two-thirds of the average wage.** £8.00 an hour as a step toward this goal, with no exemptions.
- ✚ **Full employment!** No redundancies. The right to a job or decent benefits. For a 32 hour week without loss of pay. No compulsory overtime. For voluntary retirement at 55 with a decent full pension for all.
- ✚ **No more sell offs.** Reverse the Tories privatisation scandal. Renationalise all the privatised industries and utilities under democratic workers control and management. No compensation for the fat cats, only those in genuine need.
- ✚ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining. Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.
- ✚ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.
- ✚ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and higher education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.
- ✚ **The outlawing of all forms of discrimination.** Equal pay for equal work. Invest in quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act.
- ✚ **The reversal of the Tories' cuts in the health service.** Abolish private health care. For a National Health Service, free to all at the point of need, based on the nationalisation of the big drug companies that squeeze their profits out of the health of working people.
- ✚ **Reclaim the Labour Party!** Defeat Blairism! Fight for Party democracy and socialist policies. For workers' MPs on workers' wages.
- ✚ **The abolition of the monarchy and the House of Lords.** Full economic powers for the Scottish Parliament and the Welsh Assembly, enabling them to introduce socialist measures in the interests of working people.
- ✚ **No to sectarianism.** For a Socialist United Ireland linked by a voluntary federation to a Socialist Britain.
- ✚ **Break with the anarchy of the capitalist free market.** Labour to immediately take over the "commanding heights of the economy." Nationalise the big monopolies, banks and financial institutions that dominate our lives. Compensation to be paid only on the basis of need. All nationalised enterprises to be run under workers control and management and integrated through a democratic socialist plan of production.
- ✚ **Socialist internationalism.** No to the bosses European Union. Yes to a socialist united states of Europe, as part of a world socialist federation.

# Socialist Appeal

Marxist voice of the labour movement

## Amicus 2004 Sector Conferences

### For a 35 Hour Week With No Loss of Pay

AMICUS HAS a long and proud tradition of struggling to reduce working hours. Throughout our history, beginning in 1871 when engineers inspired by the Paris Commune waged a struggle for the 10-hour day, and the 1890s when the Amalgamated Society of Engineers fought for the introduction of a 48-hour working week.

Most recently in the late 1980s the AEEU leadership grudgingly led a campaign for a 35-hour week managed to get the commitment of the bosses to implement a 37-hour week. This was an excellent victory, unfortunately in many cases it was never properly implemented and the general tendency has been for wages to fall forcing workers to take on overtime just to make ends meet.

There has been a relentless offensive on the part of the bosses with no opposition from the former rightwing union leadership. Having failed to invest for years in industry they now expect us to make up for their lack of investment by working harder and longer. Workers in Britain now work way above what we did twenty or even ten years ago, an average of 43.5 hours a week while the EU average is 39.8.

This has put intolerable pressure on individuals physical and mental health. Stress related health problems are at their highest level ever. The culture of long working hours has put enormous pressure on peoples home lives, and ruined family relationships.

The left in the unions have been lobbying for the implementation of the EU Working Time

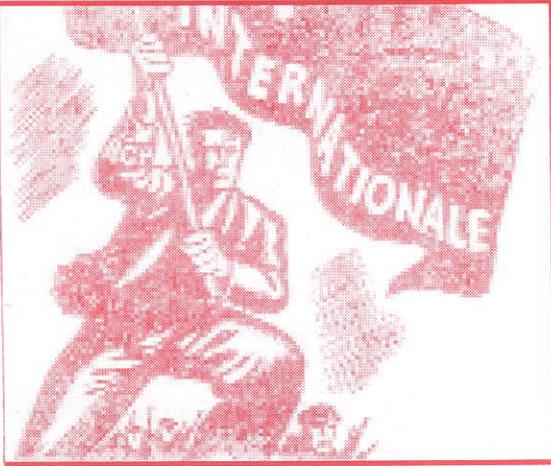
Directive that limits the working week to 48 hours, but many workers are given no choice but to continue working beyond this limit if they want to earn enough money to live.

Now is the time for the unions to take action. The old rightwing leaderships were found wanted and booted out. The new leaderships must take up a struggle to reduce the working day. Of course we demand that the Labour government implement all EU law that is in the interests of the workers, but this is no guarantee of fair play. The bosses will always find a way round the law unless the labour movement is there to stop them.

But we are long past fighting for a 48-hour week - our grandfathers were doing that over 100 years ago! Surely industry has advanced enough in the last 100 years to give us a better standard of living. The new left leadership of our union should immediately put forward a demand for a 35-hour week with no loss of pay, this must be taken hand in hand with a campaign to increase all wages to allow a decent standard of living.

This struggle must be taken onto a political level. We must use our muscle to force the Labour government to act to put through legislation decrease working hours and improve pay and conditions.

- ☐ Bring back the 35-hour week campaign!
- ☐ For a 35-hour working week with no loss of pay!



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