

socialist

appeal

The Marxist voice of the labour movement price: £1

inside

☆ Turning back the bosses offensive - lessons from the GM strike

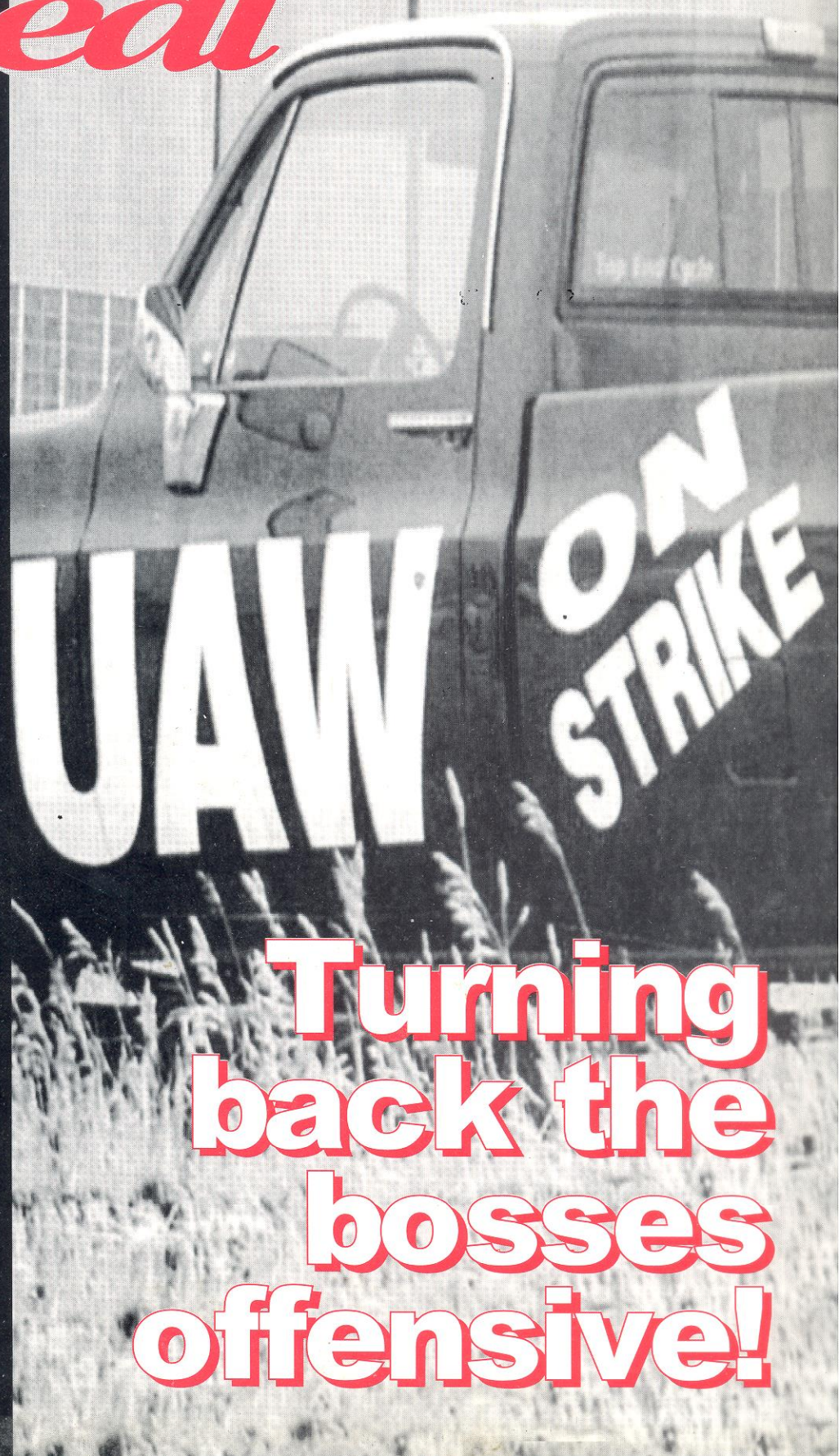
☆ TUC '98

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**Turning
back the
bosses
offensive!**

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New book

New book from Wellred coming soon

This autumn, a new book on the history of the Bolshevik Party by Alan Woods, editor of *Socialist Appeal*, will be published by *Wellred Publications*. In many ways this is a companion book to our last publication *Russia: From revolution to counter revolution* by Ted Grant.

Using a wealth of primary sources, Alan Woods uncovers the fascinating growth of Bolshevism in pre-revolutionary Russia. The author deals with the birth of Russian Marxism, which emerged out of the emigre circles of the 1880s. The early years of Russian Marxism were tempered by the ideological struggle against the Narodniks, who relied on individual terrorism against the Tsarist state and the promotion of peasant socialism.

Development

The book looks at the development of Russian social democracy, tracing its progress from the establishment of the *Struggle for the Emancipation of Labour* group to the real founding congress of the *Russian Social Democratic Labour Party* (RSDLP) in 1903, which ended up with the split between Mensheviks and Bolsheviks. The author goes on to challenge the later myths and misrepresentations surrounding the publication of Lenin's *What is To Be Done?* (1902) and the Second Congress of the RSDLP.

The 'dress rehearsal' of the 1905 revolution and the rise of the soviet form of organisation is explored, together with the initial sectarian approach of the Bolshevik leaders towards the Petrograd Soviet. Without doubt, the 1905 revolution gave a mighty impetus to the development of the workers' organisations and served to transform the outlook and approach of the Bolsheviks. However, the defeat of the revolution and the smashing of the movement led to four years of reaction and the disintegration of the party. Alan Woods traces the eventual revival of the Russian workers from 1910 onwards, the creation of the independent Bolshevik Party two years later, and the isolation of Marxism during

the first world war. The final section of the book deals with the Bolsheviks' emergence from isolation during the February Revolution and, after a deep internal struggle, the Party's eventual conquest of power in October 1917.

There have been many books and pot-pot histories of Russia, either from an anti-Bolshevik perspective, or its Stalinist mirror image, which paints a totally false account of the rise of Bolshevism.

Struggle

For them, Bolshevism is either an historical "accident" or "tragedy." Alan Woods, while rejecting these "theses", reveals the real contradictory development of Bolshevism as a living struggle to apply the methods of Marxism to the peculiarities of Russian development in the context of a world revolution.

The book is expected to be about 500 pages long and cost £9.95. Full details will be published soon. If you wish to be informed when the book is ready to buy etc. then drop a line to *Wellred*, PO Box 2626, London N1 7SQ or contact us via our Internet address.

Socialist Appeal goes online

By the middle of the month we hope to be up and running as a fully online publication at our new website www.socialist.net - full details next month.

As announced last issue, the *In Defence of Marxism* site has now moved. (www.marxism.com)

We're aiming for the two sites to compliment each other. From the in-depth international coverage of *In Defence of Marxism* to the topical labour movement issues in the *Appeal*, we hope to have it all covered.

Northern Ireland after the Omagh bombing

In the aftermath of the Omagh bombing a feeling of real horror and revulsion has swept throughout Ireland, North and South, amongst both Catholic and Protestant. Such was the depth and intensity of feeling, the so-called hardmen of the 'Real IRA' were sent scurrying for cover. Rather than heralding a new force fighting for a united Ireland they have been forced into announcing that they are ceasing their 'military operations' while they discuss their 'political direction.' Even in the town of Dundalk, just over the border and seen as a bastion of IRA support, 10,000 marched against the 'Real IRA,' protesting about their links with the town.

Rather than 'taking the struggle to the Brits' they murdered 28 innocent people out shopping on a Saturday afternoon in a small, mainly Catholic, market town. Rather than further their struggle, they have set it back. Rather than undermine the 'peace deal' they oppose so vehemently, they have given strength to its supporters. And finally, rather than attacking British imperialism, they have actually strengthened imperialism's hand, allowing them to bring in even more draconian 'security' measures.

Similar tactic

The Provisional IRA set off on a similar tactic over twenty five years ago - to bomb the British out of Ireland and force the Protestants to accept a united, 32 county state. Yet now they are further away from their goals than ever, the population more divided and the British state more entrenched. It was the realisation that they could never win that brought about their ceasefire in 1994. The original Adams strategy of the 'armalite and the ballot box' gave way more and more to the 'ballot box' alone. More importantly, the leadership around Adams and Martin McGuinness gave up, one by one, all their major political demands. The IRA/Sinn Fein position had always been that Northern Ireland was an illegitimate creation that could never be recognised. Their 'armed struggle' was seen as a continuation of the civil war that erupted in Ireland when the original deal was signed back in 1921. Now we see Sinn Fein's leadership pushing through the constitutional changes

necessary to allow the party to take part in the new Stormont assembly, and even the unlikely picture of Adams and McGuinness preparing to take up cabinet positions in the new executive.

The failed tactics are perhaps best summed up in the ceasefire statement of the INLA, they talk of 'grievous errors' apologising 'for the hurt and suffering caused to anyone as a consequence of our mistakes in the prosecution of our struggle.' They go on to say that the new agreement was not worth the 'sacrifices' of the past, yet they have now been forced into a position of accepting that 'the war is over.' What an indictment of these organisations. After taking a generation of Catholic youth who genuinely wanted to struggle against imperialism into the oblivion of early death or years in prison, and after achieving exactly none of their demands or aspirations, they turn around and declare that 'the war is over.' This is little more than acceptance of their own defeat.

The last loyalist paramilitary group not to be on ceasefire, the Loyalist Volunteer Force, also declared it's 'war over' just before the Omagh bombing. With the political ground moving rapidly from under its feet and their desire to get onboard the prisoner release scheme, they had little option. Since the events around Drumcree and in particular the murders of the three young boys in the firebombing incident, the Orange Order and the hardline loyalists have been in political retreat. Once again the use of the terror tactic doing the opposite to what its perpetrators wished for.

The deal has solved none of the fundamental problems facing Northern Ireland. None of the aspirations of either community have been met - for they cannot be on the basis of capitalism. In fact many people are deeply suspicious of either a sell out of their desire for a united Ireland or fear that the agenda for a united Ireland is being pushed further along the road. Yet these fears are pushed to the side by the overwhelming desire for peace 'at any cost.' The thirty years of troubles have gone on too long, have taken so many lives and ripped apart so many communities.

The new security powers that Ahern and Blair are hurriedly introducing on both sides of the border must be opposed. Like

the Prevention of Terrorism Act and other draconian measures that have gone before, they will solve none of the problems they are supposed to deal with and in fact will be used to harass and intimidate quite innocent people. The new powers are, in reality, just a new form of internment. The power to be sentenced for being a member of an 'illegal organisation' on the basis of a sworn statement from a single 'senior' police officer, without any need to bring forward any evidence whatsoever, is a blatant attack on civil rights and could lead to untold miscarriages of justice. Internment, when it was introduced back in the 1970s, inflamed the situation rather than dealt with it.

Decommissioning

Security is not the only issue that could lead to the unravelling of the process: weapons decommissioning, the reform of the RUC, the establishment of the North/South executive bodies, amongst many others. The new Assembly may have been established but it is yet to deal with any of the major issues that it must tackle within the next six months or so if it is to survive, let alone succeed.

The sectarian divide is written in to the very heart of the deal. For instance, entering the new assembly, members must state whether they are unionists or nationalists. Is this really a political 'settlement' that can last? After thirty years of increasing sectarian division the only force that can really bridge that gap is the organised working class.

The trade unions are the only force in society that have maintained a non-sectarian character. They have also been at the forefront of the struggle for peace. Now they need to go further. Unless they find a real political voice, through the creation of a mass party of labour, then politics will be left in the hands of the sectarians - with dire consequences. Capitalism doesn't offer any future for working class people in Ireland.

A mass socialist Labour Party in the North, based on the unions and armed with a socialist programme, can bridge the sectarian divide and play its part in the movement towards a socialist united Ireland linked in federation with a socialist Britain and a socialist Europe.

Darling brought in to revive 'welfare reform'

Right after the election Frank Field and Harriet Harman were appointed to head the Department of Social Security and given the task of 'thinking the unthinkable.' Just over a year later and Blair's first cabinet reshuffle saw them both put out to grass. Now, leading cabinet 'hawk' Alistair Darling has been brought in as social security secretary with the number one task of 'doing the unthinkable.'

Darling has targeted two areas 'ripe' for 'reform.' Yes, once again Labour's front bench are raising the question of cutting back on disability benefit and on widow's pensions. 'Reforms' will probably centre around tightening up the 'all work test' which claimants must pass before getting their benefit. Darling hopes to rein in the £24 billion annual disability benefit bill. On widow's pensions, Darling wants to immediately means test the benefit. One Whitehall official is quoted as saying, 'There has been a lot of thinking but there has been a shortage of concrete results. Mr. Darling's view is that we need to move quickly to get something done.'

Last year the plans for 'welfare reform' were greeted with protest across the country and the rebellion of the 47 MPs against the cut in single parent benefit. Darling's scandalous plans should be met with similar opposition. Field and Harman failed, much to the embarrassment of Blair. Now Darling has been sent in to try and revive the right wings 'welfare reform' strategy - let's make sure we stop him.

News

Siemens closure rocks North East

Following the destruction of the ship-building and coal industries, the North east became one of the foremost areas for 'inward investment' by foreign owned multinationals.

Despite the hard promotional work put in by the Labour councils, which has had an undoubted effect, there are three main reasons for this, skilled workers, low wages and big grants.

Even 10 years ago, 30,000 workers in the region worked for foreign owned companies, most notably Nissan. Recently the flagship development has been the Siemens plant in Wallsend which presently employs 1100 people. Thousands applied for work at the plant even before construction began.

Now a huge for sale sign hangs over the doors of the £1.1 billion factory which is due to close in January 1999. The AEEU estimate that another 3,000 jobs will go as a result of the knock-on effect.

A huge publicity campaign is underway to find a buyer, but as one worker explained in the local press, 'At the end of the day, its not the people who caused this, its not Siemens fault - its market forces.'

Yet presumably it was market forces that prompted the opening of the factory in the first place, that and a £450 million grant.'

The crisis in the far east and overproduction of D-Ram microchips have caused a collapse in prices which has convinced Siemens to get out while they were more or less

ahead.

Retooling the plant to produce the next generation of chips is clearly too costly for Siemens to consider and with the threat of a world slump its unlikely another buyer will be found in time. Other ideas include turning the site into a prison or a mega-supermarket.

British embassies throughout the world have been instructed to promote the plant as 'their first priority.' Unfortunately, the crushing weight of the world market makes this an unlikely salvation. If only it was as easy as that!

The local press were keen to say that the new development showed that the North East had moved on from 'ships to chips.' Indeed you can see Swan Hunters cranes from the roadside outside Siemens. The area has tremendous productive capacity that capitalism consistently demonstrates it is incapable of using to the full.

The labour movement should demand the immediate nationalisation of the plant under workers control. As for compensation - when will Siemens start paying back the grants they've received?

Ultimately, however, only the socialist transformation of society can prevent the sort of economic chaos, endemic under capitalism, which seems set to have such a devastating effect on North Tyneside.

Terry McPartlan
Tynemouth CLP
(personal capacity)

Yorkshire redundancies

The Asian economic contagion has reached South Yorkshire with the announcement of 500 job losses at SR Gents; a large clothes manufacturer, which supplies Marks & Spencers, Mothercare and Richard Shops.

by Gary Gabbitas

Originally the company was locally owned until it was bought out by the Indonesian Texmaco Group for £11.2 million. The company blames fierce competition from overseas and the South East Asian crisis for the job losses. This will result in the closure of factories in Doncaster, Sheffield and Barnsley. SR Gents do not rule out further job losses and factory closures.

The reaction of the workers, who are mainly women, was disbelief and some were weeping at the news. One woman worker fought back the tears as she said "I'm the only breadwinner in the house. My husband has not had a job since the steel mill, where he worked, closed down and we have three kids. I don't know how we will cope." Another worker said "A lot of us are single and this is our only income. I don't now what I'll do come October..."

This is particularly bad news for South Yorkshire, an area that has seen previous Tory governments and their system turn a prosperous industrialised area into a wasteland of poverty, to such an extent that the EU now recognises this area has being one of the poorest in Europe.

Spate of job losses herald recession

For the first time since the last recession manufacturing output and orders have fallen in the last four months in every mainland region of the country. In six out of eleven regions that output has now fallen for two successive quarters, the technical definition of a recession.

In addition to the 1100 job losses at Siemens and 1500 at Rover, everyday now brings the tell-tale sign of slump, factory closures and job losses. BOC the world's second biggest industrial gas producer is cutting 3200 jobs, at least 500 of them in Britain, at their Technology Centres in Aldershot and more at their depot in Airdrie. The increased sweat and stress of the workforce has delivered a 30% cut in costs and a big increase in productivity at BOC in the last two years, but management claim the strength of the pound has cost them over 100 million in profits. At the same time they've been hard hit by the fact that 35% of their business is in the Far East.

Sterling

Cigarette machinery manufacturer Molins is closing its Peterborough plant with the loss of 360 jobs, again blaming the strength of sterling. Meanwhile British Aerospace's arms and munitions manufacturer Royal Ordnance has announced 475 job cuts, 200 at their Nottingham plant. Since taking over Royal Ordnance in 1987 BAe have already cut the workforce from 19000 to 5000 and cut costs by 25%.

They too blame the strength of the pound.

What is this mystical sounding "strong

pound." Is it some masked villain scurrying around the country destroying jobs? No, it is shorthand for the inability of British companies to compete internationally. Despite the Herculean efforts of a workforce working the longest hours in Europe, the bosses are not willing to reinvest the profits we make for them in new machinery, training and research and development, preferring instead to pay out whacking dividends to maintain their share price and stave off buy-outs. The only answer these modern day Luddites have to falling profits is to produce less, close plants and sack workers.

Created the boom

Our labour created the boom which made them millions. We got nothing in return. Now a new slump beckons, and we are being asked to foot the bill. These job losses are the tip of a Titanic-sinking iceberg, and we have to start fighting them now.

Our livelihoods are at stake. The unions and the TUC must demand before one job loss is announced that these firms open their books and show where all the money's going. The machinery and technology we've built mustn't be allowed to rot in empty factories. Those firms threatening redundancies must be taken into public ownership and run democratically by the workforce themselves. Blaming the strong pound and South East Asia is just admitting that it is capitalism that doesn't work efficiently and productively not us. It's capitalism that should be made redundant.

Labour's NEC elections

Voting papers for this years Labour Party NEC elections are now out and party members have the not-so-hard job of working out who to vote for.

This is the first time that the election is taking place with the new 'modernised' rules. This means that MPs and rank and file members will have separate sections. In this way the leadership will hope to avoid constituency members voting the 'wrong way' and letting on well known left wingers like Dennis Skinner and Ken Livingstone onto the NEC.

The leadership endorsed slate for the new constituency section, led by former 'Eastender' Michael Cashman, has been advertised widely in the media. These 'ordinary' party members having little problem with the huge amount of cash needed to pay the exorbitant advertising rates in the big national newspapers. But apart from Cashman the slate is a list of unknowns and, some may argue, no-hopers.

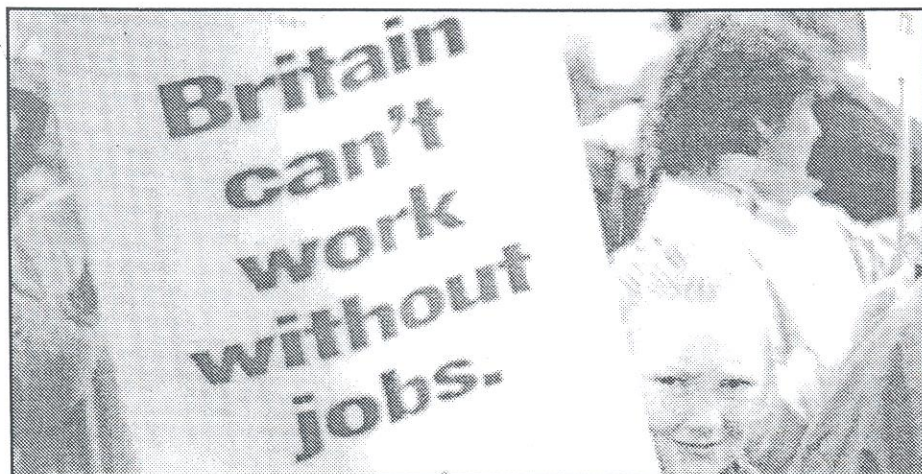
This could have been a great opportunity for the left to seize the initiative. Unfortunately, for the first time in a long time there is no Campaign Group slate.

On the left their has been a tendency towards defeatism and this was reflected in the 'emergence' of the so-called 'centre-left' slate.

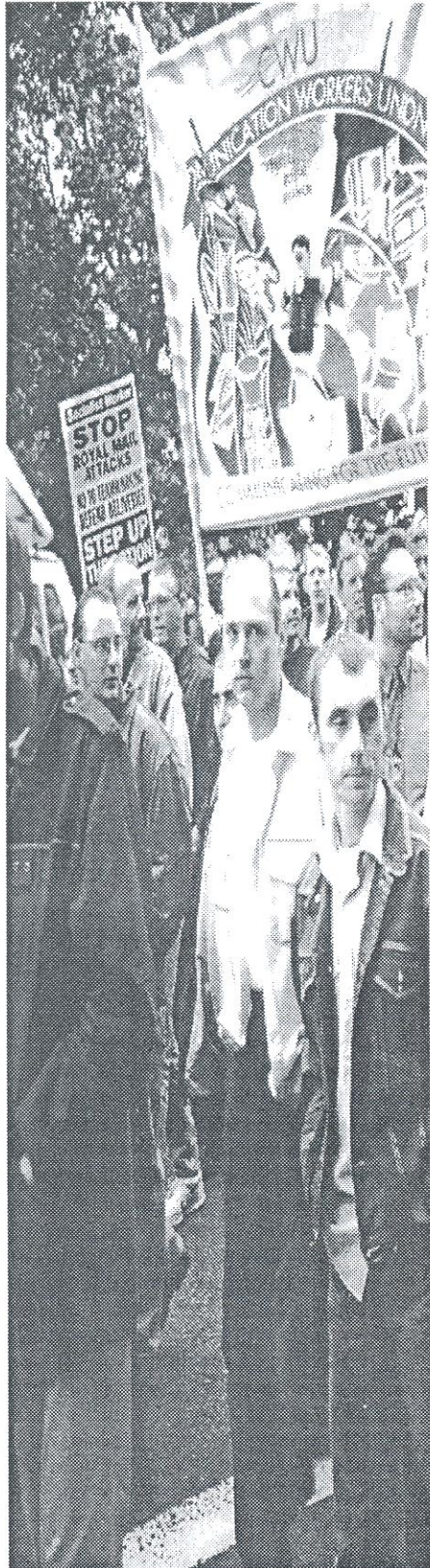
How the slate was selected and why it was found necessary to involve the so-called 'centre' are two major questions. The result is a pretty weak slate standing on a very minimal programme.

It would have been far better to have had a proper left slate, democratically elected by the activists and around which a genuine socialist campaign could have been waged. We saw the effect the campaign Group slate had last year - but this lesson seems to have been lost on many. In response to the undemocratic manoeuvring of Blair and the leadership, that has even brought Roy Hattersley to the verge of endorsing Liz Davies, the left should be pushing a far bolder line, not inviting in the so-called 'centre,' another name for the 'old' right wing.

We urge our readers to vote for **Liz Davies, Cathy Jamieson, Christine Shawcroft, Mark Seddon and Pete Willsman**, and start campaigning now for a genuine left slate in next years NEC elections.



Socialist policies not 'social partnership'



The TUC meets in Blackpool from the 14th/ 17th September against the background of a growing crisis in the British economy. In the last quarter almost every region of the country saw job losses in manufacturing industry.

by Stuart McGee

With economic indicators forecasting reductions in profit margins this trend is set to continue. Service industries will soon feel the knock on effect too. Unfortunately the leadership of the trade union movement in Britain make a false analysis of the situation and subsequently draw the wrong conclusions.

In a classic case of promoting secondary issues to a primary position, they argue that the strength of the pound and high interest rates are the cause of Britain's economic problems. The reason behind this is their acceptance of capitalism as the only viable system, and therefore they conclude that the answer is to make British capitalism more competitive.

The logic then goes that if only the Bank of England reduced interest rates and the pound wasn't so strong British goods would be more competitive. This false logic that leads to the concept of 'social partnership,' the theory put forward by the right wing of the trade union movement, that both sides of British industry should co-operate to make British goods more competitive.

The interests of the ruling class and the interest of the working class are fundamentally and diametrically opposed. An extra penny of our wages is a penny off of their profits and vice versa.

Productivity

Working class people in Britain have far more in common with the working class in other countries than they do with their bosses in this country who persistently attempt to push down wages and conditions while at the same time increasing productivity. Social partnership or to give its correct name class collaboration is fundamentally false from top to bottom.

The 'Fairness at Work' white paper on trade union rights has attracted the most resolutions on the preliminary agenda. The AEEU are congratulating the government for the positive aspects of the proposed legislation and are advising the Congress not to focus on the negative aspects.

That would mean not raising objections

to and organising against:

1/The threshold of 40% of the workforce required to vote yes in a ballot for trade union recognition. [as opposed to the majority of those voting in the ballot]

2/The exemption of firms employing less than 20 workers in relation to trade union recognition.

3/ The failure of the proposed legislation to give full trade union rights as from day one of employment.

In contrast to this many other unions are critical of the shortcomings in the white paper and call on the TUC to campaign for significant improvements.

Unions like the NUJ, the Bakers, and the NUM call for the Tory anti union laws to be repealed and for the right to strike including solidarity action to be reinstated which would bring Britain in line with International Labour Organisation conventions. *Socialist Appeal* supporters fully back this position.

If significant improvements are to be made to the current proposals, rather than a further weakening, a massive campaign for trade union rights should be mounted by the TUC. As a first step a national demonstration should be called to rally support for such a campaign.

The proposed minimum wage legislation looks to set the rate at £3.60 for over 21's £3.00 for 18/21 year olds and exclusion for 16 and 17 year olds with no system of effective uprating or enforcement.

Unison, the Transport and General Workers Union and the General Municipal and Boilermakers Union have all submitted progressive motions on this issue.

Unison and the TGWU are calling for the wage to be set at half male median earnings (£4.61 per hour) with no exemptions or reductions. This is correct but simply calling for something is not enough.

Unison is organising a national demonstration on the question of the minimum wage in March 1999 which will give everyone time to organise. Congress should be used as a launching pad to galvanise support to make this the biggest labour movement demonstration for years.

A whole section of the Congress agenda is given over to the issue of trade union recruitment. What better way to recruit to the unions than to campaign for the build up to a national demonstration on the question of the minimum wage. This would be especially appealing to young people.

If workers in general and young workers in particular see a point in belonging to a

trade union they will join

Another key question to be debated is transport. The RMT and TSSA are both calling for the railway industry to be brought back into public ownership.

This is in complete contradiction to the interests of big business who, since privatisation have made a fortune out of what was formerly British Rail by buying the service cheap, reducing the levels of service, attacking the jobs, wages and conditions of the staff and increasing fares to the travelling public.

Despite the fact that 70% of the travelling public want services brought back into the public domain the Labour government will not move unless there is concerted pressure from the labour and trade union movement.

On public service spending and pay Unison has welcomed the limited level of increased capital expenditure that has been announced by the government for education and the health service. However they have expressed concerns on the continuing restrictions on public sector pay. Public sector pay has only been increasing at half the rate that private sector pay.

Clearly this is a situation that cannot continue and sooner or later it is inevitable that public sector unions will come into conflict with the government.

Private finance initiative

Unison's motion goes on to call for properly funded services, for an end to the Private Finance Initiative, to ensure that capital expenditure isn't at the expense of jobs and services, and for this to be funded through increased taxation.

This resolution reflects the anger of Unison members, but increased taxation is not the answer, in fact increased taxation will reduce the living standards of ordinary working class people. Even progressive taxation which could be critically supported is not a solution to the problem. Unless the unions and the TUC come to grips with the real issues and unless there is a challenge to the fundamental basis of the profit system itself demands of this nature are utopian.

As well as constantly attempting to drive down wages and conditions it is in the interests of big business to drive down state expenditure. Not content with this if money has to be spent in the public sector big business wants to make a killing through schemes like PFI and other privati-

sation schemes like the best value project in local government. Unless strong counter measures are mounted by the trade unions the government will bend again and again to the will of big business.

A resolution from the Communications Workers Union raising serious concerns over the future public ownership of the post office is a graphic example of that fact.

The resolution states 'congress vividly recalls the joint campaign of the CWU and the Labour Party to defeat the previous governments attempts to privatise the post office in whole or in part, therefore, Congress expresses deep concern about suggestions that the Treasury is now pressing for the development of share holdings within the post office. Congress completely opposes share ownership in any form being created within the post office. If Labour were not susceptible to pressure from big business how could this be the case.

The whole approach of the right wing is based on "social partnership." Unfortunately this is echoed by a number of lefts. However, perhaps the most frustrating situation is in relation to those left wingers who have left the Labour Party.

One of the reasons that the Labour Party is constantly backing down to the interests of big business is that counter pressure on the industrial front at this moment in time is very weak. However even if this were not the case industrial strength in and of itself is never enough. Exerting pressure inside the Labour Party itself plays an important role in countering the never ending backsliding on the part of the Labour leadership.

The basic interests of trade union members and big business do not mix and the sooner some of our trade union leaders recognise this the better.

In the Financial Times of the 13th August there was an article entitled "Unemployment must rise to hit inflation target, bank-warns."

The banks and financial institutions have no interest in the wellbeing of the working class. What sort of system is it that hails high unemployment as a good thing because it keeps down interest rates?

The banks and financial institutions are impervious to the pressure and the pleadings of the manufacturing capitalists and the union leaders. The editorial on the same day posed a rhetorical question "how should members of the banks monetary committee treat these pleadings?" Answer "with indifference."

False policy

The TUC and the individual trade union leaders should abandon the false policy of social partnership. We should stop promoting secondary issues to primary issues in the hope of avoiding the fundamental questions. However more important than this is the need to start organising campaigns on a national level over issues like 'fairness at work' and the minimum wage. Only by properly representing the interests of the unions members can unions grow.

Under capitalism today the counter revolution on the shop floor has led to a never ending battle to defend the gains of the past. Even if we are successful in mounting campaigns on the question of the minimum wage and fairness at work any gains would only be temporary. It is only on the basis of a fundamental change in the nature of society along socialist lines that meaningful and lasting reforms can be implemented.



With friends like these...

This summer's revelations concerning the role of Blairite lobbyists and their links with members of the Labour government have raised serious questions about what it really takes to get your voice heard at the highest levels. We have seen confirmed the existence of a clique of cronies hanging around the coattails of the Labour leadership, working to their own agenda. We have also seen revealed the close links being established between big business, the City and New Labour. Why has this happened?

by Steve Jones

The Tory Party has always had the historic links between the representatives of government and the representatives of capital. Linked by the thousand threads, established over decades and reinforced from public school onwards these people have moved effortlessly backwards and forwards from boardroom to government office. Socially and politically they are in constant contact albeit that things had become somewhat strained in recent years. For them cronyism is a way of life.

Labour leaders have also always tended to pander to big business and finance capital. The fact that they have been treated with mistrust in return has not lessened the pandering. Certainly no one has pandered more than New Labour. Far from criticising the City, they have led the way in praising it and pledging total loyalty at what ever the costs. But whereas the Tories already had their links in place, when Labour came to power there was a perceived opportunity to establish new links where none had existed

before. So lobbyists and PR firms started headhunting those Blairites who had not been sucked into government. They quickly identified a clique of careerists who fitted the bill and moved in. The Observer of 12 July listed no less than 33 former Labour staffers who had moved over to lucrative jobs in various firms. Naturally they knew that they could count on those friends who remained behind in Party or governmental jobs.

Hidden

By and large these characters had remained hidden from view. Hidden that is until the newspaper revelations forced them into the light. *The Observer* story hinged on the allegation that these people had used their personal links with the government to obtain confidential information and had promised favours to clients in ways which echoed the dark days of Ian Greer and the Tories. Official documents were being leaked in advance of their release date and tips about what the government was about to do was being freely circulated—information that could prove very profitable to some. The arrogance of these people was summed when one of them, Derek Draper, was reported as saying: "There are 17 people who count... and to say I am intimate with every one of them is the understatement of the century." Draper later added the remark that "... Mayor Daley (the former boss of Chicago) has nothing on me... I just want to stuff my bank account at £250 an hour." No wonder the authors of the initial *Observer* article were forced to comment: "Do any of these young men harbour misgivings about renting out their contacts? They see no reason for apology. It's

their world after all. They are convinced that they crafted New Labour and now they are merely charging admission to the show they produced."

Does the antics of this pro-Blair clique represent a fundamentally new development in the Labour Party? What is new is the particular degree of arrogance and stupidity with which they have acted but the general issue of right wing interlopers has a much longer history than many would imagine. It is a history not of principle but of shame.

Since the end of the second world war there has been a continued presence inside the Labour Party of a carpetbagger careerist element who have constantly sought, with the aid of more than questionable resources, to move the party away from socialism. Many of these individuals benefited from covert and not so covert financing by conduits of organisations such as the CIA. Not surprisingly the big business press have worked hard to maintain a veil of secrecy on all this. When in 1972 the *Sunday Times* proposed running a story by Richard Fletcher on CIA involvement in the labour movement, the paper's editor personally intervened to stop it being used despite considerable opposition from many staff working on the paper.

Revealed

What were they afraid of? Well the article revealed how as early as 1947 the representatives of the right wing began to reorganise around the journal *Socialist Commentary*. This journal was well financed (it had even as late as the 1970s a reserve fund of £75,000 in the bank) and had strong links with certain American individuals and publications including the *New Leader*, an anti-Communist US weekly. In 1950 the *New Leader* openly advocated infiltration of foreign Labour parties and soon afterwards in response the Congress for Cultural Freedom (CFF) was established, an organisation totally run by the CIA. This body produced a huge number of different journals and established links around the world including many in the leadership of the British Labour movement such as Anthony Crosland and Hugh Gaitskell. Other similar bodies to be established included the pro-Nato European Movement and the reactionary Bilderberg Group, a body designed to bring like-minded individuals from America and Europe together to discuss in secret a 'common' strategy for the right. Interestingly, Tony



Blair, Gordon Brown and John Monks have all been reported as having attended meetings of the Bilderberg Group. All this reflected the illegal strategy of the CIA (and MI5 for that matter) as was confirmed by the US Senate's Church Committee in 1976 when, in its final report, it talked about clandestine activities such as financial support to politicians, the "grooming and cultivation" of pro-US individuals and the establishment of "international organisations for youth, students, teachers, workers... to lay an intellectual foundation for anti-communism around the world" (final report Book IV)

This was not the only way in which the US ruling class sought to gain friends in high places. During the 1950s and afterwards, many Labour MPs and trade union officials enjoyed free trips to the United States. Bodies such as the European Productivity Agency and the Harvard Business School were only too willing to fork out the cash. Again it should be noted that many of those around Tony Blair and his friends have also benefited from American largesse. Bodies such as the British-American Project for a Successor Generation (BAP) have sought to keep the "links" alive and can count on the likes of Peter Mandelson, Mo Mowlam and Chris Smith as members.

Influence

Other bodies seeking to influence the labour movement have included MI5 and NATO. In 1980 it was revealed that NATO had been paying a £6,000 a year grant to a press service financed by a body called the Labour Committee for Transatlantic Understanding, later to become the Trade Union Committee for European and Transatlantic Understanding (TUCETU) which has incorporated Peace Through NATO, the campaign established by Michael Heseltine to fight CND. TUCETU supporters have supposedly included trade union leaders such as Doug McAvoy, Barry Reamsbottom, Marion Chambers and Bill Jordan. Peter Mandelson has also written a pamphlet for them.

In the early 1960s the right wing (including Roy Jenkins and Reg Prentice) established the Campaign for Democratic Socialism (CDS) to fight against the left, complete with a fulltime chairperson and fieldworkers in the local parties and unions and ample funds for a years work. This work included documents, manifestos and a regular journal, circulated free of charge. How this was all financed is still to be

revealed: no-one ever paid subs and the organisers refused to disclose their sources of income, beyond talk of a single large donation. This body laid the basis for such future projects as the SDP and beyond. We can certainly see the model here for the well financed campaigns around the election of Tony Blair as leader and the drive to change Clause IV of the Labour Party constitution. Derek Draper has bragged that the well produced and financed journal of the Blairite right Progress was wholly owned by him and financed by an unnamed "Labour billionaire"—a statement which directly echoes the arrangements for the CDS. The Blair revolution is the direct continuation of the old habits of the right wing.

This is the way that the right wing have always organised, particularly when they have felt the pressure of the rank and file bearing down on them. If they cannot win politically then they will seek to do so by organisational means. No wonder then that the likes of the CIA have been able over the years to make such progress. Considering the way in which they have attacked the left whenever they have attempted to organise we can see now the blatant hypocrisy and double standards of these middle class interlopers. For Derek Draper to describe himself on TV as having been an unpaid "fulltimer for the right wing faction in the party for 10 years" will stick in many peoples throat.

In the 1950s and 1960s the right wing based themselves on the arguments first outlined by the red-baiter and CFF crony Daniel Bell in his book *The End of Ideology* which were picked up and used by Anthony Crosland in his 1956 book *The Future of Socialism*, by which he meant no future of course. This book argued that capitalism had solved its problems, class struggle was finished and the working class was in effect merging with the middle class as equality and social justice spread forward on the back of unending economic growth. This



bourgeois utopia was unceremoniously shattered by the end of the post war boom and the economic crisis of the 1970s. Nowadays no one likes to remember Crosland's 'landmark work.'

Version

However the Blairites have attempted to raise their own version of this—the so-called third way of social justice mixed with Thatcherite economics. But like their predecessors they will be in for a rude shock when things start to go wrong in the economy and their friends in the City ungratefully demand their pound of flesh. Movements of opposition will start to develop in the unions and also in the Labour Party itself which will shatter the tenuous base on which the likes of Mandelson and Draper sit. They fear, like Gaitskell and Jenkins before them, the power of the organised working class. They imagine that they can save themselves by attention to image and being "on message" but lacking even the skills of the old Labour rightwingers they will soon find themselves isolated and in trouble. The anger which has already expressed itself in the movement over their antics, together with the general concerns over the direction of the government, is but a foretaste of what is to come.

British economy: heading for a crash

Britain is heading for a slump. This has now dawned on the most bone-headed of capitalist pundits. The so-called wonders of the "market economy" have turned to dust in front of their very eyes. Falling exports and tightening home and world markets have already pushed British manufacturing industry into recession - threatening the jobs and livelihoods of hundreds of thousands of workers and their families.

by Rob Sewell

This stark reality has been highlighted by the announcement of massive cut-backs at the UK's largest motor company Rover, the closure of Siemens North Tyne plant, at a cost of 1,100 jobs, the closure of Groves Europe, the crane factory with 700 jobs losses, again in the North-east, and many more.

Fundamentals

Apparently, the only people who dismiss the prospect of a slump in the "strong" British economy are Gordon Brown, the Chancellor, and the Labour Cabinet, who are singing from the same hymn sheet that "all the fundamentals are sound."

They are busy reciting the fact that the British economy is in its seventh year of boom. Everything, according to them, is fine on the economic front. Unemployment has declined, inflation is low, and the stock market is booming. Any troubles facing manufacturing industry are portrayed

as "little local difficulties" arising not from the weaknesses of the economy, but factors out of our control in far away Asia. This optimism was summed up by Tony Blair when he told the House of Commons on 24th June: "Those days of boom and bust are over."

Who believes this nonsense? It only serves to show how blind the Labour leaders are to the workings of capitalism. They have been utterly taken in by the capitalist propaganda of the "market". So much so, that they have more faith in the capitalist system than the strategists of capital themselves! At the peak of every boom, there are always voices proclaiming the end of the boom/slump cycle and confidence that the boom will continue for ever and ever. The same was said in 1929, on the eve of the greatest slump and depression ever experienced by capitalism.

In contrast to the illusions of never-ending growth, the hard-headed CBI has reported that export orders are dropping at the fastest rate for 12 years, and "confidence" is at its lowest point since 1991. The prospects for jobs are devastating: while about 12,000 jobs were lost in the first quarter of this year, a further 100,000 jobs were likely to go by the end of next year. Some estimate that as many as 12,500 steel workers jobs will go by March 2001, which would amount to a third of its UK workforce. The Engineering Employers Federation reported a 7% fall in engineering output between the first and second quarters of this year; export orders down

25%; domestic orders down 12%; and jobs down 3%. Graham Mackenzie, director-general, said bluntly: "The industry is heading towards a recession."

But this recession is now showing signs of spilling over to the service sector, with retailers warning of deteriorating sales. Over the last three months sales growth was the lowest for three-and-a-half years. If this happens it could produce the biggest slump in Britain since the war.

Speculation

This is no idle speculation. Fears of a developing slump have already gripped Britain's leading fund managers, who control billions of pounds of investment. According to Merrill Lynch and Gallop, these big business players are more concerned about the state of the economy than they were in either 1980 or 1990, just before the last big recessions. "Fund managers are bracing themselves for a possible recession and are selling UK equities", states Merrill Lynch's global strategist, Trevor Greetham.

"Mr Blair must know", states the *Economist* ominously, "that his government has so far had an easy economic ride compared with what is to come." (27th June). From now on in, the Labour government is going to face deepening economic difficulties. There is no question about a recession. An article in *Management Today* (September, 1997), posed the question correctly: "unless the business cycle has been abolished, something no British chancellor has yet been able to achieve, a downturn will follow the present upturn as sure as night follows day. The only points of debate are when it will come, how serious it will be - and whom it will hurt most."

The same idea has been repeated many times elsewhere. "It is coming-off-the-curve-time", states a feature in the *Independent* newspaper. "At some stage during the next six to nine months there will be a slowdown in the UK economy. That is bound to happen. What we don't know is how we will come off the growth curve: will it gently flatten, or will there be a sharp peak followed by a rapid decline? Is it the South Downs or the Matterhorn?" (28/4/98).

The answer to this question will depend largely on the world situation. Already the IMF have revised down their projections for growth of the world economy. But even



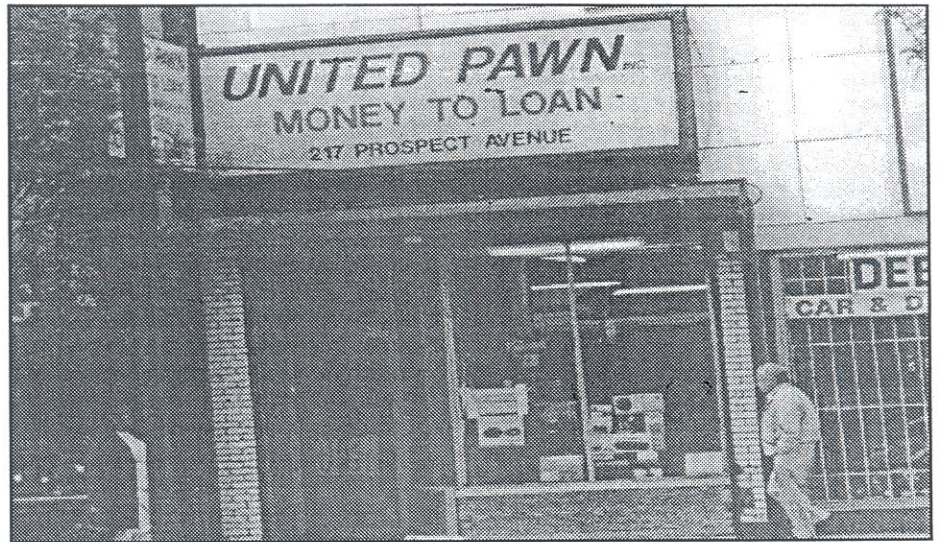
these appear very optimistic given the slump in South Asia, and the resulting intensified competition internationally. The fall of the Japanese yen has provoked fears of a new devaluation of S. E. Asian currencies, including the Hong Kong dollar and the Chinese Renminbi. If this happens the whole region will be thrust deeper into crisis, and even cause a world financial crash, as the heads of Toyota warned recently.

The British economy has been slowing down over the last year. It grew by 2.9% in the year to the first quarter of 1998, down from 3.1% in 1997. However, the Bank of England has been forced to revise its forecasts for economic growth down to little over 1% for next year. Even this appears to be an over-estimate. In fact, the hard-nosed bankers want even higher unemployment to keep inflation down! "Unemployment has reached a level likely to prove incompatible with price stability", states the Bank of England's latest report. In other words, the ruling class want millions to suffer to keep British capitalism on an even keel.

Recession

While service industries - finance, tourism, banking, computing - are booming, British manufacturing is already in recession, hit by the high pound, high interest rates and intensified international competition. This has resulted in lower exports. The most recent OECD forecast shows real export growth falling from 6.4% in 1997 to 3.9% in 1998, the lowest export growth rate of the major industrialised economies. With over 10% of UK exports going to Asia, the devaluations affecting the region will have major implications for British exports. The closure of Siemens is symptomatic of what is to come. Britool, the hand-tool specialists in Staffordshire, has this year seen £1m worth of sales to Indonesia disappear.

"A major decline in our exports to the region", states the TUC, "which is highly likely given that in addition to the loss of UK price competitiveness their domestic economies are also expected to slow down substantially in 1998, will therefore have serious consequences for UK growth. A 10 per cent fall in UK exports to Asia could directly reduce UK GDP growth by 0.3 of one percentage point." (1998 TUC Budget Priorities). However, these



figures are way behind the times, given the renewed rivalry between the capitalist powers faced with shrinking markets, and the greater competition from South Asia on the home and world market.

In the 1979-81 slump the Luddite actions of the Thatcher government ended up by destroying a quarter of Britain's manufacturing industry. In 1980 manufacturing employed just over 7 million workers; today that figure is 3.9 million. The Thatcherites believed that manufacturing wasn't important, and that Britain could survive on service industries. Of course, this was utter nonsense and showed the stupid and obtuse outlook of the British ruling class. The service sector is totally dependent on the economy's manufacturing base, and not vice versa. While manufacturing now accounts for just over 20 per cent of Britain's economic activity (down from 34 per cent in 1970), it is still responsible for Britain's primary wealth creation and the bulk of its exports. Manufacturing is the engine of the British economy and accounts for over 80 per cent of UK exports.

Socialist Appeal has explained many times that the post-war decline of British capitalism has been partially masked by the growth of world trade and the super exploitation of the working class over the past twenty years. According to the *Observer*, "Inexorably, the country is becoming a low wage, low technology economy, dependent on foreign enterprise - more characteristic of an emerging Third World than a First World economy."

(28/8/96). Consequently, Britain, with its low wages and anti-trade union legislation, has attracted record levels of inward foreign investment. Today, 25 per cent of UK manufacturing capacity is now owned by foreign companies who employ 16 per cent of British workers. Around 40 per cent of inward manufacturing investment into the EU is coming here. In fact, Britain has a higher ratio of inward investment to GDP than any other leading country. This is not a strength, but a weakness, that can undermine completely the economy when the downturn takes a hold.

In contrast the level of investment in British industry consistently lags behind its competitors. The UK capitalists currently invest less in research and development as a proportion of national income than their counterparts in Japan, Germany, Italy or France. While the workforce in engineering in Britain has fallen by a third in recent years, in Japan it has risen by 26 per cent. On average, British capitalists spend only 0.3 per cent of their annual income on training their workers. By contrast in Japan and Germany the figure is six times higher at 2 per cent.

Training

In Germany, nearly 70 per cent of the workforce has undergone skilled vocational training, compared with a figure of 35 per cent in the UK. And in Japan 90 per cent of the population over the age of 16 are in full time education compared with 35 per cent in Britain. In 1993, Germany had more than two million of its young



people on apprentice schemes compared with just 250,000 in the UK.

As a result, despite British workers working the longest hours in Europe, the recent DTI report "Competitiveness - A Benchmark for Business", shows UK productivity lagging well behind the G7 average in every manufacturing sector except chemical products, paper products and printing. Overall UK productivity in manufacturing remains around 30-35 per cent below that of Germany and France, despite narrowing over recent years. Consequently, UK GDP growth since 1973 has lagged behind that of the US, Japan, Germany and France, and UK GDP per head in 1996 was significantly lower than these countries. The UK now has a lower GDP per head than Ireland, Hong Kong and Singapore, and currently ranks 19th out of 25 OECD countries.

Reinvest

This has been the fault of the British capitalist class which has failed to reinvest the surplus extracted from the labour of the working class back into production. As the Government's Green Paper admits, the UK has consistently invested less as a proportion of GDP than the OECD average since at least 1960. Therefore, Britain's share of world trade is lower now than it has been at any point this century.

Thus the failure of the British capitalists to invest has pushed Britain further and further behind. This is also at a time when

profits are at an historically high point. The bosses have dished out dividends to shareholders in a short-term drive for profits. So parasitic has British industry become that before there is any investment, companies are demanding at least 20% return on their capital - much higher than their rivals. The increase in the rate of profit over the past period has arisen not from new investments or new technology, but through squeezing the working class even more. Of course, in the long term, this has its limits.

The looming crisis of British capitalism has major implications for jobs and growth. A slump would also punch a gaping hole in the government's projected £40 billion increase in public spending over the next three years. Gordon Brown has based these projected increases on growth forecasts of between 2 and 2.5 per cent this year, and 1.75 to 2.25 per cent in 1999. These forecasts crucially underpin his tax-and-spend calculations. Despite the present surpluses, a new slump will turn these plans to dust.

In reality, British capitalism is in a parlous state, only masked by the world recovery. The orthodox economic policies of the Labour government will not solve the problems facing the working class. On the contrary, the demands for "sound" finance, balanced budgets, etc., so cherished by bankers and the City, will end as in the 1920s, with a deep slump. They are unable to overcome the contradictions of

capitalism: that production for private profit inevitably leads to overproduction and slump conditions, as the working class is unable to buy back the value of their labour and the capitalists are unable to use the productive capacity they have built up. Capitalism is reaching its limits. There can be no talk of patching up or reforming capitalism. It would be like asking a leopard to change its spots.

That is why it is completely false to look to Keynesian policies, of boosting expenditure to create demand, as a solution. This programme has been adopted by certain 'lefts', especially around the Campaign Group. However, this will mean raising taxes either on the capitalists, which will cut into profits and investment, or taxing the working class which will cut the market. Even if these Keynesian policies were carried out they will lead to inflation, and further undermine living standards. For the working class, inflationary or deflationary policies are simply the head and tail of the same coin.

Ownership

The Labour movement needs to be rearmed with a socialist programme to tackle the crisis. First and foremost this means tackling the ownership and control of the economy. Without these mighty economic levers under democratic control, there can be no solution. On the basis of continued capitalism, where the booms are shallow and the slumps deeper, the workers will be asked to shoulder greater and greater sacrifices not seen since the depression of the inter-war period. Only by taking over the key monopolies, banks and insurance companies can the economy be planned rationally and the crisis overcome. On this basis, with workers' control and management, the anarchy of the market can be abolished and the economy can be democratically planned on the basis of need and not profit. The new technology of computers and information technology can be harnessed to reduce the hours and burdens of work, while massively increasing living standards. That is the only alternative - the socialist alternative - to the nightmare of capitalism that is facing the working class today.

Rover redundancies: inward investment myths shattered

The announcement by Rover of 1500 redundancies in July rocked Birmingham like a bomb. The arrival of a Labour government, inward investors moving into the West Midlands - the highest proportion in the UK - and new 'sweetheart deals' with management that promised stability and a job for life, hoodwinked many into thinking this was a new dawn.

by a West Midlands activist

The adherents of 'flexibility' in the labour leadership held up Rover's 1992 'New Deal' as a model of how 'partnership' with the bosses would ensure a safe and stable future.

This has all been shattered by the strong arm tactics of BMW who now own Rover. They announced 1500 redundancies blaming the strong pound, despite sales of the group's cars being up 100,000 last year.

Restructuring

The workers and just about everyone else in Birmingham soon saw through this. When BMW took over Rover they wanted all restructuring - cuts in the workforce but rises in production - in place by 2000. They're behind schedule so now they are blundering about looking for piecemeal cut-backs, just to keep the accountants on track.

The redundancies were also an attempt to terrorise the workforce into accepting 'annualised' hours. In accepting the New Deal in 1992 with the 'guarantee' of a job for life, the Rover union leaders sold their soul to the devil in the form of adapting to

the 'pressures of the market.' Alongside the redundancies, Rover/BMW announced that the working week would be cut from 37 to 32 hours, but would rise to an incredible 42 hours in 1999! All the extra hours are at flat rate - the workers would effectively be working a six day week on basic pay. This is the reality of the 'flexibility' much loved by the Labour leaders.

The New Deal had agreed to 'catchback overtime' - that is, the work patterns followed the booms and slumps of the market; a sort of employment version of 'just in time' production. So working hours may vary from week to week. Hours above the normal working week are banked to make up for periods of shortfall, and vice versa.

But naively, the Rover union leaders didn't think this would lead to the blatant move by BMW to institutionalise this into 'annualised hours,' with 'bust' periods stretching anything up to 12 months.

Not that the 'catchback overtime' has been greeted with open arms by the shopfloor. Its alright for the union leaders to agree to such schemes. They don't have to work them; management only have to give one day's notice that overtime must be worked. Regardless of your personal arrangements, never mind child care, the hours have to be worked - 'your union has agreed it.'

This has led to a guerrilla struggle on the shopfloor, particularly at Longbridge, where whole groups of workers are refusing to conform. But they are fighting with one hand tied behind their back because of the union agreed deal. Thus management are picking the workers off - in July the T&G reported that at Longbridge one worker had

been sacked, six were on formal written warnings and 36 were on recorded verbal warnings. But still the Longbridge workers are fighting back, with up to 100 at a time refusing 'catchback' overtime.

After the shock of redundancies, a mood of anger has set in. As the *Birmingham Post* (24 July) - under the headline of 'Red Robbo shadow looms over Longbridge' - reported: 'The days of wildcat action by frustrated workers may be over, but the brave new world of just a few months ago is also on the verge of disintegration.'

Rover/BMW management has sensed this and - at the time of writing - are beginning to backtrack. When they announced the redundancies, BMW chief Dr. Hasselkus (or Frazzelpus, as he is known to the workers) said they must be accepted or the planned £500 million investment into Longbridge would be withdrawn, leading to the plants closure. By the end of that week they were much more conciliatory, hinting that - having bought up the Rolls Royce marque - that a new RR factory would be built in Birmingham employing (surprise, surprise) 1500. Negotiations continue however, and the war is far from over.

Economic problems

But the whole episode exposes the myth that attracting inward investment (getting overseas companies to move to the UK) is not the be all and end all to the county's economic problems.

The multinational bosses may bring their plants here to loud fanfare, but they then rip up the economic infrastructure of a region by 'outsourcing' the supply of components.

Some commentators have argued that Rover's redundancy announcement was a smokescreen, given that 1200 of the redundancies will be the short term contract workers taken for the burst of production that marked the launch of the new Freelander model. This is of course outrageous enough - those forced to accept short term contracts thought they were getting a foot in the door for a 'job for life,' yet they have been simply discarded like so much unwanted wrapping paper. The more devastating news tucked behind the headlines is that Rover/BMW is to shift 10% of annual spending on parts - worth over £400 million - to Germany. This outsourcing could result in up to 20,000 job losses in the West



Midlands supply chain.

This is now the pattern being shown by most of the high profile 'inward investors' to the UK. Other Midland car makers such as Ford/Jaguar, Toyota and Peugeot may all have expanded, but they have all moved to getting cheaper parts from abroad leading to wholesale closures and 'rationalisation' in the supply chain.

Network

The process is going on throughout the country. Caterpillar, the new US owner of Perkins Engines, has ordered the breakup of the companies long established network of UK suppliers. Federal Mogul, the new US owner of T&N, has ordered a new international trawl for more 'competitive' suppliers. Leyland-Daf Vans has gone into 'partnership' with Daewoo, which although this move saved jobs at the Birmingham plant, means LDV will now get components from Daewoo's subsidiaries in Poland, leading to other job losses in the Midlands.

This is the real threat of the 'strong pound.' While the multinational bosses publicly wail that they can't sell their goods abroad, they are happily touting around for the cheaper prices the strong pound brings when buying in components from abroad.

The home grown, smaller 'supply network' bosses are being hit hard, passing on their profit losses onto the workforce, who face layoffs, shorter hours and less pay. The 'outsourcing crisis' is being compounded by the economic trauma in the far East. There was outrage in Birmingham in July when four Korean businessmen - flown in all expenses paid by the IMF - arrived to offer finished products cheaper than the local manufacturers were paying just for the

raw materials!

This mad merry-go-round of cut throat economising cannot go on. Workers will naturally want to defend their own jobs, but at home and abroad we are all being played off against each other.

There may have been cheers in Birmingham when Rover/BMW announced they were building a new Rolls Royce plant in the city, but this was bad news for the workers in the established RR plant in Crewe, who must now produce luxury cars under the Bentley marque, which can only mean a drop in sales and from that job losses, if not closure. The Longbridge workers may have lifted their heads at the chance of a new future, but only 60 miles away the RR workers went home ashen faced as news of BMW's acquisition broke.

The bosses - and unfortunately their echoes in the Labour leadership - argue that we must become 'competitive in the market place' to survive. But in any competition there is only one winner, and many losers. And the workers never win. Even when some far off money man studies his accounts and deems that this or that factory can be saved from closure, or a new plant opened, its usually at the expense of a further driving down of wages, longer hours and open-ended 'flexibility,' to do whatever the bosses tell you.

Its time for change. Its time for workers across the industrial sectors, and across national boundaries to come together to fight for control of their industries, and through that control production so that it can be planned for society's needs, and not the mad 'stop-go' world of the profit system.

'I am happy that this has come to a head now. The only way to bring them to the negotiating table was to strike. GM promised us \$350 million in investment in new machinery. They promised us new work; they haven't done any of it.' These are the words of Larry, a striker the General Motors engineering plant in the US that makes cradles for truck engines.

by Iain Gunn

The recent strikes at General Motors in Flint, Michigan, home of the 1937 sit-down strikes and birthplace of the UAW, involved 9,200 strikers. Yet because of GM's move into 'just in time' production 26 out of their 29 North American plants had to be shut down and 162,000 of its 224,000 North American workforce laid off.

'After ten years of cooperation the company decided that we still weren't giving enough, so they felt justified in ignoring the contract and written promises we had spent almost two years negotiating.' The strike was about working hours, health and safety and investment. GM had backed out of its agreed \$300 million investment in the Flint stamping plant, claiming the union was not going along with changing the work rules to enhance productivity. Workers at Flint's Delphi component plant also walked out fearful that management was about to close or sell the plant as part of its outsourcing strategy.

'They want to outsource certain jobs but that means going to Mexico. Then the cost of production here goes up and they can say we're unproductive,' says Chesley Arnold, a Delphi East striker.

Concessions hadn't resulted in job security, but more demands from GM. Basically management started to ignore the recently signed contract, threatening to withdraw investment already agreed, close 'inefficient' plants and sell off chunks of its components manufacture. GM wants to eliminate jobs, change work rules and have the flexibility to send work to outside suppliers.

General Motors 'needs' to cut about 50,000 hourly paid jobs - 20% of its workforce, if its to become competitive with Ford and Chrysler. GM has already cut 62,000 jobs since 1992 and moved a lot of parts manufacture and assembly work to Mexico, where workers earn between \$11,000 and \$12,000 a year compared with an estimated \$80,000 in the US.

GM market share in US down from 47% in 1975 to 31% now. Ford has 24%. GM has twice as many brands and 70% more dealerships. Ford



General Motors: management plans stalled by workers

makes a profit of nearly \$1,500 on each car sold, but GM loses \$800. GM still makes 70% of its own parts. Chrysler and Ford buy in almost everything. Since 92 GMs senior management has ballooned by 47% while Ford's is down 37%. GM with 31% market share brought in a second quarter profit of \$389 million, Chrysler, with 14% share pulled in a profit of over a billion.

The selling off of the Delphi plant would have been part of the auto industry's wholesale adoption of outsourcing. This basically gets down to buying in parts from non-union factories. Only 10% of US auto parts industry is unionised, and they earn on average less than 70% of UAW workers wages.

GMs Brazilian factory is something of a model for management. Sub sections of the car are partially assembled by the contractor before delivery to the main assembly plant. This saves on floorspace and on assembly workers. These 'new model' factories will be L or T shaped to accommodate all the loading bays for the myriad outside suppliers.

Two sides had signed new contract only in April, yet management moved one of the largest machine presses over the Memorial Day weekend in May - bad faith, contract worthless.

Pegged rate

Another big issue in the strike was the pegged rate, established back in the 40s. Workers are paid for a full 8 hour day for producing a set number of parts, even if it takes less time. 'This insidious work practice is totally uncompetitive and we've got to do something about it.' Donald Hackford, GM vice president for North American car operations. They announced that they are withholding investment till it goes.

But the union says the pegged rate only benefits about 100 workers, their main concern was line speeds that cannot be achieved with the current equipment. GM wants a 'lean' system of continuous production throughout every shift, shift competition and all being encouraged to surpass yesterday's production. Workers meeting their quota every shift is no longer good enough - an enormous intensification of labour would have been the order of the day.



'They've downsized so much they have us working like dogs. Perhaps if it had been like that all along it would be okay, but we're getting older and a lot of us already have repetitive strain injuries,' says Charlene Stewart, Delphi East worker for 25 years.

Workers complain about the type of cars they are being given to build. 'They're two or three years late on design, on the styling. The cars are nothing but boxes,' said one striker. Wall Street agrees: market share has slipped because of lack of popular designs, so management wants swift and deep cuts. 'In their shortsightedness they're putting the blame on local people for their inability to run a business.' Duane Zuckscherdt, a UAW branch chairman.

According to Harley Shaiken, labour expert at the University of California, Berkeley, 'The conflict in Flint reflects broader sets of anxieties that run throughout the US economy.' Fears of globalisation, outsourcing and corporate greed. 'The productivity of workers in Mexican plants is on a par with plants in the US. Investors get first-world rates of productivity, and a workforce with a third world standard of living.'

Business Week has asked why General Motors can't get on with the unions like Ford can. In fact the UAW does have what it calls a 'partnership' programme. Part of this is the UAW vice president

meeting Ford's Alex Trotman for breakfast every second month, the union leadership hopes for 'no nasty surprises.' But Ford did much of its downsizing in the 80s, and its productivity is higher, 33.3 vehicles per blue collar worker against GMs 27.3. Ford's policy therefore can afford to be a little different from GMs. But when the chips are down, will Ford management be any different? History proves they will not.

Deal

The deal at GM was accepted by 90% at Flint Metal and 76% at Delphi East. In the wake of the strike GM is now committed to not selling or closing down any of the 'troubled' plants and it will go ahead with the planned investments. This is seen as a major climbdown by GM - but only till 2000. The UAW gave way on some productivity 'improvements' and some labour shedding through early retirement.

'Its only a temporary stopgap... we're going to be back at this in less than two years.' Paul Ganske, electrician at Delphi for over twelve years.

Given the critical situation General Motors is facing it will not be long before the workers once again are forced into action to defend their livelihoods, their jobs, their wages and their conditions. That's what the new 'global' capitalism is all about.

Turning back the bosses offensive

Exactly ninety years ago, in 1908, Henry Ford began his car producing business in the US. Within a few years he would establish his new production system that would revolutionise manufacturing across the globe. After visiting the Chicago slaughterhouses, Ford was to introduce a moving assembly line in 1913.

by Alastair Wilson

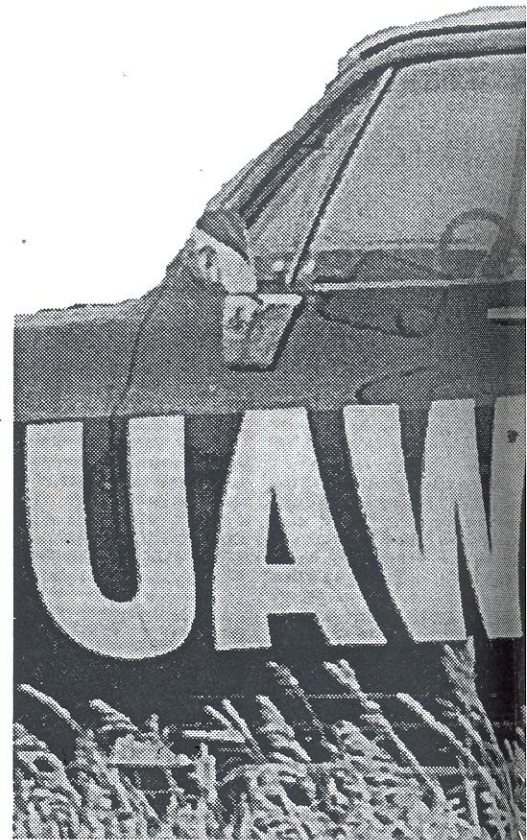
In the slaughterhouses he watched cow carcasses being carried down a line, systematically being hacked to pieces. Ford decided he could make cars in a similar process - only in reverse, beginning with small components, and building them into an entire car. His first line cost a mere \$3,500 to put together but it changed everything. Production time was cut by 90% over the earlier craft based methods. The type of production that Ford developed would change the face of the world, dominating the world economy right through to the sev-

enties and eighties.

Using massive economies of scale and single purpose machinery, standardised goods were produced in relatively long product runs. In fact the original Ford Model T production ran almost unchanged for nearly twenty years. Workers were organised around assembly lines in which each worker was assigned a very specific task which they repeated over and over again. Work procedures were worked out by time and motion studies and complicated job classifications. A large apparatus of supervisors and middle management was needed to police the system. The whole system operated on a 'just in case' principle, which meant large stockpiles of inventory, parts and finished products.

Revolution

Now, all that is changing. Manufacturing, which employed about 40% of the national workforce in 1900, has shrunk in the US and Britain to barely 20%. And the way that manufacturing is organised is going through

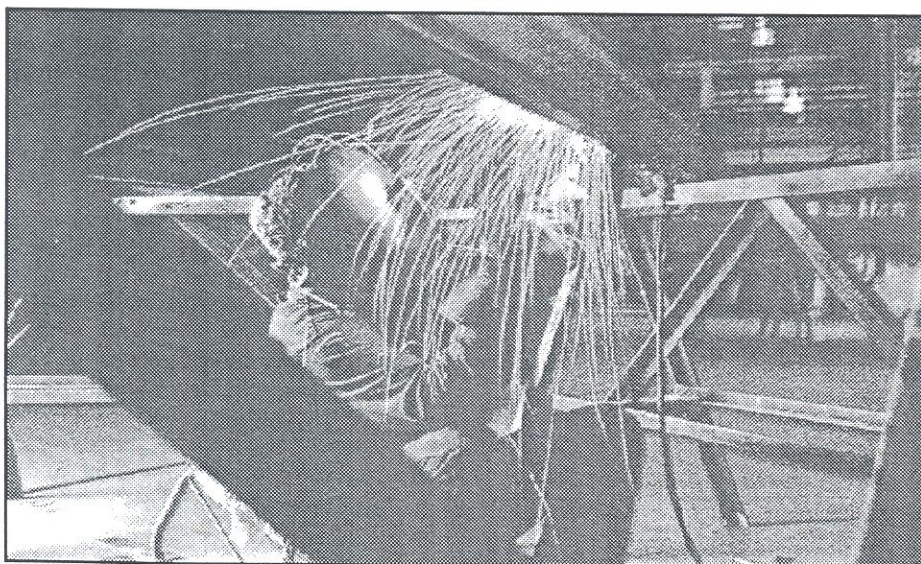


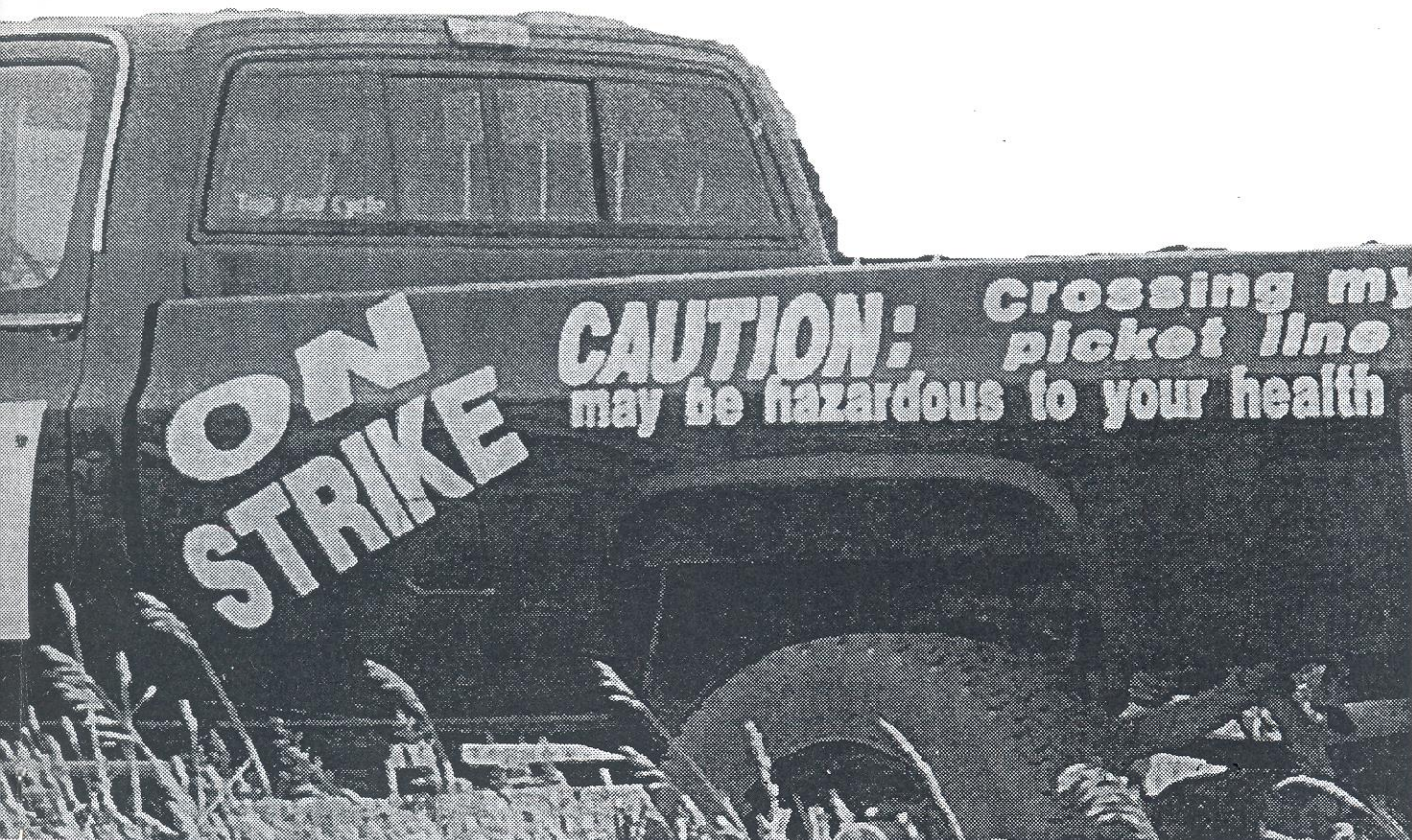
another revolution. Ironically, while Henry Ford visited the slaughterhouses of Chicago back in the early years of this century, Alex Trotman, present head of Ford, sent a taskforce to McDonald's when he set about the business of 'transforming' the car company. McDonalds turns out the same burgers no matter where you are in the world. Ford now wanted to do the same thing with cars, turning itself into a company which designed, produced and marketed cars on a global basis, with a global supply chain.

The new production systems; based around concepts like lean production, outsourcing and globalisation, are part of the bosses response to the economic crisis of the 1970s. They are part and parcel of the eighties 'counter revolution:' privatisation, industrial downsizing, attacks on trade union rights and huge cutbacks in state spending on things like health, education and welfare.

Now we are told we need to be 'flexible,' we have to compete on the 'global market' and we have to be more 'efficient.' There have been rapid changes to the way we work and the way we earn a living; no more 'jobs for life,' short term contracts have become the norm, part time work, multi-skilling, team working have all been brought in. The process is relentless, and has spread to every sector of the economy, not just manufacturing.

Lean production developed from the 'Toyota Production System' of the 1950s. The system is 'lean' because it aims to use less of everything. Less labour, less equipment, less inventory, less space, less time designing products. Inward investment from





Japan into Britain in the 1980s was heralded as the way forward. The Nissan, Honda and Toyota plants would become the model of efficiency and flexibility. Their methods would be rapidly adopted by domestic industries. Using 'lean' methods, with 'flexible' workforces organised in multi-skilled 'teams,' and employing all manner of 'human resource management' techniques, the bosses hoped to face the future and dramatically increase their productivity and profitability.

New deal

In 1992, for example Rover management and the unions negotiated a 'new deal' which would bring in most of these new ideas in return for guaranteed jobs. Rover is all that's left of British Leyland, a company that employed over a quarter of a million workers back in the early 1980s. Now it employs less than 40,000! A similar picture can be drawn of much of British manufacturing - downsizing on an immense scale left a hollowed out industrial base, followed by the rapid introduction of the new 'flexible' production methods.

These methods have meant a leap in productivity almost as great as that of Henry Ford's original system. While employment in Britain's car industry is down dramatically, production is pushing towards an all time record. The same in steel and a host of other industries.

Although the debates on 'deindustrialisation' and 'post-industrialism' continue to gather pace in some quarters, the facts seem to speak for themselves.

Manufacturing may be employing a lot less people, production may be being spread

across the globe in the bosses search for that 'competitive edge' and bigger profit, the search for cheaper components and more efficient supply chains may be dramatically speeding up, but manufacturing is still most definitely *the* critical sector of the world economy.

The old production methods have been undermined and replaced by the new. Basically, we can isolate three important trends in manufacturing: the reorganisation of the production process itself, the increasing 'globalisation' of production and the new ways bosses organise their supply chains, basically outsourcing.

Firstly, the production process itself has gone through a revolution. Ford-style mass production meant huge economies of scale, big volumes and lowering costs. But by the 1970s crisis it was clear the bosses needed to change direction. By reorganising the assembly line the bosses hope to close all the 'gap' time in production, every worker should be productively employed for the most time humanly possible, work is shared by 'teams,' equipment is multi-purpose making the assembly line very adaptable to rapidly changing design and specification and inventories are kept low to help diminish costs.

Production

Just-in-time production means that production only goes ahead when orders and consumer information warrant it - hence the desire to keep labour 'flexible.' In the 1970s the biggest flashpoint in industrial struggle was probably on the question of wages, now, however, with the bosses attempting to fine tune its labour supply, the battlefield

'Although the debates on 'deindustrialisation' and 'post-industrialism' continue to gather pace in some quarters, the facts seem to speak for themselves... manufacturing is still most definitely the critical sector of the world economy.'

Back on track? How Caterpillar bosses 'reformed' their company

Caterpillar, the US earth moving equipment manufacturer, tried to downsize and bring in a host of new working procedures and unleashed the longest strike in America's history. The strike went on from 1991 through to 1995. Only in March this year was a deal finally signed with the UAW. The deal brings in the 'flexibility' that management wanted, in return for better wages and conditions for the workers and the re-employment of the strikers.

Caterpillar is being heralded by the business media as a success story. Taking on the union and transforming the companies fortunes. Profits have risen 155% over the last five years. It has factories in Belgium, Brazil and Japan, but its main base is still in the US, where it has 38 factories.

The new procedures brought into operation have had dramatic effects. It used to take 6,000 workers 25 days to get one huge back-loader through the plant. Today 3,000 workers get one through in six days. No wonder big business is clambering to try and emulate Caterpillar.

Inventories have been cut by 60%. Parts are carried silently across the plant on overhead conveyor belts, larger sub-assemblies are carried around by self-guided vehicles, little robotic wagons that use lasers and bar codes to navigate around the plant.

It is not just in production that Caterpillar has changed. The development of new designs would previously have taken up to ten years, now they can do it in as little as 27 months - engineers study their equipment being used at building sites across the globe to see what improvements can be made.

According to the Economist, Caterpillar is 'a successful global contender in modern manufacturing' - it just took a four year long strike and massive sackings to get it there.

will more and more be around the issue of working hours, contracts, line speed and health and safety.

Production has increasingly 'gone global.' This means that the bosses will shift production anywhere in order to take advantage of cheaper labour or any other 'edge' it can get on its competitors. All this has only become possible with the containerisation revolution in transport and the new communications technologies. Theoretically, it should not matter where a product is manufactured or assembled. Today 100,000 Singaporeans are employed producing electrical goods for the US market alone. This would not have been possible thirty years ago - any advantage in using the cheap labour in Singapore would have been dramatically offset by the huge transport costs and the inability of the US bosses to keep strict control over the whole process. Starting with textiles and then plastics, by the eighties it was possible to export stuff as heavy as cars to the US and Europe from the Far East and sell them competitively.

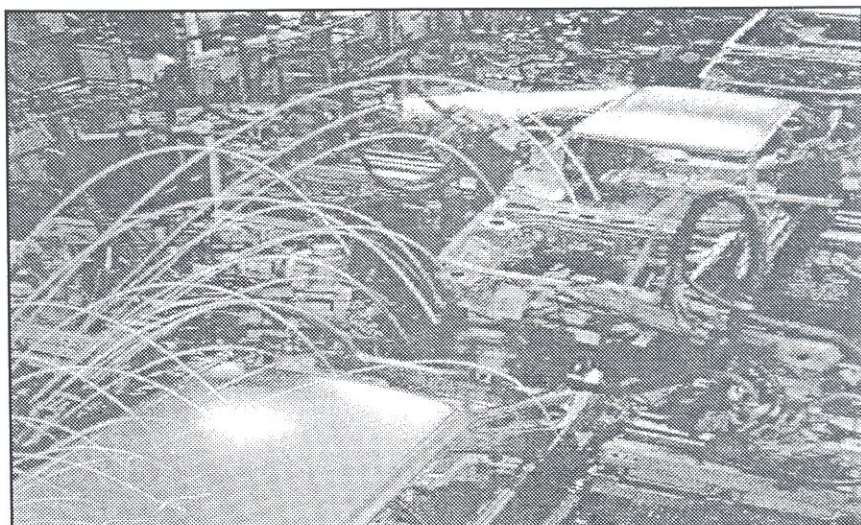
The third strand, the supply chain revolution, incorporates both the reorganisation of production and the 'globalisation' of manufacturing. The classical Fordist enterprise was organised vertically. That means that most of the supplies and components used by the firm were produced in-house or by companies owned by the parent company. With just-in-time production inventories need to be fine tuned, so

component manufacture more and more is being 'outsourced' to small independent, usually non-union companies. The big company gets the components cheaper than it could produce them themselves, and all the risk of the rapidly changing market is shouldered by the smaller component company. America's Big Three car producers have gone as far as to establish the Automotive Network Exchange which is basically an electronic auction: anybody wanting to sell components has to take part in some serious bargaining across the internet. Boeing already runs its spares business through an extranet and General Electric has one of the biggest computer systems in the whole of manufacturing to deal with its suppliers.

Basically companies like Ford want to get to a position where they can post new designs on the web and components firms across the globe will bid to supply. Potentially, by cutting out a whole series of middlemen, consultations, meetings and face to face bargaining, they will dramatically reduce costs and boost the profit on every car sold dramatically.

Dramatic

This process of reorganisation is having some dramatic effects. The recent GM strike in the US highlights many of these issues. GM can lose \$800 a car sold on some of its models, yet Ford can make \$1500! The cars are basically the same, its just that



Ford has been more 'successful' in re-engineering its production and supplies.

The potential for conflict is immense. On the production lines themselves workers will be forced to fightback as the intolerable strain of the speed-up continues - even in the non-union plants. One humorous example comes from a South Wales car parts maker where resentments built up in the run up to last Christmas. A quality inspector seen as a management lackey was tied up and dumped into a rubbish bin. He was only rescued because of the diligence of a security man who managed to stop the refuse truck in time. Another of his colleagues fared only slightly better when he was put into a consignment of parts bound for Birmingham, only to be discovered by a timely gate inspection on the way out of the plant.

Whether unionised or not, the scope for a fightback is definitely there. The battle against 'outsourcing' at General Motors in the US shows what the future holds. Invariably, talk of outsourcing, or rationalisation of the supply chain, means thousands of jobs disappearing to some other corner of the globe, before inevitably moving on to somewhere else where labour is even cheaper. The bosses are prepared to move jobs around the globe to take advantage of cheaper labour anywhere they find it. That's what the brave new future of manufacturing holds for the working class.

Undermine

The outsourcing of components is being used to undermine the rights and conditions of the usually unionised workers of the big parent companies. Companies are buying in more and more components,

even whole sub-assemblies, to be finally assembled at the main plant. This is leading to a situation where most of the manufacturing is being done in non-union, low paid plants, before final assembly by a much smaller, but better paid and unionised workforce.

The resistance of the GM workers has shown the way. At least for a temporary period they have stopped the balance being tipped even more in favour of management. They are rapidly learning that all the negotiated deals and agreements turn to nought when the bosses decide to move production to take advantage of cheaper labour and boost their profits. Concessions to the bosses have never won anything longlasting for the workers. The company always comes back for more.

Methods

Yet all these new methods of production, the new technologies and innovations, show us a hint of what is possible. The productivity leap in manufacturing for the first time opens up the potential for a world of plenty. But that's not possible under the present system, these innovations are used cynically for the profit of the few.

During the 1980s and 1990s the bosses have attempted to pursue their policy of shopfloor counter revolution. We have to answer that with increased struggle and combativity - that's the only way we can resist. Linked to a political programme of nationalisation and democratic workers control, the struggle to halt the bosses offensive will take on ever greater proportions. Workers organised across the globe can be a truly invincible force.



Re-engineering the can in your fridge

Daniel Jones and James Womack, in their recent book *Lean Thinking*, looked at the process that puts a can of cola on a shelf at your local Tesco's.

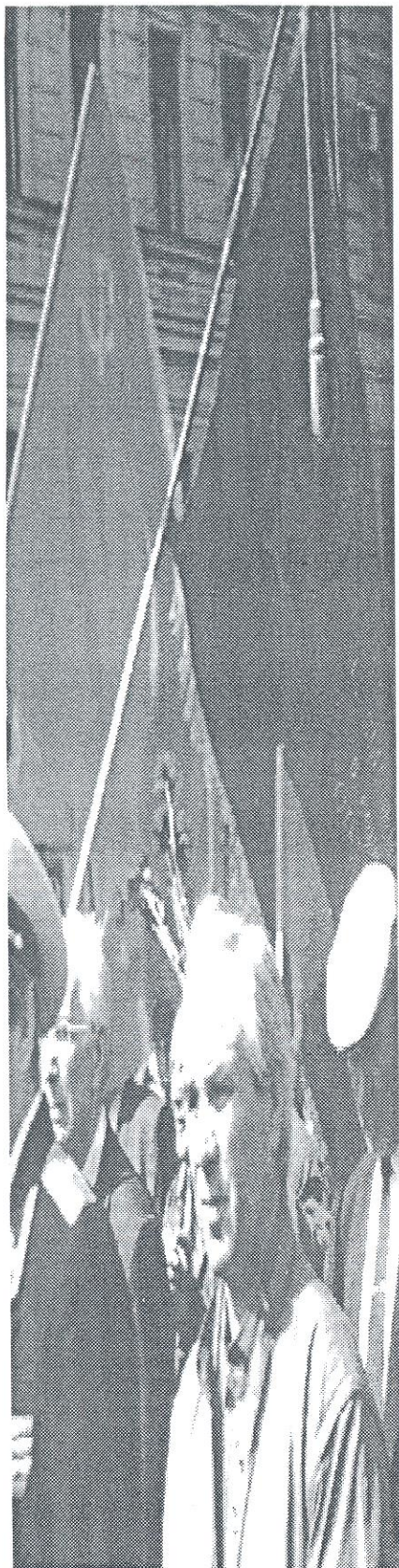
The chain of action, starting at a bauxite mine in Australia, passing through various smelting and rolling processes to the manufacture of the can itself, printing the labels, filling it with the drink and getting it sold and into your fridge takes an amazing 319 days. But the study claims that only three hours of the process actually *adds value* - the rest of the time was spent in storage and transport.

Now the champions of the 'new manufacturing' believe they can change this situation and, in this instance, up the profitability of selling you a can of cola.

Huge and inflexible machinery is needed for long production runs, in order to capture economies of scale. This requires big buffer stocks of raw materials and components to make sure the machinery works continuously. This happens at every stage of the chain, seven in the case of Tesco cola. So Tesco set about trying to analyse whether the economies of scale at any one of these links was outweighed by the waste involved in handling and storage. Tesco has already made some progress in the search. In time, some of the suppliers may use smaller and cheaper machines, less economical than mass-production ones in a stand-alone enterprise, but in this case will cut the total cost of the operation. Once again leaner production methods and supply chain 'rationalisation' are being used to up profitability.

If Tesco can do this at every one of the seven main links in the production of its cola, then they will be able to dramatically increase the profit they make on every can sold. Just think about that the next time you go shopping!

Russian workers begin to flex their muscles



Russia is in the grip of an economic catastrophe. The Rouble is in freefall, falling by 40% against the Deutschmark in one day, the stock market has collapsed, banks are failing and Russia has defaulted on its debts. The state is facing financial collapse and the workers are beginning to flex their muscles.

by Ted Grant

The whole attempt to introduce capitalism has backfired. Ironically at the time of the fall of the Berlin Wall, Russia was looked at as a new market, a saviour for capitalism. Now like South East Asia that has been turned on its head with the prospect of an Asia-Russia crisis precipitating a worldwide slump.

The collapse of the Rouble had immediate international repercussions, driving down the value of the Danish, Australian and Greek currencies, while the stockmarkets of Britain the US and Germany fell by over 100 points.

In reality what we have in Russia is crony capitalism where the greed and rottenness of the Mafia capitalists and big businessmen have led to the present situation.

One of the main problems facing the Russian government was its inability to get the entrepreneurs to pay their taxes. To make up for the lack of income from legitimate taxation the government has been financing its expenditure with GKO's, government bonds, that are in effect state-backed IOUs.

Any government that has to finance itself on the basis of short-term bonds offering yields of 60 per cent or more is inevitably going to bankrupt itself. It is simply paying off today's expenditure by piling up huge debts for the future. At a certain point the government can no longer find the cash to pay the interest on these bonds and then it finds itself in a huge financial crisis.

Economic collapse

The lack of income is due to several factors. The most important is the enormous collapse in production in Russia. Every year for the last six years there has been a fall in production, amounting to a total collapse of about 60%. That is like suffering the destruction of two World Wars. On top of this comes the effect of the South East Asian crisis of last year. This has now spread to Japan and is also being felt in Western Europe and the USA.

This has had the effect of cutting back the markets for raw materials such as oil and gas, the price of which has fallen steeply. In the case of oil, from \$18 to \$12. This is especially damaging for the Russian economy as it has

been relying fundamentally on the export of goods such as oil, gas and nickel, as its main source of hard currencies such as dollars, which it urgently needs to pay off its foreign debts.

The only real investment has been in the oil and gas industry. The rest of industry has been left to its own devices.

Russia which was once a highly productive agricultural economy now has to import half its foodstuffs. The Mafia capitalists are treating Russia as a colonial country. They want to turn it into a purveyor of raw materials, oil and gas, and an importer of all the necessities.

According to investment banker Andrew Ipkenanz, "Russian élites have plundered the country's capital and funnelled most of the proceeds offshore."

The science and technique that had been built up through state ownership, in spite of the corruption of the Stalinist regime, has been whittled down, and now all sections of the population are affected by this crisis.

No solution

The Kiriyenko government, before being sacked by Yeltsin introduced emergency measures, a devaluation of 34% of the rouble, a 90 day moratorium on debt repayment, basically a default, and a bank bail-out. Almost all of Russia's 1600 banks have been made insolvent by the rescheduling of their main asset, short-term government debt.

These banks should be facing bankruptcy as a result, but as *The Economist* (22.8.98) says, "...all the important banks operate under the protection of powerful tycoons, who show every sign of expecting the state to bankroll their costly adventures... The banks have already been allowed to dip into the reserve deposits they are required to keep at the central bank, which practically amounts to printing money to bail them out."

Even so some have already gone to the wall. The banking crisis and the collapse of the currency means a big increase in inflation, even hyperinflation is to be expected over the next period, which will hit the people of Russia even harder.

However, none of these measures are going to help alleviate the situation. In mid August the latest statistics showed that real wages were down 8.9%, unpaid wages had gone up by 6.5% and GDP was down 4.5%.

Roubles

As the same issue of *The Economist* stated, "So Russian workers, who will have to save more roubles than before to buy flats (which are priced in dollars) and foreign-made goods, are not likely to see those costs com-

pensated by new jobs, much less higher wages or, for that matter, by wages paid in cash instead of in kind. So it is not clear that anyone, aside from tycoons, is better off after this new financial package." Even paying outstanding wages is little compensation when the value of the currency has collapsed.

The policies of the last six years have provoked a sharp fall in living standards with a large percentage of the population falling below subsistence levels. The leading elite will argue that a further period of "sacrifice" is necessary, that all that is necessary is to wait a little longer and all will be fine. But the workers of Russia were already reaching the end of their tether, before the current crisis.

There is a new wave of strikes and factory occupations taking place that is not reported in the West. In all the articles of the bourgeois press you will find pages and pages on the financial crisis, on the political manoeuvres of Yeltsin, Chernomyrdin etc., but on the workers movement you get one sentence or, at best, one paragraph.

Unpaid wages

Interestingly *The Economist* (ibid) has started to take note of these movements and has reported that, "Outside parliament trade unions are demanding that their unpaid wages - around 78 billion roubles (\$10 billion at the new exchange rate) - should be adjusted to compensate for the 20% devaluation seen this week. They have called a strike for October 7th... Labour protests, although disruptive, have not yet crystallised into national strikes. But... will become more virulent if the economy slumps..."

That movement has already started. In fact symptoms of what was to come could already be seen in the Day of Action of 9th April of this year. On that day workers from Vladivostok to Kaliningrad marched on the streets in support of the all-Russian trade union action. About 14 million people took part in all forms of protest of the Trade Unions of Russia (FNPR). According to the union, the people expressed their protest in the form of rallies, marches, pickets and strikes. In particular, about two million workers of 12,000 Russian factories and institutions suspended or fully stopped work on the day. Protests took place in 79 of Russia's 89 regions as millions of workers demanded their wages and urged a change of course in the government's economic policy. "President, change your course,

remember the Titanic!" said one placard addressed to Boris Yeltsin.

The Prime Minister, Kiriyenko, met the trade union leaders, while 10,000 workers picketed outside and at a later cabinet meeting Kiriyenko said that approximately R700m had already been transferred to the regions and that the meeting would be working out measures to pay overdue wages. It was reported that the central government in Moscow had dispatched billions of roubles by plane, train and truck to distant regions in a massive overnight operation. Observers believe that the DM1.25 billion raised from the placement of Russian Eurobonds was used for the purpose.

What was happening was that the government was literally buying time by sinking further into debt simply to pay off a part of the unpaid wages. But this could be no long-lasting solution. It was simply a measure to stave off a movement of the working class.

That movement is now back, and with a vengeance. This summer the miners began to move once again with a series of railway blockades. But tired of believing in promises, miners from throughout Russia brought their protest to Moscow on June 11th and began a picket of the White House.

150 angry miners from Vorkuta in the Far North came down to the capital to stage a protest against wage arrears. The miners of Vorkuta are some of the most militant in Russia. The only thing between the miners' families and starvation is the one meal a day provided by the pit canteen. The high wages they used to get to enable them to move south on retirement have disappeared, and any savings have long since been destroyed by inflation.

They came with the support of all of Vorkuta, teachers, doctors, pensioners, all contributed whatever they could to the funds to pay for the miners travel. The miners marched on the White House, the government's headquarters and they remain there now. They came prepared for a long vigil. At a press conference leaders of the trade unions said that the action would last as long as the miners could hold out. This time the miners came with political demands as well as demands for unpaid wages. Their demands were made clear by the posters the pickets held, reading: "Down with the President!"; "Yeltsin, give our money back!"; and "Yeltsin, we brought you to power, we will bring you down!"

In fact the Independent Trade Union of Russian Miners (NPG) had previously sup-

ported Yeltsin and in 1996 it called for a vote for him. But apart from the payment of their wages, virtually all Russian miners are now demanding the resignation of the president and the holding of early presidential elections. The government was accused of attempting to resolve all problems within the framework of the current budget - a budget which now owes the miners 3bn new roubles in wage arrears.

The miners of Vorkuta were quickly joined by up to 400 others from the Kuznetsk coalfield, and Rostov Region. Others have joined the protest at various times including miners from Sakhalin Island, Chelyabinsk, the Urajs, Norilsk, Kemerovo, Tula and Rostov. A small contingent of nine workers representing the giant AvtoVAZ carmaker in Togliatti joined the protest. Protesting scientists, students and Moscow metro workers also have joined the protest at various times.

Every two hours from 8 a.m. to 8 p.m. the miners remind the politicians of their presence by gathering on the bridge outside the White House and banging their hard hats on the cobblestones. The recently sacked Deputy Prime Minister Boris Nemtsov was reported as only being prepared to start talks if the pickets gave up political slogans and demands which the miners seem reluctant to do.

Demonstrators

Although they are largely being ignored by the government, the demonstrators are certainly not being ignored by the rest of the city. Moscow's mayor, Yuri Luzhkov, has laid on portable lavatories, water to drink and in which to wash, and deliveries of sandwiches (a gesture widely reported in the press as part of his expected presidential election campaign in 2000.) But it is from "ordinary" Muscovites that the miners say they have been overwhelmed by support. The water tanker and six toilets provided courtesy of Luzhkov stand to the side of the encampment, near a makeshift washing area. But for their showers, the protesters have been accepting offers from city factories and sympathetic residents, many of whom regularly deliver food and support to the picket.

The delegations taking part in the picket are a testimony to the fact that now a movement is developing on a national level. In Partizansk, known as the "mining capital" of the Maritime territory in the Far East 50 workers of the Nagornaya mines management office took their director hostage on

July 28th demanding payment of wage arrears. 1500 miners blocked the Trans-Siberian railway. Workers from the Zvezda nuclear submarine repair yards, teachers and others joined the miners. In the town itself there are frequent rallies involving almost all the population. Wives of the coal miners recently said if wages remain unpaid they will hold a "women's rebellion."

The situation becomes more explosive by the day. Coal miners say that they no longer believe promises. Reports say that most families do not even have basic foodstuffs. In unison with their wives, coal miners have threatened "to take pitchforks and crow-bars" to force the payment of their delayed wages.

It is not just the miners who are on the move. July 23, 1998 saw thousands of workers at Russia's top nuclear weapons research centre on strike for three hours. Ivan Nikitin, head of the strike committee at the Institute of Experimental Physics in the closed nuclear city of Sarov, said 3,500 of its 18,000 scientists and other workers had signed up to stop work and rally on the town's main square, "Some people have not been paid since October 1997, most people have not been paid for four months on average."

These same defence workers rallied in Moscow to demand the resignation of Yeltsin and called for early presidential and parliamentary elections. The workers on the demonstration passed a resolution which demanded that the government's economic policy be changed, the national industry be revived and government debts to defence enterprises be paid off.

Political demands

Political demands are now becoming a characteristic feature of every movement of the working class. Everywhere the demands are for the resignation of the President and the government as well as a change in the direction of economic reforms. The BBC's correspondent Alan Little reporting on the 26th of August believes such a change of course is now likely: "Early indications are that Russia will return to some kind of state control and central planning. The experiment with free market capitalism is coming apart at the seams. The Yeltsin project and the Yeltsin Presidency are unravelling."

Ominous to the western bourgeois was Chernomyrdin's recent talks with the Presidents of Belarus and the Ukraine about closer economic integration between the former Soviet Republics.

Yeltsin thinks that Chernomyrdin can save the situation for him. In reality the whole regime is teetering on the edge of collapse. There is only one thing that maintains it, the role of the so-called Communist Party. The *Independent on Sunday* (23.8.98), not renowned for its revolutionary politics can see this. In one article it said, "... there is no real rallying point for popular protest... Though full of thunderous rhetoric, the political opposition, including the dominant but feebly led Communists, shows few convincing signs of wanting to wield power... The trade unions are compromised by a traditionally cosy relationship with the ruling elite..."

For a long time the Communist Party leadership had consistently tried to do deals with Yeltsin. Only now that is obviously clear that his grip on power is slipping have they called for his resignation, but instead of putting forward a bold socialist programme, instead of basing themselves on the movement of the working class the Zyuganov leadership of the Communist Party has called for "a government of national trust to be set up". That means Zyuganov is prepared to enter a government together with the representatives of the Mafia capitalists who are responsible for the whole mess that has resulted from the attempt to go down the capitalist road. It is absolutely incredible!

If the Communist Party had one ounce of Lenin's understanding we would now be facing an immediate revolutionary situation in Russia. The workers could be on the verge of taking power.

However, in spite of the leadership of the Communist Party we will see revolutionary developments with the working class drawing the lessons of the last six years, and they will take things into their own hands. Large sections of the working class have come to the understanding, from their own experience, that capitalism does not work.

The Communist Party is afraid of taking power because it has no real alternative to offer. The *Morning Star* of the 25th August reported Zyuganov as saying that "the question of the prime minister has not been properly prepared. Yeltsin did not meet political leaders, we did not review the issue."

He complains merely that he was not consulted, then immediately announces, "that he might support Mr. Chernomyrdin's candidacy" (*Financial Times*, 25.8.98), the very same individual who governed Russia in the interests of the capitalist oligarchy for five years before the Kiriyenko government. How far these "Communists" have fallen!

Their only real concern is for their own careers and how to hold the movement of the workers in check.

The situation, however, cannot be held for long. Something must give, and in spite of themselves the Communist Party leaders could find themselves catapulted to power by the movement of the working class. Most likely they will prefer to do this in the form of a coalition government, together with bourgeois forces.

The serious strategists of the West are terrified at the prospect of a new revolution. In July the Russian government managed to get a loan of \$14 billion from the IMF, but that didn't prevent the collapse of the currency within weeks. In the past they have given enormous sums to stave off the prospect of revolutionary developments, but now they are no longer prepared to throw good money after bad, and that is what has precipitated the crisis. Theo Waigel the German Finance Minister summed up their attitude, "Russia must do it by itself."

Already we have seen how the Russian workers, in spite of everything, have not lost their revolutionary traditions of 1905 and 1917. Whenever there is a serious movement they throw up their own democratically elected committees, basically Soviets. These will spread like wildfire once the movement develops.

Working class

The key to the whole situation now lies in the leadership of the working class. Either the working class succeeds in transforming society or Russia will face the prospect of a military police dictatorship. Already elements such as Lebed, the general turned governor of Siberia, are preparing behind the scenes. Which way such a military regime would go is another question. The important thing to underline now is that the workers have begun to move. They have an opportunity to show the workers of the world what a genuine socialist regime could be like. The Russian working class is no longer numerically weak as in 1917. It is now the overwhelming majority of the population. A successful taking of power on the part of the Russian working class with the programme of Lenin and Trotsky would have earth-shattering effects. It would turn the tide throughout the whole of Eastern Europe. A new wave of socialist revolutions would be on the order of the day, spreading to the advanced capitalist countries and the countries of the Third World opening up the prospect of a world revolutionary development.

US imperialism's 'air strike diplomacy' in Afghanistan and Sudan

The brutal air strikes on Sudan and Afghanistan constitute a further sample of the bullying tactics of US imperialism and will be condemned by activists in the labour movement everywhere. By such means Washington uses its powerful airforce in order to throw its weight around and intimidate and blackmail all the peoples of the third world. This latest escapade is clearly intended for US public opinion, to show that "something has been done" in relation to the terrorist bombings in Kenya.

by Alan Woods

It was clear in advance that US imperialism would take its revenge on some small state or other, probably the intended target was Libya, but, unable to pin anything on Gaddafi, they opted to bomb two other weak semi colonial countries, Afghanistan and Sudan.

This shows the disgusting hypocrisy of the West. US Imperialism is responsible for the Taliban reaction in Afghanistan. They armed and financed the Taliban in their struggle against the former Stalinist regime in Kabul.

And they are entirely responsible for the present barbarism in Afghanistan. Now this manoeuvre has backfired on them. They sowed wind and have reaped a whirlwind. The Taliban fundamentalists having made use of US aid, now no longer prove to be reliable puppets. They are giving shelter to Osama bin Laden the Saudi millionaire and a frenzied Islamic reactionary, who Washington claims is responsible for the recent bombings in Kenya and Tanzania.

Marxists condemn individual terrorism, no matter who is responsible, as futile and counterproductive. The present situation proves yet again how terrorist acts play into the hands of imperialism. It has given a green light for Washington to embark on new military adventures against the peoples of the third world. But the pious protestations of the west against "terrorism" stink of hypocrisy.

US imperialism through its vicious and inhuman blockade on Iraq has caused the deaths of over 1 million Iraqi people, mostly children, through starvation and the deprivation of essential medicines. About

this terrorism nothing is said in the West. Marxists condemn individual terrorism, but also condemn state terrorism, the effects of which are infinitely more deadly and cruel.

In reality, the recent American actions are intended to reassert US domination of the world and to intimidate the masses of the Middle East, Africa, Asia and Latin America. Their excuse for attacking Afghanistan was that it sheltered Osama bin Laden, but the Sudan another poor and semi colonial country seems to have been thrown in for good measure on the flimsiest of excuses.

In the past the Sudanese regime was a stooge of US Imperialism, but not now. This is probably the reason why they were singled out for punishment. The US which is the world's mightiest power deliberately picks on states which are too weak to fight back. Nevertheless this is a futile gesture which will not succeed in its aim. It will merely aggravate the problems, and lead to a further increase in the vicious spiral of terror and state repression. The only way to put an end to this tit-for-tat is for the working classes to take power and carry through the socialist transformation of society.

Finally, it is particularly distasteful that Tony Blair immediately came out with uncritical support for Washington as usual, as a tame lapdog of American foreign policy.

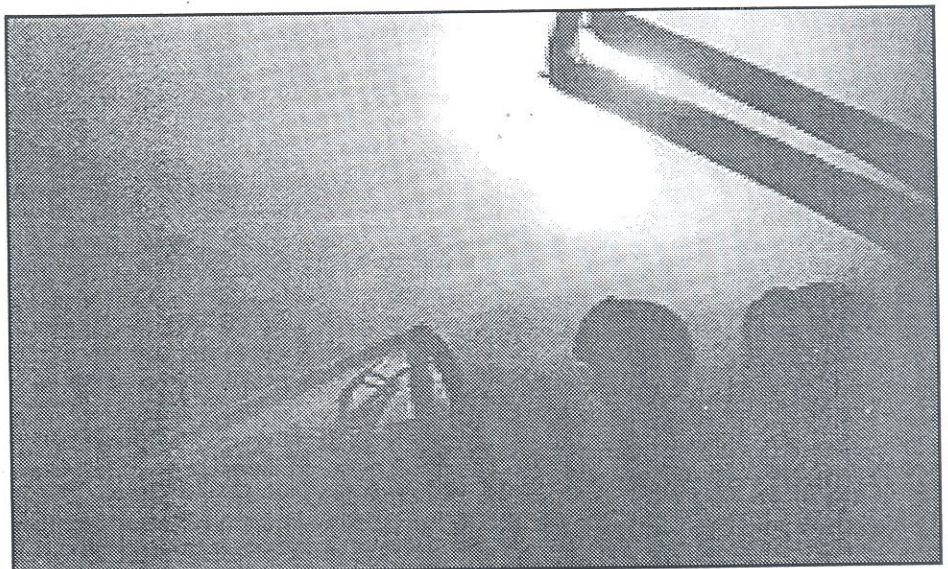
Clinton knew factory only made medicines

'President Bill Clinton knew he was bombing a civilian target when he ordered the US attack on a Sudan chemical plant. Tests ordered by him showed that no nerve gas was on the site and two British professionals who recently worked at the factory said it clearly had no military purpose.'

The Observer, 23.8.98

Osama bin Laden worked for CIA

The CIA was extremely well informed about the 'guerilla' camp based near the border of Afghanistan and Pakistan well before the bombing - they built it, at a time when Osama bin Laden was working for them. According to an NBC news report bin Laden attended US training in Afghanistan. Both bin Laden and his Taliban hosts have been significant beneficiaries of American military and logistic training, equipment and support.



Indonesian activist speaks



In July we interviewed Muhammad Ma'ruf, chief-editor of *Pembebasan-Liberation*, paper of the Indonesian PRD.

What is the meaning of the May unrest in Indonesia which led to the downfall of Suharto?

MM: The May uprising was the result of the intensification of the contradictions in Indonesian society which were directed against the power of the dictatorship. It was an anarchistic uprising, in which the people's movement lacked leadership. The bourgeois opposition could not give leadership to the people's unrest. The left-wing groups tried to organise the people but the subjective conditions for doing this were very small, for historical reasons. The anti-Chinese attacks are the result of the depoliticisation of the people for 32 years. The people have no perspective and don't know how to fight the oppression of the dictatorship and of capitalism. The IMF has a responsibility in this anarchy. Its program of cuts in subsidies for food and electricity made the people very angry. It changed the situation from bad to worse. The military also has responsibility for this, because they provoked people to attack Chinese ethnics in order to turn the anti-government uprising into a racist riot. Rioting is actually part of the insurrection... The process of revolution is not finished. It has just started to develop. The May riots are just one of the many steps in this process. New riots can happen again at any time.

The PRD intervened in these events, how do you evaluate its role?

MM: We started to intervene 1 year ago. For 2 years we felt the unrest amongst the urban poor and saw the potential for insurrection. Our aim was to lead the people and to develop the unrest into an insurrection. We deployed our cadres from the campuses to the slum areas. But we are still small and could not give the necessary leadership for a mass uprising. But our intervention was very important along the lines of transforming the unrest not just in rioting but into an insurrection to overthrow the dictatorship. Our demands are for the

release of all political prisoners, for the nationalisation of crony capitalism, the repeal of the "double function" of the army, the withdrawal of the 5 repressive political laws and for free multi party elections. We refuse parliament and struggle for the organisation of people's councils that will be the base for a transitional government of those who participated in the liberation of the people.

Suharto has been replaced by Habibie. Does he represent any change?

MM: Habibie is not different from Suharto. He is a loyal servant of Suharto. His appointment is a concession made because Suharto is refused by the people. Everywhere people say: "Suharto is a robber, the 3rd richest man in the world but also with the poorest people in the world". We should have no illusions in this new government. Habibie is part of Suharto's scenario to intensify the internal contradictions in the regime to win back his position and that for his family-clique. Not one member of this new government is committed to the interests of the people.

But the Habibie government and its Ministers are taking economic and social measures to alleviate the conditions of the people like the distribution of cheap rice and cooking oil. The IMF is authorising new subsidies to basic food and so on.

MM: Not one of these figures and their measures can bring salvation. Habibie can do nothing. His stupid call to fast two days a week amidst the threat of starvation to save on rice consumption proves he has no perspective to solve that problem. The IMF can't change the economic conditions either. All faces of capitalism can bring no solution. The only government which can solve the economic catastrophe is a government that is 100% supported by the people and that puts into practice an economic programme that is 100% controlled by the people. You know, Indonesia is basically a very rich country. We have big reserves of timber, tin, nickel, rotan, rubber, oil and so on. These resources have to be controlled and managed by the people. We can

rescue ourselves without IMF loans. The IMF measures will maybe strengthen the Ru'piah to the Dollar, but they will not change the conditions of the workers. The IMF can not bring a democratic government either. The military are still in control in Indonesia. The IMF knows that its neo-liberal program will provoke new people's unrest and that they will need the military to suppress it. The conclusion is that we should not believe or trust any bourgeois leader to change for the better the people's conditions.

We would agree with that, but are there no illusions amongst the students and the workers in this government?

MM: One day after the appointment of Habibie, the students started to campaign against him. Through different Muslim organisations Habibie tries to engineer so-called "mass-action" to support him but the workers unrest in particular is increasing everywhere. These last weeks there have been 4 demonstrations each day in Indonesia. All of them were political and are directed against government leaders at regional and local level. Unrest is everywhere in Indonesian society, but the military are also omnipresent. That leads to violent clashes. The government is attacked from many lines and not the least from East Timor. The masses in East Timor demand self-determination through a referendum. The government just want to give them an autonomy status. The refusal to grant a referendum on that question and to release East Timor political prisoners led to new uprisings in the capital. The same is happening in East Papua. Of course the government gives some political concessions. For instance it repealed 3 of the 5 repressive political laws, it intends to limit the political role of the military but without touching on the "double function" of the army, it promises free multiparty elections but refuses to legalise Marxist parties. Some political prisoners are released but not all of them. They refuse to nationalise crony capitalism, they just intend to "audit" it. Through all these measures the government wants to create illusions. Our role in the actual situation is to try to lead legally where this is possible despite our illegal situation. If we don't do that the move-



ment will be led by the bourgeois democrats. We intervene to organise mass actions around the people's demands. Megawati, the ousted leader of the PDI (Democratic Party of Indonesia), daughter of the former president Sukarno and a typical bourgeois democrat, never gave leadership to the masses. During the May uprising, she said nothing and did nothing. She is stagnant. That is the real attitude of Megawati.

What is the relationship between the struggle for democracy and the struggle for socialism.

MM: We are in favour of an uninterrupted movement, an uninterrupted revolution. The struggle for democracy means a freeway for socialism. A strategic demand for the actual situation is the building of people's councils at every level. The nationalisation of crony capitalism will have to develop to the nationalisation of the whole economy. Of course the objective conditions for socialism are difficult. The workers movement is not well organised and the workers consciousness is still low. But we need to develop anti-capitalist consciousness. In our program we are preparing for socialism. In our propaganda we can make no illusions in bourgeois democracy. We cannot separate socialism from the democratic struggle. We must propagate socialism widely. For instance with the nationalisation of crony capitalism the workers will gain experience on how to nationalise all capitalism.

The people's councils will be the instrument to put a socialist program into practice.

How can the international labour movement assist your struggle?

MM: The Indonesian labour movement is part of the international labour movement. We must support each other. The May uprising and the overthrow of Suharto gave inspiration to the labour movement in other countries. The people's resistance in Indonesia means an attack on world capitalism through for instance the multinational companies who settled in our country. The workers' demonstration in your countries also support our struggle, because demonstration you made weaken the capitalism. Workers in capitalist countries' demonstration is big support for workers in our country. Maybe we can get victory, but it will be defeated by international capitalist reaction, if workers in others countries movement is not strong. The labour movement in your country should demand that your government stop supporting Habibie and the military intervention in political affairs and against continued political repression. You should organise pressure for these demands also in front of the embassies.

Nigerian rulers attempt to avert growing discontent



The ruling class of Nigeria is facing a dilemma. The Indonesian revolution has brought home to them what could happen in Nigeria in the coming period. As in Indonesia, one man at the top was attempting to hold onto power in spite of the growing undercurrents of discontent among the masses. The overwhelming majority of the Nigerian population wants an end to military rule. That is why people came onto the streets to celebrate the death of the hated dictator, Sani Abacha, in June.

by Fernando D'Allesandro

Abacha was becoming more and more isolated. Opposition to his rule was growing within the ruling class itself and also among the top layers of the army. Last year the army's second in command, General Diya, was involved in a coup attempt against Abacha. Diya was arrested and sentenced to death, although the new dictator, Abubakar, has changed that to a long prison sentence. Abacha was desperately trying to hold onto power, but in so doing he was closing himself into a corner. He no longer called meetings of his cabinet, but limited himself to meetings of his military commanders. This showed how his regime was resting almost solely on the military jackboot.

He had managed to hold onto power after his coup of 1993 thanks to a combination of factors. The first was the total lack of initiative and combativity of the leadership of the Nigerian Labour Congress (the equivalent of the TUC). This leadership had squandered the magnificent movement of the working class in the period of 1993-94.

In 1994, Nigeria's oil unions, NUPENG and PENGASSAN, brought the country's biggest industry to a standstill. Oil provides 95% of Nigeria's foreign earnings. Although it was legal, the strike was a direct challenge to the government. The union leaders had to go underground. The strike paralysed Nigerian industry and the government was losing \$34 million a day in oil revenues. Public sector workers joined the strike in support. In Nigerian cities, students built barricades, which troops brutally dispersed.

Lacking oil to fuel generators, electric power plants began to stop operation, and blackouts spread. Air traffic ground to a halt as planes could not be refuelled. Air traffic controllers joined the protest.

Eventually after weeks of mounting pressure from below the Nigerian Labour Congress leaders were forced to declare a general strike. Although they called it off after just one day, many workers refused to go back to their jobs.

The trade union leaders

But lacking in leadership the strike movement was defeated. In August 1994 the military government disbanded the national executives of the Nigerian Labour Congress, and the oil and gas workers' unions. The regime clamped down hard on opponents, attacking trade unionists, closing universities and arresting oppositionists. But the Nigerian working class is one of the most powerful in Africa and has a militant tradition. The death of Abacha opens up an entirely new and stormy situation in Nigeria.

Following on from this Abacha was able to benefit from the increase in the price of oil, which gave him extra resources with which to manoeuvre.

However none of the fundamental problems were solved. In fact they continued to worsen. The price of oil has gone down from about \$21 to the barrel to \$14 and the country has slipped further into economic crisis. Today Nigeria has debts of £19 billion. Despite its exceptionally valuable resources—Nigeria is the world's fifth-largest oil producer—the country suffers from an acute energy crisis. The breakdown in infrastructure has led to a position where only one of its refineries is working and its power stations are operating at only 32 per cent of their normal capacity. The impasse of Nigerian society is revealed by the fact that 64 per cent lack access to clean water and sanitation, half of the population is illiterate, and life expectancy is only 51 years.

The movement of the youth

Significant in all this situation is what has been developing among the youth, in particular among the students. After the defeat of the 1993-94 movement of the working class the student movement was also affected. The NANS (the National Association of Nigerian Students) split with the bulk of the movement falling into the hands of the right-wing. Now the opposite process is taking place. The mood amongst students is one of unity towards a single NANS. The right-wing was losing control as this mood developed. Abacha, in fact, was extremely wor-



ried about the possible effects of a movement of the students. He called the right-wing leaders of NANS to a meeting where they were given money and orders to come up with a pro-Abacha movement. But when those "leaders" went to the mass meetings of the students they ended up with the opposite of what they had hoped for: the students voted that the NANS leadership should organise anti-Abacha demonstrations throughout the country. In fact the mood was so strongly against the regime that the right-wing didn't even bother to turn up at the meetings!

Changing mood

This changing mood among the students is a reflection of the general dissatisfaction of the whole population. And that also explains the growing opposition to Abacha (before he died) among a significant layer of the ruling class itself. There were many calls for him to stand down. Western imperialism was also putting pressure on him to go. They realised that rather than being a factor for stabilisation Abacha was provoking enormous anger that could spill over into a revolutionary movement of the masses. In spite of this he doggedly went on with his particular form of "transition". He had allowed five parties to register, all of whom had chosen him as their sole candidate for the 1st August presidential elections. After these elections the plan was to hand over power to civilian rule by 1st October, i.e. to himself. If this plan had gone ahead it would most likely have led to an Indonesian type situation. So Abacha's death was very timely from the point of view of Western imperialism and of the Nigerian ruling class. In fact there has been speculation as to whether Abacha may have been actually "aided" in getting his heart attack. All the circumstances surrounding his death seem to indicate that this may well have happened. If this were proved to be the case it would serve to underline how desperate the situation had become for the more serious strategists of capital!

Abubakar, the new dictator, immediately upon taking over attempted to woo the support of the West and to appear as being genuinely intent on restoring some form of democracy in Nigeria. He has released a number of prisoners, amongst which are the leaders of NUPENG, Frank Kokori and of PENGASSAN, Milton Dabibi and he invited the exiles to return to Nigeria. However this should not lead the workers into false illusions. All previous dictators have played

this game in the past, in order to consolidate their grip on power. In fact Abubakar has recently announced that the hand over of power to civilians would now be delayed until May 1999, instead of 1st October as had been promised by Abacha.

What has further complicated the situation in Nigeria is the death of Abiola in prison. Abiola was generally recognised as being the winner of the 12th June 1993 presidential elections. Practically all opposition groups inside and outside the country had been calling on Abacha, and later on Abubakar, to hand over power to a government led by Abiola. On the surface this may seem the logical thing to do, but we have to remember the nature of the 12th June 1993 presidential elections. They were part of general Babangida's "transition". Babangida was the previous dictator who held power from 1985 to 1993. He had banned all political parties and then had set up two artificially created parties, the SDP and the NRC. He also wrote their manifestos, based on IMF and World Bank policies.

All opposition groups at the time regarded the whole process as a farce because the candidates were hand picked by the regime. This was reflected in the turnout for those elections. 34% of the registered voters came out to vote, (which is quite a high figure for Nigerian standards). But the registered voters are only about 40 million out of a potential 80 million or so. The majority of the population do not see the point in registering! Out of the roughly 14 million that actually voted about 8 million cast their votes for Abiola.

Abiola was an out and out bourgeois. He was head of US communications giant ITT's African and Middle Eastern operations from 1971 to 1988. He actually welcomed Abacha's coup of November 1993 and had close links with many individuals involved in the Abacha junta. The man who stood as his vice-presidential candidate later joined Abacha's government. Although he was no friend of the people this did not stop Abacha from imprisoning Abiola in 1994 when he insisted on recognition of the June 12th election results.

In spite of their previous position, most of the opposition in Nigeria continued to call for a government led by Abiola. Before his death there was speculation that Abiola would have been prepared to renounce his claim to the presidency in order to be released. The United Nations and US imperialism were pressurising him to renounce his claim in exchange for a role in the

process unfolding in Nigeria.

Socialists must have nothing to do with such manoeuvres. An Abiola led government would have been a capitalist government and we would not give any credence to such a government. Faced with a growing movement of the workers and youth the ruling class of Nigeria would be prepared to concede some form of parliamentary democracy. Marxists would recognise that this would be an enormous step forward. The workers would be able to organise more freely into Trade Unions and into a Labour Party. However any bourgeois government that may be formed through such a process would inevitably carry out anti working class policies. Such a government would try and head off the movement of the workers and youth, most likely by involving the leadership of the labour movement itself. That is why Marxists in Nigeria must stand firm and oppose any kind of support for such a government. We have seen so-called "democratic governments" in the past. They have always ended up with a return of the military. Initially there may well be illusions in whatever form of government is formed. The attitude of the masses would be that anything must be better than this military regime.

Political voice

The fundamental problem in Nigeria is that the workers do not have an independent political voice. That is why one of the key tasks facing the Nigerian Labour Movement is the building of a Labour Party armed with a socialist programme.

Marxists must warn the workers and youth of Nigeria: count only on your own forces, build your own party and fight for a socialist transformation of Nigeria. That is the only guarantee against a return of a military regime. So long as the economy remains in the hands of companies such as Anglo-Dutch Shell, Italy's AGIP, Elf-Aquitaine from France, and US giants Chevron and Mobil there is no guarantee that democracy will be long lasting, and in no way can the problems facing the workers be solved. These companies split their oil revenues 50-50 with the Nigerian National Petroleum Company, a government-run corporation. The power of these companies must be broken, and that can only be achieved through the struggle for socialism in Nigeria, which would then have to widen out to the rest of West Africa and to the whole continent.

Hyundai workers fight redundancies

The Korean government of Kim Dae-Jung and the bosses of the chaebols (Korea's big corporations) have declared war on the workers and trade unionists of South Korea. The current economic crisis is having a dramatic impact in South Korea, no longer a backward country but an industrialised nation on the fringe of the world's top ten economies. Small and even large firms have gone bust and thousands of workers have lost their jobs. At the same time the government has launched a new offensive against Korea's trade union activists, who've been fighting back in a wave of strikes, protests and sit-ins.

by Phil Mitchinson

The management of chaebols like Hyundai have made it perfectly clear that their intention in sacking thousands of workers is not just to defend their profits in the face of economic collapse, but also to defeat the unions and set a precedent about managements right to hire, fire and "rationalise" at will, without having to consult with representatives of the workforce. They have the full backing of Korea's business community and therefore also of the government who are anxious for such a precedent to be established. Their aim is to defeat the Hyundai workers and use them as an example and a threat to thousands more workers. A representative of Hyundai management told a radio talk show on July 28th, "we must succeed in this redundancy dismissal - even it involves only 160 employees in order to avoid setting a precedent that redundancy dismissal can be avoided if workers resist enough."

At present nearly 10,000 workers and their families are occupying the grounds of the Hyundai plant at Ulsan. Daily they are threatened with the military intervention of thousands of armed riot police. But they are standing their ground.

Already there has been a substantial increase in repression with 57 trade union leaders imprisoned and warrants out for the arrest of hundreds of others.

Management are making sure they include as many trade union activists as possible in the redundancy lists, in a direct assault on the Hyundai Motors Workers Union, the Korean Metalworkers Federation and the Korean Confederation

of Trade Unions. Of the 1491 workers served with termination notices, 404 are trade union activists, including, 15 full time officers; 89 shop stewards; 11 branch officers' 2 former union presidents and 289 rank and file activists.

The so called "liberal" government of Kim Dae-Jung recently declared a general amnesty releasing hundreds of former political prisoners, including the leaders of the 1979 military coup. Many notable reactionaries responsible for the deaths of thousands were released. Trade unionists whose only crime has been to stand alongside their comrades to defend jobs remain in jail. This so-called amnesty resulted in the release of not one of the leading worker activists in detention. Former dictators and corrupt businessmen are not the enemy in the eyes of President Kim and co. Union activists are the enemy they fear.

The days of a job for life and peaceful democracy, shortlived in Korea, are now drawing to a close. All those in the west who argued that South Korea's development demonstrated that capitalism still had some progressive role to play in the world can begin by explaining the current crisis.

As for the Korean workers, they fight and fight like tigers, but with each passing day it becomes clearer that economic struggles alone cannot save their jobs and their rights. Every concession wrought from the bosses will be taken back at the earliest possible opportunity. The immense economic power in the hands of the chaebols needs to be democratically and rationally planned. That requires a political struggle not just against one government or one employer, but a struggle against the entire system, and not just in one country, but the struggle for a socialist transformation of the whole of South East Asia and the world.

Stop Press:

As we go to press the leaders of the Hyundai Motors Workers Union have done a deal with management to cut 227 jobs. This is not the end of the struggle however. 200 workers and their families lobbied the negotiations on August 20th opposing all redundancies, demanding "Hyundai workers struggle is not only for themselves, but for all workers in Korea...They should not have compromised...We have to go on with our struggle...Resign Hyundai Motors leadership!"



Pakistan activist victimised

The National General Secretary of the Post Master General Offices employees union (an important section of the postal workers in Pakistan), Abdul Maroof Azad remains sacked and the victim of management victimisation.

Many other cases are being brought against him by the Post Office administration. This victimisation and the aggressive actions of the management demonstrates their fear. The background to this action has been the struggle of comrade Azad against privatisation of Postal services, and his resistance against the bosses and the government's attacks on the rights of postal workers. They consider Maroof Azad to be a thorn in their side, hindering them from carrying out their vicious anti working class policies. When Maroof was dismissed previously an intense struggle was launched and succeeded in making management back down. Maroof Azad is also the Chairman of the Pakistan Trade Union Defence Campaign which is organising resistance against the physical and economic attacks of the ruling class. International solidarity especially from British and European workers played a key role in securing his reinstatement last time. We appeal to all trade unionists to protest by post or fax to the following addresses:

Pervaiz Ashraf Gill
Post Master General, Baluchistan
Quetta, Pakistan
Fax No. 00 92-81-442193

Choudhry Mohd Sarwar
Director General
Pakistan Post Office
Islamabad, Pakistan
Fax No. 00 92-51-9261577

We would also like you to send messages of support and copies of protest letters to:

Abdul Maroof Azad
PMG Office
Quetta, Baluchistan
Pakistan

Shahida Jabeen
General Secretary
Pakistan Trade Union Defence
Campaign
PO Box 840
GPO Lahore
Pakistan

Sport

Sponsorship row exposes sporting profit

Marxism has long explained the brutal methods used by big business to exploit the working class and extract the maximum surplus value at whatever the cost. Recently we have seen the process of the intensification of labour by which, through a variety of management methods, workers are made to work harder and longer thereby increasing their profitability. We can see this clearly when we look at areas such as the car industry, mining and so on, but the World Cup? Yes, fate has decreed that this year's World Cup, supposedly a sporting event, has given us a very graphic and public example of what capitalism does.

by Joe Simpson

Sunday July 12th, all eyes were on the events in France and the main talking point was: what happened to Ronaldo? Here we have the world's most valuable player being left off the Brazilian teamsheet for the final and then being reinstated with just a half hour to go to kick-off. The official line was that his omission was a mistake but as the game progressed the truth sunk in. Ronaldo was a shadow of his usual self and clearly the whole Brazilian team were out of sorts, losing 3-0 to France.

It didn't take long for further information to come out. Ronaldo had been unfit throughout the tournament and had been taking pills to get by. The night before the final he suffered a reaction to the medication and had a fit. Naturally he feared for his life and was taken to hospital for examination and really should not have played, hence his removal from the teamsheet. Yet with less than an hour to go, he was back in.

Rumours have been gripping the Brazilian press ever since and most of these revolve around the sportswear firm Nike. Nike arrived at the World Cup smarting under criticism that their relationship with the Brazilian national team had become rather too close. So close in fact that suggestions had been made in the Brazilian media that Nike were virtually selecting the squad and deciding who plays. Nike needed things to go well for their sponsored players as they had just announced their first trading loss for 13 years. Although they grossed more than \$9 billion last year, 1,600 staff are now facing

redundancy. Nike were also very aware of what was happening to their main opponent; Adidas. Their world cup looked like being a nightmare with the world media openly talking about the 'curse of Adidas'. Whereas Nike's sponsored players seemed to be doing well, Adidas had been stuck with players who had either not been selected (Gazza), got injured or had early disasters during the competition. Del Piero had form problems, Zidane and Kluyvert both saw red cards—and then there was David Beckham. It appeared that, as the advert puts it, historians would need to know how to spell his name—but not for the reason they expected. As Adidas paid £20 million to be an official sponsor of the competition they were not best pleased.

Cheap labour

However since sportswear manufacturers are notorious for using cheap, often third-world, labour who work long hours for very little reward, we should not shed any tears for them.

Nike's hopes were based around the Brazilian team—and Adidas supplied the kit for their French opponents in the final. For Nike to win, Brazil had to win, ideally with Ronaldo scoring a goal or two. But to do that he had to play. Now players in Brazil are openly saying that the Brazilian management were "obliged" to pick Ronaldo for every game, whether he was fit or not. Obligated by whom? The finger has been pointed at Nike. Whether all the elements of the story are true or not doesn't matter. What does matter was that Ronaldo was being forced to play when he was not fit and indeed was risking his life apparently to defend the profits of a multinational firm. You expect to see this with some dodgy third world mining firm but not when it involves a leading sports figure. How many other athletes are risking their current and future health to play when they shouldn't? Already Tony Adams has said that if he is still on medication to get through games by the end of this season he will quit rather than carry on. Sport is big business now and we can see how the Olympian ideals are being replaced by the new ideals of capital in which sportsmen and women are just sources of easy profits.

£10,000 needed for bold step forward

With just over, at time of writing, six weeks gone in our drive to raise £10,000 for our press appeal some progress has been made. Around £1500 in hard cash has been raised already with a further £500 plus in pledges. This is not bad at all given that we are in the middle of the holiday season. But if we are to meet our target then we still have work to do.

What is this drive all about? Only the voice of Marxism can provide a clear way forward for activists and that voice must be heard. As a consequence we believe that we need urgently to move towards a more regular publication—first fortnightly then weekly so that we can react quickly to events.

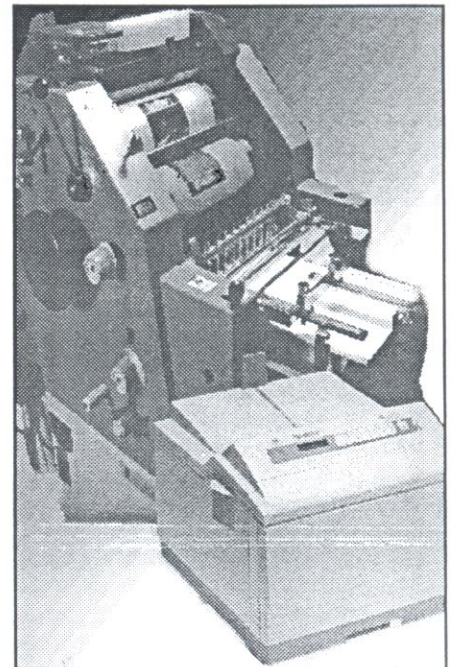
However our existing resources will not be up to the job. Our current printing machine has served us well but has reached its maximum capacity so far as the volume it can produce. We need to be able to increase our print run and cycle of printing beyond what this machine can handle. This applies not only to the production of Socialist Appeal but also to the other material we wish to produce including leaflets, pamphlets and posters. For example special supplements were pro-

duced for the Unison and AEEU conferences. We will need more of these in the future. That is why we need the new machinery—and sooner rather than later.

So we are looking at buying as soon as possible a new printing machine, plate maker and collator. Then we will be able to bring all our printing work back in house and produce what we want, when we want and to an acceptable level of quality. To do this we need to raise £10,000 and the only way we can get this is through the generosity of our readers and supporters. The £1500 figure raised so far includes a number of splendid £100 donations from readers who want to see Socialist Appeal move forward. We are looking for as many other readers as possible to add to this. If you cannot give a £100 then please donate what you can—it all adds up. Sellers should be approaching all our regular readers to make a donation, but don't wait to be asked. We need your support and are confident of getting it.

The tremendous movements of the workers, students and youth in Indonesia shows what is coming. Already the West talk fearfully of recession and slump. Where is their much vaunted faith in the so-called market economy now? As we

approach the 21st century only socialism can provide a way forward for the masses of the world. Help us to realise this aim by helping us to reach the £10,000 target. Send donations to Socialist Appeal, PO Box 2626 London N1 7SQ.



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By Ted Grant

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Kosovo

The Balkans crisis continues



by Alan Woods

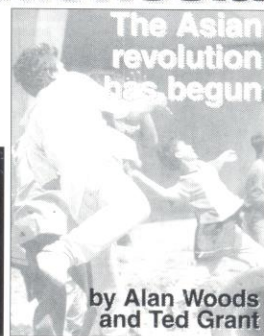
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socialist *appeal* fights for

☆ **Socialist measures in the interests of working people!** Labour must break with big business and Tory economic policies.

☆ **A national minimum wage of at least two-thirds of the average wage.** £4.61 an hour as a step toward this goal, with no exemptions.



☆ **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.

☆ **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.

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

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

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

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



☆ **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.

☆ **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.



☆ **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.

☆ **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.

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