

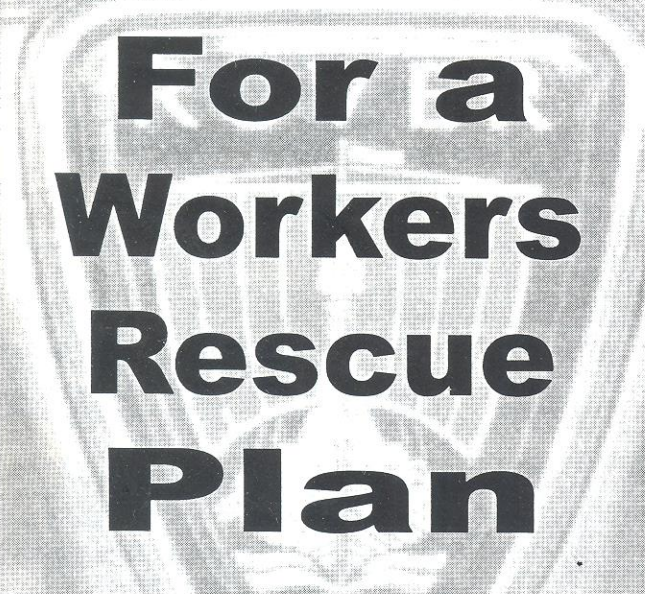
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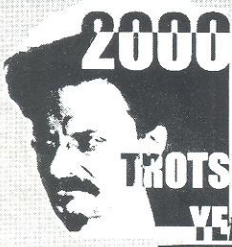
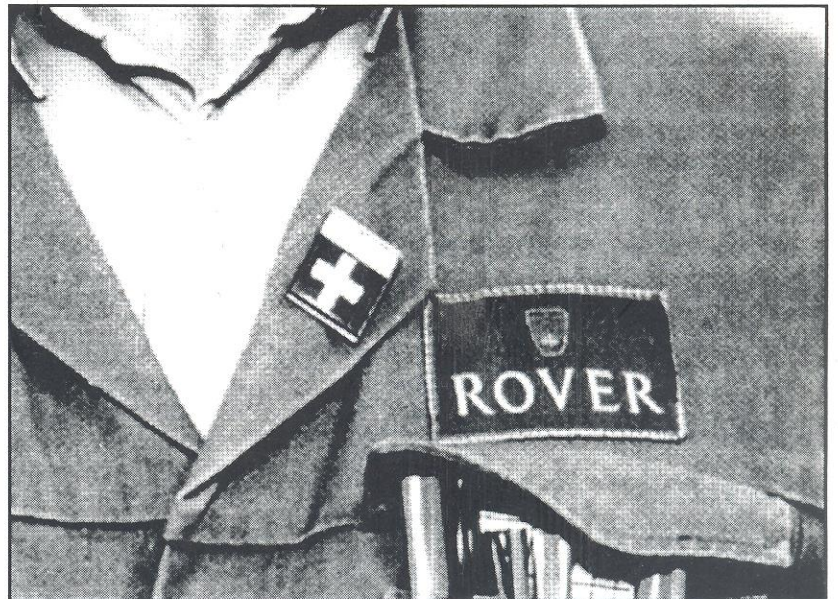
The Marxist voice of the labour movement

April 2000. issue 78 Price: £1

Nationalise Rover!



**For a
Workers
Rescue
Plan**



**2000
TROTSKY
YEAR**

**MOSCOW
Trials
(1937-1938)**

Internet bubble

**Defend
Homerton 11**

**Tube
privatisation**

Section 28

Fashion Victims

Livingstone: Labour revolt



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Nationalise Rover

For a Workers' Rescue Plan!

An axe is being sharpened above the heads of 60,000 workers in the West Midlands. If it is allowed to fall it would mean catastrophe, striking a death-blow to manufacturing in the region. Overnight this industrial powerhouse would be transformed into a jobless desert.

After all the sacrifices Rover workers have endured to keep their jobs, in deals promoted by the tops of the unions, the bosses of BMW have cynically pulled the plug proving once again that they are in business not to make cars, but to make money.

They are not interested in the livelihoods of the workers - in Britain, Germany or anywhere. The idea of social partnership now stands exposed as a sham and a lie.

The anger and bitterness felt in the Rover plants is about ready to boil over. The mood of the 400 strong stewards meeting in Glaydon was clearly ready to fight, and as one of the stewards commented "Labour has got to stop wringing its hands. We want renationalisation."

The flagship of the British motor industry faces annihilation. The venture capitalists of Alchemy Partners have been licking their lips over the prospect of tearing apart the carcass of British car production. With the leftovers they hope to develop the small scale production of MG sports cars. Cash not cars is all that interests these people too. It isn't hard to guess how these Alchemists intend to make gold out of Rover, by breaking it up, sacking workers, asset stripping, and then selling off the ruins.

These get-rich-quick merchants are even considering flattening Longbridge and using the land for lucrative retail and housing development. They are vulture capitalists and asset strippers who are looking to make a fast buck.

BMW are underwriting £1 billion in losses, handing over a plant worth £1 billion more plus a stock of cars worth £500 million. Alchemy's Jon Moulton has made it clear that he will invest a maximum of £50 million and pull out within five years.

While dumping Rover, BMW are to hold on to the new Mini, due to be launched at the end of the year. They will also hang on to the £400m engine plant under construction near Birmingham. Meanwhile Ford bosses are keen to get their hands on the prestigious Land Rover

and Range Rover names. They have been considering this since cancelling plans for their own 'people carrier' last January. This deal offers no security to the thousands of workers concerned however.

On the contrary it further threatens not only their jobs but also Ford's own employees, beginning with Dagenham, already under threat. The fight of the Rover workers is their fight too.

It is the fight of all car workers, all engineering workers, all workers facing attacks on their wages and conditions. The bosses must not be allowed to get away with their usual tactic of dividing car workers along company lines. A national motor industry shop stewards body could overcome these divisions and unite the power of all car workers. Nor must we allow the media to get away with blaming the Germans. The bosses are the villains not the German workers, as BMW security guard Marcel Hutil told reporters outside BMW's headquarters. "BMW are capitalists. Every big company is capitalist. They do not really like the workers. They only like the money."

Union action

Under pressure the trade union leaders have been forced to act. Their call to boycott BMW was met with understandable derision. We've been boycotting BMW for years, and Rolls Royce and Mercedes, for the principled reason that we can't afford them.

The organisation of a "Peoples March" in Birmingham will send a shiver down the spine of those who thought that the unions and the workers would not fight back. However, this must be the beginning of the campaign. Workers in components and suppliers operations are obviously now at risk. Action by these workers can



hit the car bosses hard? Just-in-time production means that large stores are no longer kept, giving workers in supply industries a lot of power, as demonstrated by the successful strike in General Motors in the US a couple of years ago.

Stewards have raised the idea of a lobby of parliament. If this coincided with a one day strike, a mass lobby would bring enormous pressure to bear on Labour to intervene. The defeatist approach of Byers and co is not acceptable. These jobs can be saved. Brown's budget claimed to stand up for hard working families. Those hard working families are going to lose their jobs unless Labour intervenes. Many stewards argue that the money should come from Brown's "war chest." While this would be a better use for the money than paying off debts from the Crimean war, nationalising Rover wouldn't cost a penny. Would anyone seriously propose to compensate BMW?

On the contrary BMW should pay back the money they've been given. This could then be invested in modernisation. A programme of industrial action, lobbies and demonstrations can bring pressure on Labour to nationalise the company. This is the only way to guarantee Rover workers jobs. The Joint Negotiating Committee have pointed out that in 'the last resort' the company would have to be nationalised. Steward after steward endorsed this from the floor of the Glaydon meeting. This clearly is the last resort.

Some of the stewards also point out that the workers will have to prepare to occupy Longbridge and other plants in order to prevent the asset strippers from removing machinery.

However, union leaders are busily trying to find an alternative buyer to Alchemy. But scuttling around to find a big business

buy-out is no guarantee for the Rover workers. Any buy-out will be looking to cut "costs" by drastically reducing the workforce, and imposing worse conditions on those who are left. As an alternative, Rover workers themselves in consultation with the rest of the trade union movement should draw up a survival plan.

All car workers are faced with an onslaught on their terms and conditions. In 1998, BMW came forward with plans to restructure Longbridge. Under threat of closure, the workers were bullied into accepting new and worse conditions, including "banking hours". Thousands of workers, sickened by the insecurity of the plant, took voluntary redundancy.

Scandalously, the union leaders have already conceded job losses to retain Longbridge. They had redundancies a year ago, but that didn't solve anything. So much for social partnership.

The important question now however is how to save thousands of workers jobs. Any further concessions to new owners by the union leaders in order to "keep the plant open" can only lead to death by a thousand cuts.

The 400 strong stewards meeting in Glaydon heard the details of a report prepared by BMW before the sell-off outlining plans to scrap 9500 jobs - 2500 at Longbridge, 1500 at Swindon, 500 at Cowley, 2000 in the Powertrain section, 2000 at Gaydon, and a further 1000 in administration.

Workers control

Birmingham business leaders see a threat to 40,000 jobs in the area. Wolverhampton's Goodyear plant has suspended their guaranteed 42 hour week and will be putting some of their 2500 workers on short time working. In addition Rolls Royce have just announced 220 redundancies at their Bedford diesel engine plant. Welcome to booming Britain!

These jobs cannot be saved by social partnership or the free market. Any new owner, city spivs or multinational car companies will cut thousands of jobs and attack wages and conditions further. This has been allowed to go on too long. Worldwide the car industry suffers from massive overproduction. That poses a threat to the future of all car workers.

Rover workers need the support of the entire movement. Pressure must be put on the union leaders to make sure that they get it. Every Labour Party and trade union branch should inundate the TUC and the Party with resolutions demanding action. We must demand that Labour nationalise Rover. Rover workers themselves will be preparing to occupy the plant to prevent the removal of machinery. The whole labour movement will rally behind them! The TUC cannot sit on the sidelines, they

must organise solidarity with the Rover workers.

There is no time to lose. We have just five weeks. The workforce themselves should draw up a rescue package. Nationalisation should not mean carrying on as before, but with the government footing the bill. It must mean the full democratic participation and control of the workforce in running the company.

Such a plan would not include rehiring failed bosses. Instead the working week should be cut to 32 hours without loss of pay to guarantee all jobs and allow time to participate in running the plants. Under democratic control and management by the workers themselves production would be more efficient. However Rover would still face a world car market which suffers 40% overproduction. This is what threatens the jobs not only of Rover but Ford, Vauxhall and all car workers. The nationalisation of the whole car industry would allow production to be planned guaranteeing jobs improving hours and conditions eradicating the waste and inefficiency of competition.

Rover and all car manufacturers are competing in the cut throat world market. The enormous technical resources of these companies must not be wasted by the asset strippers. They could be put to work not only to make more efficient cars and to make cars more efficiently, but also production could be diversified to meet other social needs, not only guaranteeing jobs, but creating more work. That's why we believe the Rover workers and the union movement should draw up a rescue package themselves. But you can't plan what you don't control and you can't control what you don't own.

This is an emergency. It demands emergency action! Faced with a crisis, even the Tory government in 1972 introduced emergency legislation to nationalise Rolls Royce in just 24 hours. With a thumping 170 majority the Labour government must act now! There is no excuse. It is not good enough for Blair and Byers to just shake their heads. You certainly can't 'buck the market' if you remain wedded to it. Labour must decisively intervene. The whole movement must demand action. An enabling act would allow them to prevent the break up of Rover and take the whole company immediately into public hands. That must be the demand of the hour!

- ☆ For a One day strike and lobby of Parliament!
- ☆ No break up - Nationalise Rover now!
- ☆ No Job Losses, for a workers survival plan!
- ☆ No asset stripping - Prepare to occupy!

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Capital Idea



Is there a spin doctor in the house?

Having lumbered the party with a candidate few voted for -and seemingly even less will vote for come May- the wizards at Millbank have come up with a marvellous tactic to win Dobbo the Mayor's job. Is it to oppose tube privatisation? No. Is it to declare for socialist policies? Definitely no. The answer is evidently for the great man to shave off his beard. Suitably clean shaven he will then be able to "draw a line" over the vote fixing which got him the job and move on to dazzle the voters of the Capital. Before you laugh too much at all this twaddle just remember that these guys will be running the next general election campaign for Labour!

Coincidence and likely stories

Since New Labour came to office in 1997, all manner of companies have been donating high flyers to work in government so ensuring that the administration remains true to the faith. Oddly enough, according to the Observer of 12th March, many of these same companies have been "winning" key contracts for work from the government or have done well out of crucial shifts in government policy. For example a number of construction firms who loaned staff have collected a large number of road building projects and can expect to pick up a lot more work thanks to the government's new house building strategy. The Tories started this trick but the numbers involved have increased dramatically under New Labour. Private enterprise indeed! ☆

Rover: Jobs, not Task Forces

Had you gone into a Birmingham pub a couple of weeks ago, the conversation would have been about football, planning summer holidays or family matters. Today it is about nationalisation and the crisis of overproduction.

by a Birmingham Labour Party member

This is no exaggeration. The reality of the global economy has slapped Birmingham workers in the face, in a city which until the dread news from BMW had been feeling quite prosperous. Birmingham hosted the G8 summit in 1998 and was touted to the world as a showcase of regeneration.

Now it faces meltdown. The loss of Longbridge would be bad enough. The effect on the supply chain will be devastating. Within a 20 mile radius around the Longbridge plant, two thirds of manufacturing output is geared towards Rover. The Confederation of British Metalforming say that for every Rover worker, there are an average 4.5 workers in the supply chain. If 10,000 Rover jobs go, 45,000 will go in Birmingham.

So what happens when a small group of suits in Munich pull the plug?

Everything stops. Production at Longbridge has been halved, with workers losing around £35 a week through shorter time. Construction of the £400 million BMW engine plant, announced to great fanfares four years ago, at Hams Hall is winding down. Production has been cut at Goodyears tyres in Wolverhampton. Construction of the new VDO Mannesman car components factory in Solihull has been halted. Holidays are being cancelled. Weddings called off. House prices will plummet.

There's a strange mood abroad. It should be fury -but it is more confusion. The immediate reaction of Rover workers was for industrial action. But as more than one worker commented: "We'd go on strike if we knew who we were striking against."

Workers are grappling with the fluid nature of capitalism today, and many have been shocked by the realisation that they are nothing more than chattels to the distant multinationals. They had bought the New Labour dream of "partnership, flexibility, co-operation", but now find them-

selves bought and sold like nothing more than Medieval serfs.

Discussions also abound on what impact industrial action would have because of the chronic overproduction that BMW allowed to continue. Of the new R75 series alone, 33,000 remain unsold, the equivalent of six months supplies currently gathering dust on Midlands airfields.

Hence the beginnings of talk of political solutions. There's little faith in the Government's Longbridge Task Force coming up with much. The Midlands already has a Task Force up in Stoke, which was set up after mass redundancies were announced at Alston, Michelin and in the Potteries. The North Staffordshire Task Force came and went and nothing's changed.

So the talk turns to nationalisation. The older workers remind the young that when there was a danger of a break up of the aero engine industry in 1971, the Tories nationalised Rolls Royce in 24 hours. Why can't Labour do that for us, they ask. Workers are beginning to understand that you can't control production unless you control the means of production. And that capitalism cares not one jot for the needs of society.

What there is a lot of is bitterness. There is a real sense of betrayal, not only at BMW but all those who sold them the deal.

At the union leaders who bullied them into accepting every muscle aching, ball breaking new demand for improved productivity. "We bent over backwards so far we ended up with our heads up our arses" is a common refrain.

At New Labour too. Before the Longbridge crisis there was much anger at the collapse of Transtec, the main supply chain company set up by Geoffrey Robinson, the former Paymaster General. It collapsed with £129.5 million debts and could lead to the closure of 50 sub-contracting companies. The "pro-business" agenda of Blair had already left a nasty taste in the mouth of Birmingham workers long before Longbridge.

That bitterness will be given a vent at the demonstration planned for April 1. It will be huge. The task must be to turn that bitterness in a political, socialist direction. The future of Birmingham depends on it. ☆

Defend Homerton 11!

An impressive 1000 or so firefighters assembled at The Imperial War Museum today to march on the London Fire Brigade Headquarters at Albert Embankment. Banners from the West Midlands, Strathclyde and the East Midlands, amongst others, illustrated the nationwide anger of firefighters at the victimisation of the Homerton 11, whose disciplinary hearing was getting under way this morning. Ross Neal, Acting Regional Chair of the FBU, explained their case to *Socialist Appeal*.

by Phil Mitchinson

"The Homerton 11 are being disciplined for refusing to work with other personnel working pre-arranged overtime. The union has had a ban on pre-arranged overtime since the early 1970s. That ban has been responsible for creating jobs and maintaining staffing levels. These 11 firefighters have broken no rules, their refusal to work with those doing pre-arranged overtime was never actually tested. They were simply maintaining the long standing position of the union. Nevertheless the Brigade suspended them and began disciplinary proceedings. After pressure from the union the suspensions were lifted but they wouldn't back down on the disciplinary proceedings. Today is the first day of their hearing and we want to keep up the pressure on them to back down. "In the mid-80s The Chief Officer announced that he intended to introduce pre-arranged overtime, but we campaigned against it and stopped it. "Now they use various arguments like the danger surrounding the Millennium, or the supposed 'flu epidemic. We've always accepted the idea of exchanging shifts. But when they tried to turn this into pre-arranged overtime, we said no. They quote the levels of sickness, but these are within the targets. Extra shifts can be worked of course, in exceptional circumstances, but this must be in consultation with the union and be for a good reason, not just to cover up the effects of cuts. On February 1 they took five appliances out of service, leaving us short, this can't be covered up with overtime working."

It wasn't only the London Fire and Civil Defence Authority that faced the anger of the firefighters however. The



vast majority expressed their anger with Tony Blair's blatant ballot rigging by sporting Livingstone badges and stickers, and collecting money for his campaign.

Livingstone himself addressed the rally outside the Fire Brigade HQ, along with FBU officials, and Sarah Friday the victimised RMT Health and Safety rep from Waterloo.

To a rapturous greeting, Livingstone pledged that if one of the Homerton 11 were sacked then "on May 5 I will appoint an LFCDA who will immediately reinstate them."

He addressed the crowd flanked by placards proclaiming "3177 firefighters voted for Ken" and "81 firefighters voted for Dobson."

Again in relation to the Homerton 11's case he pointed out that it was a scandal that "on the day the GLC was abolished there were 5000 firefighters in London and now there are only 3500. While a third of a million Londoners are looking for work, no-one should be forced to work overtime."

Three journals were sold and hundreds of leaflets distributed. Tony from the West Midlands FBU who has put in an order for copies of *Socialist Appeal* every month, one for his regional office and one for each of the brigades in the region attended the demonstration with a busload of firefighters from his area. He told us that the feedback on the journal had been positive. "Everyone thinks its great," he said, "When I first saw it I said 'That's exactly what we think - we must stay in the party, give them hell and win it back again', we must get this out to all the brigades." ☆

Livingstone meeting cancelled

by Steve Forrest

The week before Ken Livingstone announced he was standing as an independent candidate for Mayor of London, a meeting had been called by him for March 6th in London for Labour Party members to discuss the way forward.

But only those involved in Livingstone's campaign fortunate enough to be on the Internet were informed of the fact that the meeting had been cancelled as Livingstone was now running as an independent and this meeting was for Labour party members. However, a large number of trade unionists and party activists turned up not knowing it was cancelled, they came ready and willing to fight inside the party for Livingstone and democracy. Many came at great expense, one particular example was a pensioner who had paid £20, a not inconsiderable sum out of the paltry state pension, to hear Livingstone and see where the campaign was going next. All she and the many other party activists got was a letter explaining why the meeting was cancelled and a long journey home in the cold. There was utter dismay and frustration on many counts, firstly why had a meeting well organised in advance been cancelled at such short notice, but also frustration not only with Blairs stitch up of the electoral college but also at Livingstone's decision not to stay in the party and fight for democracy and socialist policies.

As was demonstrated over the past months a mood does exist for a fight back. In November when the party leadership were attempting to keep Ken Livingstone off the list of candidates the anger and frustration that had been building up for sometime found an outlet inside the party and the affiliated unions. This was confirmed by the overwhelming results Livingstone received in all the unions that balloted their members but more importantly once the London Labour movement moved it showed its strength in the Labour party itself

There were meetings all over London of hundreds of activists organised not only by Livingstone's campaign but also London trade unions and CLPs. Previously inactive CLPs held meetings of 100 or more. In my constituency left activists organised the biggest meeting in the area for twenty years where Livingstone spoke on the same platform as local trade union and community leaders. This was repeated throughout London and is a warning to Blair that party members and trade unionists will only be pushed so far before launching a fight. ☆

NUT: Mood for action grows

The key question facing this years NUT conference is how Performance Related Pay (PRP) can be defeated.

Teachers are overwhelmingly opposed to PRP. In a consultative ballot in my own area in January 85% voted YES to a one day strike if the national union asked them to. Although this was on a 25% return, it is a clear indication of the feelings of our members. This is repeated up and down the country but we need a national leadership that will call the action.

by Bryan Beckingham Secretary, Oldham NUT Division (in personal capacity)

The idea of PRP in teaching is ludicrous. PRP would threaten to destroy the cooperation and team work that is the essence of teaching. The Government is moving at full speed to implement PRP, we need a much more determined response from the national leadership.

The PRP on offer is an initial rise of £2000. If you are at point 9 on the current scale you can apply to cross the threshold. The application form for this includes proving the children you teach have performed better than the national average for comparable children (This is a form of payment by pupil results and will be incredibly divisive and destructive).

These 6 page forms and applications are just the beginning. Whether you apply or not, all schools are to have Performance Management Structures (PMS) in place which will continually harass teachers. Every teacher will be subject to PMS. This will be a bullying charter for the worst heads and will not be wanted by the rest. Governors are to see that the school PMS is in place. External assessors are to check that Heads play the game properly!

So this is the way Blunkett intends to increase motivation of teachers, some chance! All teachers deserve a pay rise of £2000 is our clear answer to the nonsense of this government.

Comprehensive Education is under attack. Blunkett's recent announcement of the creation of inner city "Academies" in partnership with business and the Church drives another nail in the coffin of comprehensive education. This is an extension of the Tory introduced "City Technology Colleges", which, in opposition, Labour opposed! No local democratic control will exist. New Labour seems intent on destroying Local Education Authorities (LEAs). This is one more step to privatisa-

tion and lack of democratic control and planning. Instead of properly funding education the government launch initiative after initiative that is breaking up comprehensive education, privatisation through Education Action Zones (EAZs), Private Public Partnerships (PPP), Private Finance Initiatives (PFI). For the rest you have to bid to become a specialist this or that school, or a Beacon School. If this fails apply to the National Lottery!

Education funding is in a mess and all because the government has refused to really invest in education. At the end of this first term of office Labour will be spending less than John Major in his first year according to Tony Travers, the LSE analyst. The Institute of Fiscal Studies has calculated that over the lifetime of this government the rise in education spending will be less than 2.9% p.a.!

Desperately short of money

In his Guardian articles in March, Nick Davies exposed the dishonest way in which the DfEE has claimed education funding was being increased by £19 billion over 3 years. The reality is that schools are desperately short of money. Budgets are often in deficit and redundancies are still occurring. Estimates of the repair bill for schools after 18 years of Tory neglect are at £20 billion but only £1.2 billion is reaching local education authorities. What about class sizes being cut?

Secondary school average class size rose from 21.7 to 21.8 between January 1998 and January 1999. This is a continuation of a 10 year trend. For under 16 year old class size grew from 23.6 to 23.7. In every area but Key Stage 1 (infant classes) class size grew.

In the classrooms and schools teachers are overworked. They face increasing bureaucracy and more and more children with problems.

We are being inundated with new initiatives. Each one produces more bits of paper and more bureaucratic workload for teachers. Many teachers are on the edge of breakdown, especially in the Primary sector. We are often working 50 or 60 hours a week. Planning sheets for literacy, for numeracy, target setting, mentoring, and many other ideas. All to be done in the same time scale as you struggle to teach as well.

The key issue of a National Contract will be debated at conference. We need a cut in workload, more trained classroom assistants, 20% non contact time for all teachers, and a massive injection of cash.

Blunkett's answer of more work (for example his proposed 9 to 5 school day) has to be fought. How many hours does he expect staff to work? Not a minute on the day and no more days on the school year!

Our Union is facing a massive battle. The good thing is our members are behind us. Parents and other trade unions will also support us. We need a full programme of action to be carried out with publicity aimed at parents, governors and the public generally. The NUT has to wage this battle for all teachers. The members of the ATL and NASUWT will be won to our position of resistance and industrial action if we offer them the lead they need. Conference must demand:

- A Rolling programme of action beginning with one day strike with demonstrations in all regions
- A National Demonstration for education, against PRP, for £2000 for all teachers
- A Mass Lobby of Parliament
- A Boycott of SATs
- Defend Comprehensive Education. No selection, No academies. No EAZs.
- A Massive injection of cash into education
- Reduce class size at every level, lets have parity with the private sector!
- Stop blaming teachers for under-achieving children. We make a difference but we cannot overcome the problems created by poverty and deprivation. ☆

Usdaw conference

Build the left!

This year's conference will give the left opportunities to build its influence. There are 5 propositions on the protection and improvement of the national minimum wage (NMW). Manchester central branch is worried that there is no automatic review of the level of the NMW and is calling for a reconstitution of the low pay commission. Ayr [SB] want the government to increase the NMW by at least £2 an hour.

By Rick Fricker - Southern Divisional Councillor [Personal Capacity]

Glasgow [SB] want the NMW increased at the end of every financial year by at least the inflation rate. Reading General are calling on the executive council to use the TUC and Labour Party conferences to ensure that the NMW is not eroded by inflation or lack of enforcement. The branch also wants more inspectors and a substantial increase in fines for companies which refuse to comply. Solent are calling on the Government to increase the NMW to £5 an hour regardless of age. A person's labour isn't worth less at 16 than 18, this is discrimination. 6 props have been submitted on privatisation. 2 branches want to see any idea of privatising NATS firmly rejected. Cardiff Tesco House SATA believe the only way to ensure safety in the skies is to keep NATS in public ownership. Likewise Yorks regional CRS believe that air safety must not be placed at risk by putting profit before safety. Reading General is also concerned about safety standards in transport, especially the rail industry. They want the government to introduce the automatic train protection system. Solent and Fallowfield advocate taking back public transport into public ownership. They call on the government to drop plans for any future privatisations. Solent also calls on the government to renationalise the railways paying compensation only to those in proven need, not the fat cat bosses. Fallowfield states that this would be a popular move, opinion polls

have shown big majorities for taking the railways into public ownership. There is also a motion from Darlington attacking the arms industry, calling for an end to the arms exporting industry which sells weapons regardless of the purpose to which they will be put. The sale of weapons to Indonesia proves this point. For the first time motions have been tabled attacking partnership agreements. Bradford Grattan is concerned that union negotiators are more concerned with partnership and not upsetting companies than representing the views of the members. Partnership agreements with companies are nothing new and represent failed class collaborations from the past. They may bring in some new members in the short term due to improved recruitment facilities but will backfire in the longer term. The Tesco retail partnership deal is a classic case this has meant the membership losing its right to vote on the pay offer and 'staff forums' in the stores. Last year's pay deal resulted in new starters now being paid time and a half on Sundays instead of double time. Due to the high turnover of staff in retail this will quickly mean a majority of workers being paid at the lower rate. There is already disillusionment of this partnership deal amongst activists. The left need to offer an alternative and build a truly independent fighting and democratic trade union. The recent elections for president and the EC saw a very low turnout. Just over 10% voted in the presidential election. Less voted in the executive council elections. These elections showed the potential for the left. Without much of a campaign the broad left candidate Maureen Madden come close to beating the current president Marje Carey. In the future the Left can become a powerful force in the union and give members a socialist vision of the future, not held back by partnership deals and working within the confines of capitalism, and as USDAW'S rule book states will "work consistently towards securing the control of the industries in which its members are employed". ☆

Class divide

Double standards

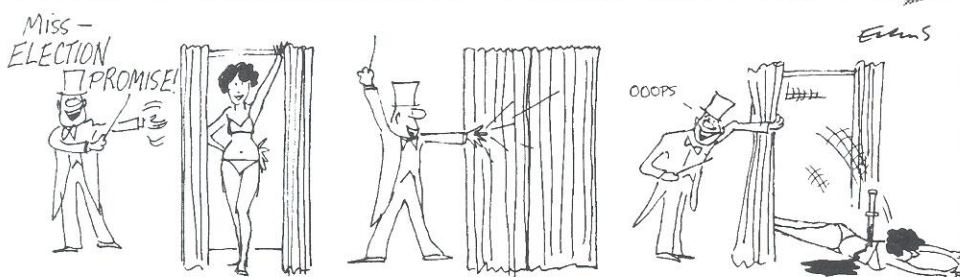
The tabloid press has been conducting a truly disgusting campaign recently against the asylum seekers who have been entering the country. Instead of being sympathetic to their condition in having to leave their homeland, their families and friends, often in fear of their lives, the press has been ranting on about armies of scroungers swarming around the streets of our cities. People with long memories will recall similar horror stories about Teddy Boys, Hippies, drug fiends and so on... All evidently set on undermining Our National Way Of Life. Needless to say our enlightened MRs have weighed in with strong words about dealing with the crisis. Funnily enough they all remain very silent about the multinational companies who arrive here and collect billions in state grants before clearing off leaving the workers in the lurch. Asking for a pound is a crime but a million or two? No problem.

Very Rich...

Many look forward each year to the annual publication by the Sunday Times of their listing of the top 1000 richest people in Britain. Rather unfortunately they chose to laud the prospects of the dot.com millionaires who have made their way through the Internet. No sooner had the list arrived on our doorsteps than the dot.com tycoons started to see their millions fade away as investors deserted them for the safety of the "old economy" shares. Perhaps readers noted the warning in the lead summary article which said: "A serious health warning must be attached to the Internet frenzy. The bubble may burst tomorrow".

Such a warning could be extended to all those who have done well out of the rise in share prices over the last period. Of the top 20 biggest risers in the earnings chart, 11 have earned their listing from shares rises and a further 7 from flotations or revaluation of their existing wealth. Only 2 are listed as result of business growth!

No wonder the Sunday Times talks of an "unsustainable bubble economy" when it sees how the rich are getting richer. ☆



Sweatshops of the new millennium

Call centres have the reputation of the sweatshops of the modern economy, this image is correct. Call centres are now reputed to employ more people than British agriculture. In the next period the organisation of the call centres will be imperative to keep the British Labour movement alive. However there are a few factors and dynamics in these industries that we must grapple with before we can begin this work. My partner and I both work for a North Staffordshire mobile phone service provider 'Caudwell'.

by a North Staffordshire worker.

A 'Service provider' provides the service support, billing & invoices, call centre for customer enquiries, technical advice and general point of contact for anyone who has a mobile phone contract with the company. The companies headquarters are in Stoke-on-Trent. The Head office 'Minton Hollins' is where most of the admin, billing and mail shot's etc. takes place. The building itself is a large converted pottery factory that is the workplace for about 300-400 people, Caudwell employs about 3000 people nationally. The open plan lay out of the building gives it the feeling of working on a production line. Customer requests and complaints are taken at the call centre end, scratch padded on to the computer network, forwarded to the next relevant department who deal with the request for action, then passed on over the network to the admin team for logging, printing and posting back to the customer. Everything progresses in a set direction with a pre-planned workflow.

Although the equipment that is used is state of the art computer technology the work itself is extremely boring and repetitive. Each department deals with an extremely narrow area of the process while each worker in the department deals with an even narrower set of tasks. The lack of feeling like part of any team because of the reality of knowing the technicalities of such a small area of the total process leaves you with a feeling of alienation. Mistakes are frequently made because overall co-ordination is poor, initiative isn't something that is possible when your job for the day is entering post

code changes.

The atmosphere within the building can be described as tense and stifling. The company is keen on its rules and insists on a high standard of dress, white socks or ankle boots must not be worn. Team leaders are told to make sure staff don't slouch and pay continual attention to their work. Staff caught smoking on the site will be immediately sacked, staff having more than four separate periods of absence in one year will be on automatic disciplinary review.

Flexibility

The company is owned and run by Brian and John Caudwell two back street car dealers who chanced on the car phone and then mobile phone industry in the late 1980's. The company now has in excess of £500m a year turnover and has doubled in size since summer 1998 making Brian and John rich and powerful. Flexibility is the key to the success of the Caudwell brothers, their workers are so flexible that when business is quiet we get sent home early, the hours are banked and called in by the company when it gets busier.

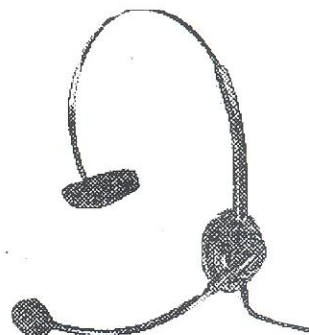
John is keen to keep people focussed and will personally come up with catchphrases for workers to think about while manning the phones. After Valentines Day the catchphrase was 'LOVE thy customer', this stands for Listen, Offer an apology, Verify the query, and Execute a solution. Plastered around the building in massive paper letters everyone must know the meaning of 'LOVE' because John is keen on stopping workers who pass his office to make sure they remember.

The Workforce.

Call centres generally attract young people the average age at Caudwell is 27. However staff turnover is high, Mondays have been nicknamed new starters day because every week 10 new people get the induction tour of the offices. Building a trade union is hard because potential members are constantly leaving; mobility in the labour market is probably at its extreme in these types of places.

Within call centres there is a subtle company politicisation, many are brand new and management have been able to tailor company culture from scratch often with an enthusiastic young workforce.

There is a certain brash arrogance with many making it hard to explain the idea of organising.



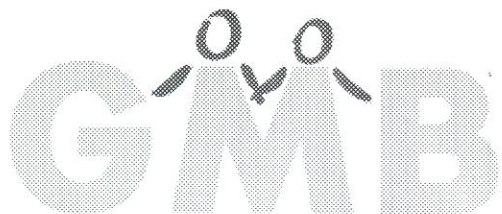
The standard week is 45 hours, with just one 30 minute break per day. There is no staff canteen and pay is low, but many will carry on without complaint. This is because for staff who remain for more than six months there is a good chance of promotion, after six months of constant staff turnover you will be an experienced member of staff. The kind of long term work needed to build a union is made difficult by the fact that within two years your most likely prospects will have been promoted to the level of junior management.

Work Ahead

The task of unionising the call centres is a pressing one, while management intimidation and resistance to unionisation are the most obvious hurdles they probably aren't the most significant. The job of building unions from scratch has always been hard but in the past manufacturing industries had the typical feature of stable workforces. In Caudwell and most of the service industry at least half of the work force is employed through temping agencies. When people become dissatisfied with conditions they leave! On the other hand those who stay have a very good chance of promotion and training for a better paid area of the business.

These patterns of labour mobility will probably change during a period of economic downturn with people less willing to quit if there are no other jobs to go to. Concerted efforts to raise the issues of unionisation with youth and service workers by the big trade unions would be useful. Raising the question of pay, conditions and flexible work nationally is the starting point for action and a programme to increase class consciousness.

P.S. Last week Caudwell told staff that there will be no pay rises in the next year.



Conference

The Commercial services section conference of the GMB takes place over the weekend of the 7th to the 9th of April in Glasgow. Commercial Services is the newly named old Apex section of the GMB and represents white collar workers in a wide range of sectors of the economy. With the TUC recently pledging £15 million to Labour's campaign fund for the next election, it is time trade unionists stood up and demanded their fair share of the booming British economy. The minimum wage for example long fought for by trade unionists was introduced at a miserly £3.60 an hour, less for young workers under 21 and no level at all for workers under 18. Even this year with Gordon Brown sitting on a massive surplus of £12 billion we saw only a small increase in the rate, up 10p. But even this small increase was only won on the basis of a campaign in the movement which forced 96 MPs to put down a motion to the PLP (the first since the election) demanding an increase in the rate - immediately met by Gordon Brown. This is a particularly important issue for workers in the commercial services section, many of whom suffer

the indignities of low pay, temporary and part time working. We must continue to campaign for a decent living minimum wage of at least £5 per hour as a starting point so that we can see the end of the curse of low pay. It is necessary that Blair and Brown, in taking our money to fund their campaign for a second term, take seriously the need to improve the lives of British workers across the board otherwise they will be held to account inside the unions and, as we have seen over the Livingstone affair, inside the Labour party itself.

As vital a role that these section conferences play, it is also vital that that we return to annual conferences of the whole union so that we can fight as one united democratic union across all the sections of workers that we represent.

Steve Forrest (London Central General branch - personal capacity)

NUJ: Rising confidence

This year's NUJ conference takes place against the backdrop of rising confidence and the most successful recruitment year for more than two decades.

With recognition talks already taking place on the back of the introduction of the Employment Relations Act with a number of major media companies (some of whom would not even allow officials in the door twelve months ago) the tide is definitely turning.

For several years the NUJ has been at the forefront of the campaign to secure recognition following the huge wave of derecognition that swept the industry in the late '80s and early '90s. Now we have the chance to regain recognition. But we must not become complacent. Recognition is vital but it is only as strong as union organisation at workplace, branch and national level.

As a result of derecognition our latest membership survey shows that around 10% of members still earn

under £10,000 a year, working hours have increased substantially, training has been neglected, there are higher numbers of people suffering from stress related conditions and morale is low in many workplaces.

We need to be able to demonstrate that recognition brings real benefits, they will not be handed to us on a plate, they need to be fought for. The union needs to be preparing to build a massive campaign against low pay, with a national day of action. The use of low paid workers has served to help drive down wages for many journalists. As a result such a campaign could involve the entire membership and help to build more confidence in our ability to achieve results through collective action.

That would be a major step towards building a fighting union which can begin to take back the rights and benefits stolen during the past decade.

By a NUJ member

Members say no!

by Fernando D'Alessandro, Eltham LP, personal capacity

An example of the real mood among ordinary rank and file Labour Party members in London after the selection process for the London mayoral elections was my last ward meeting (Slade Ward, part of the Eltham Constituency Labour Party). The anger of ordinary party members was already clear from the letter of invitation to the March meeting: "The fiasco of the selection process for Labour's candidate for Mayor has left many members feeling let down and angry. The credibility of the party through polls in London and amongst a lot of members is at an all time low. The process was seen by the public as 'rigged' and they will not vote for a 'rigged' candidate... This state of affairs has stretched loyal active members to the limit."

In the discussion on this issue I put forward a resolution explaining that it was not too late to avert a disaster, and this could be achieved by getting Dobson to stand down and the leadership inviting Ken Livingstone to come back to the Party and be its official mayoral candidate. This was passed unanimously! It was obvious that most of the members had voted for Ken Livingstone. Apparently similar resolutions have been passed, or are being presented, in many other wards and constituencies all over the South East of London. It shows how out of touch Blair and his clique are from the ordinary members of the Labour Party. The ranks don't want to lose elections. Blair has other priorities. ☆

Livingstone: Labour's ranks in revolt

The decision of Ken Livingstone to go ahead and stand as an independent in the forthcoming London mayoral elections has set the stage for one of the biggest divisions in the Labour movement for over a decade. If the opinion polls are to be believed then the "official" Labour Party candidate, Frank

Workers are already pointing the finger where it belongs - at the doorstep of the Labour leadership. It was they who engineered the blatant fix up which kept Livingstone from being the official candidate. Over 74,000 people voted for Livingstone in the various ballots as against just 22,000 odd for Dobson, and this with the full resources of the Millbank machine being put into getting votes for Dobson by whatever means. Yet Dobson wins thanks to the votes of a handful of MPs, MEPs and Labour candidates for the Assembly. If this was a horse race, there would have been a stewards enquiry!

Faced with such a travesty of justice the call has been made for Dobson to stand down in favour of Livingstone. However he has not done this and, with Livingstone standing as an independent, Labour is now facing a likely defeat in the election come May 4th. But any hopes that the Millbank machine might have had that things will die down have proved to be very premature indeed.

Islington North, Brentford & Isleworth, and Southwark Labour Parties have already passed motions calling for Dobson to stand down in favour of Livingstone. Similar toned resolutions are being discussed and passed elsewhere including three branches in Brent East. Many party workers and officers have stated that they will not work for Dobson and many others will clearly vote with their feet and stay at home rather than go out campaigning or leafleting. One "insider" source at Millbank has already stated that whilst there is no problem getting people to work for the Assembly candidates "we are having problems getting people out to support Frank." Similar opposition is also showing itself in the trade unions (where the vote for Livingstone was even higher than amongst party members) with a large number of branches, especially in the public sector, declaring support for Livingstone.

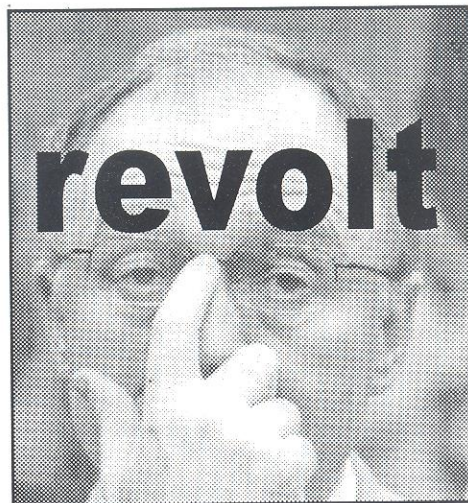
The evidence is clear. Workers and

Dobson, is set for a disastrous result on May 4th with party workers and traditional Labour voters deserting him in droves. Throughout the movement the question is being asked - how did this happen?

trade unionists want to support Labour, feel that is where their traditional loyalties lie, but also feel that they have been tricked out of having the candidate they so massively voted for. Dobson (and his business friend Trevor Phillips) are widely seen as imposed stooge candidates. No wonder all the polls point towards a huge vote for Livingstone on May 4th by Labour Party members and trade unionists. No wonder therefore that the word has unofficially gone out that no one in the party will be disciplined for supporting Livingstone. This "promise" should be firmed up by parties and unions passing resolutions demanding that no action is taken against party members who support Livingstone.

In announcing his decision to stand Ken Livingstone made it clear that he was calling on Labour Party members not to leave the party, even though that meant he would be denied the use of their help in canvassing and other public displays of support. As he put it: "...I do not want anybody to leave the Labour Party. Members... must stay and fight to ensure that nothing like it ever happens again." We agree. Much as we sympathise with the frustration and anger felt by Livingstone and others at the fix up, as well as the desire on the part of many to give Blair and co. a bloody nose on this issue, it would have been better for Ken Livingstone to have stayed and fought inside the party, using his position to provide leadership and help mobilise a campaign to reclaim the party from the Blairite carpetbaggers. The question we should be asking is what happens after May 4th? Even if Livingstone wins he will be able to do very little. He will be isolated and facing a hostile assembly, a hostile government and most of all a hostile capitalist system. Blair has already said that he will veto any alternative to PPP (de facto privatisation) for the tubes - a position which immediately raises the question of industrial action on the part of the unions to fight this.

What is needed is a socialist pro-



gramme of action aimed at changing society. To achieve this first requires a fundamental struggle inside the Labour and trade union movement to challenge the right wing leaderships and win the class organisations to a fighting alternative. Standing as "Mr. London", backed by funding from assorted showbiz types will not achieve this. Livingstone could have played a key role in this struggle, now others will have to take up the fight instead.

That fight needs to start now, especially in the trade unions. An immediate demand should remain the call for an emergency conference of the Greater London Labour Party to discuss the crisis and the way forward. Party members should not tear up their party cards but stay and fight for socialism. Those trade unionists who are not party members should sign up now on the basis of linking up with others to help reclaim the party. There is clear and growing opposition to Blair and his so-called project, and not just in London. Throughout the country activists are up in arms over what has happened. For a right winger like Peter Kilfoyle (of all people!) to break rank and express concerns about the Blairites' neglect of traditional Labour areas, shows the pressure that is building up from below. He will not be the last as things start to unravel. The election defeats in Ceredigion and Ayr are just the latest warnings of the shift in mood. No one wants the Tories back, with all that would mean, but to stave off this threat requires a real shift in direction on the part of the Labour government. At present we are left having to bank on the Tories remaining less popular than New Labour. All activists should be focusing on the task of transforming the party. That is the prize we should be fighting for, for socialism, socialist policies and a socialist leadership. After May 4th, that goal will be more relevant than ever. ☆

London says no to tube privatisation!

The weeks leading up to the London mayoral election on May 4th seem set to continue to be dominated by the issue of what should happen to London Transport. The plan is that, come July, London Transport, London Underground and the other bodies currently responsible for transport in London will be replaced by a new body, Transport for London. This body will operate under the authority of the Mayor who will be able to nominate the board members.

However the critical question is still how will the underground network be funded from now on? The main choices being presented are public-private partnership (PPP), the option favoured by Frank Dobson and the government, or the issuing of public bonds, the option favoured by Ken Livingstone and the unions. How different are these options and do either of them present a viable way forward for transport in London?

Some experts such as Tony Grayling from the Institute for Public Policy Research (writing in the Guardian of 9 March) have argued that in practice there is little to choose between the two options and that in essence they are very similar. Is this correct?

Certainly something has to be done. When Labour came to power in 1997 they found an underground system starved of cash and in serious disrepair. There was a £1.2 billion investment backlog with a further £400 million needed per year in investment just to maintain the system. After considerable discussion two "solutions" have emerged. PPP entails the farming out of such things as the modernisation and maintenance of the trains, tracks, signalling, the tunnels and the stations. These would be divided up between three companies who would operate under a system of regulation. The Livingstone option would involve the issuing of public bonds to raise the necessary cash but

with some things still being contracted out to either the public or private sector.

All the evidence suggests that the bonds option would be cheaper since PPP would have to provide, so it is estimated, a return of at least 12% a year on the investment made by big business as against a borrowing rate of 4.5% through a bond issue. According to Ken Livingstone this could mean a difference of £1 billion a year in saved expenditure.

The supporters of PPP respond that firstly their option means that the private sector takes all the risks and secondly the additional costs will be offset by savings on productivity. However, the fact that in the event of a crisis the government would have to step in come what may, since they could not allow the underground to go bust, means that the private companies involved would be all too aware of the safety net that would be there for them. The threat of regulation would be meaningless as we have seen with the way it has worked on the railways. As for the question of productivity savings - well as we have explained before workers are all too aware now of how these companies will get their savings. Corners will be cut and the workforce squeezed hard with pay and conditions subject to extreme attack. This is what is meant by the "efficiency savings" talked about by all the experts.

So given just the choice between PPP and bonds then the option favoured by Ken Livingstone and the rail unions would have to be the one. Apart from anything else, PPP would be widely seen for what it really is - a backdoor route to full privatisation at a later stage. However both options would require a certain amount of public subsidy, the accountants PWC have put this at £100 million per year for starters, more if cutbacks are not implemented, possibly as much as £250 million a year. To this can be added the danger of fare increases to cover any shortfall in the money provided by government. In any case since the bulk of the bonds would be

owned by big business investors, banks and the like, there would still be considerable pressure on the new administrative body to defend their investments rather than provide a good service to Londoners.

To defend the lesser of two evils is to pose the question why have evil at all? Surely the real answer would be to have all the public transport systems run together in a unified way with proper public funding. Those privatised sectors should be renationalised without delay and without compensation to the privateers who have made a mint at our expense. But this is not possible shout the so-called experts! However as part of a socialist plan of production it would be. As Socialist Appeal has explained many times, the wealth to pay for projects like this already exists. At present it is siphoned away in profits and dividend payments to the pockets of the rich. To this can be added the tremendous wastage which exists in the capitalist system with its chaotic system of production. A single public transport network combining the tube, overground rail and the buses, properly financed and run under workers control with proper representation from all sections of society including passengers would produce an efficient cheap to use service which would benefit the people of London not big business. The penny pinching methods which have plagued the network up to now have demoralised staff and passengers alike and will cost billions of pounds in the long run. Neither the PPP or bonds option present a serious solution in the long run. Any short term benefits will have to be seen against the problems of decay which will reassert themselves in the future as the system seeks to try and stay afloat under capitalism.

Hostility to any privatisation of the tubes on the part of Londoners is clear. It seems incredible that the Labour leadership do not realise it, such is their love affair with the methods of big business and the market. A fight to get a real public service for London would gain tremendous support. It is time that the rank and file of the Labour and trade union movement started fighting for it. ☆

Feature on London by Steve Jones



★ Youth for Socialism

This is a letter we received from one of nearly 1,000 Mexican students arrested at the beginning of February in Mexico for their participation in the 9 month long students strike at the UNAM university. Most of the students have now been released (including the author of this letter), but only under bail of \$2,000. The Students Committee to Defend State Education is still asking for financial donations to cover

legal costs. Cheques should be made payable to International Solidarity Club and sent to:

PO Box 2626, London N1 7SQ
(please write on the back "for Mexican Students Legal Defence Fund")

Dear comrades,

First of all I would like to thank you all for the support we have received in these difficult circumstances, when the students who were fighting for a state-owned and free UNAM have been brutally repressed by the state which is trying to smash the students movement and set a precedent on how to "solve" other social conflicts.

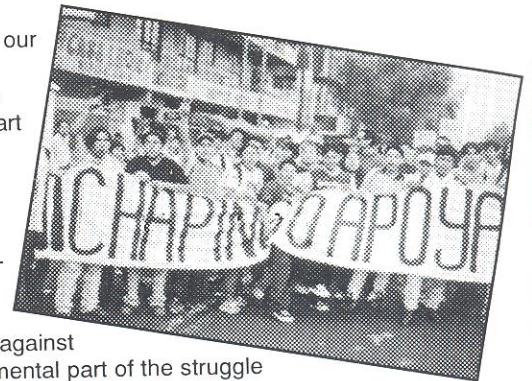
This is not an isolated act. The struggle of the UNAM students is part of the battle against big business, which wants to smash those who are in its way in order to be able to continue to accumulate as much money as possible and to keep the exploitation of workers and peasants. For this reason our struggle has to go further. In order to win it has to be part of the struggle for the socialist transformation of society.

The struggle that each one of us is waging in our communities must be in the interest of the most downtrodden and exploited and for a radical change of society, for a society in which the means of production are in the hands of the producers themselves and not in the hands of a minority of exploiters.

Comrades, forward with the struggle, jail does not frighten us,

it only reinforces our convictions, let's take the struggle forward in any part of the world we might be.

Let's struggle comrades and make our participation as marxists in each one of the struggles against Capital a fundamental part of the struggle for the socialist transformation of society.



Militant greetings,

X.

UNAM political prisoner
Mexico, March 21, 2000

Section 28 and socialism

The hysteria over the repeal of section 28 illustrates the stifling social and political environment in which young people are growing up. It shows how the media and the wealth of big business can be used to mobilise reactionary elements in society to police our sexuality and other aspects of our social being in the future. Especially if the campaign becomes a more general one about morality, opposing the right to abortion, for example, which was advocated by the pro-life candidate in the Ayr election.

by Tom Rollings, St Andrews University

It has played on religious bigotry despite being financed by Brian Souter, the joint owner of Stagecoach, who hypocritically makes his money by exploiting his workforce like all greedy capitalists. It also appeals to family values yet it is capitalism, which strives to reduce all personal relations to monetary transactions, that is destroying the family. The moralists don't have a moral argument.

They claim that is that it is unnatural, when what is natural about mankind is our constant attempts to transcend our genetic and social limitations.

They state that repeal of section 28 would allow teachers to indoctrinate children into choosing to be gay. But this does not explain how, despite the emphasis of people like Brian Souter on heterosexual relationships, gay people know they are gay.

Section 28 does not make children heterosexual just as repeal will not make children gay, but it does hinder teachers from preventing gay children being bullied. And it makes gay children unhappy and more vulnerable because they have not been able to participate freely in the gay scene, which they discover on leaving school.

In practise, the hysteria that says it is wrong for people to live together, sometimes for decades, simply because they are gay is answered by reality and contact with gay people that dispels reactionary stereotypes based in ignorance. We can

only combat the wealth and power of people like Brian Souter by actively exposing his bigotry, with the solidarity of other groups who are under attack, like students, lecturers, the unemployed etc.

These struggles need to be brought together and linked to the need to overthrow capitalism and reorganise society in the interests of people. To prevent prejudices from scarring individuals throughout life children need an education that encourages their talents and a respect for others, but this is not possible when personal and social development is restricted by a society in which market forces control us instead of us controlling them.

Today science and technology, with which we can control the natural world, make a profit for a minority. If they were used to reduce the working week and raise our cultural level we could gain control of human society as well. Until this happens, prejudices from the past, like poverty, will inhibit us from transcending our limitations and freely constructing our future, while hypocritical capitalist morality will continue to stifle us.★

Fashion Victims

Textile and clothing workers worldwide (Part II)

This is the second part of a two part article. You can find the first part in March's Socialist Appeal (Issue 77)

This story is not just about the third world. It's about how the big clothing companies have brought third world conditions right back to the rich countries. This is what Americans read was happening in their richest state in 1995.

by Mick Brooks



On August 2 1995, the American public was horrified by press reports about the discovery at an apartment complex in El Monte, California, of seventy-two Thai garment workers who had been held in slavery for up to seven years, sewing clothes for some of the nation's top manufacturers and retailers. The workers laboured over eighteen hours a day in a compound enclosed by barbed wire. Armed guards imposed discipline. Crowded workplaces long hours and illegal working conditions are standard business practices in the industry, and the El Monte story has helped to dramatise public awareness of these crimes. But the story told here is about how workers have endured, and have mobilised to bring about change.

Slave labour

The Thai workers were industrial homeworkers, forced to eat, sleep live and work in the place they called 'home'. The slave labour compound where they were confined was a two-story apartment with seven units, surrounded by a ring of razor wire and iron guardrails with sharp ends pointing inward. Their captors, who supervised garment production and enforced manufacturer specifications and deadlines, ruled through fear and intimidation. Workers were forbidden to make unmonitored phone calls or write uncensored letters, and were forced to purchase goods from their captors, who charged four or five times the market price for food, toiletries and other daily necessities. Living under the constant threat of harm to themselves and to their families in Thailand, they laboured

Crowded workplaces long hours and illegal working conditions are standard business practices in the industry, and the El Monte story has helped to dramatise public awareness of these crimes

over sewing machines in dark garages and poorly lit rooms, making clothes for brand-name manufacturers sold in some of the biggest retail stores in America." (Julie Su)

Why do employers do this? They do it because they can. They do it because, no matter how much money they've got, they always feel the need for more.

Americans were shocked by the El Monte story because they thought things like that didn't happen in their country any more. They thought that things had got better.

For many textile and clothing workers in the United States, things had got better. Or rather textile and clothing workers had fought - and won - a battle for better wages and conditions.

"In 1909, a walkout of several hundred workers from the Triangle Shirtwaist Company sparked a strike of 20,000 shirtwaist makers throughout the industry. They were mainly young Jewish and Italian immigrant women, their condition as the most viciously exploited workers in the industry long acknowledged but ineffectually addressed by both the male-dominated unions and government authorities. The strike became a cause, as community leaders.....joined the picket lines, raised funds and galvanised public opinion in support of the strike. The following year it was the men's turn. In New York, 60,000

cloak makers, inspired by the success of the shirtwaist workers, paralysed the industry with a general strike. At the same time in Chicago workers at the Hart, Schaffner and Marx firm sparked an explosive strike in the city's garment industry that would give birth to the Amalgamated

Clothing Workers of America....The cloak makers' strike led to what was called the Protocol of Peace (which) won universal acclaim." (Alan Howard)

So the workers struck for a little dignity and a better future for their families. Six months after the signing of the Protocol, 146 workers died in a fire at the Triangle Shirtwaist factory. Pauline Newman tells it like it was - and still too often is. "We started work at seven thirty in the morning, and during the busy season we worked until nine in the evening. They didn't give you any overtime and they didn't give you anything for supper money....The employers didn't recognise anyone working for them as a human being....if you went to the toilet and you were there longer than the floor lady thought you should be, you would be laid off for half a day and sent home. And, of course, that meant no pay. You were not allowed to have your lunch on the fire escape in the summertime. The door was locked to keep us in. That's why so many people were trapped when the fire broke out."

You see, the employers were just trying to save a little money. One way they save money is by blocking gangways with rolls of materials and finished goods. Another way they save money is by bolting emergency exits, so workers can't take unauthorised breaks.

In 1993, fires in toy factories in Thailand and China meant that 275 workers perished that year. Employers are still saving money and it's still at the expense of workers' lives. Same old story.

Most workers in the United States and the other rich countries did gain better wages and conditions - for a time. They did it by organising in trade unions and threatening the strike weapon. Any strike shows that when the workers stop working, nothing gets done. It's us that pro-



duces the wealth.

But now the big textile and clothing companies are trying to take back all the gains of past struggles. Why? Because they can. Because they can roam the world looking for cheap labour to exploit. Because they can sniff out and batten on to low pay pockets in rich countries.

Because if they can use child labour, they will use child labour. Because if they can use slave labour, they will use slave labour.

How does all this affect workers in rich countries such as the United States. In 1973 there were nearly one and a half million clothing and textile workers in the USA. Some of them have lost their jobs as firms like Nike pull up stakes and go where they can get away with paying workers less. While only 4% of clothing was imported into the States in the 1960s, it's now gone up to 60%.

But 860,000 still work in the rag trade in the United States. American bosses have responded to foreign competition in two ways.

One way - as we have seen - is to create little third world enclaves of super-exploitation right

in the heart of the 'land of the free'. They've torn up union contracts all over America. In 1969 450,000 clothing workers in New York were members of unions. Now it's less than half that - just 200,000 hanging on to their cards. That's not just a statistic - you can almost smell the fear. While in Los Angeles 4,500 out of 5,000 garment factories are recognised as

sweatshops.

The other response of textile and clothing companies in the rich countries to foreign competitors has been to make sure that, if they're paying you more than workers in Pakistan or El Salvador, they get more out of you.

American clothing bosses have cut costs by mechanising. Whereas only 6% of clothing production in the United States used modern machinery in the 1960s, twenty years later the business was 40% automated. As a result productivity in clothing manufacture has doubled in the rich countries over a twenty year period. In other words workers are producing twice as much as they did before. As a result they are working less time to make up the value of their wages and more time for the boss class. This is what Marx called the production of relative surplus value. Relative surplus value can be increased by raising the intensity of

labour (which is what bosses were trying to do to British textile workers in the 1930s - as we see below) or by raising the productivity of

labour through mechanisation.

What has happened to American workers' wages as a result of mechanisation? Clothing workers' wages in the USA buy exactly the same as they did twenty years ago. The entire benefits of this increased productivity has gone to the clothing employers.

What's this all about? We know that a

simple and obvious way of raising the rate of exploitation when the labour movement is weak is to make the workers put in more hours to extract more absolute surplus value. Marx showed how this strategy came up against the resistance of the working class in the cotton textile industry in the middle of the nineteenth century. The workers imposed their own limits through strike action and later won a legal limit on the working day. If capitalists can't increase hours without limits to raise the rate of exploitation then they're going to have to make the workers achieve more in the hours when they do have them at their disposal.

Working faster

If a worker is knocking out twice as many dresses in eight hours, then they're reproducing the elements of their wages in two hours instead of four. That leaves six hours for the production of surplus value.

One way is raising the intensity of labour. If they can't lengthen hours, then they make sure they get more out of you while you're in. Two classic ways of getting more sweat out of workers are speeding up the track and getting the workers to mind more machines.

This has been going on a long time. However much you produce for them they always want more. At the time of the great depression of 1929-33, the British cotton capitalists thought it was a good time to put the boot in to textile workers. They demanded that weavers mind six looms instead of four - like Japanese workers. The 'more-looms' dispute, went together with a demand for pay cuts of up to 12½% - more work for less pay! This triggered a walkout of 150,000 weavers in Lancashire. After a bitter dispute in which police baton charges against picket lines became routine, the strike was sold out by the trade union tops. The Daily Express (!) commented "The Lancashire weaver has been betrayed...with the exception of a handful of manufacturers it is safe to say that the agreement has been honoured more in the breach than in the observance...Weavers in Burnley are in open revolt...They were promised 42 shillings a week (£2.10) when the six-loom system was introduced...Today many of them are going home with not more than 25 shillings a week (£1.25. Unemployment for a single person was 75p at the time)".

So this playing off workers in one country against another is an old game. It's a game that all workers lose at. Whatever happens, workers in the rich countries lose their jobs. But it would be wrong of them to blame workers in poor countries or the new machines. In either case the employers have taken a decision that workers are surplus to requirements -

In 1993, fires in toy factories in Thailand and China meant that 275 workers perished that year. Employers are still saving money and it's still at the expense of workers' lives. Same old story.

they are to blame for job losses.

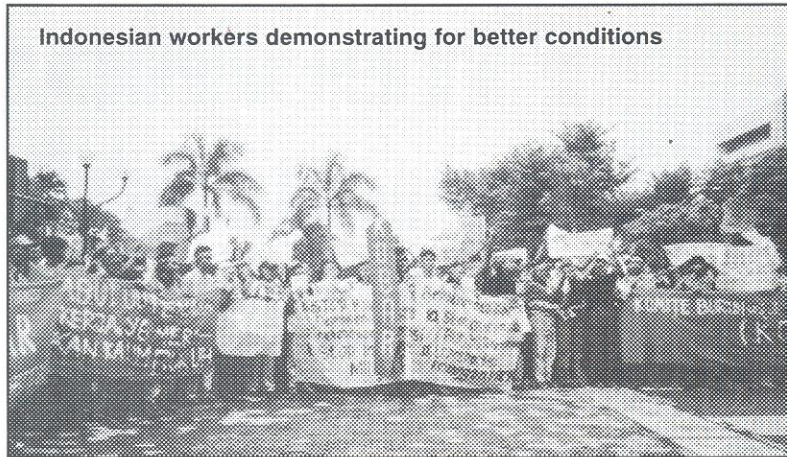
Workers are not just victims. All over the world they are fighting back because they have to. Workers in rich countries such as the US did achieve better wages and conditions for a time as the fruits of their struggle. Now the bosses are trying to take it all back.

Workers in other countries are also fighting back. A few years ago all the big clothing companies thought Indonesia was the place to uproot to.

The working class soared in number from ten million in number to 86 million, nearly half the population, under his rule. And why? Because Suharto was 'good for business'. It is not surprising that former President Suharto had such fond feelings for capitalism. He and his family had managed to monopolise most of the lucrative businesses in Indonesia as the fruits of office. The family is believed to have owned a fifth of the entire economy. So the Indonesian economy is supposed to be an income-generating mechanism for 200 million people, but in fact functioned as wealth generator for one family. Suharto's personal fortune is reckoned at \$16 billion according to the American business magazine Forbes, while the family as a whole got away with \$45 billion. This is more than the entire 'rescue package' the International Monetary Fund has recently pledged to lend the country because of the economic crisis in East Asia - compounded by the rampant pilfering of the Suhartos.

Suharto was 'good for business'. What does that mean? It means that while he and his family were looting the state, workers in the textile factories were trying to feed a family on 34 cents an hour. Suharto's military dictatorship held workers down in the interests of multinational capital.

An Indonesian workers made the connection. The textile and clothing workers were a new generation of industrial workers sucked into the textile plants and fresh off the farm. In the villages they had been isolated. They didn't know what was going on in the country at large. They had no feeling of their collective power. In the factories they were still exploited - just exploited in a different way. But they knew that if they all came out together the wheels would stop. Individuals could be victimised but collectively they produced all the wealth, and they would have to be listened to. And the Suharto dictatorship was the shield of the factory owners pre-



Indonesian workers demonstrating for better conditions

13,000 workers work an average of 11 to 12 hours a day, seven days a week. We earn 155,00 rupiah a month (approximately £15). The military have a permanent unit in the factory. The walls are protected by barbed wire. Some 100 plain clothed military check the workers on the floor for dissident voices or union activists. When we go into action we are still beaten up by the mili-

venting them organising to make their lives better. That is why the rag trade workers of Indonesia were in the vanguard of the movement that chased Suharto out of office in May 1998. In fact the heat lightning of the movement was the Nike strike in Java the previous year. Workers went on strike for four days and management made concessions. As soon as the workers were back, the bosses ratted on the deal. Showing the spirit that would topple Suharto, the workers in Nike rioted, smashing up plant windows and management cars. They got what they wanted.

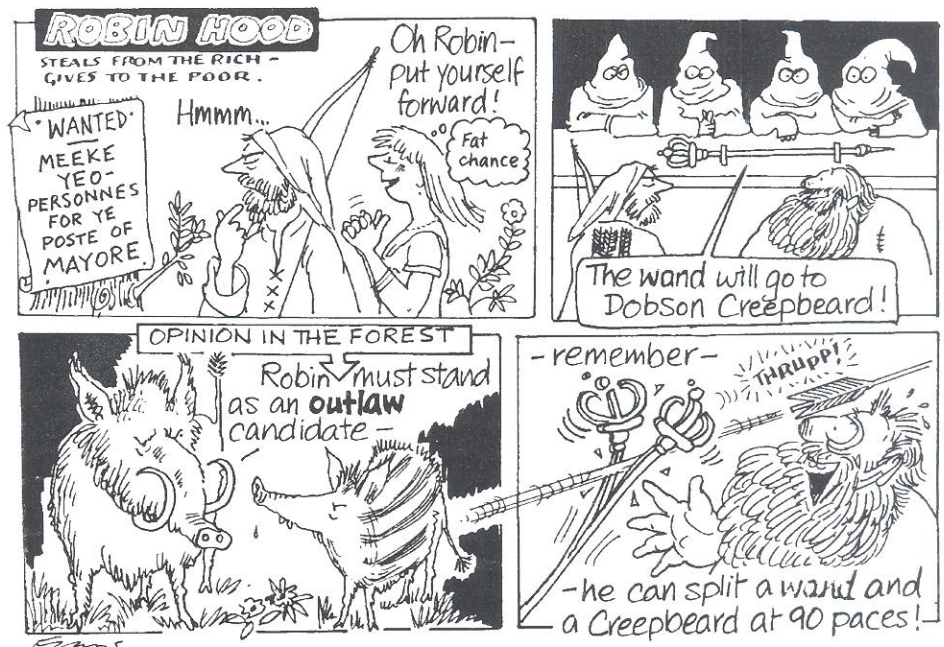
Here's how it was explained in Socialist Appeal no 70 by an Indonesian textile worker. "Reform did not enter the factories. Here in Sritex,

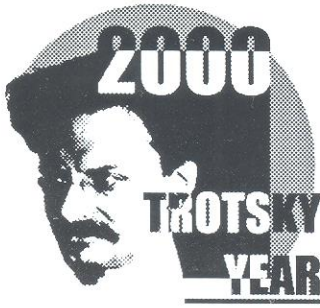
tary...Our factory is the property of Suharto's son in law and his daughter. That explains a lot".

You won't stop the bosses exploiting workers. As long as they are bosses, they have to do that. But you'll never stop workers fighting back against exploitation either. As long as they are wage workers they will have to fight for a better future.

Much of the material for this article has been taken from the collection 'No sweat' edited by Andrew Ross and published by Verso. The Amsterdam-based 'Clean clothes campaign' (www.cleanclothes.org) also issues exposes and campaigns against sweated labour in the industry. They deserve the support of every socialist. ☆

Evans' view





The Moscow Trials

The greatest frame-up

"Why does Moscow so fear the voice of a single man? Only because I know the truth, the whole truth. Only because I have nothing to hide. Only because I am ready to appear before a public and impartial commission of inquiry with documents, facts, and testimonies in my hands, and to disclose the truth to the very end. I declare: if this commission decides that I am guilty in the slightest degree of the crimes which Stalin imputes to me, I pledge in advance to place myself voluntarily in the hands of the executioners of the G.P.U.

"That, I hope, is clear. Have you all heard? I make this declaration before the entire world. I ask the press to publish my words in the farthest corners of the planet.

But if the commission establishes - do you hear me? - that the Moscow Trials are a conscious and premeditated frame-up, constructed with the bones and nerves of human beings, I will not ask my accusers to place themselves voluntarily before a firing squad.

"No, the eternal disgrace in the memory of human generations will be sufficient for them! Do the accusers of the Kremlin hear me? I throw my defiance in their faces. And I await their reply!"

From Trotsky's summary speech before the Dewey Commission, April 1937.

In August 1936, the Old Bolsheviks Kamenev, Zinoviev, Smirnov, Mrachkovsky and twelve others were framed by Stalin, forced to confess to crimes they had not committed, and shot. In January 1937, other leading Bolsheviks, including Piatakov, Radek, Sokolnikov and Muralov, were also framed and either shot or murdered. In June 1937, Marshal Tukhachevsky and a group of the highest-ranking Red Army generals were executed. Finally, in March 1938, Bukharin, Rykov, Krestinsky, and others were also convicted of counter-revolution and shot. The men in the dock were all members of Lenin's Political Bureau, except for Stalin. Trotsky, though absent, was the chief defendant. They were all accused for plotting to assassinate Stalin and the other Soviet leaders, to wreck the country, and conspiring with the espionage services of Britain, France, Japan and Germany. They were also accused of entering into secret pacts with Hitler and the Mikado to annex vast slices of Soviet territory.

The frame-up trials were accompanied by a prolonged purge running into millions. Many victims were executed without trial because they refused to bear false witness. The forced confessions of the defendants in the public trials were the only basis for the proceedings and verdicts. Trotsky alone was beyond Stalin's reach and could not be silenced. At every turn, he denounced the monstrous actions of the Stalinist regime.

At the same time, the Communist Parties everywhere churned out propaganda against Trotsky and in favour of the trials. It was especially taken up with zeal by the British Stalinists. R. Page Arnot

wrote in Labour Monthly: "Trotskyism is now revealed as an ancillary of fascism." Walter Holmes in the Daily Worker (4/9/36) wrote: "What are you worrying about? Everybody in our party has got enough sense to know they ought to be shot." John Gollan wrote a pamphlet entitled The Development of Trotskyism from Menshevism to Alliance with Fascism and Counter-revolution. The pro-Stalinist D. N. Pritt, KC wrote: "Once again, the more faint-hearted socialists are beset with doubts and anxieties," but "once again we can feel confident that when the smoke has rolled away from the battle-field of controversy it will be realised that the charge was true, the confessions correct, and the prosecution fairly conducted."

Piatakov

Meanwhile in Russia, the Stalinist regime was trampling over the corpses of the Old Bolsheviks. On 10 August 1936, Yezhov, a leading figure in the secret police, showed Piatakov the testimony given against him, pushing him to a nervous breakdown. Attempting to defend himself, Piatakov blamed the 'Trotskyists' for spreading slanders about him. Calling himself guilty of "not paying attention to counter-revolutionary work of his former wife, and of being indifferent to meetings with her acquaintances", Piatakov said he should be punished more severely, and asked "that he be granted any form of rehabilitation." With this in mind, he asked the CC "allow him personally to shoot all those sentenced to be shot in the (forthcoming) trial, including his former wife." He requested that a statement about this be published in the press.

"In reporting these events at the December Plenum of the Central Committee in 1936", writes Vadim Rogovin in his excellent book, 1937 - Stalin's Year of Terror, "Stalin stated that Piatakov had prepared 'with pleasure' to play the role of prosecutor. 'But when we thought things over and decided that this wouldn't work. What would it mean to present him as public prosecutor? He would say one thing, and the accused would object by saying: "Look where you've managed to crawl, into the prosecutor's chair. But didn't you used to work with us?!" And what would that lead to? It would turn the trial into a comedy and disrupt the trial.'" (Rogovin, p. 69)

On the one hand, this showed how broken Piatakov had become, desperate to escape his inevitable end. He prostrated himself before Stalin. His plea to be allowed to become prosecutor was even cynically considered by Stalin but then rejected, fearing it would bring the trial into disrepute.

Stalin then coolly considered Piatakov's request to personally shoot the defendants, including his former wife, but then thought it unwise: "If we announce it, no one would believe that we hadn't forced him to do it. We said that this wouldn't work, no one would believe that you voluntarily decided to do this, without being coerced. Yes, and besides, we never have announced the names of the people who carry out sentences." (Quoted in Rogovin, p. 70).

When Tomsy's name was mentioned in Pravda, connected to the "Trotsky-Zinoviev Gang", he shot himself. He left a note to Stalin: "I never joined any conspir-

Trials (Part II): A re-up of history

by Rob Sewell

acy against the party." The interrogation of Radek, Skolnikov and Piatakov served to blacken their names. They admitted to the existence of the mythical 'centre' that Trotsky was supposed to have used to organise terrorism inside the USSR. At their trial they were found guilty. Piatakov was shot, and Radek and Skolnikov were imprisoned - and finally murdered in 1939 by other prisoners, apparently on the orders from the security forces.

At the beginning of 1935, Trotsky's son Sergei Sedov was arrested and sent into exile to the Vorkuta camps. New charges were brought against him for allegedly poisoning workers. He was sentenced to be shot on 29 October 1937. All of Trotsky's family - at least those the authorities could discover - were subsequently arrested. "The very sound of his name - Trotsky! - aroused a mystical horror in the hearts of the contemporaries of the Great Purge," notes Runin, the brother-in-law of Sergei. "And the fact that my sister had some kind of relation to that name automatically turned not only her, but our entire family, into state criminals, 'collaborators', 'spies', 'accomplices', in short, into 'agents of the greatest villain of modern times, into the most vicious opponent of Soviet power.'" (Quoted by Rogovin, pp. 152-53).

Confessions

While there were those who confessed to crimes they did not commit under lengthy interrogation, there were many who did not. Most were shot. Some survived, such as D. B. Dobrushkin, an engineer in Moscow. He passed through a two-year investigation, during which he lost the sight in one eye. He was finally released in Beria's 'reverse flood'.

The witch-hunt atmosphere affected everyone, even the most fervent Stalinists. Ordzhonikidze, for example, committed suicide in early 1937, after constant harassment from Beria of the G.P.U. In February-March, at the Plenum of the CC, a case was constructed against Bukharin and Rykov. They were forced to grovel before their tormentors. When Bukharin apologised for his political short-sightedness, Stalin interrupted "That's not enough, that's not enough!" He then begged the "CC once again to forgive me." After four days of interrogation, both

Bukharin and Rykov were in a state of extreme exhaustion and despair. In the course of their speeches they were constantly interrupted and barracked. After Bukharin had spoken, there were shouts from the audience: "He should have been put in prison long ago!" Stalin urged them to "cleanse themselves" by testifying against themselves and others.

Stalin's agents were also busy internationally exposing Trotskyist "counter-revolutionaries." In Spain the G.P.U. under Alexander Orlov carried out reprisals and assassinations of Trotskyists and the anti-Stalinists of the POUM. This included Trotsky's secretary in Norway, Erwin Wolf, and the POUM leader Nin, who was mercilessly tortured and his body secretly disposed of. In 1937, Ignace Reiss, a G.P.U. agent, publicly broke from the Stalin and came over to Trotsky. He was hunted down and murdered. In 1938, Trotsky's son, Leon Sedov, was also murdered in Paris. In the same year, the decapitated body of Rudolf Klement - the movement's international secretary - was found in the River Seine. The net was closing in.

Trotsky knew his life was in constant danger. Trotsky would tell Natalia, "We have been spared another day." It was Trotsky's hope to be granted sufficient time to allow him to develop and educate a new cadre for the revolutionary events that would unfold during and after the war. Trotsky embodied the genuine traditions of revolutionary Marxism. For this reason, he was a deadly threat to Stalin. The discontent within the USSR, together with the revolutionary events in Spain, threatened to revive opposition within the country. That is why he launched the Purge trials. All potential opposition had to be eliminated.

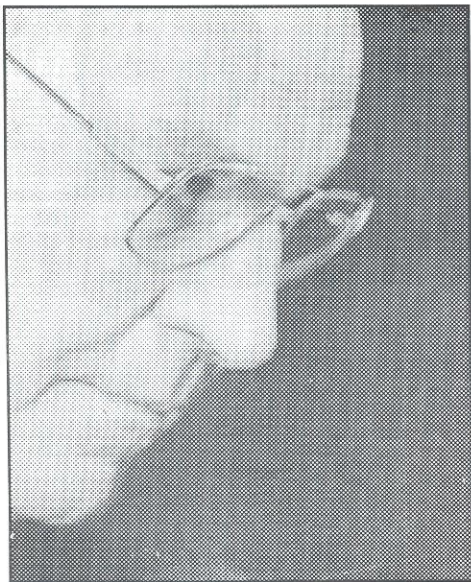
Trotsky himself was assassinated by a Stalinist agent on 20th August 1940. But to kill a man, is not to kill his ideas. Stalinism has collapsed in the ex-Soviet Union. The Stalinist bureaucracy has gone over - as Trotsky had predicted - to the capitalist counter-revolution. The ranks of the Communist Parties internationally are in ferment. They have never been so open to Trotsky's ideas. The development of powerful Marxist currents world-wide now



falls on the new generation of workers and youth. Trotsky has bequeathed a treasure house of ideas, which can help us in our task. A new period opens up before us of revolution and counter-revolution. On the basis of events, the traditional organisations of the working class will be transformed and re-transformed and open the way for the creation of mass Marxist tendencies internationally.

Trotsky was to defend his honour and faith in the socialist future of humankind to the bitter end. It was essential to maintain the spotless banner of revolutionary socialism. "We will not hand this banner to the masters of falsification", stated Trotsky. "If our generation has proven to be too weak to establish socialism on this earth, we will give its unstained banner to our children. The struggle which looms ahead by far supersedes the significance of individual people, factions and parties. It is a struggle for the future of all humanity. It will be severe. It will be long. "Whoever seeks physical repose and spiritual comfort - let him step aside. During times of reaction it is easier to lean on the bureaucracy than on the truth. But for all those for whom socialism is not an empty phrase but the content of their moral life - forward! Neither threats, nor persecution, nor violence will stop us. Perhaps it will be on our bones, but the truth will triumph. We are paving the way for it, and the truth will be victorious. Under the terrible blows of fate I will feel as happy as during the best days of my youth if I can join you in facilitating its victory. For, my friends, the highest human happiness lies not in the exploitation of the present, but in the preparation of the future." ☆

www.trotsky.net



Corruption scandal shakes Germany's CDU

In Germany, the new millennium has been ushered in by a party financing and corruption scandal which was more exciting than many thrillers and caused a political earthquake of unprecedented dimensions. The Christian Democratic Party (CDU) which until the end of 1999 appeared to be the most solid and united bourgeois party in Europe and given the difficulties for Schröder's "red-green" coalition had appeared to be close to a return to power, suddenly saw its popular support shrink from day to day. The crisis has culminated in an

open split between Helmut Kohl (who had been Federal Chancellor for 16 years and party leader for 25 years) and the majority in the party leadership and membership including some of his hitherto closest cronies. Kohl renounced his position as honorary chairman of the party and did not turn up in parliament for four months but has not surrendered.

by Hans-Gerd Öfinger, editorial Board of Der Funke

Over 50 years, Germany's Christian Democrats had been capable of maintaining a dominant position in home politics. Being founded in 1946 as a merger of various bourgeois parties and tendencies that had existed in the pre-Hitler Weimar Republic, the CDU has managed more than any other of their sister parties to maintain popular support and win all but two out of 14 general elections since 1949. Being a bourgeois party, it has always been decisively influenced by leading big business circles who organised the fund raising and the collecting of donations from millionaires and industrialists. At the same time, they had largely managed to maintain popular support amongst small businessmen, middle classes, farmers and self-employed people and their associations as well as civil servants and a minority of the working class especially in catholic and/or rural areas. Many of those fellow travellers and party activists who had always had illusions in the "christian", "law and order" and moralist slogans cynically used by the leaders have been shocked and disillusioned enormously by the recent revelations about money laundering, illegal party funding and the high degree of criminal energy displayed by leaders such as Kohl and Kanther (the former Home Secretary/Minister of the Interior) whom not so long ago they regarded as law-abiding and honest men.

Revelations began when the Augsburg Department of Public Prosecution initiated

investigations and the interrogation of the former CDU treasurer Walter Leisler Kiep. The almost daily exposures highlighted facts that do not surprise Marxists but come as a shock to all those who wrongly believe that politicians who make and execute laws are really law-abiding.

Money laundering

According to German laws on party financing, the names of all major donors have to be published. The system of black funds involving banks in Liechtenstein and Switzerland has consistently been created under Kohl's leadership in order to avoid this obligation. Like old women who do not trust the banks and keep their savings in stockings or under their pillows, the Christian Democrats used messengers who carried millions of Deutschmarks in banknotes from one place to the other. Whereas the issue of compensation for the few surviving slave labourers under Hitler's Nazi regime is still not settled, the regional leaders of the Hessen CDU around Kanther had the cheek to cynically claim that they had received considerable anonymous donations from deceased Jewish industrialists until in the end under the pressure of continuous revelations they had to admit that it was just a lie and fairy tale.

The revelations so far are obviously only the tip of the iceberg. But it has been made absolutely clear that money buys and rules the world and in concrete cases

money makes the decisive difference to get certain political decisions passed. In 1991, Kohl intervened personally to get German tanks delivered to the regime in Saudi Arabia - and shortly after the CDU was donated one million Marks by the industrialists concerned. There is the case of Agnes Hürland-Büning, a third rate politician and former deputy minister who got an 8.5 million DM fee for "consulting" the Thyssen company. There is the case of former deputy minister Holger Pfahls (who used to be the right hand of the former Bavarian Christian Democratic leader Strauss) who is being searched by the law enforcement authorities on a warrant of arrest.

In East Germany, where Western capitalists and many dubious speculators and "investors" have made a fortune out of the privatisation and sell off of industries, premises and assets, many are beginning to realise that Kohl's promise in 1990 to create democracy and prosperity for all has been betrayed once again. In this context, it has become known that the French oil company Elf Aquitaine has donated 85 million DM from black funds which have leaked into Germany through different channels (including once again foundations in Liechtenstein and Swiss banks). In return they got the privatised East German petrol stations at a very good price and at the same time got billions of Deutschmarks as subsidies for the

takeover and modernisation of the Leuna oil refinery. Yet the files and records on these and other deals and transactions seem to have been removed from the Federal Chancellor's Office under mysterious circumstances before the Christian Democrats had to hand over the keys to Schröder's team in 1998.

Breathing space

The scandal around Kohl and the CDU has meant a breathing space for the Social Democrats who since after their takeover of office in autumn 1998 have lost in virtually every regional election in 1999. But in February 2000 - against previous expectations and fears - they were able to defend power in the Northern state of Schleswig-Holstein where the Christian Democrats were clearly defeated. In the state of Hessen, where the SPD lost power in early 1999 after the local Christian Democrats had waged a racist campaign and scored an unexpected victory, the SPD is campaigning for a dissolution of the regional parliament since the Christian Democrats there have been heavily involved in all this financial business; two thirds of the population are convinced that the Hessen prime minister and CDU leader Koch is not as innocent and ignorant as he claims to be.

But by and large, many SPD leaders - while scoring points for the decisive regional election in Northine Westfalia in May - seem to be keen to save the CDU from collapsing and disappearing from the political scene and keep saying that a strong and renovated CDU was indispensable for a well functioning democracy and that without the CDU figures like Haider would have a chance in Germany and therefore it was better to have the CDU and so on and so forth.

So they give the new generation of CDU leaders such as the prospective new party chair Angela Merkel (who comes from the East and was promoted by Kohl since 1990 but as General Secretary since 1998 distanced herself from Kohl just in time in late 1999 to be regarded as "Anti-Kohl", "fresh" and "non-corrupted") and the new parliamentary leader Friedrich Merz (a reactionary demagogue) the "democratic" credentials they do not deserve. "The reds and greens could do anything they liked, and we are paralysed", a CDU politician rightly deplored in January 2000. But the "reds" and "greens" do by and large what big business likes and seem to be keen to collaborate with the CDU on decisive issues. So big business leaders have accommodated themselves with the perspective that the coalition under Schröder might last longer than they had initially

envisaged. Although big business is still mainly oriented towards the CDU, they can live very well with the Schröder government from which - after the May elections - they will expect, demand and probably get more "reforms" in terms of liberalisation and deregulation as well as drastic cuts in the welfare state.

In addition, there have also been revelations about "personal abuse" of power by regional SPD leaders which led to the resignation of Schröder's successor as prime minister of Lower Saxony, Glogowski, and the Finance Minister of Northrhine Westfalia, Schleusser. It is true that the charges concerned amount to "peanuts" in comparison with the systematic money-laundering and breach of the law by the Kohl apparatus, and it is also true that Social Democratic leaders are "cheaper" than Christian Democrats, but ordinary workers and labour movement activists expect "their" leaders to be different from the bourgeois politicians.

No real democracy

This crisis is more than just a crisis of the CDU and an accumulation of some unfortunate mistakes by certain individuals. It is a crisis of a social system in which money and profit rule everything and morals and decency are subordinated. It reveals the gap between the fine words of "democrats" and "civilised christians" and their actual rottenness. In the 20th century, Germany saw sharp changes of different political regimes. But one thing has not changed: the rule of big business who accommodated themselves with all sorts of political leaders and superstructures and bought the political decisions they wanted. Above all in an epoch of almost daily spectacular new mergers we must be aware of the fact that economic power is also political power.

After the collapse of the Nazi regime and the end of the second world war in 1945, many activists in the labour movement had this lesson in their minds and tried to build a new democracy based on socialist foundations. "Monopoly capital helped Hitler to take power and prepare the war against Europe. While huge fortunes can still be accumulated in the hands of irresponsible individuals in Germany, democracy is not safe. The enormous economic power of the companies must be taken over into common ownership", SPD leader Kurt Schumacher rightly pointed out in 1945. Since then, the SPD and union leaders as well as many activists have forgotten this essential lesson of history. ☆

German solidarity with Rover workers

"The announcement by BMW of sale of their British car plants to a group of venture capitalist is a blow to all car-workers.

The immediate effect is the loss of 6.000 jobs at Longbridge and the run-down of that plant to the point where it is a very small scale specialist producer. Its survival seems unlikely. BMW has also sold the Landrover plant to Ford and it is negotiating for the sale of the Swindon Body Pressing Plant. This only leaves the Cowley-Oxford plant which produces the Rover 75 for the venture capitalists Alchemy. The new Mini will be produced there. The reason for the immediate announcement of job losses is that the investors know that sales of Rover cars will now collapse.

When BMW took over Rover from British Aerospace and Honda they agreed to continue the "jobs for life" agreement. Rover workers had already given away many of their working conditions. BMW continued to get more concessions on working time and salaries.

BMW must be made to honour their commitments including a new model for Longbridge. Longbridge workers must be supported. The same goes for Landrover workers. Any internal reorganisation of Rover plants, models and worker assignments offers no security at all. Nor can BMW workers in Germany take comfort from any of this. Their jobs too will be threatened.

The Rover and BMW workers must use their European works council for immediate action. The trade unions involved must organize delegations from all BMW/Rover plants to discuss this crisis.

The closure of such a major plant affects all european car workers. Today BMW - tomorrow Ford? GM/Opel? Please send messages of support to Longbridge joint shop stewards committee:

**RoverGroup Longbridge
Works Committee
Birmingham, B - 31
Fax: 0044 - 121 - 4823553
Phone: 0044 - 121 - 4824811"**

This message from the TIE Conference in Germany is typical of many received at Longbridge.

TV report exposes Nato lies about

KOSOVO

It is one year since Nato started its bombing campaign in Yugoslavia. Far from the problems in Kosovo being solved they have worsened. A large part of the ethnic Serbs have been forced out (ethnic cleansing at the hands of the KLA). Mitrovica, a town in the North of Kosovo with a large Serbian population has become a centre of permanent conflict between Serbian and Albanian Kosovars. And the KLA is trying to provoke further conflict by extending the fighting by setting up paramilitary groups of Albanian speaking people who live across the border in Serbia itself. Milosevic is stepping up the pressure along the southern borders of Serbia and is threatening to intervene in Montenegro.

Nato faces a dilemma. If it pulls out then the conflict will spread into Serbia and especially into Macedonia. This would lead to a more generalised military conflict (as we explained in

our articles last year), which would be unacceptable to western imperialism. Its only option is to stay and try and hold the situation. This means coming into conflict with its so-called allies, the KLA.

In reality what we have is a province where Mafia gangs control weapons and drug trafficking. At the end of the bombing campaign we pointed out that Nato had not achieved its war aims. The past year has confirmed that.

The article we are publishing below (a review of a TV programme on Kosovo by Jonathan Dimpleby) shows quite clearly that Nato failed in its objectives and also confirms what the Marxists said all along.

by Fred Weston,

During the Nato bombings in Serbia and Kosovo the propaganda machine of the media in the West, with a few noble exceptions, obediently put forward the line that it was necessary to concentrate the armed might of the nineteen most powerful nations of the world, in order to stop the "ethnic cleansing" of the Kosovar Albanians. All the news was aimed at justifying everything Nato was doing.

At the time we published a series of articles explaining the real reasons for the bombing: to impose the strategic interests of Western imperialism on the Balkans. When we wrote these articles we were "going against the stream", especially in countries like Britain where the barrage of propaganda was enormous. Many honest workers and youth may have been taken in by this propaganda and may even object to us calling it "propaganda", but

propaganda it was, nevertheless.

On 16th January ITV broadcast a documentary by Jonathan Dimpleby which confirms everything we said throughout the bombing campaign. It is a pity it was shown late on a Sunday evening, so we think it worthwhile to highlight the most significant parts of the programme and to quote at length from Dimpleby himself.

His mission was to "find out if there really was a victory in Kosovo, whether good did triumph over evil." Dimpleby shows how, in reality, the bombing destroyed the basic infrastructures that make for a civilised existence, both for the Albanians and the Serbs.

He describes K-FOR (the UN troops) as the "military wing of a colonial governor, better known as the Security Council of the United Nations," and shows how it is only the presence of 50,000 Nato and UN troops from 23 different countries that

is preventing a new explosion of violence.

Nato lies exposed

The most interesting parts of the documentary are those where Dimpleby exposes the lies of Nato. We all remember how we were led to believe that possibly hundreds of thousands of Kosovar Albanians had been massacred by the Serb forces. In one scene we see corpses of those killed being dug out, and Dimpleby's comment is, "In the early days of the war, as if to justify the bombing of Belgrade, Nato fuelled speculation that the massacres in Kosovo had been apocalyptic in scale. But the evidence so far, with just over 2000 bodies recovered, suggests that the final toll will be far lower than some of the wilder claims fostered by war time propaganda."

Of course even the killing of one innocent civilian is unjustified, but as he points out, "by comparison with atrocities committed elsewhere in the world, the Kosovo killings, though dreadful, were clearly on a modest scale, and, for me at least, a dubious pretext for turning most of this region into rubble." As he points out the message that had to be got across was: "Something must be done. Do it now!"

The Rambouillet provocation

He explains how the so-called Rambouillet Accords were worded in such a way that no country could have accepted them. He says that at Rambouillet, Nato delivered a "take it or leave it ultimatum" which involved autonomy for Kosovo and a referendum three years later on self-determination, a chance for the Albanians of Kosovo to achieve outright independence.

Nato soldiers hold back a crowd in Mitrovica



But, he adds, "Any lingering chance of a deal finally collapsed when the allies inserted a last minute clause into the Rambouillet Accords giving Nato freedom of movement not only in Kosovo but throughout Serbia, and complete immunity from all Yugoslav law. Serbia rejected Nato's ultimatum as a gross violation of national sovereignty, well aware that this would mean war."

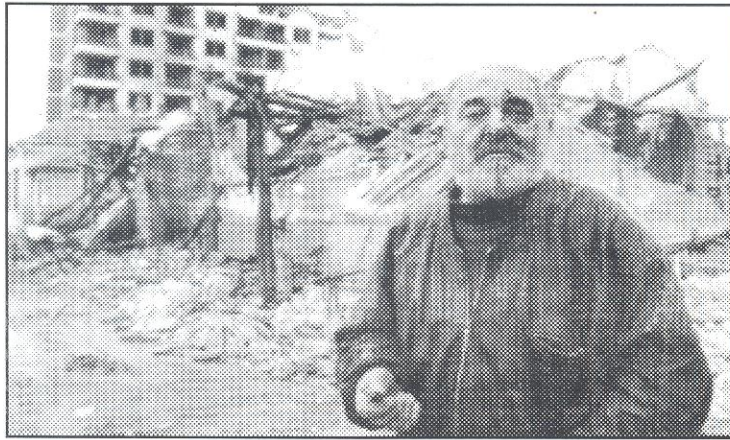
And what about the argument, pushed so vehemently by Nato spokespersons at the time, that it was all necessary to save lives? Dimpleby explains that, "Nato had no mandate from the UN, a violation of international law, which the allies justified by claiming that the purpose of the campaign was to avert a humanitarian disaster. But so far from being averted, the disaster was compounded. As Nato intensified its onslaught against Serbia, Milosevic accelerated the ethnic cleansing in Kosovo. This was the very opposite of what the bombing was supposed to achieve... Nato had expected Milosevic to crumble under the aerial onslaught. He didn't."

Dimpleby admits what we pointed out at the time. It was only thanks to the Russian intervention that a deal was brokered. He also shows that the withdrawal of Serb troops "was very far from that rable which Nato spin doctors had predicted." He also explains that Milosevic withdrew his troops only after having "extracted two remarkable concessions": Nato no longer insisted on the right to enter Serbia "at will", but it also revoked the promise of a referendum on independence and confirmed that Kosovo would remain a "constituent part of the Federal Republic of Yugoslavia".

Couldn't have been averted?

It is on this question that Dimpleby makes the most significant statement of his documentary: "It was a remarkable outcome, and it surely isn't unreasonable to ask what might have happened if the same terms had been on offer before the war as after it. If Nato had not insisted on freedom of movement throughout Serbia, and if Milosevic had been told that an autonomous Kosovo would remain within the Federal Republic of Yugoslavia, might we have avoided all that misery, bloodshed and destruction?"

And what about a "democratic" and "multiethnic Kosovo"? He asks the question if Kosovo is "free" and his answer is that it clearly is not. He visits Pristina and finds that ethnic cleansing of the Serb



What Nato really bombed

minority has taken place and continues to take place on a massive scale. He visits a hospital and finds that not only are the staff totally Albanian, but there are also no Serb patients to be found anywhere! The Serb population is too frightened of going to the hospital. They are terrified of KLA intimidation. In fact those among the staff who would be prepared to treat Serbs would be risking their lives at the hands of the KLA.

Ethnic cleansing

Dimpleby goes on to explain that, "Since the end of the war there has been ethnic cleansing in Kosovo on a monstrous scale, an outrage which K-FOR failed to arrest, that the leaders of Nato's moral crusade have ignored, and from which the Western media, for the most part, has averted its gaze." He points out that 150,000 Serbs, 75% of the original population, have been "cleansed". The rest live in enclaves, in theory "protected" by K-FOR troops. As he says, K-FOR is, in reality, paralysed and cannot stop the rape, murder and pillage. One Serb woman is shown preparing to leave the house she had lived in for forty years, and she expresses her anger at the West: "The world doesn't care about us!"

The aim of the UN had been to create a local police force, made up of both Albanians and Serbs, but that is impossible in the given conditions. At the same time, as a British Army officer explains, the risk is that the Albanians begin to see Nato as the enemy! The Albanians want independence, but Nato is not going to let them have it, (as we explained in several articles at the time).

So what is the real role of Nato in Kosovo? Dimpleby confirms what we always maintained, when he says that, "Instead of a government, there's K-FOR and the UN. In effect, a colonial dictatorship, an administration which is benevolent, but also invested with absolute power..." On the "benevolence" of a force

that killed some 2,000 civilians we would have some doubts! But in the essentials what he says is absolutely true: what we have in Kosovo is a dictatorship, a Nato protectorate, whose aim is to defend the strategic interests of western imperialism. It is not there to defend the interests of the ordinary people, the Serb and Albanian workers and peasants.

The KLA have not disarmed. Only a tiny fraction of their arms have been handed in and Nato is powerless

to find all the remaining armoury. The nationalists on both sides have committed terrible crimes against the peoples of Kosovo. This has created mutual hatred on both sides.

At the end of the documentary Dimpleby seems to have no hope for Kosovo. He says, "For me there has been no victory of good over evil here, and so far there is very little to celebrate... Anyone who thinks that this venture represents the triumph of an ethical foreign policy, or is the blueprint for a new world order should, I believe, think again. As it is, we, that is the Western allies, are here for a very long time to come."

Dimpleby has all the shortcomings of a liberal bourgeois news reporter. He cannot see the underlying causes of the conflict. But he at least exposes a lot of the spin we had to endure during the bombing campaign. He points to the truth. Of course all this is shown late on a Sunday evening months after the events. When it really counted, the evening news bombarded us with propaganda, but at least we can use this documentary to show that the Marxists had the courage to tell the truth in the heat of the bombing campaign, when it really counted.

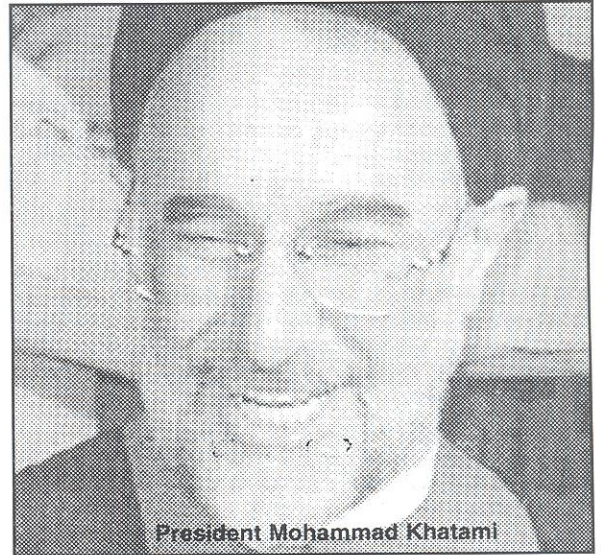
We must also go beyond simply denouncing the lies of Nato. We must offer an alternative to the peoples of the Balkans. That can only be achieved on the basis of a struggle to unite the workers of different nationalities in a common struggle against the real enemies, the capitalists, the Mafia and the ex-Stalinist bureaucrats, who are all responsible, who have all played the nationalist card to divide the workers along ethnic lines, in order to more easily remain in power. But for this we suggest you read, or re-read the material we published during the bombing campaign itself. ☆

Iranian elections:

Last chance for the "reformers"

The Iranian elections on February 18th returned a massive majority for the so-called "reformers" around president Khatami in the new Majlis (Parliament). One of the main factors was the high turnout (around 80%). In big cities like Tehran, Isfahan, Shiraz and Tabriz, the polling stations had to stay open for 2 extra hours to allow everyone to vote and extra ballot papers had to be dispatched to some polling stations.

by Jordi Martorell



President Mohammad Khatami

There was massive participation by women and youth, many of whom were voting for the first time. The discontent of these sections of the population with the present regime was a key factor in a country where 65% of the population is under 25 years of age and the voting age is 16.

The so-called "reformists" around the "2nd Khordad" alliance (named after the date in which Khatami won the presidential elections in 1997) took 170 seats in the 290-seat parliament, the "conservatives" took 45 and the independents 10. Another 65 seats will be decided in run-offs in April as no candidate got the necessary minimum 25% of the votes. The defeat of the "conservatives" was particularly strong in Tehran where they only got 1 seat out of the 30 in the constituency. This is a big change from the previous Parliament where the "conservatives" had two-thirds of the seats in the capital.

Who are the reformists

However, it is also important to underline that these elections were far from free. All the candidates had to show their loyalty to the Islamic Republic and swear allegiance to the system. The candidates are vetted by the "Guardian Council" which in these elections banned more than 700 candidates from standing, most of them linked to the camp of the "reformers".

So, who are the "reformists"? They are a section of the ruling clerics that has become increasingly aware that the old way of ruling is not working and who feel that capitalist development in Iran requires

participation in the world market and the privatisation of state-owned companies. The massive corruption as a result of the dictatorial rule of the clerics has become an obstacle for the development of the economy and the accumulation of profits in private hands. At the same time, the economic crisis has created a deep feeling of discontent in society and the "reformers" think that the only way to prevent a violent social explosion from below is by making a few reforms from above.

This explains the position taken by Khatami during the mass protests last July. While the students who supported him were fighting in the streets and being repressed and killed by the security forces he appealed for calm and disassociated himself from the protests. As always is the case with those who try to reform from within, their fear of a movement of the masses is greater than their desire for change.

The "conservatives" represent that section of the ruling class which is more closely linked to the state apparatus and the state bureaucracy, and which benefits from the massive corruption and privileges they get from their position. They think that the reforms will open the way to a movement of the masses which will get out of hand and therefore they want to maintain their regime through repression. The "conservatives" are losing ground even amongst their traditional supporters. They lost the elections in the holy city of Qom and even in Teheran's bazaars, the financial and trade centre, there was massive support for the "reformers". According

to Die Presse (Vienna): "Discussions with the dealers in the bazaar point to the fact that for the first time a large part of the Bazaaris did not support the conservatives in these elections. Employing 300,000 and enjoying substantial financial means, the bazaar dating back to the 1960s was a crucial force behind Khomeini and his followers".

But it is also clear that the "conservative" clerics are not prepared to let go of power, and above all their privileges, without a fight. On March 12, only a few weeks after the elections, there was an attempt to assassinate Saeed Hajjarian, one of the top advisers in the "reformist" camp. Witnesses described how the attackers fled on a 1000cc motorcycle. Motorbikes of this size are banned for public use, but they are licensed to security personnel in the intelligence ministry and the police, so everything points to a politically motivated attack.

US openings to Tehran

The US and other Western powers welcomed the results of the elections, as could be expected. The victory of the Khatami camp in Parliament will mean an opening up of the economy to foreign capital and the continuation and deepening of the policies of privatisation carried out in the last few years. In line with recent moves in US foreign policy, Madeleine Albright announced on March 17 the partial lifting of sanctions against Iran. American companies, especially the oil companies, are afraid of losing ground in new investment possibilities because of

US sanctions. The European Union has already taken advantage of the opening up of the Iranian regime to step up business deals and to participate in the privatisation of the oil industry.

But there is another, geostrategic, reason for the thawing of relations between the US and Iran and this is related to the struggle for natural resources in Central Asia. The discovery of oil reserves in some of the Central Asian republics has unleashed an all out fight between the different regional powers. Russia, China, Turkey (as an ally of the US) and the American oil companies are all competing for these natural resources and are considering the different options for getting them out of the region. It is in the interests of the US to keep Iran (another regional power bordering this oil-rich region) on their side as much as they can. This realignment would also benefit Iran as Russia is moving to build closer links with former cold war allies Iraq and Syria.

Economic crisis

The main problem which will face the new "reformist" administration will be the economic crisis of the country which is burdened with a \$20 billion debt, high budget deficits and inflation at 30%.

Unemployment now stands at 16% (up from 9% in 1992) according to official statistics, or double that figure according to international observers, and the Iranian economy is completely unable to absorb the youth which enters the labour market at a rate of 800,000 a year.

One of the key causes (but not the only one) of the problems of the Iranian economy was the steep fall in oil prices in 1998 in the aftermath of the collapse of the South East Asian economies. Last year's recovery of the price of oil is under threat again. Many OPEC countries are already talking about breaking the production quotas and in any case OPEC itself is under strong pressure from the US to bring down prices significantly. This will create even more contradictions for Iran since 85% of its export revenues come from oil sales.

The election victory for the reformers has raised a lot of expectations among the population and Khatami and his followers are painfully aware of it. The correspondent of the German paper Die Welt was astonished. "The day after the election" he reported, "silence reigned at the headquarters of the reform-oriented Iranian Islamic Participation Party." In a very perceptive way he also remarked how "the people are also behaving very cautiously, no loud honking of car horns as two and a half years ago, when Khatami achieved a surprising election victory, no triumphant marches. Although the youth still pin their

hopes on Khatami they are remarkably reserved".

The reason for this lack of joy is clear. We already explained last year that after the July student demonstrations many students had already lost any confidence in Khatami and the other "reformers" because of the treacherous role they played at that time condemning the students and helping the regime regain control of the situation. The most advanced sections of the students and workers already have no confidence in the ability of these so-called "reformers" to deliver any of their promises.

Haid Semati, a professor of politics at Tehran University described it thus: "The economy is in pretty bad shape. People are going to expect this parliament to organise itself and deal with the economic issue. So far, it's been all politics. The reformists are going to be in a majority, people are going to start asking them to do a serious job. President Khatami will be in a difficult position in the sense of having actually to deliver on some of the campaign promises that have been made. The honeymoon period is going to start eroding." (BBC News Online, 24/2/00).

Capitalist analysts at Stratfor warn that if Khatami's reforms fail to create an economic recovery: "Great masses of the population will still be unemployed and disenchanted with the clerical regime's repression. Demands for jobs, reforms and Westernization will develop into criticism and rebellion against the government. This will be a much more intense version of the current "culture wars" as the elite attempts to hold onto power and justify the regime at the same time. The potential intensity of the conflict ranges from street protests and repression to near civil war." (Stratfor's "Iran's strategic focus", March 7, 2000)

Workers on the move

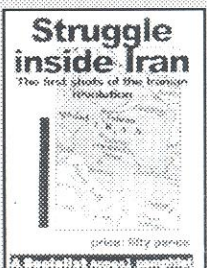
The movement of the masses went into a certain lull after the brutal repression of last July's demonstrations. We said last year that "after the first upheavals, it appears that reaction is once again firmly in the saddle. But such a conclusion would be erroneous. The masses are pausing to take stock of the situation. The victory of the regime is extremely fragile, its base is narrower than ever before". (The First Shots of the Iranian Revolution). Since then not everything has been quiet. In December last year, and again in early March there have been some students demonstrations.

But even more important, the working class is increasingly entering into the scene with protests, strikes and demonstrations. On Monday 17 January 2000, about 2,000 workers at the Abadan oil

refinery in the South of the country went on strike against the "Reform of Oil Structure" plan which includes making redundant 40,000 of the 140,000 oil workers. The strike of the Abadan oil workers lasted for a week and after receiving some guarantees from the management they went back to work but warned that they would give the authorities a one month period to consider some of the other demands. At the same time there was another protest of the Ahvaz oil workers which forced the Oil Minister to travel to Ahvaz, address the workers' assembly and promise that "the reform of the oil structure does not mean workers will be made redundant."

Just before the elections the Iranian parliament passed a number of laws which will exempt small businesses (those with less than five employees) from the Islamic Labour Law. Thousands of workers demonstrated outside Parliament on March 8th against this new law which will mean that workers affected (some 2.8 million) will lose a wide range of rights. The official news agency IRNA reports that many groups of workers have threatened to go out on strike if the new bill is not revoked. In June last year strong labour protests already prevented Parliament from passing this law.

The movement of the powerful Iranian working class is the key to the situation. The masses having voted for change will be bitterly disappointed with the new government and this time the "reformers" will not have the excuse of their lack of power, now they have the presidency and a clear majority in Parliament. The students and the labour movement will not wait quietly for the "reformers" to deliver but will take matters into their own hands, against repression, for democratic rights, for jobs and better conditions at work, and this will inevitably bring them into conflict with the liberals. Democracy for the masses also means jobs, housing, education, etc. For the liberals it is just their democratic right to exploit the workers without restrictions. In this process, the Iranian masses will learn the need for a socialist programme, one which links the struggle against repression with the struggle for jobs, housing and decent living conditions. ☆



Struggle inside Iran
The first shots of the Iranian revolution

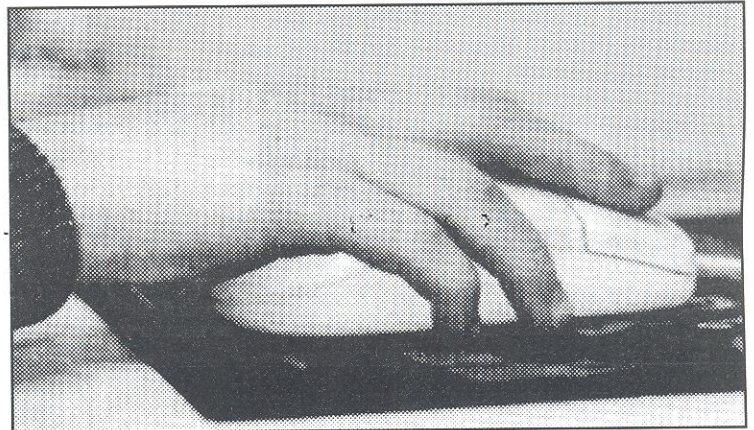
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The internet revolution: A new paradigm or another bubble?

It all started in October 1969. Scientists at the University of California, Los Angeles, were ready for a critical experiment. They had a computer and communications node, while colleagues installed similar equipment up the coast in Menlo Park. They planned to test whether they could link the two computers over telephone lines to operate as one system. The researchers began to tap in the message: 'log in' to make the link. The system crashed. Thus was the beginning of the internet revolution. By the end of the month they achieved the link. Of course, the purpose in those days was to ensure that nuclear missile systems could be kept operative even if part of the network was put out of action in a war.



by Michael Roberts

The commercial importance of this breakthrough was not fulfilled for another 25 years - just as the invention of the steam engine by James Watt in the 1780s did not become really useful and developed until the launch of the rail engine two decades later. Similarly the petrol combustion engine did not lead to cars and trucks for about two decades.

The significance of the internet is that it takes the computer and 'information technology' onto a new stage: computers now communicate with each other. That is producing a dramatic exponential increase in the speed of transmitting information. Computers and the microchip were for the era of the 1970s and 1980s. The 1990s and the first decade of the new Christian-based millennium are for telecommunications and the internet. The internet will expand across the globe just as the railroad did in the latter half of the 19th century and the motor car and airplane did in the latter half of the 20th century. The economic result will be a huge reduction in the time taken to transmit information and, with it, a fall in the costs of producing goods and services.

It's an old law that the doubling of microchip performance, or a halving of its cost, takes place every 12-18 months. Similarly, between 1650 and 1950, the cost of physical force to make one average unit of production of things fell from

thousands of man-hours (dollars) to just a few minutes (cents). In the last 30 years, the cost of a transistor or a memory chip has fallen from \$7 to a few millionths of a cent. The internet revolution will have a similar impact.

Internet commerce

By 2003 there will be 500m people connected to the internet, or about 10% of the world's population. By 2003, over 65% of US households will be connected. In the same way that the railroad, motor car, electricity connections and the airplane developed huge new industries and capitalist conglomerates, new internet companies are springing up as fast as you can say .com. By 2004, it is estimated that worldwide business-to-business internet commerce will reach over \$7trn. Internet commerce in the US will reach \$2.5trn, or about 25% of the annual output of the US in that year. Already the internet companies have grown bigger in size than the former technology giants (airlines, publishing and healthcare) and are catching up the automobile industry quickly.

The impact of the internet revolution has already been felt on economic growth. The information technology sectors as a whole (computers, telecoms, internet, software etc) in the US are growing at double the rate of the rest of the US economy. They now contribute over 8% of US annual output on their own. Indeed, since

1993, without the IT sectors, US economic growth would have been 1% of GDP lower each year. In 1999, nearly 80% of all investment by capitalist companies in the US went into information technology sectors! Over one million jobs have been created by the US high-tech sector since 1993 and there are now 8m people working there at generally 50% higher average wages.

All this has convinced most capitalist commentators that the IT revolution has given the US and other major capitalist economies a new lease of life - even the magic elixir of immortality. In this 'new paradigm', economic growth will continue at breakneck pace (by that they mean about 3-4% a year) and inflation will stay low (about 2% a year). And there will be the achievement of 'full employment', something not achieved in the 200 years history of industrial capitalism, except for very brief periods. Once again, but this time with much hugely bullish confidence, the capitalist gurus are claiming that their system has now achieved perfection and will never enter a major crisis of falling output, collapsing investment and mass unemployment again.

But in their euphoria, they have forgotten the words of their own history. This is what the editors of the US journal, Business Week, said back in the summer of 1929: "there has been a

breakthrough in technology and industrial management, a firmly implanted social optimism, widespread public participation in the stock market, greater access to personal credit, better statistics, better railroad transport and stabilised prosperity".

Yet look what happened over the next three years in the US to that boundless optimism about the new technology! Just six months later, Business Week said this: "Every new era in history has been based upon the exaggerated enthusiasm set in motion by some single new industry. At one time it was a gold rush or real estate boom. In our era it has been the automobile".

Salvation from the crisis?

Now in the decade of the 2000s it will be the internet. The technological marvel of the internet will not save capitalism from crisis, just as the railroad did not in 1880s and the automobile did not in the 1930s. Indeed, for some very good reasons, it will exacerbate the inevitable slump in capitalist prosperity. The first reason is that, just as the railroad and automobile before, the internet is drastically lowering costs. But this is a huge deflationary force on capitalist companies' ability to keep up prices. Intense competition and huge investment of capital is boosting economic growth now, but it is doing so at the expense of capitalist profitability.

Internet companies do not make any profit. They remain a huge cost to the rest of the economy. But investment in the new technology has become a necessity to compete. This necessity has leapt well beyond the ability to garner surplus value from the investment. Just the top nine Internet companies are worth \$100bn on the US stock market. But they make sales of just \$1bn, or 1%. And that is just sales. They make no profit. Compare that even to the ten leading technology companies like Microsoft. They are worth only \$50bn, but they make \$100bn in annual revenues (and some of these make a profit too!). Overinvestment and overcapacity will be the outcome of the internet boom.

The internet and IT revolution is a huge deflationary force on the capitalist economy. That is the result of a system that develops technology through competition and private capitalist investment. Intense competition means that very quickly the profitable advantages gained by the first company to use the new technology disappear. The eventual outcome is that everybody uses the new technology and nobody gains extra profit as a result. Investment eventually shoots up much faster than the extra productivity of labour created. In other words, the rate of profit in relation to each unit of capital stock

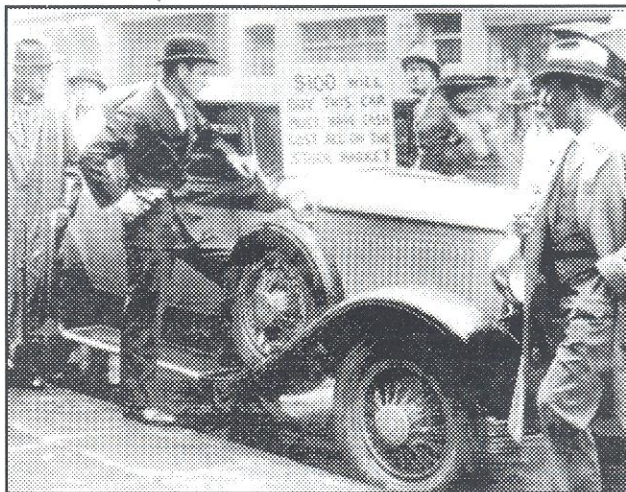
begins to fall. The faster the technology is adopted, the quicker prices fall, and the speedier profitable advantages disappear. Eventually, large swathes of the new industry will go belly up from over optimistic investment.

In the 1850s there were hundreds of railroad companies formed, asking investors for money. How many were left by 1880? Similarly in the 1920s and 1930s, there were hundreds of automobile companies formed. Ask a Rover worker how many were left by the end of the 1970s and how many there are now.

And second, the hangover from the internet investment bubble will be worse this time. The result of previous overinvestment binges was deep slump in the capitalist economy. The response was for governments to intervene: to nationalise bankrupt utilities like water, electricity, railways etc and to direct wage earners money into renewing these industrial sectors. At the same time, the welfare state was formed to provide some safety net for irate unemployed masses. Above all, work was eventually found for them in the biggest state sector of them all: the armed forces. The collapse of the railroad age in the 1880s set the stage for imperialist rivalry in Europe and eventually world war one. The Great Depression in the 1930s after the overinvestment of the automobile/electricity boom led to world war two.

Now many capitalist commentators reject the view that the internet revolution means another bout of deflation and slump. They argue that the internet revolution is not some huge stock market bubble. Sure, prices will fall with the new technology, but so will costs. As a result, profits will be created and that will mean new jobs for those in the new sectors, and also as these new workers spend, that will create new jobs for the displaced workers of old industries like Rover car workers. The eventual outcome, as long as government does not muck it up by intervening, will be a lower cost, lower price, more profitable, faster growth economy - in short, the new paradigm or nirvana.

But the reality of the internet boom is that while stock market prices rocket to unbelievable heights, profits of the internet companies are nowhere to be seen. Elsewhere in the economy of the main capitalist nations, growth is pitched at



about 3% a year, productivity of labour at about 2% a year and prices remain low. So there is little profitability in these new investments. Just as the Asian boom of the early 1990s came crashing to an end in 1997 after a binge of overinvestment not matched by sufficient profit, so will the worldwide internet boom.

Just a matter of time

It is only a matter of time before the US internet bubble is burst, investments collapse and consumption of the masses falls back because of a loss of confidence in the 'new economy'. The internet revolution is a great technical leap forward. But under capitalism, it is being exploited by more and more precious investment capital being thrown into this tiny sector of the economy at the expense of all the rest. That happens under capitalism because there is no planning and no direction of resources. 'Market forces' mean speculative investment, intense competition between capitalist investors, and above all, huge over-investment in relation to profitability.

The canal share boom of 1835-36 was followed by slump and falling prices. The railway stock mania of 1869-73 was followed by the biggest depression then seen under capitalism. The same was seen in the aftermath of the share boom of the 1920s. Japan's stock market bubble of the 1980s has been followed by ten years of stagnation and recession. The optimists of capitalism believe that the internet revolution is really a low-price low-cost boom that will last decades. The reality is that it is just another speculative financial market bubble that will turn into a deflationary bust. As I write just about everybody in the capitalist world, including former sceptics of internet stocks, now believe that internet companies will continue to drive upwards for the foreseeable future. When everybody agrees, you know it won't last much longer. ☆

Price of world's inaction

Mozambique is a former Portuguese colony that gained independence in 1975. The Portuguese had done little to develop industries other than transportation which they used to link Mozambique's ports to the interior of southern Africa. The major sources of income remain the profits from handling South African goods and the earnings sent home by Mozambicans working in South Africa. Although Mozambique is rich in minerals and natural gas, little has been done to develop an export industry. Petroleum has to be imported. The struggle for independence began in 1962, when the Front for the Liberation of Mozambique (FRELIMO) was formed. Two years later it began a guerrilla movement against Portuguese colonial power. In 1974, after the government in Portugal collapsed, a cease-fire was declared. When independence was granted, FRELIMO became the ruling party. It had declared socialist ideals but ran a one party state. Along with setting up a bureaucratic "planned" economy the government declared support for the struggle for independence from Britain in neighbouring Rhodesia (now Zimbabwe). FRELIMO allowed Zimbabwean rebels to operate from inside and stopped handling Rhodesian exports and imports. To retaliate against Mozambique, Rhodesia began arming dissidents who were unhappy with FRELIMO. An organisation

to overthrow the government of Mozambique was formed in 1976 by white Rhodesian officials who were trying to prevent the establishment of black-majority rule in their own country. South African armed forces soon took over RENAMO. The RENAMO recruits opposed the nationalisation of industry, the state-run agricultural policy and the dominance of the government by peoples of the south. The guerrillas disrupted the economy by sabotaging vital facilities. Much of the transport system was destroyed by rebel attacks, and the government was unable to keep the rail network functioning without the help of Zimbabwean, Zambian, and Tanzanian troops. More than 100,000 deaths were reported. Fleeing poverty, drought, and the civil war, millions of refugees migrated into neighbouring states. By 1989 FRELIMO's leaders had become disenchanted with the planned economy and advocated a mixed economy. A new constitution in late 1990 ended one-party rule and a Western-style "democracy" was set up. In 1992, a cease-fire was signed, ending the civil war. In 1994 Chissano of FRELIMO was elected president in the country's first multiparty elections.

by Sue Norris

Capitalism can't be blamed for the weather, but the disaster which hit this impoverished country has been made a thousand times worse by their inability to do anything that isn't profit motivated. The price of lives is weighed up against what they can buy and how they can be used. Corruption at the top of Mozambique's government and military are partly to blame for the poor efforts in rescuing the flood victims. Raul Domingos, a top official of reactionary RENAMO, claimed that weather forecasters warned in September that Mozambique would experience more rain than usual. Domingos also claimed that it had taken Chissano at least a week to declare a disaster and seek international help. Corruption at the top was responsible for air force planes and helicopters failing to rescue flood victims because their engines had been stolen or smuggled out of the country by senior FRELIMO officials. This is apparently "common knowledge" among Mozambicans.

Most of the destruction took place in the southern part of Mozambique, where support for President Joaquim Chissano's FRELIMO government is concentrated. Nearly one million people lost their homes, farms or food supplies. One third of the country's staple crop, corn, has been destroyed along with 40,000 head of cattle and 141 schools. Many asphalt roads and railways were badly damaged or swept away, including the vital route to South

Africa, which is now reduced to light traffic only.

International aid wasn't exactly forthcoming (not much in the way of profit to be had). During the earliest and most critical days of the flooding, South Africa led the rescue operation with just seven helicopters and an 85-member team. U.S., European and other African rescue assistance did not arrive for days, even weeks, later!

It seems that aid from Britain only started coming when ordinary working people saw pictures on the news and started to demand that something be done. An emergency appeal raised £4 million in 24 hours. Schools and churches started collecting food, soap and blankets for the survivors.

This is very different from the farce that took place in government with the rows between Clare Short's department and the MoD over where to get helicopters from. The MoD was also proposing to charge the Department for International Development the full cost of the helicopters, which included fixed prices such as pilots' salaries. Defence forces in other countries did not charge the full cost in humanitarian operations, nor did the MoD in either Kosovo or after the Turkish earthquake.

International aid finally got through and dozens of helicopters and about £25m of other supplies were finally dispersed across Mozambique. Unfortunately the British contingent arrived with boats, life

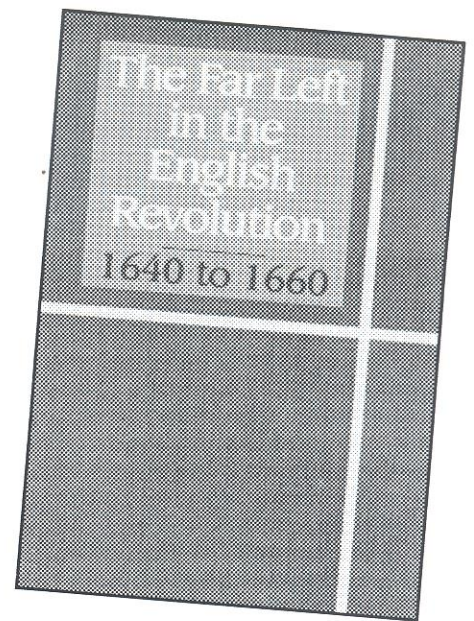
rafts and other sea rescue equipment when the priority was now to get food, clean water and medicines to the scattered camps. Conditions in many of the makeshift refugee camps were poor. Logistical difficulties and lack of coordination meant that some camps housed 50,000, many with Malaria and others sheltered just a few hundred.

So what now for Mozambique? At least 250,000 people will require regular supplies of food until they can replant their swamped fields. The World Food Programme has 8,000 tonnes of food stockpiled in Mozambique but have difficulty distributing it. President Chissano has said that reconstruction will cost at least £160m. Mozambique is already in debt and Chissano has had to plead with creditors to let it go. Some chance!

Undoubtedly, RENAMO will continue to capitalise on the negative reports. While Chissano is busy trying to restore southern Mozambique, RENAMO has the perfect opportunity to follow through on their earlier threat of establishing a government in the north. If this occurs, FRELIMO resources would most likely be spread too thin. Currently, the government has at least the presence and support of international powers, but this is always treacherous. If the rift between RENAMO and FRELIMO erupted into renewed violence, relief missions would quickly go home so as not to be caught in the middle. The nightmare in Mozambique is not over. ☆

Book Review:

The far left in the English revolution 1640 to 1660



Brian Manning
(Bookmarks ISBN 1 898876 48 7)
£7.95 136 pages.

In recent years Brian Manning has been virtually alone amongst senior historians in continuing to approach the question of the English Civil War from a defiantly Marxist perspective. As the title of this excellent new book implies he correctly describes this period not as being one of civil war but revolution. Traditionalist history tends to teach us that this conflict was either a) the result of religious differences and/or b) simply a petty split amongst the ruling elite to which the vast majority of the population were ignorant or indifferent. Manning, as with his previous books including *Aristocrats, Plebeians and Revolution in England* (Pluto), sets out to explain that, whilst there are obviously elements of truth to the above explanations, they do not tell the whole story.

by Steve Jones

Manning, like Christopher Hill before him, clearly wishes to rectify the imbalance which has long existed in English history books, with their concentration on the actions of an elite, and instead uncover the largely ignored role of the actual majority.

This time Manning intends that we should take stock of those most extraordinary and least known about participants in the revolution - those left wing radicals who either came from, or based themselves on, the poor, dispossessed masses and who can be fairly considered as being amongst Britain's first socialists.

The revolution may have centred around the struggles of the nascent capitalist and merchant classes to wrestle state and economic power from the dead hands of the feudal landowners and decadent nobility, but the masses were not uninvolved or unaffected. Manning shows that as the small producers and peasants

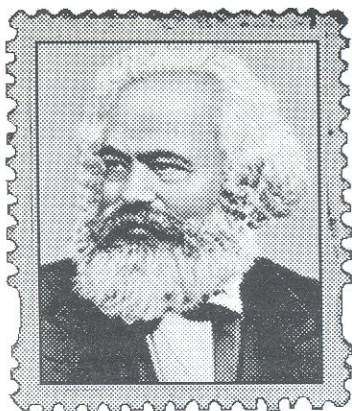
were gradually being fractured into proto-capitalists, if they were lucky, and wage earners, if they were not, so the conditions were being created for a considerable resistance against this loss of perceived independence, particularly around the issue of land. This relates directly to Marx's description in *Capital* Vol. 1 of the "fearful and painful" dispossession of the small producers, the peasants and artisans, from the means of production during the period of the 15th to 18th Century, as Manning notes. From this came the ferment, the class struggle, which lurked under the surface of the English revolution. The forced enclosures of common land during this period benefited the rich but not the poor, tearing "away the mask of shared interests", as Manning explains, and inflaming class conflict.

However, there would always be a tendency for the small producers, the "middling sort", whilst inevitably dominating the struggle, to compromise and therefore shy away from the issue of real economic equality. It was left to those radical groups who reflected the interests of the wage earners and dispossessed poor to make the leap towards addressing the question of land rights and common ownership. The central part of Manning's book describes the ideas of these various groups, noting how they often used religion to reinforce their arguments, no doubt in direct opposition to the church establishment. He also notes that these ideas were far more widespread, in the army and amongst the apprentices and journeymen in the cities for example, than many have imagined. Certainly, even now, it is

impossible not to be affected by the colour and passion of the imagery which they summoned up to argue their case.

The last section of the book recounts the fate of those groups who actually organised revolts to try and overthrow the existing order, notably the brave revolt led by William Thompson in 1649 and that of the Fifth Monarchists under Thomas Venner in 1657. Manning here argues that although these revolts were insignificant in themselves they nevertheless showed that radicals were, at the very least, considering the need for active revolution as an important question. The trust that many had in God to carry out the Great Levelling was clearly being tested by those who felt that he might need a helping hand.

At the end the nascent capitalist class duly made their peace with the aristocracy around the common interest of profit, fearing the threat of further revolution and chaos from below. As usual they put their interests first. The emerging proletariat would have to wait a while yet in order to establish the sort of forces and organisations, political and industrial, capable of achieving the aims outlined by the radicals described by this book. Aimed at a general audience, all socialists should benefit by a close reading of this work and be inspired to take up the struggle started so very long ago. ☆



MAIL

CORRESPONDENCE

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Dear Socialist Appeal.

Readers may be interested to hear about developments in Cardiff's Labour controlled council. UNISON Regional Secretary Derek Gregory once described the labour council as "the worst of New Labour and Old Labour." It is an apt description of a council that last year embarked on a major reorganisation, imposing structures that staff think are mad and cutting over 60 jobs for starters. Savings were supposedly to be channelled into 'front line services.' Over Christmas the council announced that councillors allowances would be raised by between 129% and 271%, giving the unelected 'mayor' an increase of over £30,0000 above the Welsh Assembly's recommended £28,000 for elected mayors.

The cabinet system imposed since last summer's election has meant that Russell Goodway, the leader and mayor has been able to drive these changes through, brushing aside objections and crushing dissent. But the rises have caused such outrage and indignation from the public

across Wales that some Labour councillors were emboldened to break the whip and vote against the rises. They were promptly suspended.

But pressure from below has forced the Wales Labour Party to intervene, in an apparently unprecedented move, they lifted the councillors suspension on appeal and rebuked the Labour Group, telling them to reconsider the 'Fat Cat' allowances. It was hoped that angry protests outside the Wales Labour Party conference could be avoided, but the issue even managed to be aired on the conference floor.

Mark Turner, Cardiff



Dear Comrades,

A study released by the Society of Cardiothoracic Surgeons, released on March 14th, found that the number of heart bypass operations has fallen for the first time in 25 years, mainly due to a chronic shortage of specialists and intensive care beds.

The fall in 1999 was 566 operations which has resulted in a huge backlog of life saving surgery. One surgeon quoted in the Yorkshire Post was reported as saying that "it was a constant frustration that patients could not be treated more quickly... ten years ago the most dangerous part of the process was the surgery but now I suspect it's the wait. More people die waiting for the operation than die having the operation."

The claims have been disputed by the Department of Health who have produced official statistics showing that the number of operations have increased. But the President of the society, Jules Dussek, has defended the accuracy of the report and claims that the Government's new £50 million crusade to cut heart related deaths by 40% within 10 years is no more than "a drop in the ocean." He states that surgeons and other staff are "left twiddling their thumbs" due to the shortage of available beds for patients recovering from surgery. He stated that whereas operations for coronary heart disease had been increasing by 1000 a year over the last 25 years, last year it fell by 500.

We should be campaigning for a free NHS, available to all at the point of need. This could be financed by the nationalisation of the big drug companies that make their huge profits out of the health of working people. Furthermore there should be a reversal of the Tory cuts, an end to the contracting out of services, an abolition of private health care and a major injection of funds to restore the NHS to what it once was as the pride and envy of the world.

Miles Todd, Scunthorpe.



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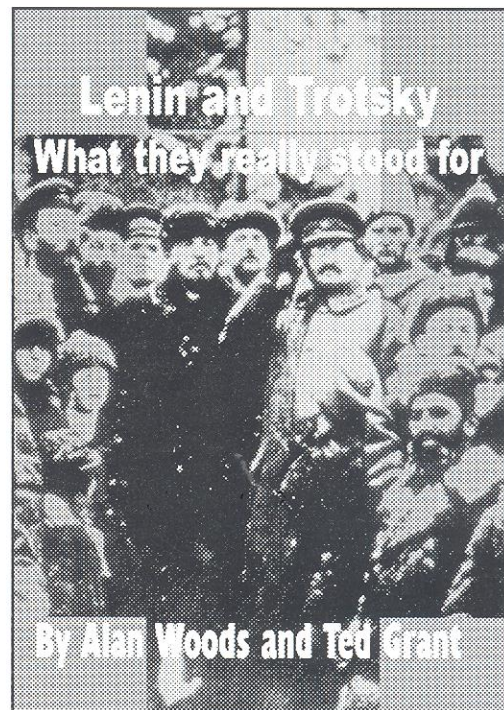
Lenin and Trotsky - What they really stood for

It is now more than thirty years since the publication of the first edition of this work. Although republished in 1972 and 1976, it has been out of print for a number of years. It was written as a reply to Monty Johnstone, who, at that time was a leading theoretician of the Communist Party of Great Britain, and who had published a reappraisal of Leon Trotsky in the Young Communist League journal *Cogito* at the end of 1968. Alan Woods and Ted Grant used the opportunity to

write a detailed reply explaining the real relationship between the ideas of Lenin and Trotsky, which had been systematically falsified by the Stalinists ever since the invention of "Trotskyism" in 1924. This was no academic exercise. It was written as an appeal to the ranks of the Communist Party and the Young Communist League to rediscover the truth about Trotsky and return to the original revolutionary programme of Lenin.

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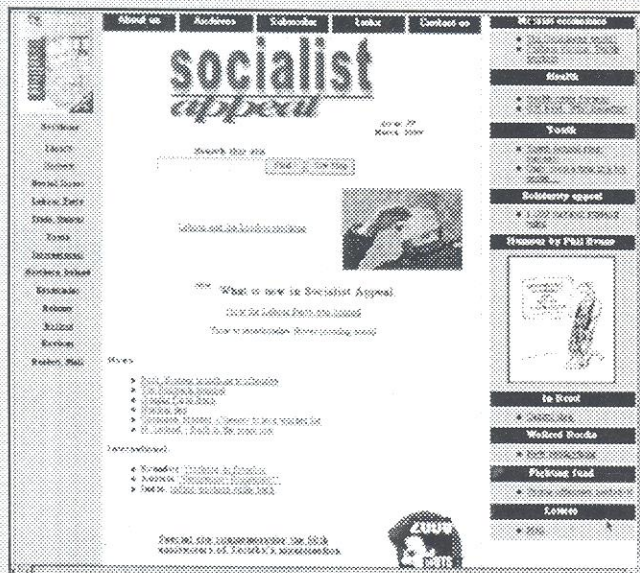
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We are launching a new, improved version of the Socialist Appeal web site (www.socialist.net). We have included a number of subject-organised subdirectories (Labour Party, Trade Unions, health, Ireland, international, etc), and also a search engine which will allow you to search the whole site. The web site will not only carry the full contents of the magazine every month but will also include weekly updates on the latest developments in the labour movement (Livingstone affair, Rover, etc), including model resolutions which you can move in your Labour Party and trade union meetings, as well as those articles which did not make it into the printed version for lack of space. Also we are planning to launch a marxist bookshop on-line. We think that this new web site together with our other sites "In Defence of Marxism" (www.marxist.com), Youth For International Socialism (www.newyouth.com) and the Trotsky year site (www.trotsky.net) will be an important contribution to the struggle for socialist ideas in cyberspace! ☆

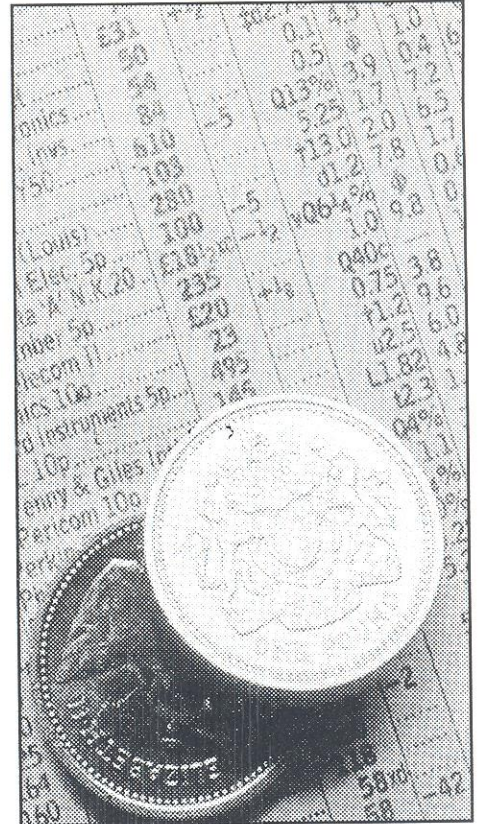
£3,000 by end of March

It was once said that a week is a long time in politics. Consider then what has happened just in a few weeks since the last issue of Socialist Appeal came out. We have seen dramatic developments on the Ken Livingstone front, the election defeat in Ayr, the budget, and now the crisis in the car industry to top it all. To this must be added the international news which constantly serves to remind us of the chaos of capitalism. Who can not have been moved by the terrible scenes in Mozambique? Who can not have been stirred into anger by the failure of the world governments to take any real action until it was almost too late. If they had wanted to bomb Mozambique then cash would have been no obstacle, but save lives...?

It is the job of Socialist Appeal to expose all this and point a way forward. A socialist way forward. Yet our resources are weak. It is not our aim to make a profit but we do need to break even and that needs your help.

Everything we do costs money, even allowing for the goodwill and help of everybody who works to get Socialist Appeal written, printed, posted out and sold. For example, as soon as Ken

Livingstone announced that he was standing as an independent we produced a leaflet updating the text of the editorial in the last issue. That cost money. Our websites are considered to be some of the best socialist sites around. We can send regular updates and news out to activists around the world as things happen. The sites are free to access but cost us money to keep up. So we do need your help. The £13,000 overall target to be reached by the end of the year is important. As reported last issue we raised £3169.35 by the end of Jan. Our next target was a further £3,000 by the end of March. To date we have raised £1600 with a large number of IOUs to come. A large amount of this cash came from a collection at a sellers meeting and for that reason it is not possible to provide a fair breakdown of who gave what. You know who you are so thanks to one and all. But keep it up. We will start collecting for our next block of £3000 in April, so lets make that drive as successful as possible. Please send what you can to Socialist Appeal, PO Box 2626, London N1 7SQ.

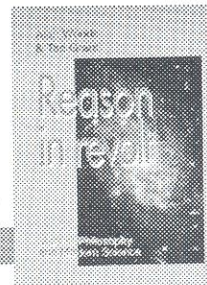


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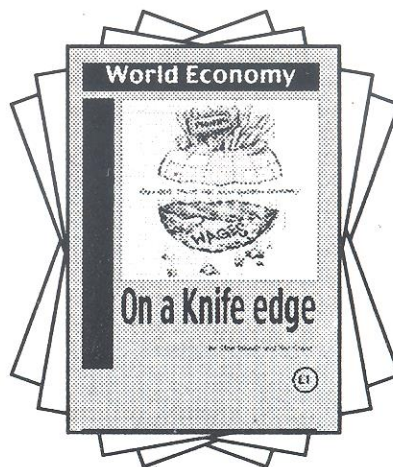


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