

SocialistAppeal

The Marxist voice of the labour movement

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Which way for Labour: Socialism or Blairism?



“Organise the working class into a great independent political power to fight for socialism.”

Keir Hardie

“My vision for New Labour is to become as the Liberal Party was in the 19th century.”

Tony Blair



Iranian regime in crisis



**Leon Trotsky
(1879 - 1940)**

Steel jobs crisis

**Workers occupy
over wages**



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The Impasse of Blairism

Scottish Labour Leader Speaks Out!

"The truth is that New Labour is a fraud. It has no moral base and no principles except self-preservation. It is all about hype and self-promotion. That is why its champions are terrified of internal and external debate which would expose it."

—**Bob Thomson, Scottish Labour Party treasurer 1993-99.**

Three years after one of Labour's biggest ever election victories, the ranks of the party have become disillusioned with Blairism and the New Labour project. After 18 years of hated Tory government, many hoped that life would have been a lot better under Labour. Unfortunately, much of the legislation from Downing Street has been a continuation of Tory policies. This has resulted in disenchantment and big electoral setbacks in a string of elections over the last two years. It has resulted in disaster in Labour's working class heartlands.

In Scotland, Bob Thompson, a leading member of the Scottish Labour Party, sickened by what has been happening has spoken out. His views are a reflection of the opinions of the majority of ordinary Labour supporters up and down the country. "Those supporters," he said bluntly, "did not vote for a continuation of Tory spending cuts, nothing on the state pension, and the privatisation of hospitals, schools, public housing, air traffic control and prisons. Even the achievements like the introduction of the national minimum wage have been spoiled by a lower rate for young workers doing the same job. On employment rights, despite welcome improvements, British workers are the worst off in the European Union... Scottish voters rejected Tory policies in increasing numbers for 19 years. They do not want more of the same. The fact is that New Labour didn't win the general election—the Tories lost it."

The mounting rank and file opposition within the party to this disastrous pro-big business course has led to a clampdown by the Blairite machine. Those with critical or independent views seeking public office are systematically weeded out by Millbank. This neo-Stalinism recently led to the debacle over the London mayoral election where the official Labour candidate was humiliated—being pushed into third place behind the Tories. In Scotland, Dennis Canavan, rejected by the Labour machine, was returned to the Scottish Parliament as an independent with the biggest majority of any MSP. Both were a kick in the teeth for New Labour.

"This control freakery and contempt for Labour Party democracy and traditions," stated Thomson, "has led to a mass exodus

of members, especially activists. People join political parties to change society. When they cannot do this they vote with their feet." As a consequence, between 20% and 30% have left the Scottish Labour Party in the last two years. These figures represent a similar pattern throughout the rest of Britain. Such is the disillusionment in the existing membership, the participation in the election for the National Executive of the party has been halved over the past year! "Our remaining members are not turning out to campaign at elections," Thomson continues. "If New Labour cannot keep its own party members, how does it expect to retain its core supporters?" And finally, he states pointedly that Blairism "has demoralised and demotivated Labour Party members and alienated our core supporters, and it is becoming more apparent that New Labour is the best recruiting sergeant the SNP has."

"People join political parties to change society. When they cannot do this they vote with their feet."
Bob Thomson

Such a condemnation of New Labour will certainly strike a cord with the bulk of party members and will without doubt be reflected at this year's Labour Party conference—whether inside the conference or on the fringes. Every effort will be made by the Blairites to rig the conference to present a show of unity. But whatever happens, the leadership cannot hold down indefinitely the anger and opposition to its pro-capitalist policies that is welling up from below.

All the leaked memos from Philip Gould to Blair, and Blair to his close associates, assert that the government has become out of touch with the electorate. However, the Blairites see this as a result not of its pro-Tory policies, but failed presentation! And yet the trumpeted increases in public expenditure *only restores the level of overall spending to that which it would have been had the Tories remained in power!*

Given that the gap between labour and capital has widened faster than before, opposition in trade unions to the Blair government is clearly on the rise. Even the TUC, which is many times removed from the pressures of the shop floor, has been forced to partially distance itself from the government by cutting back on ministerial invitations to

its Annual Congress. There is growing resentment from union leaders at the failure of government to tackle the jobs crisis in the manufacturing sector. "Ministers have got to realise we cannot achieve sustainable growth by all setting up our own dotcom companies or phoning each other from call centres," complains John Edmonds of the GMB.

However, Edmonds complains about the high value of the pound, rather than the vagaries of the capitalist market. Even in this boom, manufacturing jobs have been cut by the engineering, car and steel bosses. Rather than side with these poor unfortunate millionaires, the trade union leaders should be exposing their role and launching a programme of action to defend jobs and conditions. If a company threatens redundancies then they must be forced to open their books! No to business secrecy! At the end of the day, they should be nationalised under workers control and management.

All attempts to patch up capitalism—or eradicate the boom/slump cycle—are doomed to fail. Capitalism is based upon the profit motive, and profit comes from the unpaid labour of the working class. The class struggle is nothing more than a struggle over this unpaid surplus. This alone explains the attacks on the working class—under Tory and Labour governments—to boost the share going to the capitalist class.

The Blairite claim that they represent the national interest and stand above classes is a complete fraud, and simply serves as a shield to represent the interests of the monopolies that rule Britain. The Labour Party was founded to represent the interests of the working class. The only way this can be achieved is to break the power of big business, and plan the economy for the benefit of working people. The only road is for Labour to take over the commanding heights of the economy, which today means the 150 big companies, banks and insurance companies that dominate 85% of the British economy.

Unlike the bureaucratic nationalisation of the past, industry must be placed under democratic workers control and management. Compensation should only be granted on the basis of proven need. A national plan could then be drawn up democratically by committees of workers, pensioners, students and small business people. Then the full resources of society can be used for the benefit of all to eliminate the scourge of unemployment, homelessness, poverty and insecurity. It is time to change course! ■

Steel workers face jobs crisis

Corus, the new company formed from the merger of British Steel and Dutch steelmaker Koninklijke Hoogovens, recently announced half-year losses of £156 million and responded with a wave of redundancies across England and Wales. In total, nearly 4000 jobs are to go in Llanwern, Teeside and Scunthorpe.

*By Miles Todd
Scunthorpe*

Despite well over 100,000 redundancies in the UK steel industry since the steel union's disastrous sell-out of the 1980 national steel strike, the workers are still paying the price for the mismanagement of the industry and the anarchy of capitalist markets. The present crisis is being blamed on the weakened value of the Euro as against the strong Pound. Steel remains the bedrock of any manufacturing economy and the UK depends on foreign trade as we export 39% more per head than Japan and 45% more per head than America. In 1998, 73% of those exports were in goods as opposed to services and most of those goods contained steel. British steelworkers now turn out 550 tonnes per man-year, easily comparable alongside Japan, the best of the US mini-mills and German performance. In the 1970s, the figure was only 100 tonnes per man-year.

Last year our steel exports were down 14% to 5.5 million tonnes and as the value of the pound increased, so the average value of each exported tonne of steel fell from £340 per tonne in January 1999 to under £300 per tonne in December. More misery for the steel industry is revealed in new figures from the UK Steel Association. They show home and export markets both falling whilst imports grew. Domestic deliveries were down 5% compared to last year's figures, the lowest first half for 17 years. Exports were down 7% in the first half of 2000, the lowest figure for 10 years.

The figures also reveal that imports were up 22% in the first four months of the year whilst home output of 311,201 tonnes per week for the first seven months of the year is nearly 5% lower than the figures for 1999 and this is against a backdrop where world steel production is up globally by 11%. With the world economy on a knife-edge a new downturn will hit British industry even harder and with the crisis in the car industry set to continue (Rover accounts for 8% of Corus

steel production), there must be grave concern for the long-term future of Llanwern steelworks in Wales.

One Llanwern steelworker described the mood at the plant as one of "pure depression" even though Corus are reported to be going ahead with a multi-million pound rebuild of one of the two blast-furnaces there. This mood is no doubt commonplace in all steel areas which are already regions of high unemployment. General Secretary of the ISTC Michael Leaky said: "Steelworkers have done all they can to make Corus the most productive steel company in the world. Now it is up to the government and Corus to see whether we are going to have an industry that is a real world-beater or one broken apart?"

Dave Crowder, the chairman of the Scunthorpe trade union delegates' committee said: "Our industry is facing a tough time and we must do all we can to get government help." He also said that delegates were giving 100% support to a letter sent from Sir Ken Jackson of the AEEU to Industry Minister Stephen Byers calling for a summit to draw up a strategy for the industry. Sir Ken Jackson has already told a metals industry conference that joining a single currency would provide a more stable economic environment and added that: "Joining the Euro will give steel the stability it needs to invest and plan ahead. It's vital for the long-term future of the industry. We can't afford to wait forever."

However, joining the capitalist Euro will provide no long-term answer to the crisis facing British industry and as if to prove the point that New Labour has no answers either, John Prescott cancelled a trip to Scunthorpe on the day 670 job losses were announced, describing it as "inappropriate". What a condemnation of a Labour Government! What is clearly needed is a socialist programme, which would guarantee a job for all steelworkers and future generations:

- ⇒ 32-hour week without loss of pay.
- ⇒ immediate ban on overtime working.
- ⇒ retirement at 55 with enhanced pensions for all.
- ⇒ No more contracting out of jobs.
- ⇒ Renationalise Corus, and the rest of the private steel mills.
- ⇒ For genuine workers control of the steel industry.
- ⇒ Nationalise the monopolies and banks. For a democratic socialist plan of production. ■

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Defend sacked refuse collectors!

Greenwich Council have recently sacked three refuse collectors on the grounds that they have brought the council into disrepute. It is alleged that they were observed by a supervisor receiving a ten pound note in exchange for collecting non-domestic waste. One of the three members of staff is the shop steward for the bin men in Greenwich.

A representative of UNISON was invited to my union branch to present their argument that this was clearly a case of union victimisation. It was reported that not only had they been long serving employees of the council, but that management couldn't even supply a date when the alleged incident was supposed to have occurred.

The real motive for the dismissal was that the shop steward was highly critical of a recent decision to reorganise refuse collection which has led to a deterioration of the service. It was further reported that UNISON are balloting their refuse collection members for strike action, lodging an unfair dismissal case at an employment tribunal, alongside a public campaign for their reinstatement.

What is particularly disgraceful is that Labour councillors have upheld the decision to dismiss the three. It is an unfortunate fact that business-friendly attitudes now permeate Labour councils.

It's time to change course! The Labour Party was founded to represent working class people, not sack them! It is about time the Labour council adopted trade union friendly policies, and immediately reinstated these victimised workers.

Local trade union branches, Labour wards and GCs should flood the Labour group with resolutions demanding the refuse collectors' reinstatement.

Mark Langabeer

1/366 T&GWU

Plumstead Garage Stagecoach
(personal capacity)

Workers occupy 'give us our wages!'

Twenty furious workers barricaded their boss in a factory for two hours as they demanded six weeks of unpaid wages.

by Steve Fricker, TGWU, Southampton (personal capacity)

Staff at Giltpack Packaging Ltd. in Nursling, near Southampton locked the gates and blocked them with a forklift truck in an attempt to get their unpaid wages back. They then prevented the director of Huntley Malet Group Ltd. which took over the business in December from leaving the premises.

UCATT is taking Giltpack to an employment tribunal at the end of the month on behalf of workers for non-payment of wages.

Development officer Terry Abbot said: "The workforce are so incensed because they are owed six-and-a-half weeks' money. This is why they took this drastic action.

"They are desperate and many are struggling to pay their mortgages, rent and even basic household bills.

"The workers do not have large savings to fall back on and cannot claim benefits because they are still in employment.

"Most have given Giltpack long service."

He said Mrs. Sofe eventually agreed to hold talks with union officials and shop stewards before she attempted to reassure staff that they would be paid fully in the near future.

The gates were then unlocked and she was allowed to leave.

Forklift driver Gary Hitchcock, 42, said: "We're all desperate and we should not have had to take this action."

Jean Kilford, 54, who has been employed at Giltpack for 39 years, said: "I have a mortgage which I am in danger of falling behind on and every one here is struggling."

John Hopkins, 62, said: "Every one of us has had enough and the situation is now ridiculous."

His colleague, Shelby Brett, 58, added: It is just terrible that a company that has been going 56 years is in this state."

Local MPs, who have been approached by workers in their constituencies, are now demanding an urgent inquiry.

Labour MP Alan Whithead said the DTI should investigate the running of Huntley Malet which has a registered address at Chandler's Ford. He said: "I will be seeking a meeting with the department about the regulation of this company, which appears to be able to get away with this. The forthcoming tribunal is significant because it shows the workers are fighting back."

Romsey's Liberal Democrat MP said it was the worst case of non-payment of wages she had ever come across. She said: "I have written to the DTI asking for guidance and I join the calls for an investigation. It seems there is nothing to protect people in this situation." ■

All the way to the bank...

Under Labour, Britain is still saddled with an increasing gap between rich and poor, as well as a growing divide between living standards in the north and south.

According to an Oxford Economic Forecasting report on the rates of regional economic growth, the income divide has reached record levels. While workers are asked to accept around about 2% wage increases, the bosses are once again laughing all the way to the bank. Last year according to pay consultants Inbucon, the pay of Britain's top bosses rose by 16.5%. More than 110 senior executives received £1m or more last year, according to the survey. Three top executives achieved millionaire status on basic salary alone! And this under a Labour government!

Most have boosted their meagre salaries by massive share options and insensitive (!) plans. Nine senior executives received payoffs of more than £1m last year, including Tony Blair's friend, good old Bob Ayling.

At the same time, workers are struggling to make ends meet. Local authority workers in Scotland have voted to take strike action over the pathetic wage offer of 2.5% by employers. In Cambridgeshire, a small group of women factory workers have been on strike for 16 weeks over an extra £6.40 a week in an attempt to improve their £160-a-week pay packets.

The boss, Benjamin Perl of Foframe, says he can't afford the workers' demands, and threatened to close the factory. The GMB union has calculated that the workers are paid 10p for making a picture frame which retails in Boots for £13.50. It is time the union leaders got off their knees and waged a united campaign to win decent wages and put an end to these sweatshops once and for all. ■

Labour Conference: Oppose rule change!

The Labour Party Conference is meeting at a crucial time for the Labour movement. The pro-capitalist policies of the Blair government has resulted in widespread despondency and disillusionment inside and outside the party.

by a Conference delegate

Unions are lining up to challenge the Blairite leadership over the important question of pensions. The National Policy Forum (NPF) in July fudged the issue, simply calling on the NEC to present a statement on the question. The statement will be unamendable, but open to a vote at the conference. Unfortunately, the TGWU at the NPF withdrew their amendment to the policy statement that pensions should be linked to earnings.

However, it is understood that the GMB will be presenting a contemporary motion on pensions, calling for them to be linked to earnings. This is likely to be backed by the TGWU and UNISON.

Six policy documents are to be debated from the Policy Commissions. These have been drafted and redrafted to make them as bland as ever, to ensure they follow the government line. Any hint of real socialist policies are avoided like the plague.

Despite this, Labour's right wing is still doing its utmost to stifle opposition views within the party. A whole raft of rule changes have been brought in over the last decade which have effectively undermined party democracy. We have had "take it or leave it" ballots, new vetting procedures to weed out left wingers and "undesirables", manipulation of selection processes, and then the hijacking of policy making by secretive Policy Forums.

The "Partnership in Power" was a classic example. The setting up of Policy (Police?) Forums in the name of democracy (what else?) was a blatant manoeuvre to destroy the democratic policy-making rights of the rank and file. No votes are taken over policy, only a "consensus" is taken to decide what is acceptable and what is not.

Now the Labour bureaucracy, on behalf of the Blair leadership, are determined to go further in their sabotage of the party. At last year's annual conference, the leadership pushed through the so-called 21st Century Party consultation. The argument was used that the party and its structures were "unsuitable for current campaigning" and needed "reform". The NEC report to conference will contain an "analysis" of the consultation.

On this basis, they are planning to under-

mine even further the rights of party members. They want to completely dissolve the activists into the mass membership, and the membership into "supporters". In the process, they want to disenfranchise the trade unions through the abolition of the General Committees.

According to David Evans, the assistant general secretary of the party, writing in *Labour Organiser*: "New Labour Politics should be matched by New Labour organisation...representative democracy should... be abolished in the Party"! How more blatant can you get?

The attempt to abolish GCs and substitute them with an annually elected Executive Committee and occasional all-members meetings, is an attempt to destroy the Labour Party. Rather than enhance member participation, it will further demoralise members and lead to the decay of the local party. Without the work of dedicated local activists, the party will fall apart.

Public representatives

Furthermore, it means that accountability over our public representatives will be effectively undermined. It will allow MPs and elected representatives a free hand to do as they please—whatever the consequences.

The aim of the Blairites is to transform the Labour Party into a version of the American Democratic Party. They want to replace the Tory Party as the Party of Business. In doing so, the Blairites want to destroy the links with the trade unions. As a step in this direction they are attempting to impose a neo-Stalinist regime on the party. As Blair himself said, the split with the Liberal Party at the beginning of the last century was a mistake. In other words, the Labour Party should never have been formed!

But the Labour Party was born out of the trade unions because they realised the Tory and Liberal Parties only represented the interests of the ruling class. The working class needed a party of its own, to represent its own class interests. In 1918, Labour adopted Clause 4, the socialist aim of the party. This was a recognition that capitalism could not solve the problems of the working class—on the contrary, it was the capitalist system that produced them.

It is essential that working people reclaim the Labour Party as a weapon for working class emancipation. This means a fight not only for the restoration of party democracy, but also the fight for real socialist policies.

No to the Millbank conspiracy! For the restoration of Party democracy! Workers must reclaim their party! Fight for socialist policies! ■

Capital Idea

HOPELESS SCENARIOS.
No. 142.



SMART BOMBS?

According to figures published by Flight International magazine, the overall accuracy rate for the 1000 or so bombs dropped on Kosovo by the RAF last year was just 40%. A staggering 30% have been confirmed as misses, leaving another 30% even more astonishingly "unaccounted for". Only one in three out of 150 of one type of 1000lb bomb dropped was seen by the pilot to have hit its target. As many as 31% of the appalling cluster bombs blamed for heavy civilian casualties missed their intended mark while another 29% were unaccounted for. Even high-tech laser guided missiles only scored a success rate of 66%. So much for smart bombs. Downing Street commented: "Overall this was one of the most accurate campaigns in the RAF's history."

POOR SNUBBED

While the rich continue to benefit from tax cuts, those on benefits continue to suffer from Tory cuts. Outrageously a Labour government is making it more and more difficult for those in the greatest need to get help with buying items like beds and cookers. In 1998-99 11,102 claims for such grants were refused, but since a change in rules last April that figure has jumped to 362,000. No wonder an ICM poll published in *The Guardian* (15/8/00) showed that only one in four people believed Blair and Co. are in touch with family issues.

The madness of the Casino Economy

It is one of the world's most expensive cities, where there is a three-year waiting list for the latest Porsche car. In its main industry the average manager selling its chief product earns £120,000 a year with an annual bonus of £160,000. His (and it is usually a man) workers get on average £100,000 a year with bonuses on top. Where are we talking about? New York? Saudi Arabia? Switzerland? No, we are talking about London, or to be more exact, the City of London. And what are these guys selling? Is it cars, machinery, textiles? No, it's stocks and shares.

by Michael Roberts,
Economics Correspondent

This is the growth industry of Britain. No longer is Britain the workshop of the world as it was back at the time of the Great Exhibition in 1851. Now it is the gambling centre of the globe in the time of the Great Millennium Dome. This financial casino operates 24 hours a day and those who operate it earn mega sums of money.

And when they've got it, they flaunt it! Stockbrokers and traders in the City don't live there. Their luxury flats and houses are down in Chelsea or Kensington. Their favourite activity is to drive up and down the Kings Road on a Sunday afternoon in their latest super-expensive vehicle. As the local Porsche dealer says: "They keep their car for 12-18 months. They are like kids with the latest Manchester United strip—they always want the latest one." And as one trader boasted: "If I've had a good year, I am looking up the advertisements for the latest Ferrari on the internet right away!" According to Ferrari dealers in London, at the moment the new Ferrari Modena Spicer costing about £120,000 has a two-year waiting list.

Different story

It's tough out there in the City. And it ain't just the men who have it tough. One woman banker explained: "I buy a new handbag from Prada and Luis Vuitton every month, because I need to change it to match what I'm wearing."

It's a different story outside the City. As we roll up to Brighton beach to greet the

great leaders of New Labour at their annual conference just before Tony calls a general election to allow the British people to endorse another five years of "things can only get better", the government's own figures show the widening gap between the Porsche-driving stockbroker in the City and the shopworker in Bury or the call centre operator in Sunderland. The inequality gap is growing faster in the UK than in any other country in the rich industrial world including the US. Since 1993 there has been no change in inequality in the US between rich and poor. In the UK it has been two and half times greater—according to Tony Atkinson, warden of Nuffield College, Oxford.

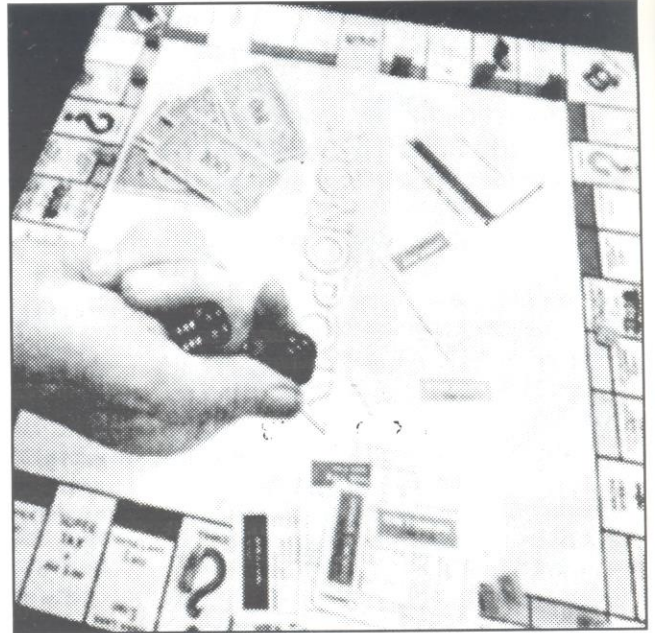
The usual way professors like Atkinson measure inequality is to compare it to the height of people. On that basis, the poorest workers in the UK are just 3ft tall, compared to the average workers' income which is equivalent to 6ft. But a stockbroker or company chief executive or premier league footballer getting £1 million a year, is 300ft tall!

As New Labour's suited careerists debate the success or otherwise of the government's policies in Brighton, the figures from the government's own department of environment reveal the widening rift between rich and poor and between the City of London and the rest of Britain. The vast majority of the deprived live in Britain's northern cities while the most affluent live in the "home counties".

Social deprivation

Ranking social deprivation by region and using up to 33 different categories such as low incomes, unemployment, poor health, and poor access to education and training, and analysing the results for every council ward in the country, the department placed large parts of Manchester, Liverpool, Middlesborough, and Newcastle in the north among the 100 most deprived places in Europe.

Which New Labour ministers represent Knowsley, Manchester, Hartlepool, and Blackburn? They are not so many miles away from the constituencies of leading min-



isters in cabinet, the heart and soul of New Labour? Yet their constituents are among the poorest in Europe.

Miserable facts

Sure, it's more complex than just a north-south divide as the MP for Hull (another in the bottom 100) and deputy prime minister John Prescott tells us. Yes, there are poor in the south (Hackney, Tower Hamlets, Cornwall) and there are rich in the north (Chester, as Tony Blair likes to tell us). But that doesn't change the miserable facts that, after four years of New Labour, inequality in Britain is getting worse and nothing in the policies of the government aims to change this.

New Labour plans to reduce child poverty by half in the next decade and end it altogether in the next 20 years (wow!) At least that is the aim of its Economic Policy Forum (one of the bodies that has replaced the democratic will of the Labour conference). But it has absolutely no policy to explain how to achieve this aim, weak and feeble though it is.

The policy forum proposes to reduce poverty by "a faster rise in productivity than our main competitors." This "competitive task" is to be achieved by "a thriving innovative business sector with high levels of productivity delivering high economic growth." How is that to be achieved? By "cutting corporation tax to their lowest ever levels"! And cutting capital gains tax from 40% to 25%! So, while the overall tax burden for the average British family rises with petrol taxes, VAT, increased national insurance, etc, busi-

nesses owned by the rich and highly-paid are to be taxed less. Yes, the answer is clear: capitalism in Britain needs to get more profit and then it will invest and boost productivity "faster than our main competitors." And New Labour agrees with this conclusion.

Even if this policy was a laudable aim for a Labour party, will it work? Not if the views and actions of British manufacturers are any guide. According to the latest figures before the New Labour conference in Brighton, business investment in the UK rose only 0.4% in the second quarter of the year. Investment in manufacturing fell 3.2%. Only investment in "other services" rose.

What are these "other services"? Well, they include financial services above all. The reality is that Britain is no longer kept up among the top ten capitalist countries in the world by its expertise in building new machines or in selling exciting new products. No, its main source of wealth now comes from moving money around. The financial services industry now provides 7% of national output compared with 5.5% in the US and just 3.5% in France. Whereas in 1978, manufacturing employed over 7m people, almost three times as many in financial services, today manufacturing employs just 4.3m, while the City of London and all its subsidiaries provide work for 5.2m.

This is what economists call a *rentier* economy. That's an economy that does not make anything that people can use, but an economy that lives off the earnings of others by lending money or investing it. Rentier economies are parasitic additions to the productive economies of the world.

Secretive banks

Switzerland used to fit that title with its secretive banks that laundered the ill-gotten gains of fleeing Nazis and then billionaire dictators from Baby Doc of Haiti to Ferdinand Marcos of the Philippines and General Mobutu of the Congo. But now the UK far surpasses Switzerland in that role. After the US, the UK is the biggest exporter of money capital to invest around the globe. It does not generate that money through the sale of goods and services to other countries. Indeed, Britain runs a huge deficit on the trade of manufacturing products with other countries and it runs a deficit overall in all goods and services. No, this money to invest comes into Britain as deposits in the hundreds of foreign-owned banks that have taken up residence in the City of London or its extensions in Canary Wharf.

Every year from now on, Britain will run a deficit in trade and income with the rest of the world of about £12bn a year. This year it will also send £130bn more abroad to invest than it receives in investment. So the investment by Toyota in Swindon's car factory will be matched 13 times over by the City of London and the big UK-based companies sending capital abroad! British-based banks will also lend around £120bn to others over-

seas this year. How can all these deficits be financed? By the growth of London's stock and foreign exchange markets. The inflow of capital to use the City of London's markets will reach £250bn this year! The great global boom in the world's stock markets and the feverish investment in shares by the world's big banks and rich people is keeping this great aircraft carrier off the edge of Britain - the City of London—afloat, and with it providing just enough for the UK economy to grow.

So what's the problem if it works? Apart from the inequalities between rich and poor, north and south, that it breeds, it is a huge distortion of the economy. Everything depends on foreign investors and foreign banks continuing to bring their business to the UK. If there is any serious downturn in the stock market or if investors were to take their money to Frankfurt or New York, the UK economy would collapse. In the meantime,

**Compete or die,
invest or die, profits or
die. It's the same old
capitalist story. But
competition means
there are losers as
well as winners.**

huge amounts of cash pouring through continue to bloat the incomes of a few in London, with hardly a trickle of income and wealth elsewhere.

Sure, the estate agents of the South East are growing fat with little effort. Sure, the computer contractors looking after the financial systems of the big banks are raking it in and the fashionable restaurants in the West End are full to the brim with big spenders and mobile phones. But outside London, or Edinburgh, or maybe parts of Leeds, there is little sign of new wealth. Jobs there are for the moment. But they are not secure. Even the biggest growth industry of the regions, the call centres of the banks and telecom companies are threatened by new automatic ways of delivering services and products to consumers. On-line selling by the internet and computerised help lines are ending that industry after it has hardly begun.

There is a great sucking sound in Britain—it's the noise of wealth, incomes and jobs going to the south-east and even there, being sucked up to that great aircraft carrier off the Thames, the City of London, cut off from mainland Britain, with its turrets and guns turned towards the sea to attract money capital which is then sent straight out again to investments overseas. If the stock market boom should come to an end—and it will, just as night follows day—then the gravy train for the City will shudder to a halt and with it any wealth for the rest of Britain.

Many hope that increased investment will lead to higher productivity in industry, so


that the UK economy will survive any global financial collapse. And that is the aim of New Labour when it talks about "faster productivity than our competitors." But how is this to be achieved when all the wealth and investment goes not into productive sectors of the economy but into the unproductive rentier economy?

Compete or die

The reality is that UK productivity levels are just 7% higher than they were five years ago. That's a pitiful increase in a period when Britain has never had it so good, so we are told. Globalisation, competitiveness, innovation—these are the mantras of the capitalist strategists in all the major economies. Compete or die, invest or die, profits or die. It's the same old capitalist story. But competition means there are losers as well as winners. The leaders of New Labour adopt the mantras of capitalism without a second thought. But they don't recognise that Britain has become an economy that lives off the success of others as a banker, moneylender and stockbroker of the globe. When the financial markets dive, Britain will drown. ■

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The Euro: Can it provide a solution?

Labour's Cabinet Ministers keep telling us the economy is booming. So how come manufacturing seems to be flat as a pancake? Huge swathes of industries such as textiles and clothing (settled here for more than two hundred years) and car parts and components are closing their doors, often to pop up again in another country. Every week we hear of more jobs going. Each time they blame the overvalued Pound.

by Mick Brooks

On June 27 the *Financial Times* spoke to fifteen global manufacturing companies, including household names such as Nissan, Ford, General Motors, Honda, Toyota, BMW, Samsung, Sony, Bosch, Caterpillar and Siemens, all of which announced their intention to relocate to the euro-zone because of the strength of the pound. This was one reason BMW gave for leaving Rover in the lurch. Car companies that are still here (they can't actually up stakes in a jiffy) are systematically ordering more of their components from the continent. We reported on this in *Socialist Appeal* no. 62: "Rover/BMW is to shift 10% of annual spending on parts - worth over £400 million to Germany. This outsourcing could result in up to 20,000 job losses in the West Midlands supply chain..." "This is the real threat of the 'strong pound'. While the multinational bosses wail that they can't sell their goods abroad, they are happily touting around for the cheaper prices the strong pound brings when buying in components from abroad." This story was published before BMW's decision to pull out. It represents a systematic strategy to reduce domestic content of British-made cars from 70% to 50% in order to make more profit. Alongside the Rover article we carried an item on General Motors in Flint, Michigan outsourcing component production to Mexico. Neither the USA nor Mexico are in the euro-zone. In other words they'll use any excuse to divide us up and make more money. Whether it's exploiting cheap labour or playing the money markets, they never miss a trick. Recently Toyota hit the headlines by announcing that they would expect parts supplied to them to be invoiced in the euro. They are using their giant market power to lean on small suppliers.

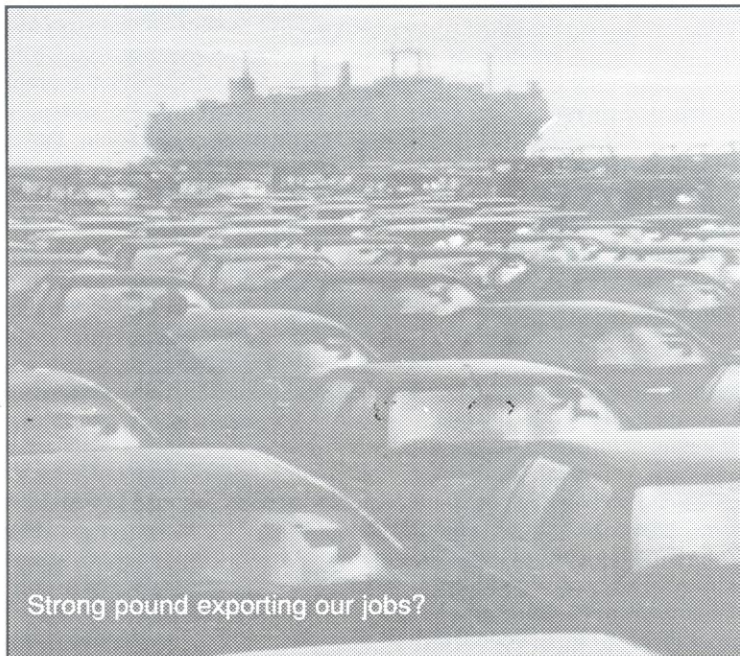
All this is part of the same picture. The pound is said to be overvalued, specially against the euro. As a result industry can't sell its stuff overseas and factories are suf-

fering a steady loss of jobs. And manufacturing matters. We have seen a massive deindustrialisation of Britain, with only around four million workers employed in metal bashing. It remains the case that selling goods is critical for Britain to pay its way in the world. Only around a fifth of service jobs can raise money abroad. High street banking, the caring professions and the other work millions of us do can't yield anything that can be traded across borders. No wonder we have a current account deficit on our balance of payments of 2% of National Income.

How much of a problem is the high rate of the pound? The way the trade union leaders go on, you would think it's the only problem British capitalism has. Their answer is that Britain should join the project for European Monetary Union and sign up for the euro.

The arguments

Monetary Union is the latest stage in the project for 'ever closer union', to develop a capitalist super-state on this continent. It is argued quite logically that since the aim is one market, there should be one money. What are the arguments for the euro? The first is for transparency. Visitors to the continent will know that menus have euro prices alongside French or Belgian francs. If we all use euros, phenomena such as "rip-off Britain" would be more difficult to dump on us. We can easily compare prices elsewhere. The second argument is abolishing the cost of changing money. The European Commission reckons transaction costs swallow up 0.5% of Europe's income. Finally there is the disincentive to overseas investment. A British capitalist who wants to open a factory in Portugal has, in addition to all the other risks and problems, to work out what sterling is likely to be doing against the



Strong pound exporting our jobs?

escudo in twenty years' time when it comes to repatriating the money. In reality, they can have no idea what the exchange rate will be then.

This all sounds harmless enough. But the project for monetary union is founded on a bedrock of neoliberal ideology. Interest rates are entrusted to an unelected European Central Bank. Secondly the harsh Maastricht convergence criteria forced governments all over the continent to squeeze public spending. Any infringement of this regime of permanent, institutionalised cuts is to be met with swingeing fines. Let us be clear. Capitalists were calling for and getting cuts all over the world in the last decade. The Tory eurosceptics are against joining the euro—but they're all in favour of cutting social spending to the bone. Latin America and Africa were not lining up to join the euro-zone but their governments made ferocious cuts throughout the 1990s. But the agenda for monetary union was written by the hard right. Traditionally, governments have two levers to influence the level of economy in a capitalist economy. They can use fiscal policy—taxing and spending. Or they can use monetary policy—to affect interest rate levels. But the preparation plans for monetary union tie both the government's hands behind their back—for ever.

How far have they got? Not a single euro has yet been minted. So, if you're offered change in euros while on holiday, don't accept them! At present the euro is a mental construct comprising so many

Deutschmarks, so many Lire, etc. It operates as an accounting benchmark for trade between the member states. They have yet to make the leap to replacing national monies with the euro. The whole thing could very well go up in smoke. But at present the major European currencies are locked together in a fixed exchange rate system.

Pro-European union trade unionists such as Sir Ken Jackson regard it as business as usual to argue for British membership. After all it gets him off the hook of proposing direct action to protect his members' jobs. Likewise Sir Ken has no problem in signing up to an outfit, 'Britain in Europe', which campaigns for the Euro as being in "Britain's interest" and making common cause with the likes of Adair Turner, former Director General of the "bosses' trade union", the Confederation of British Industries (CBI). 'Britain in Europe's pamphlet, *The case for the euro*, mentions that "the appropriate response to a negative shock is a fall in wages." But for our employers the appropriate response to a fine day or a rainy day, come to that, is a fall in wages. A fall in wages is always appropriate to them! What is Jackson doing in bed with the likes of these people? Jackson has warned in a 'Britain in Europe' pamphlet *Out of Europe: out of work* that "if we left the EU, three million people would be out of work." His pamphlet doesn't have a single fact to support this assertion. Sir Ken grovels before the flow of inward investment which, he asserts, is all jobs for his members and other working class people. He neglects to mention that the smart money is still leaving. There is more outbound investment from this country than money coming in. John Philpott of the Employment Policy Institute sums it up: "It is virtually impossible to create a credible estimate" of the impact on jobs. He goes on: "Joining the euro at its current parity could prove harmful to jobs."

Some right-wing trade union barons are more cautious than Sir Ken. They realise that hobnobbing with right-wing economists and employers who threaten workers' interests every day might make their members suspicious of the europhile "project". John Edmonds of the GMB, a member of the rival Trade Unionists for Europe, is demanding a sixth condition of membership in addition to the five enumerated by Gordon Brown. In the *Financial Times* (30/6/00) he is quoted that the pound's exchange rate value against the Deutschmark must be between 2.50 and 2.70. It is around 3.20 at present. "We simply must know what the rate should be. Otherwise entry could be seriously damaging for employment". In other words Edmonds is campaigning for entry as a means of devaluation, as we explain below.

At the Trades Union Congress, in 1998, John Edmonds in his keynote speech warned that up to 300,000 jobs were at risk though government policy on high interest rates and the resulting high pound. In his plea, Edmonds was echoing the complaints

of the CBI. The workers' representatives are 'consciously making common cause with the bosses to save British manufacturing!

Is this possible - that our New Labour government through ignorance or stupidity can sentence great swathes of the working class to redundancy? Well, it's happened before. The mistakes of the Thatcher administration after 1979 (whether through malevolence or mistake only a psychiatrist can tell) destroyed great chunks of British industry. After 1979 the Conservatives subjected Britain to a monetarist experiment that was devastating in its consequences. Monetarism is a right-wing economic theory that emphasises the need to control the money supply. The government is a monopoly supplier of sterling. Any attempt to control the supply of anything will put up the price. The "price" of money is how the rate of interest is described in the textbooks.

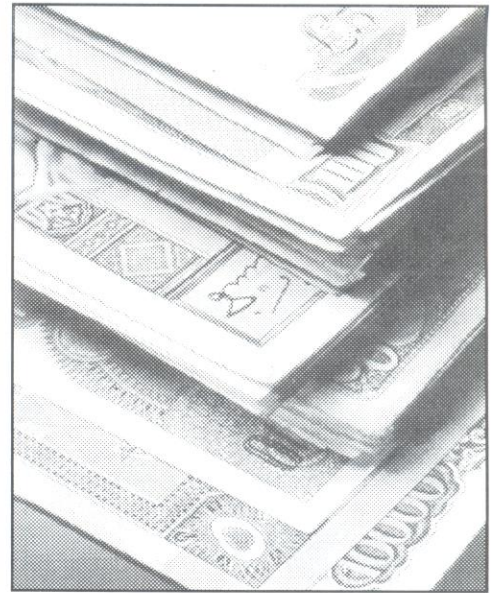
So the monetarist experiment drove interest rates up to levels above 20% for a time. But it had another unintended consequence. The high interest rates in Britain attracted footloose money into holding sterling. So the Pound went from a low of \$1.50 under Labour to a high of \$2.45 by the end of 1980.

Pro-European Union trade unionists such as Sir Ken Jackson regard it as business as usual to argue for British membership.

Think about the consequences for exporters. The price of their goods in American shops went up 50% just because of the gyration of the exchange rate. Exports plummeted. At the same time world recession in 1979-81 was biting into their profits. Then just when they needed to run back to the banks for readies, they were being walloped 20% interest for borrowing. Manufacturing output fell by 17% in the first two years of the Tories and unemployment soared from 1.2 to 3 million. No wonder the destruction of our manufacturing heartland during the "Thatcher recession" did more damage to industry than the Luftwaffe had managed to do during the second world war. And industry that gets wiped out stays wiped out.

Major player

So government policy and policy mistake can have a big effect on the workings of the economy. Why should that surprise anyone? The state is a major player in a modern capitalist economy. But just because governments can get things wrong, it doesn't mean they can get it all right. We don't think there's a "right" level for the pound—a level at which



all our economic problems can be solved. But, there certainly is a wrong level—and government mistake can scar workers' job prospects for a long time.

So was John Prescott right and Edmonds wrong, when he replied to critics at the 1998 TUC: "Don't try and tell me that it is all to do with the pound and British interest rates...there have been closures in Europe and Silicon Valley and they are nothing to do with the British pound or interest rates..."? They were both right and both wrong. Prescott was on to something when he pointed out that redundancies at Fujitsu, Siemens and NEC in semiconductor production were because of a worldwide overcapacity in that industry. Since IT has been a leading sector of the world economy during the 1990s, the collapse in demand for new technology products is in turn a harbinger of world economic downturn. It's the same with cars. Last year 57 million were produced throughout the world. But we have the capacity to make 79 million. There are 55,000 motor vehicles parked unsold on airfields and another £500 million worth in dealers' windows. John Edmonds is surely right in claiming the Labour government should be able to do something other than wring its hands at the haemorrhage of jobs, but we need more than playing around with exchange rates to deal with the global problems of capitalism.

We live in an era of floating exchange rates. The level of sterling is determined by supply and demand. Where does this supply and demand come from? You might think the only reason firms would want dollars was to buy American goods. And the only reason stateside companies want sterling is to buy our stuff. In other words monetary flows are the counterpart of trade—goods go one way while money goes the other. But these days that's all out of date. Speculative flows dominate world money markets. For every pound or dollar that goes to oil the wheels of trade, a hundred move so that money can make money.

How? Five pounds is just a piece of paper. Why hold it rather than eight dollars or fifty francs? One factor for speculators is what they'll get by putting their money in a British bank rather than keeping it at home. That in turn depends on the difference between UK and foreign interest rates. So sky-high interest rates power up the pound as they did under Thatcher, and British exporters lose out. If this is what motivates the speculators, there is no reason why we should expect sterling to find a "right" level to act as the handmaiden of balanced trade.

The European capitalist powers have become fed up of the switchback ride provided by floating exchange rates to their economies, with the soaring and plunging provided by the interests of speculators. The launch of the euro is an attempt to return to a fixed exchange rate regime. We've been there before. What's wrong with fixed exchange rates? They can be washed away, that's what. If speculators think a devaluation is imminent they can place a one way bet. By using the futures market in national currencies they can acquire foreign exchange, such as dollars now and contract to buy pounds in a week's time. If there's no devaluation, then you haven't lost anything. If there's a 10% devaluation then you get 10% more pounds for your dollars in a week. You make a capital gain of 10% in a week, which beats working for a living! Having made these calculations speculators go into a feeding frenzy and a wall of money makes the devaluation happen. It's as if betting on a horse makes it more likely to win!

Exchange rate

John Major took us into the Exchange Rate Mechanism of the Common Market in 1990 at a rate of £1 = Dm 2.95. Astute commentators reckoned that made sterling about 10% overvalued. These astute commentators did not include Gordon Brown and the rest of Labour's shadow cabinet. At that rate, exporters suffered and the whole economy suffered not only from world recession, but from lack of competitiveness in Europe. In 1992 the strains became intolerable, speculative pressure built up and sterling was washed out of the ERM despite the Tory government wasting £5 billion of our money in a few days trying to support sterling—in effect hurling schools and hospitals at the global markets. The Pound sank within a few weeks to Dm 2.45, a devaluation of about 10%. British goods were a tenth cheaper in Europe and European stuff was dearer over here. At last exporters got the quick fix they needed to compete with the continentals! They were helped by the end of the 1990-92 recession and the upturn in the world economy.

So devaluation, or depreciation, as it's called in a regime of floating exchange rates, works because now foreigners can get more pounds for their francs or dollars or deutschmarks. That makes our goods cheaper in foreign markets. On the other

hand, goods produced in France, the USA or Germany cost more over here. That makes it more difficult for foreigners to export to us. In effect the devaluation acts like a protective tariff against imports and as a subsidy to exporters. What capitalists are concerned about on the other hand, is that workers will demand higher wages because the cost of living (in terms of imported goods) has gone up. And in so far as we import materials and work them up into manufactures, if the price of inputs go up, pretty soon outputs will be more expensive as a result. In the long run firms will be no better off.

The fact is devaluation is not a panacea for a failing capitalist economy. Marxists have pointed out for decades that Britain has been in relative decline and bombed out of one market after another basically because of the failure of the British capitalist class to invest as much as their rivals. In this situation, devaluation can at most give a quick fix by rigging the terms of trade in our favour when times are favourable. And when times are tough, rivals will follow suit, leading to a wave of "beggar my neighbour" devaluations where everybody loses out. After all, a pound got you nearly 10 deutschmarks in the 1960s. Now it only buys about 3.20. The strength of the Deutschmark is a reflection of the strength of German industry.

The state is a major player in a modern capitalist economy. But just because governments can get things wrong, it doesn't mean they can get it all right.

Interest rates are 2% higher in Britain than on the continent or in the USA. This is in part because of the new monetary regime put in place by Gordon Brown. Before the Labour landslide Blair and Co. made a lot of promises. We are still waiting to see most of them. One thing that was not promised, and not even mentioned, was independence for the Bank of England. Labour set up an unelected Monetary Policy Committee packed with conservative bankers and pointy headed bourgeois economists. These are exactly the same types as the staff of the European Central Bank, and they have all the same attitudes. Kenneth Clarke, the last Tory Chancellor of the Exchequer, has revealed the spats he had with Eddie George, Governor of the Bank of England, over interest rates. Invariably Clarke's instincts were right over the central banker's caution. The MPC's brief is to watch out for inflation, using interest rates as a cosh to subdue the movement of the real economy. They claim that the high pound is nothing to do with them. In fact they're directly responsible—via the deflationary high interest rates they set. They pretend they can't do anything

to staunch the bleeding away of jobs in manufacturing for "our friends in the north". In turn the MPC is a useful alibi for right-wing Labour. First it proves their financial responsibility. Secondly, if anything goes wrong, "it's nothing to do with me, guv."

The government has been keeping its head down over the whole issue of joining the euro. Their position is that they in principle favour entry, providing the conditions are right. The five conditions are:

- Economic convergence between Britain and the continental economies.
- Flexibility to be built in to the system to cope with the change.
- Favourable effect on investment.
- Protection for the City of London's status as an "off-shore" financial haven.
- The single currency must be good for jobs here.

As the reader will have worked out, all this is a formula for fudge so the government can 'make up' their mind to do what they like when they have to take a decision. Significantly, the only hard commitment is to defend the livelihood of the billionaires in the City.

Incredibly, Blair and Co. have been able to dodge the critical question of what rate we should go in at. This is despite the fact that the European Commission itself recognises that the overvaluation of sterling makes staying in the euro unsustainable and could actually wreck the whole project. They are offering Britain entry at between 1.25 and 1.45 euros to the pound, effectively a 10% devaluation. They are echoed by TUC leader John Monks, who regards Dm 2.85 as the absolute top rate we could join at and Dm 2.65 as about right (it is about Dm 3.20 at present). But that would be a devaluation of nearly 20%! In effect the drive for Britain's membership of the euro-zone is a drive for devaluation.

Strategy

Gordon has an answer to criticisms of his "look mum, no hands" economic policy. It's all part of a strategy to eliminate "boom and bust" from the economy. That's all very well for him. For workers losing their jobs in Britain, it doesn't look like the fight against boom and bust—it looks like bust. Is Gordon saying, like former Tory Chancellor Norman Lamont, that a rise in unemployment is "a price well worth paying in the fight against inflation"? Tony Blair lectured workers in his constituency losing their jobs that "we can't ignore the market." In one way he's right. If the world is moving into recession, and all the signs are there, then how can capitalist Britain opt out? And if capitalism has been going through cycles of boom and bust for the past hundred and fifty years in all countries, then it's not just the level of Sterling we need to sort out but the whole market, capitalist system. ■

Dangerous Erosion of our Civil Liberties

Britain we are reliably (and often) informed is a free, open, and democratic country. Yet beneath this civilised facade lurks a highly organised state machine designed and evolved to defend and maintain the capitalist system.

by Phil Mitchinson

A succession of draconian anti-union laws has seriously impeded our ability to organise and defend our jobs and livelihoods. The erosion of the right of asylum seriously questions how civilised British society really is. Reactionary legislation such as Section 28 or the Criminal Justice Act are just the most infamous examples of how seriously our civil liberties have been undermined.

Civil liberties can too often be seen as a fringe issue, of secondary importance. They are no such thing. In fact what we are discussing here are basic democratic rights, won through struggle by previous generations—both personal freedoms and the ability of workers to fight to defend or improve their lot. What more striking example is there of the impasse of the system, that not only can it not guarantee us work and a decent standard of living, but it cannot even maintain the most elementary democratic rights.

Miscarriages of justice have become a national industry in recent years, and it is all too easy to get caught up in the details of a single case of injustice. Those who have been unfairly treated, and the list is too long to print, deserve our full support of course, but our task must be to see the bigger picture as well. Whose interests are being served by these attacks on our rights? Civil liberties and democratic rights are not just a matter of evil governments, nasty police officers, or biased judges. To demand basic rights is a long way short of socialism, nevertheless this is a class question. What class interests are being served by undermining our civil liberties? Answering this question will help us to see that these attacks coincide with the relentless assault on our jobs, conditions, welfare and so on, and are not at all accidental.

That is not to say that this is purely an economic question, that capitalism cannot afford in monetary terms to pay for these freedoms any longer. It is a very vulgar interpretation of Marxism that accuses us of reducing everything to the simplest economics. Cost is indeed always an important con-

sideration in the blinkered profit and loss mentality of the capitalist - it is the excuse being used for abolishing the right to trial by jury. Yet there is something more profound occurring here too. Stretched to its limits capitalism needs to block our ability to fight back, they are attempting to establish a firmer grip over society. It is not simply a question of profit and loss, but of defending the capitalist system.

It should be our duty as Marxists to expose and oppose these attacks on our basic rights in the same way we fight job losses.

Infringements

From the removal of the right to remain silent to the current attacks outlined below, there have been sufficient infringements of our democratic rights - above all the vicious anti-union laws introduced by the Tories and scandalously maintained by the Labour government—to fill a book. In the space available here we will look at just three of the most important and recent developments in law.

The last Tory government introduced a bill to limit the right to trial by jury in certain cases. That bill was blocked in the House of Lords. Outrageously a virtually identical bill has since been introduced by Labour. For the moment that too has been blocked in the Lords. This nevertheless represents an attack on what has long been seen as a cornerstone of democratic society - the right to be tried by your peers. It is not our job to defend the judicial system. Far from it. Our task is to expose the class basis of the judiciary and the legal system in general - beginning with the laws themselves which did not come down from the mountain with Moses, they are not the law with a capital "L", they were written on earth, to defend definite class interests. Nevertheless we must oppose the handing over of decision making



to unelected legal professionals and magistrates. Many in the legal profession argue that only 25% of cases heard by magistrates lead to acquittals as opposed to 40% of Crown Court cases - juries being more open minded about police evidence, for example. The figures for ethnic minorities are even more disturbing, many of them overcharged by the police, their charges are more often reduced or dropped in Crown Court. The reason Straw and co. argue for eliminating such a basic right as trial by jury is simply cost. We must expose this attempt to put a price tag on a fair hearing and at the same time expose the class nature of the law and the courts.

The second example we want to cite is equally disturbing. The behaviour of football hooligans and the hysteria whipped up by the media have given the Home Office the green light for a new plan designed to restrict our movements. Going a step further than simply preventing convicted hooligans from travelling to matches abroad, their new proposals give the police unprecedented rights to confiscate passports and hold people in custody on the sole grounds of their suspicion that someone will take part in violence. The meaning of this is clear. The police and the state would have the right to stop anyone they wanted, for any reason, with no accountability for their actions, from travelling abroad. In 1984-85, during the Miners' Strike we got a glimpse at this side of the state machine when miners, or anyone suspected of the crime of being a striking miner, were prevented from travelling freely around Britain. This proposal goes a step further. It

is the return of the 'sus' law giving the police the additional power to impose criminal sanctions on people who have not been convicted of any crime. It seriously restricts our right to free movement. Previous football based legislation has already given the courts unprecedented powers over our human rights. Many of them in contravention of the government's own Human Rights Act of 1998, and several international treaties, which just goes to show that such guarantees are worthless pieces of paper. New Banning Orders would not only prevent attendance at football matches and restrict foreign travel, they would also mean de facto imprisonment in a police cell, before, during and after matches. These bans and restrictions, remember, would be in addition to any punishment received for actually committing a crime. Such a banning order would not be open to appeal, no matter what change in circumstances, for a minimum of six years. If you are a football fan your first thought may well be "serves them right". However, just consider what would be considered a relevant offence. Eric Cantona's infamous kicking of a spectator would result in a maximum of a term of imprisonment followed by a six to ten year ban from any football match, to a minimum of community service and a three to five year ban, thus ending his career. Paulo Di Canio pushing referee Paul Alcock could have led to a ten year ban. A 15 year old youth who runs out into the street and kicks his ball through a shop window whilst emulating his heroes could be charged with criminal damage and banned from going to a match until he was 20 years old.

Trade unionists

The implications are not confined to football supporters, however. The ability of the police to confiscate passports and prevent foreign travel is something which must concern all trade unionists and socialists. The system proposed will be similar to the Anti-Social Behaviour Order, where you can find your movements and activities restricted without committing any crime, and without a trial. An order can be served for behaviour which is not actually illegal, and any breach of the order can lead to imprisonment for up to five years. The implications for picket lines and demonstrations are obvious.

The police would gain new 'sus' powers enabling them to issue an order outside a football match demanding the 'suspect' attend a magistrates court for a hearing the following day. Failure to comply would be a criminal offence. Furthermore the police would have the right to arrest anyone they believed would not comply with the notice. Not the courts, but an individual police officer would have the right to confiscate your passport on the spot simply on the basis of suspicion. This amounts to the criminalisation of people unconvicted of any offence.

Finally, staying with the theme of the increasing power of the state, in case anyone thinks we are just being paranoid, let us

look at the proposed amendments to the Prevention of Terrorism Act. Incidentally, what further proof is there of the futility, worse the counter-productive role of individual terrorism than that it serves to strengthen the state it claims to be fighting by providing them with the excuse to introduce this kind of reactionary legislation, which represents a direct threat to the labour movement.

Terrorist groups

The present Act is restricted to those connected with international terrorism or terrorist groups in Northern Ireland. The new proposals are designed to widen the definition of "terrorism" to include violence against any person or property situated anywhere inside or outside the UK. Anyone who has ever been arrested on a picket line will see the danger here. Again these proposals contravene all kinds of Conventions on Human Rights. Someone found to be carrying the address of a cabinet minister would have to prove that they were not a terrorist in court rather than being presumed innocent.

The new proposal also gives the Secretary of State the right to add to the list of proscribed organisations. At present this is limited to those organisations associated with Northern Ireland. Under the new regime Straw or his successor could proscribe your organisation and make membership a criminal offence.

The state, the police, the courts, the criminal justice system are not simply independent arbiters of Justice safeguarding the morality of society. If they were then you'd have to conclude that they had seriously failed.

If that weren't alarming enough, the right to free speech is about to go the same way as the right to belong to a union, to strike, to remain silent, to trial by jury, to free movement. The new bill would make it a criminal offence to support in words alone an armed struggle in a country outside the UK. If you support the struggles of peoples anywhere in the world for freedom, democracy, human rights, let alone socialism, you could find yourself under investigation by the police.

Capitalism has survived a long time not on police methods, but on the far more stable basis of bourgeois democracy propped up by a complex system of laws, traditions, habit custom and routine. These make up the social cement holding capitalism together far more securely than more transparent dictatorial methods. In reality bourgeois democracy is only the disguised dictatorship of the banks and the monopolies. They are the people who have real control over our

lives, yet we have absolutely no control over them.

We are not arguing here that Britain is on the verge of a military coup. However, in many parts of the world new dictatorial regimes are on the order of the day. For now, at home, we are talking about dangerous threats to our civil liberties and the stripping away of elementary democratic rights. This must be stopped. The whole labour movement must defend what rights we have and fight to restore those we have lost. In fighting these attacks it becomes clear that the present state machine cannot simply be reformed in our interests. It is an instrument of class rule designed to maintain the capitalist system. It must be replaced altogether by a new state which extends our democratic rights to every aspect of our lives.

The state, the police, the courts, the criminal justice system are not simply independent arbiters of Justice safeguarding the morality of society. If they were then you'd have to conclude that they had seriously failed. The *statê*, as Marxists have long explained, is a power raised above society, whose role is to protect the interests of the ruling class. It has evolved over many generations, and different forms of class society into the many headed monster we see today.

To build a new classless and democratic—in other words socialist—society will require a different tool, a workers state, where democracy is no longer confined to the sham of voting in an election every four or five years, but where real control, accountability and participation in every aspect of society lie in the hands of the vast majority. None of the rights we still enjoy today are safe as long as the capitalist system continues. It is a myth that capitalism and democracy are two sides of the same coin. In fact there is no such thing as Democracy with a capital "D", democracy in the abstract. There is bourgeois democracy, the rule of the capitalist class, and the longer this 'democracy' continues the fewer democratic rights we will have. Or there is workers democracy, the active running of the economy and all aspects of our lives by the overwhelming majority of society.

The task of this democracy would be to prepare the ground for socialism, for a truly civilised existence where the right to free speech, and the right to free movement would be accompanied by the right to work, the right to eat and the right to live in peace. It is astonishing that at the beginning of the 21st century we should still be fighting for these rights, the bare minimum of a civilised existence. Still more amazing that we should have to discuss defending basic rights conquered a century or more ago. If we do not take this struggle seriously, if we cannot defend what we've got, then we will not be able to conquer the world that we have to win. ■

On the streets of America

"We want freedom by any means necessary. We want justice by any means necessary. We want equality by any means necessary."

Malcolm X, 28 June 1964

"It indicates the remaining damage that Marxism has done to the thinking of people."

Rudolph Giuliani, mayor of New York on the Seattle protests

The police in Philadelphia are notorious for their brutality and racism. It therefore came as no surprise that on 12 July television news showed film footage of Philadelphia police officers beating up a badly wounded black suspect. The brutal beating of Thomas Jones by a dozen or more Philadelphia police officers, which was caught on video and broadcast on world-wide television, is yet another case of racism and police brutality endemic in the United States.

Jones, who took five bullets in the stomach and arm while "resisting" arrest, was dragged from the police car he had stolen and viciously attacked by the police.

There are close parallels with the case of Rodney King, a black motorist, who was also dragged from his car and beaten repeatedly by members of the Los Angeles police department in 1991.

The scene was also reminiscent of the era of Philadelphia under Police Chief and Mayor Frank Rizzo, who was responsible for a reign of police brutality and violence throughout the 1970s.

Things were so bad that in 1979 the US Department of Justice filed a lawsuit against Frank Rizzo - the then mayor of Philadelphia - and other city officials for condoning police brutality. The lawsuit listed 290 persons shot by the city's police officers between 1975 and 1979, the majority of whom were from ethnic minorities. During Frank Rizzo's eight years as mayor, fatal shootings by Philadelphia police officers increased by 20% annually. Mayor Rizzo appeared to tolerate police misconduct. In 1978, he told an audience of 700 police officers: "Even when you're wrong, I'm going to back you."

An investigation in 1978 by the Pennsylvania House of Representatives sub-committee on Crime and Corrections

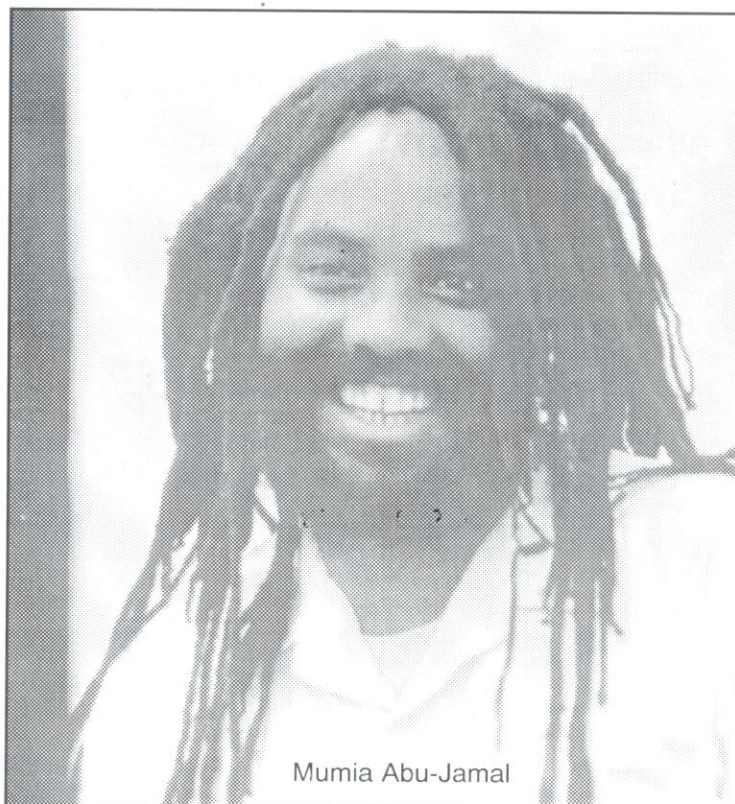
found a small but significant number of Philadelphia police routinely engaged in verbal and physical abuse of people to a degree the sub-committee considered "lawless". The investigation concluded that the level of police abuse had reached that of homicidal violence and that Philadelphia lacked the necessary police leadership to control the lawlessness.

As we reported in the July issue of *Socialist Appeal*, in 1978, the police were involved in a siege of a house occupied by members of the MOVE organisation, a radical black group. After the shoot out, the occupants surrendered, but then the TV cameras filmed a police officer striking Delbert Africa with the butt of a shotgun and then dragging him along the ground as other officers kicked him. Police bulldozed the house to the ground the following day. Nine members of MOVE were charged with third degree murder, conspiracy, and multiple counts of attempted murder and aggravated assault; all were found guilty and sentenced to 30 and 100 years in prison.

Rizzo era

Three years later in Philadelphia, a young black radio journalist, Mumia Abu-Jamal, was arrested for allegedly murdering a police officer. It was without doubt a frame-up.

In the Rizzo era, Mumia was known as "the voice of the voiceless" for exposing much of the police violence. In 1981 he won a Major Armstrong Award for radio journalism, and was named one of Philadelphia "people to watch" by Philadelphia magazine. He was president of the Association of Black Journalists in Philadelphia, and he had no prior criminal



Mumia Abu-Jamal

record.

In December 1981, Mumia was shot by a Philadelphia cop when he came upon a street incident where the officer was beating his brother with a flashlight. The police officer was also shot and killed, and witnesses saw one or more men run from the scene. When the police arrived, they beat the wounded Mumia before taking him to hospital, where he was charged with murder.

Mumia's brother and another eyewitness who said Mumia was innocent were harassed by police and driven out of the city. Other witnesses changed their stories under duress. The dead officer was holding the driver's licence application of a third man. Clearly, it was Mumia that the police wanted to get on a murder charge.

Mumia was barred from most of his own trial for protesting about an unprepared court-appointed attorney who was later disbarred. Eleven peremptory challenges were used to knock almost all blacks off the jury. Vital evidence was withheld from the defence, and police were unable to establish that the fatal bullet came from Mumia's gun.

In hearings for a new trial, a witness used against Mumia in his first trial came forward to say that she lied under police coercion. In retaliation, she was arrested in the courtroom as she stepped off the wit-

ness stand on an old warrant from another state!

The frame-up of Mumia Abu-Jamal was a continuation of the police brutality and judicial abuse that was well established in Philadelphia in the 1970s.

**"They don't
want my death,
they want my
silence."
Mumia
Abu-Jamal**

For the last 17 years Mumia has been locked alone in a cell on death row 23 hours a day, denied contact visits with his family. Reporters are still prohibited from filming or recording interviews with him. As Jamal has put it: "They don't want my death, they want my silence." Mumia had asked a federal court to order a new trial, backed by a massive movement inside the United States and internationally, but a ruling by Judge Yohn denied the four Amicus petitions. So the fight continues.

The frame-up and brutality against African Americans and Latinos is part and parcel of the ingrained racism of American capitalism and its state.

According to a recent report co-sponsored by the Justice Department, entitled 'And Justice for Some', black teenagers in the USA are six times more likely to go to prison for their first offence than young whites.

Incarcerated

In cases of violent crime, young blacks are nine times more likely to go to jail and in the case of drugs offences are 48 times more likely to be incarcerated, states the report. Again Hispanic teenagers are also much more likely to be jailed than their white counterparts.

As for youth in general, since 1992, 47 states have expanded their laws to punish more juveniles as adults and according to the Justice Department, there are between 6,000 and 8,000 inmates under the age of 18 in US adult prisons on any given day.

Black youths represent 15% of the US under-18 population but 26% of all under-18s arrested and 58% of the youth population in adult prisons. Once inside, black and Hispanic inmates are also likely to serve longer sentences. White youth convicted of violent offences are jailed for an average of 193 days, but black youths are jailed an average of 254 days and Hispanics are jailed an average of 305 days.

Added to this is the increasing use of the death penalty. The amount of hangings, electrocutions and poisonings has DOUBLED since 1990. They are executing people far faster than ever before. Blacks and Latinos account for 56% of death-row inmates and 42% of executions.

The Republican presidential front runner, George Bush, has more executions to his name than all others. As we go to press, 227 executions have taken place in Texas since the death penalty was restored there in 1982; 142 since Bush became governor five years ago.

This clearly shows the depth of racism and violence within the state and judicial system. It is part and parcel of the institutions of American capitalism. In the words of Malcolm X, "You can't have capitalism without racism." Today racism and violence flow from the ruling class, which, throughout its period of rule, has sought to divide race against race, nationality against nationality, and religion against religion. Capitalism produces racism, as it produces poverty and squalor amongst riches and plenty.

To defend its interests abroad, American imperialism uses the most violent methods when necessary. It continues to bomb hell out of Iraq, murdering tens of thousands of innocent children, in order to teach those in the third world who try to resist a lesson in American diplomacy. But foreign policy is simply a continuation of home policy. The oppressed must be kept in their place while the American oligarchy continue to dominate the planet.

In the USA, black people alone cannot defeat racism or capitalism. Only the working class, united as one, can achieve the power to galvanise around itself all the oppressed of society, and eliminate the inequalities of capitalist rule. In this struggle black and Latino workers are destined to play a key role in the socialist transformation of the United States. Despite the views of mayor Rudolph Giuliani, Marxism will play a key role in politically arming the new generation of activists.

Only by the overthrow of capitalism can the filth of racism be eliminated. In the words of Malcolm X from 3 December 1964: "In my opinion the young generation of whites, blacks, browns, whatever else there is, you're living at a time of extremism, a time of revolution, a time when there's got to be a change. People in power have misused it, and now there has to be a change and a better world has to be built, and the only way it's going to be built is with extreme methods. I for one will join in with anyone, I don't care what colour you are, as long as you want to change this miserable condition that exists on this earth."

by Rob Sewell

The American Presidential Circus

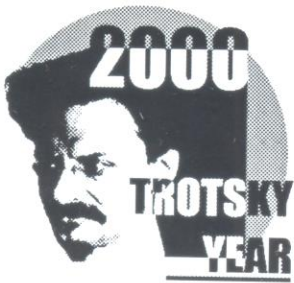
The American media is full of news about the Presidential election due in November. Both Republican and Democratic Party conventions have been given massive publicity—with their respective candidates 'Mush and Bore'—in an attempt to hype up the campaign and simulate some interest in an electorate in which less than 50 percent will bother to vote.

The two-party system that has dominated American politics for generations offers no solutions to the majority of Americans, squeezed by corporate pressure and insecurity. The millions of dollars spent by big business on their parties simply reinforces the alienation of the majority of American workers and youth. "They are all in the pockets of the corporation," is the typical response.

However, outside the conventions other voices were heard. In the words of the *Guardian* newspaper, commenting on the Democratic convention in LA, "outside the air-conditioned halls it is clear that the old order is no longer trusted by the very people - the young, the poor, the Latinos, the blacks." Demonstration after demonstration, cheered on by local low-paid workers, were attacked by the police. In Seattle the youth were joined by the protesting trade unionists, demonstrating about job losses.

Unfortunately, the union leaders are still tied to the coat-tails of the Democrats, hoping to win some concessions. But they will gain nothing.

As the situation changes in the States in the coming years, the trade union leaders, under pressure from below, will be pushed to break from the capitalist parties and build their own mass party of Labour. The disillusionment will the two-party system has given rise to "third" party candidates over the past period. Today, Ralph Nader is standing for the Greens and is picking up support from those alienated from the two big business parties. It is estimated he could pick up 5% (up on less than one percent four years ago) of the national vote, and in California around 8%. Although small, it would be sufficient to get state funding the next time around. In the longer term, only a class-based party in the United States, armed with a socialist programme, can serve the interests of organised Labour and working class people generally.



Trotsky : 'I cannot be in Stalin's place'

The following are three interviews with Leon Trotsky carried out by the *News Chronicle* in March 1940—five months before his assassination. They appear here for the first time since their original publication. We are publishing them as part of our commemoration of the sixtieth anniversary of his death.

Q: You have asserted that a privileged class in Russia today rules the Soviet Union. Who are they and how are they privileged? Would you compare these people to persons in the United States?

The regime of bourgeois democracy came into being through a series of revolutions. It is sufficient to recall the history of France. Some of these revolutions had a social character, that is, they liquidated feudal ownership in favour of the bourgeois. Others had a purely political character, that is, while maintaining the bourgeois forms of ownership they changed the system of governing. The proletarian revolution, at least in a backward and isolated country, is also more complicated than it was possible to imagine *a priori*.

The October Revolution had a social and political character. It changed the economic basis of society and constructed a new state system. On the whole, a new economic base is preserved in the USSR although in a deteriorated form. The political system, in fact, has entirely degenerated.

The beginnings of Soviet democracy was strangled by the totalitarian bureaucracy. Under these conditions the political revolution, under the banner of the new democracy on the basis of the planned economy, is an historical inevitability.

Q: What do you think of Litvinov's future with the USSR since the Kremlin's change of policy from collective security to cooperation with Germany?

I have never considered the future of M. Litvinov. He wasn't an independent political figure, but an intelligent and able



functionary of the Diplomatic Corps.

Q: Was he familiarised with the fact that under coverture of speeches about "united front of the democracies" the negotiations with Hitler were conducted?

I am not certain about this, but it is quite possible. In any case, it would not contradict Litvinov's political physiognomy.

Whether he will be preserved for some new appointment or whether he will be physically liquidated as a scapegoat for some of Stalin's failures is a question important for Litvinov himself, but not of political interest.

Q: Do you think it probable there will be an alliance of capitalist countries against the USSR?

Recently, ex-Kaiser Wilhelm raised his programme: "The parties in war should cease operations and unify their forces in order to aid Finland. They should make a united front to cleanse the world and civilisation of Bolshevism." Nobody, of course, is obliged to take the ex-Kaiser too seriously. But on this case he

expresses with commendable frankness what others think and prepare. Mussolini does not hide his designs in this respect. London and Paris strive to acquire the friendship of Mussolini at the expense of the USSR. Washington sends to Rome its plenipotentiary. The President of the United States, according to his own words, did not wish to remain neutral in the Soviet-Finnish war. He defended Finland and Religion.

Sumner Welles had the task of consulting England, France, Italy and Germany, but not the Soviet Union. This means consultation against the Soviet Union. Consequently, there is no lack of forces striving to prepare a crusade against the USSR.

The difficulty of this tendency consists in the fact that only Hitler can wage a serious war against the USSR. Japan could play thereby a supplementary role. However, at present the German armed forces are directed against the West. In this sense the programme of the ex-Kaiser is not for immediate use. But if the war lasts - and the war will last; if the United States intervenes - and they will intervene; if Hitler encounters insuperable difficulties on his road - and he will inevitably encounter them,

then the programme of the ex-Kaiser will surely be placed on the order of the day.

From what I said above you will see clearly where I stand in relation to this grouping of forces - on the side of the USSR entirely and unconditionally, before all against Imperialism of all labels. After that against the Kremlin oligarchy which facilitates with its foreign policy the preparation of a march against the USSR and with its domestic policy debilitates the Red Army.

Q: If you had been the leader of the Soviet State what would have been your international policy from the time Hitler came into power in Germany thereby adding German fascism to Italian fascism to form a fascist bloc in Europe?

I consider this question internationally contradictory. I could not have been the "leader" of the present Soviet State. Only Stalin is fit for this role.

I did not lose power personally and accidentally but due to the fact that the revolutionary epoch was superseded by a reactionary one. After prolonged efforts and innumerable victims, the masses, tired and disillusioned, retreated. The vanguard became isolated. A new, privileged caste concentrated power in its hands and Stalin, who played before a secondary role, became its leader. Reaction inside the USSR proceeded parallel to reaction over the entire world.

In 1923 the German bourgeoisie strangled the unfolding proletarian revolution. In the same year the campaign against so-called "Trotskyists" began in the Soviet Union. In 1928 the Chinese revolution was strangled. At the end of 1928 "Trotskyist opposition" was excluded from the Party. In 1933 Hitler takes power and in 1934 he carries through his purge. In 1935 began tremendous purges in the USSR, trials against the opposition, liquidation of the Old Guard Bolsheviks and of the Revolutionary Staff of officers.

Such are the main milestones which show an indissoluble connection between the strengthening of the bureaucracy in the USSR and the growth of world reaction. The pressure of world Imperialism upon the Soviet bureaucracy, the pressure of the bureaucracy upon the people, the pressure of the backward masses upon the vanguard, such are the causes of defeat of the revolutionary faction which I represented. That is why I cannot answer the question.

What I would have done if I had been in Stalin's place? I cannot be in his place. My programme is the programme of the Fourth

International which can come to power only under conditions of a new revolutionary epoch. I recall by the way, that at the beginning of the last war the Third International was incomparably weaker than the Fourth is now.

Q: Does dictatorship of the Proletariat necessarily mean the surrender of civil rights as embodied in the Bill of Rights of the United States and, of course, including freedom of speech, Press, assembly and religion?

Do you believe there is a middle ground between Capitalism as we know it in the United States and Communism as you would envision it in the United States?

You have said the Kremlin fears war because that war is likely to be followed by another revolution of the masses. Would you elaborate on this?

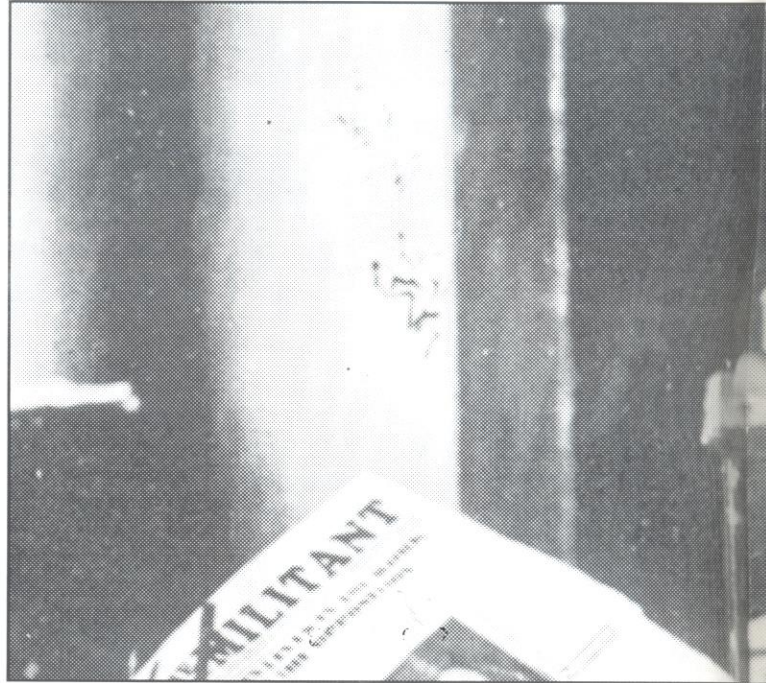
Permit me to answer these two questions together, Will the United States enter the revolutionary road? When and how? In order to approach them concretely I will begin with the preliminary question, will the United States intervene in the war?

In his recent prophetic speech combining the language of Wall Street with the language of the Apocalypse, Mr Hoover predicted that on the fields of glory of Europe two horsemen will triumph in the end: Hunger and Pestilence.

The former President recommended the United States to remain aloof from the European insanity in order, at the last moment, to tip the scale with their economic might.

This recommendation is not original. All Great Powers not yet involved in the war would like to use their unexhausted resources when accounts are settled. Such is the policy of Italy. Such is the policy of Japan. In spite of the undeclared war against China, such is, in fact, the policy of the United States.

But will it be possible to maintain this policy



for long? If the war develops to the end, if the German Army has successes - and it will have really great successes - if the spectre of German rule over Europe will arise as a real danger, the Government of the United States will then have to decide: To remain aloof, permitting Hitler to assimilate new conquests, multiply German technique on raw materials from the conquered colonies and prepare German domination over the entire planet, or to intervene in the course of the war to help clip the wings of German imperialism.

I, least of all, am fit to give advice to the present Government. I am simply trying to analyse the objective situation and to draw conclusions from this analysis. I think that before the indicated alternative even the former head of the American Relief Administration will reject his own programme of neutrality.

It is impossible to possess with impunity the most powerful industry, two-thirds of the world's gold reserve, and ten millions of unemployed.

Once the United States, as I think, intervenes in the war, possibly even this year, they will have to bear all the consequences. The more serious of them is the explosive character of further political developments.

Q: What do you understand by this?

On February 10, President Roosevelt warned the American Youth Congress against radicalism, advising it to improve existing institutions little by little, year by year. Such procedure



undoubtedly would be the best, the most advantageous, the most economical if it were realisable. Unfortunately, "the existing institutions" in the entire world are not improving year by year but deteriorating. Democratic institutions become, not perfect, but decomposed and cede their place to Fascism. And this not due to an accident nor to the light-mindedness of youth.

Capitalist monopolies, having corroded the middle classes, are devouring democracies. Monopolies themselves were the result of the private ownership of the means of production. Private ownership, having once been the source of progress, came into contradiction with modern technique and now is the cause of crises, wars, national persecutions and reactionary dictatorships.

The liquidation of the private ownership of the means of production is the central historical task of our epoch and it will guarantee the birth of new, more harmonious society. The act of birth, daily observation teaches us, is never a "gradual" process, but a biological revolution.

You ask whether an intermediate organisation between capitalism and communism is possible. German and Italian fascism were attempts at such an organisation, but in reality Fascism only brought the most repulsive characteristic of capitalism to the most beastly expression.

Another sample of an intermediate system was the New Deal. Did this experiment succeed? I think not. First, the number of unemployed has seven zeros. The Sixty Families are more powerful than ever before, and, most important, there is not the slightest hope of an organic improvement

possible on this road. The markets, banks, Stock Exchange trust decide, and the Government only adjusts itself to them by means of belated palliatives. History teaches us that revolution is prepared on this road. It would be a great mistake to think a socialist revolution in Europe or America will be accomplished after the pattern of backward Russia. The fundamental tendencies will, of course, be similar, but forms, methods, the "temperature" of the struggle, all this has, in each case, a national character. By anticipation it is possible to establish the following law. The more countries in which the capitalist system is broken the weaker will be the resistance offered by the ruling classes in other countries, the less sharp a character the socialist revolution will assume the less violent forms the proletarian dictatorship will have. The shorter it will be, the sooner the society will be reborn on the basis of a new, more full, more perfect and more humane democracy.

In any case, no revolution can infringe on the Bill of Rights as much as the Imperialist war and fascism, which it will engender. Socialism would have no value if it should not bring with it, not only the juridical inviolability, but also the full safeguarding of all the interests of the human personality. Mankind would not tolerate a totalitarian abomination of Kremlin's pattern. The political regime of USSR is not a new society, but the worst caricature of the old. With the might of techniques and the organisational methods of the United States, with the high well-being which the planned economy could assure there to all citizens, a socialist regime in your country would signify from the beginning the rise of independence, initiative, and the creative power of the human personality.

What would be the wisest-action for Stalin to take today in Rumania, considering possible political, social and military implications?

I think the Kremlin itself, particularly after the Finnish experience, will consider it in the next period as "wisest" not to touch Rumania.

Stalin can move against the Balkans only in agreement with Hitler, only in order to aid Hitler at least, while Hitler's strength is not undermined and this is not at all near. At present Hitler needs peace in the Balkans in order to obtain raw materials and to maintain his ambiguous friendship with Italy.

From both a military and political point of view, Rumania is another edition of Poland, if not worse.

The same semi-feudal oppression of the peasants, the same cynical persecution of national minorities, the same mixture of light-mindedness, impertinence and cowardliness inside a ruling stratum personified by the King himself. However, if the initiative of the new entente compels Hitler and Stalin to upset the unstable peace of the Balkans, the Red Army will enter Rumania with slogans of agrarian revolution and probably with greater success than in Finland.

Q: What can or must Stalin do in the Balkans generally in the light of present events? In Persia? In Afghanistan?

The Soviet armed forces have to be ready to defend a vast area with insufficient means of communication. The world situation dictates the necessity not of dispersing the army in separate adventures but of maintaining it in powerful concentrations. If, however, Great Britain and France, with some co-operation from Germany, consider it necessary to undertake war against the Soviet Union the situation will be radically changed in this case. It is not excluded that the Soviet cavalry may try to invade India through Afghanistan. Technically the task is not unrealisable.

The former sergeant-major of the Tsarist Army, Budenny, may be destined by history to ride his white horse in the role of a "liberator" of India. But this, in any case, is a rather distant perspective.

Q: Considering Russia's vastness, number of borders and actual and potential enemies, what is its immediate future?

The invasion of Finland indubitably provokes silent condemnation by the majority of the population in the USSR.

However, at the same time, the minority understands and the majority feels that behind the Finnish question, as behind the question of the errors and crimes of the Kremlin, stands the problem of the existence of the USSR. Its defeat in a world war would signify the crushing, not only of the totalitarian bureaucracy but also of the planned State economy, it would convert the country into colonial booty for the imperialist states. The peoples of the USSR themselves have to crush the hated bureaucracy. They cannot bestow this task on either Hitler or Chamberlain.

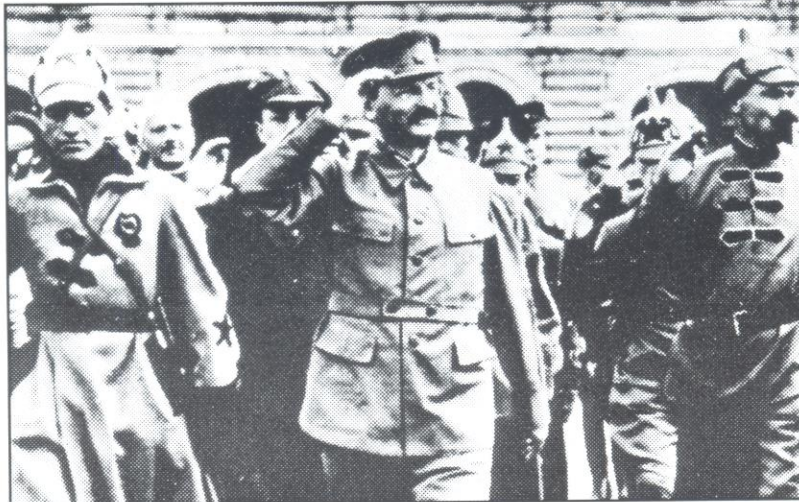
The question is, whether as a result of the present war the entire world economy will be reconstructed on a planned scale, or whether the first attempt of this reconstruction will be crushed in a sanguinary convulsion and imperialism will receive a new lease of life until the third world war which can become the tomb of civilisation.

Q: The Soviets are generally credited with having made a strong defence and having, in effect defeated the Japanese at Changkufeng in the summer of 1938. Do you believe this was a test case of the Soviet arms, and, if so, do you believe it caused Hitler to look in other directions than the Ukraine?

The Red Army is incomparably more powerful on the defensive than on the offensive. Besides, the popular masses, particularly in the Far East, understand well what Japanese domination would mean for them. However, it would be incorrect, following the Kremlin and the foreign correspondents attached to it, to over-estimate the importance of the fighting at Changkufeng.

In past years I have referred several times to the fact that the Japanese Army is the army of a decomposing regime and has many traits resembling the Tsarist Army on the eve of the Revolution.

Conservative Governments and general staffs overate the army and navy of the Mikado in the same way as they overrated the army and navy of the Tsar. The Japanese can be successful only against a backward and half-disarmed China. They will not endure a long war against a serious adversary.



The success of the Red Army near Changkufeng, therefore, has a limited significance for its evaluation. I don't think this episode had any influence on Hitler's strategic plans. His turn to Moscow was determined by much nearer and more powerful factors.

Q: Concerning the Communist Party of the Soviet Union, what do you think of the rank and file of the Party? You have said the leadership of the Party does not follow Marxist-Leninist lines. Do you believe if that leadership were removed, the Party would proceed in the socialisation of Russia, and to what extent do you believe Russia already has been socialised?

Is it possible for the Russian people to change the leadership now without violence?

If a change in the leadership were made would it lay Russia open to attack from other Powers? Would it risk the loss of what the people have gained?

Our differences with the leadership of the so-called Communist Party of the USSR ceased a long time ago to carry a theoretical character. The Marxist-Leninist line is not at all the issue. We accuse the ruling clique of having transformed itself into a new aristocracy, oppressing and robbing the masses.

The bureaucracy answer with accusations that we are the agents of Hitler (as it was yesterday), or agents of Chamberlain and Wall Street (as of today). All this bears very little resemblance to theoretical differences between Marxists. It is about time serious people cast aside the spectacle which the professional "Friends of the USSR" put on the nose of radical public opinion. It is about time to understand that the present Soviet Oligarchy has nothing in common

with the old Bolshevik Party, which was a party of the oppressed.

The degeneration of the ruling party, supplemented by bloody purges, was the result of backward isolation of the revolution. There are important economic successes nevertheless; the productivity of labour in the USSR is five, eight or ten times lower than in the United States. The immense bureaucracy devours the lion's share of the modest national income. The second part is

consumed by the armed forces. As before the people are compelled to fight for a piece of bread. The bureaucracy plays the role of distributor of goods, and retains the choicest morsels for itself. The higher layer of bureaucracy lives approximately the same kind of life as the well-to-do bourgeois of the United States and other capitalist countries.

Twelve to fifteen millions of the privileged - these are the "people" who organise parades, manifestations and ovations which create such an enormous impression on liberal and radical tourists. But apart from this *pays legal*, as was once said in France, there exist 160,000,000 who are profoundly discontented. What is the evidence? If the bureaucracy had the confidence of the people it would strive to maintain at least its own constitution. In reality it tramples it underfoot. Antagonism between the bureaucracy and the people is measured by the increasing severity of totalitarian rule. Nobody can say with certainty - not even themselves - what is wanted by the two millions of Communists who are doomed to silence by the Kremlin with even greater brutality than the rest of the population.

However, there can be no basis for doubting that the overwhelming majority of Communists and population do not wish a return of capitalism, particularly now when capitalism has thrown humanity into a new war. The bureaucracy can be crushed only by a new political revolution that will preserve the nationalised means of production and the planned economy and will establish on this basis a Soviet democracy of a much higher type.

This profound transformation would increase immensely the authority of the Soviet Union among the labouring masses all over the world and would make practically, impossible a war of the imperialist countries against it. ☆

"Apply your fresh, young forces to the building of a new and brighter life." Lenin

www.newyouth.com

★ Youth for Socialism

Come to our Marxist Weekend School! Sat/Sun 4/5th November in London

Youth For International Socialism is gaining a reputation worldwide, with daily correspondence from all around Britain, the US, South East Asia and beyond. Young people everywhere are searching for a way out of this disease ridden system. More and more they are being attracted to the ideas of Marxism, and in particular the detailed analysis and alternative programme advanced in the YFIS website.

After the success of the school organised in London in May by Youth For International Socialism, and because of the increasing interest in the ideas of Marxism demonstrated by the constantly rising number of visits to the YFIS website, we are going to do it again. YFIS has organised a school, this time for a whole weekend, in London on the 4th and 5th of November.

The school will form part of our year-long commemoration of the life, ideas and work of Leon Trotsky, kicking off with a meeting around the latest publication from Wellred, a new edition of Woods' and Grant's *Lenin and Trotsky-What they really stood for*.

Since the school will also coincide with the anniversary of the Russian Revolution, we will also discuss the ideas of Lenin.

Other discussions will include Lenin's *Imperialism* and the colonial revolution today, Trotsky's epoch-defining theory of Permanent Revolution, and a session on the life and work of Trotsky's son and close collaborator Leon Sedov.

We will also be producing material to help build YFIS around the country—how to write and design a leaflet, and how to organise a discussion group, for example.

YFIS Posters and leaflets are being printed even as I write so phone or e-mail to order some for your school, college or workplace today. Why not organise a stall at your local university Freshers' Fair to build for the school and to build support for YFIS around the country.

A new edition of *Youth For Socialism* is also being produced and can be ordered from YFIS or directly from us.

If you're reading this then don't forget we want you to come along, and bring your mates with you.

Suggested reading for the school includes the new *Lenin and Trotsky* book, Lenin's *Imperialism the highest stage of capitalism*, and Trotsky's *Permanent Revolution* - all available from Wellred Books. Last month's *Socialist Appeal* special issue on

Leon Trotsky would also be a good idea and can be purchased wherever you bought this issue.

Don't forget to order your T-shirts too - to sell on your stall and to wear with pride.

Trotsky 2000 year t-shirts only £5 each plus £1 postage and packaging. Cheques, etc. to *Socialist Appeal*, PO Box 2626, London N1 7SQ.

For Further details of the Marxist Weekend School, contact Phil on 0207 251 1094. Spaces will be limited so book early!

Youth are beginning to take action all over the world. The movements in Seattle, Washington, Los Angeles—and soon in Prague—are only the start of things. We appeal to you to stand up and be counted and get involved NOW!

Join YFIS today!

e-mail: yfis-uk@newyouth.com
www.newyouth.com



Youth for International Socialism

Youth for International Socialism (YFIS) was established in the United States - the citadel of world capitalism - just over a year ago to offer a real socialist alternative to young people. Over that short period of time YFIS has become the world's fastest growing socialist youth organisation. Its membership has spread to numerous countries, including Britain, Ireland, Canada, Philippines and elsewhere.

In Britain, YFIS has been launched to win youth to the ideas of socialism, and to prepare the ground to build a mass socialist youth movement. We appeal to young people to join with us in this struggle. We have nothing to lose, and a world to win.

Why Youth for international Socialism?

- Are you sick of war, inequality, racism, unemployment, sexism, homophobia, ignorance, hunger and oppression?
- Are you sick of the corporate dominated media?
- Are you sick of the hypocrisy, injustice, and cruelty of the capitalist system?
- Are you sick of the steady decline in real wages, education and health spending?
- Are you sick of the way the environment is being destroyed in the name of profit?
- Are you sick of feeling like there is nothing you can do to change all of this?
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Iran: Khatami's Last Warning



Last July we said that the student demonstrations in Iran were the first shots in the Iranian revolution. One year later, events have confirmed this analysis.

by Alan Woods

The revolutionary process in Iran reached a new stage with the election of a "reformist" government earlier this year. By propelling the reformist faction into power, the masses struck another blow against the reactionary mullahs who have held power for the last 20 years. They took advantage of the elections to demonstrate their burning desire for change. However, no change has been forthcoming. The reformist faction led by Mohammed Khatami is afraid to tackle the reactionary mullahs represented by the Ayatollah Ali Khamenei.

The Chicago Tribune (July 10, 2000) commented: "The new parliament, Iran's sixth since the revolution, convened May 28 and has spent most of its first six weeks quibbling over technicalities and avoiding real issues." The paper went on to quote Mohammed-Reza Khatami, a leading reformer whose brother is President Mohammed Khatami: "Change in Iran will be difficult and gradual...Those who were expecting that everything would be solved in 6 months or 12 months must understand that deep social change takes many years."

"Meanwhile," the *Tribune* adds, "the reformers are cautiously feeling their way in the new parliament. They are a disparate lot - ranging from representatives of student groups to an organisation called the Association of Combatant Clerics - with no clear-cut agenda beyond fuzzy pledges of

'more freedom'."

As the saying goes: weakness invites aggression. Khatami and his supporters seek changes through peaceful legal means, while preserving the constitution and the principle of supreme clerical rule. This is approximately the same as trying to square the circle.

Despite all the retreats and compromises of the reformers, the mullahs remain implacable. The notion that it is possible to lessen the contradictions in society by voting for reform has been shown to be a complete utopia. On the contrary. The antagonisms have only been raised to a new level of fury:

"The tone of the debate has been very hard and harsh. Neither side knows how to compromise. Compromise is seen as betrayal," said Nasser Hadian-Jazy, a political scientist at Teheran University. "Both sides are making it a zero-sum game, and this is a big mistake. The reformers have to show the conservatives that they can also gain by participating. If the conservatives see that they are not going to gain anything, they won't play the game," he said.

After their resounding defeat inflicted by reform supporters of the president in parliamentary elections last February, conservative clerics have used their control of the judiciary to hit back. Although militant conservatives control only about 30 percent of the seats in the parliament, they have fought a vigorous rear-guard action by challenging the results in dozens of races won by reformist candidates. About 20 seats remain undecided. The reformers control the executive and legislative branches of Iran's government. But religious conservatives still dominate the judiciary and other important centres of power, and they have shown they are ready to sabotage all serious efforts at reform.

While systematically obstructing and sabotaging reform, Khamenei, feeling the pressure from below, is obliged to tack and manoeuvre. He defends reforms "in principle" but demands clearly defined goals to

avoid any "misconceptions". "We don't want everyone to advocate his own understanding of reform. If reforms move too fast they could lead to deviance," he has said. In other words, Khamenei and the reactionaries are hiding behind Khatami and the bourgeois reformers in order to control the movement of the masses. But his intention is to preserve the stranglehold of the mullahs over the state: "The constitution must be used as a covenant, in which Islam has a primacy over every law," Khamenei insists.

The only serious issue the reformers have tackled thus far is the press law that makes it easy for the judiciary to close newspapers. But even here the conservatives have made clear they will bottle up this initiative in the Guardian Council, a conservative body that has the authority to block laws it deems "offensive to Islam". They have used the power of the judiciary to shut down 20 reformist newspapers and magazines. They also have jailed dozens of prominent journalists and reform movement activists. Khamenei defended this assault on the freedom of the press: "Freedom is important, but poisonous materials [in the press] which mislead reforms at this sensitive juncture are forbidden," he said. "We will not allow the methods of our enemies to be used to carry out reforms."

Nor has the conflict been confined to words. The reactionaries have shown repeatedly that they are prepared to resort to violence when it suits them. An assassination attempt in March that critically wounded Saeed Hajarian, a key adviser to President Khatami, was carried out by a gang of Islamic vigilantes, almost certainly with the approval of the reactionary clerics.

Cowardice of liberals

Faced with such violence, the reformers merely try to bury their heads in the sand. Their main preoccupation is to prevent at all costs a movement from below. When faced with the threat of a mass uprising, they inevitably compromise and close ranks with reaction. In an attempt to dampen down the mood of rebellion, the Liberals are doing their best to lower expectations: "Don't be impatient!" "We cannot do everything at once!" and so on and so forth. Tom Hundley, the *Chicago Tribune's* foreign correspondent comments: "The high hopes of a few months ago have faded. With a clearer understanding of how the game is going to be played, the reformers who swept Iran's parliamentary elections in February are now trying to

lower the expectations of their supporters." (*Chicago Tribune*, July 10, 2000)

Leaders of the reform movement—including some famous "students" of the previous generation who led the 1979 occupation of the US Embassy—continue to urge restraint and patience. "Some people who are frustrated may seek other means to achieve their goals, but we are urging this section not to take any illegal means, especially now that we have the power to achieve these goals through a legal framework," said Khatami, the president's brother.

Hamid-Reza Jalaipour played a prominent role in the movement to oust the Shah. His reward, at age 21, was a provincial governorship, but over time he grew disillusioned with the clerics who were ruling the country. These days he publishes reform newspapers. This liberal is very anxious to distance himself from revolution: "This is a movement to create a civil society. It's a peaceful movement, a soft movement, not a revolution," Jalaipour has said. This former student leader turned wealthy newspaper publisher in his 40s, perfectly expressed the standpoint of the liberals: "One revolution was enough."

Is this not familiar to us in the West? It reminds one forcibly of those sorry middle class ex-radicals who demonstrated on the streets of Paris in 1968 and are now comfortable reformists and bourgeois politicians who do not hesitate to refer to their "revolutionary" credentials (of thirty years ago), while urging the new generation to "be patient"—that is, to bow their heads before the inevitable triumph of capitalism. Like the Russian Cadets before the Revolution, their fear of the masses is a hundred times more potent than their hatred of the reactionaries.

But such weasel words cut no ice with people who are tired of waiting. The feeling is growing that "nothing has changed" and that therefore an impulse from below is required. Violent clashes between pro-reform students and Islamic vigilantes on the weekend of 8-9 July suggest that patience is wearing thin, especially among the young. The youth is the key to the Iranian revolution. Nearly 60 percent of Iran's population of 65 million are under the age of 25. They have no real memory of the Islamic revolution or Khomeini, and are clamouring for freedom as well as growing impatient with the slow pace of change.

For months, President Khatami and his allies have appealed for calm in the face of the hard-line agitation. In remarks published on Saturday, Khatami had warned of a social "explosion" if criticism was quashed by force. "It is wrong to expect the people to do as we tell them, and to suppress them if they don't," he said in comments marking the anniversary of the July 1999 raid. "We must not act in a way which would widen the gap between people and the government, as something could eventually lead to an explosion," Khatami said in remarks published early

Saturday. "People must be permitted to speak freely and criticise their government because if they are not allowed to do this, public dissatisfaction will eventually lead to an explosion."

The liberal Khatami was trying to warn the reactionaries of the danger of a social explosion unless they agreed to reform. But, as usual, such well-meaning warnings from the liberals fell on deaf ears. The reactionaries have decided that the phantom of revolution must be exorcised with blows and bullets, not reforms.

Take to the streets

Once again the students—that most sensitive barometer of social antagonisms—have taken to the streets of Teheran and other cities. But the scope of the present movement is far greater than the movement last summer which we described at the time as "the opening shots of the Iranian revolution". The leading student movement, the Office to Consolidate Unity (OCU), organised a peaceful event to commemorate the hundreds of students injured in a 1999 attack on a student hostel, calling on supporters to distribute flowers under the slogan of "smile to reform". Reformist leaders held a

seminar at the hostel where one year ago Islamic thugs attacked and beat up the students. The aim of the seminar was to urge non-violent tactics in the struggle for greater freedoms and democracy. But many students ignored such peaceful gestures and official bans on rallies, taking to the streets on their own and attracting many ordinary people to join their cause. As soon as the mass of the students were on the streets, the demonstrations took on an entirely different character.

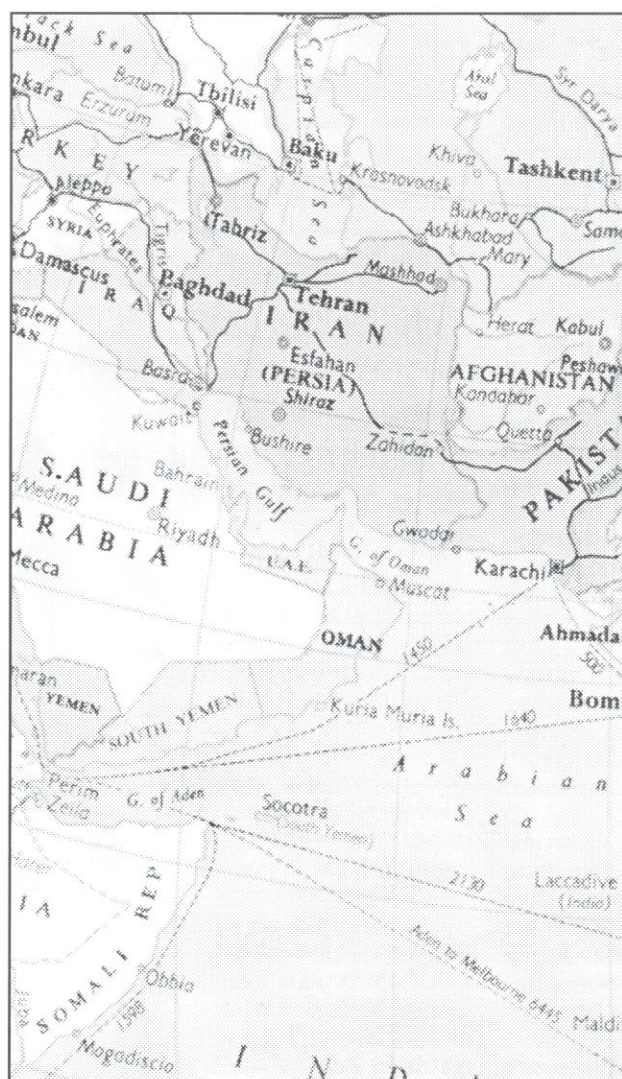
When students gathered Saturday at the university, they were met by police and Islamic vigilantes. Clashes erupted and quickly spread through central Teheran. Islamic vigilantes had attacked an earlier demonstration by students chanting slogans in support of reform and political freedoms. Witnesses said police did not intervene as the vigilantes punched and kicked students in the face. The violence of the police was met by an explosion on the streets later in the day. Hundreds of people, many armed with rocks and chanting "death to dictators", fought a vicious battle against dozens of hard-line vigilantes armed with rocks, chains and automatic weapons. The vigilantes were chanting slogans supporting hard-line supreme leader Ayatollah Ali Khamenei.

Witnesses saw demonstrators injured when militants of the Ansar-e-Hezbollah, or Friends of the Party of God, charged with chains, clubs and broken bottles around the central Revolution Square, close to Teheran University, where pro-reform students had held a day of peaceful protests.

The *Chicago Tribune* reported that police and vigilante thugs arrested many demonstrators from a crowd that numbered several thousand at its peak. Some protesters retaliated with stones:

"The crowd that marched on Revolution Square appeared to be a mix of students, onlookers, and possibly radicals opposed to the clerical regime. Riot police firing tear gas barred their way but the Islamic vigilantes, chanting slogans supporting Ayatollah Ali Khamenei, Iran's supreme leader, broke through and attacked the crowd.

"The students had earlier held a day of peaceful protests, handing out flowers to passers-by and organising seminars of non-violence to mark the first anniversary of a crackdown by security forces on student demonstrations,



during which at least one person was killed...

"Reporters said police fired warning shots near a student dormitory but it was unclear whether they were using live ammunition. The violence was largely unexpected. Leaders on both sides of Iran's political divide—supporters of pro-reform President Mohammed Khatami and his conservative rivals—had emphasised the need for calm."

Then a real street battle commenced. Bystanders fled the scene after police moved in and fired tear gas. Police fired into the crowd when demonstrators turned on them. It was not clear if police were firing live ammunition or rubber bullets or whether anyone was hurt. The violent actions of the police and Islamic thugs infuriated the demonstrators. Thousands of people soon began rampaging through the streets, damaging shops and smashing bus windows.

A report by Hassan Sarbakhshian (Associated Press) describes the scene: "Police fired bullets and tear gas Saturday at rioters who smashed bus windows and shouted slogans against Iran's Islamic government in the latest outburst of political unrest here.

"Screaming 'death to the clerical government', the rioters burned bundles of hard-line newspapers, shattered shop windows and damaged the shutters on downtown businesses."

Witnesses saw dozens of people arrested, thrown into police cars, vans and trucks that kept pouring into the district. Forces of the Basij volunteer militia that supports the hard-liners also roamed the streets on motorcycles and in vans, wielding clubs and working alongside police. By late Saturday, thousands of riot police were roaming the again-quiet streets around Teheran's Revolution Square. Shattered glass, sticks and stones littered the area.

The clashes between protesters and vigilantes left scores of demonstrators arrested and many on both sides badly wounded. It was unclear how many people were injured in fighting between the two groups, but at least a dozen people were seen being driven away in private cars, most with head injuries. Less violent protests erupted in the southern city of Shiraz and central city of Isfahan. But events have already shown that the truncheons of the police cannot halt the movement. On the contrary. Once a regime has outlived its historic usefulness, attempts to preserve it by means of violence have the opposite effect. Every act of repression serves only to deepen the hatred of the regime among the masses and widen the abyss that separates the contending classes. This, in turn, serves to undermine the efforts of those who seek to paper over the cracks. The school of the streets has provided the masses with a valuable lesson on the nature, not only of reaction but of liberalism as well.

The movement is already going beyond

the boundaries established by the reformers.

A report from Teheran by Reuters correspondent Mehrdad Balali (July 9) concluded: "*The protesters went far beyond what Khatami's movement for political and social change*

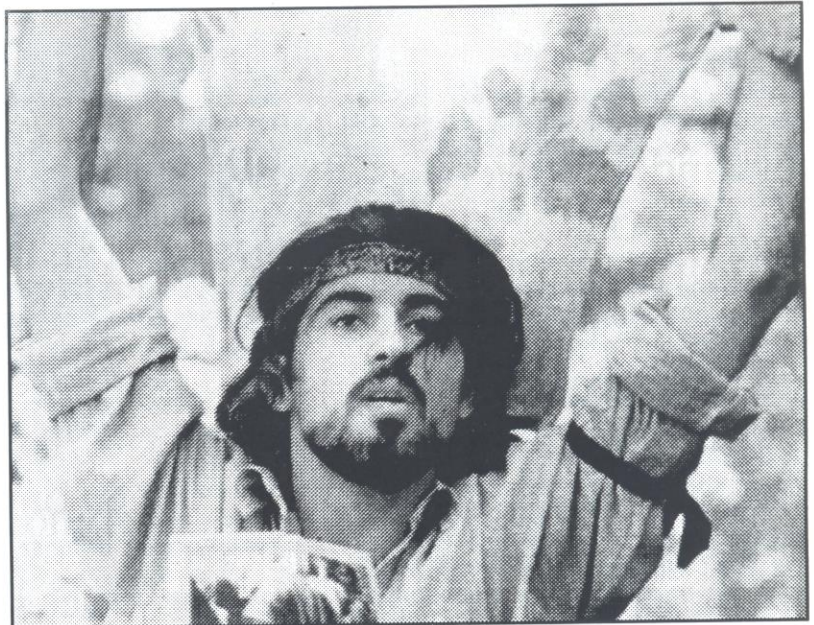
advocates and crossed the so-called 'red line' for political challenges." (my emphasis). What was most significant about these events was that the demonstrators' chants were directed mainly against the reformers. "Khatami, Khatami, show your power or resign!" some of the demonstrators chanted at Saturday's rally. This is one of the first times reform activists have publicly criticised the president. "Khatami, Khatami, this is the final warning!" was another slogan.

These developments are indeed a turning-point. They mark a qualitative change in the whole situation in Iran. What is surprising

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is the speed with which the movement has passed from the parliamentary plane to the streets. This is an expression of the fact that the contradictions are too deep to be solved by parliamentary tinkering. The election of the reformists has merely served to expose their impotence. The movement on the streets was, in part, an attempt to push the Liberal majority in the parliament to go further. In vain!

As we explained a year ago, after 20 years of reaction under the rule of the mullahs, the masses are now impatient for change. The splits at the top are a reflection of the impasse of the regime. One wing of the ruling class says: "if we do not reform



from the top there will be revolution." The other wing says: "if we do reform there will be a revolution." And both are correct. The struggle at the top, which is publicly displayed in parliament, provides an impetus to the movement from below. That is the real meaning of the latest developments.

After the demonstrations, Khatami's people have (naturally) distanced themselves from the protests. "The reform movement believes in peaceful and rational approaches. It condemns any act of violence and tension," said Hayat-e No daily. In fact, the protests were held not only in defiance of an official ban on rallies but also despite reformers' pleas for calm in the face of a conservative backlash against liberal activists. This fact adequately expresses the true nature of the reformers as the left boot of reaction. The reactionaries oppose demonstrations with police bans and truncheons, the liberals with appeals "not to provoke reactions". But, at the end of the day, both factions are hostile to the movement of the masses, which they fear as the devil fears holy water.

Reactionary calumnies

Conservative newspapers described the protesters as "hooligans and anti-revolutionaries", calling on mainstream student groups to set themselves apart from them. As usual, the reactionaries try to blame the demonstrations on "foreign enemies". This is neither new nor original. In just the same way Kerensky accused the Bolsheviks of being German agents. But such slanders have no effect once the masses get on the move.

As occurred during last year's protests, we see a kind of united front between Khamenei and Khatami against the mass movement. The reactionaries do not mind the reformers as long as they confine their activities to "constitutional channels", as long as they accept the rules of the game invented by the reactionaries, as long as they do nothing to rouse the masses—that is to say,

as long as they do not lift a finger to fight for a change. "As long as the groups in the system do not clearly define their positions and do not expel radicals from their ranks, there is a possibility for the enemy to take advantage," said Entekhab, a Teheran daily.

The wrath of the reactionaries was directed not only against the demonstrators but also against the unfortunate reformist student leaders who had done their best to prevent the demonstrations and keep the movement within respectable limits. "The OCU's strategy of 'flower and smile' did not last long. Violence-mongers created another incident," the hard-line Resalat daily thundered. The leading liberals lost no time in falling into line. "Those who go to extremes, are definitely not part of the student movement. Student representatives are those who distributed flowers on Saturday," said Meysam Saeedi, a member of parliament and former student "leader".

But the pathetic declarations of the reformers only serve to embolden the reactionaries, some of whom went further and blamed Khatami's allies and some government bodies for the violent protests. This is an obvious attempt to frighten the reformers (not a very difficult task!) and get them to condemn the mass movement (also not very difficult). Writing from Teheran on Sunday 9th July, in an article entitled "Iran Reformers Denounce Street Violence", Mehrdad Balali reported that "reformist allies of President Mohammed Khatami distanced themselves on Sunday from pro-democracy rallies over the weekend which took aim at the heart of the ruling clerical system". Reformist newspapers tried to play down the street clashes, instead giving coverage to the peaceful events to support Khatami's liberal reforms, strained by a conservative crackdown on independent press and liberal activists.

After the protests the reformist leaders

even tried to claim that the students were not involved. The Office to Consolidate Unity, the largest pro-reform student group, was quick to disavow the rioters. "The demonstrators were not students," the group said in a statement. "[Students] had nothing to do with this incident." This is a plain lie. The fact is that the movement was begun by militant students, but they were joined by many ordinary Iranians, especially poor people. *The Guardian* (10th July) reported:

"A new challenge to President Mohammed Khatami's government has emerged in the wake of demonstrations at the weekend in central Teheran where thousands of Iran's poor joined university students in a battle with Islamic extremists.

"The spontaneous coalition on Saturday night of students and ordinary Iranians demanding improved social conditions marked a turning-point in the struggle to redefine the Islamic Republic.

"A year ago, it was mainly students who demanded more freedom and political reform. Now, the cries for change are coming from mainstream society." (my emphasis).

This is an extremely important development. The movement that began as a movement for democratic reform is being transformed into a revolutionary movement in which the workers are joining the students on the streets, and filling the democratic demands with a class content. For the workers and peasants, democracy is not an abstract juridical question. The struggle for democratic rights only makes sense if it is linked to the struggle for an improvement in the material conditions of the masses. The real reason for the demonstrations, and the participation of the poor and oppressed alongside the students, was explained by *The Guardian* article already referred to:

"Even before Saturday's protest in Teheran, which left dozens seriously injured after Islamic vigilantes used clubs to beat back the protesters, demonstrations against electricity shortages and sub-standard drinking water had erupted in a number of cities, including in the oil centre, Abadan, near the Iraqi border." (my emphasis, AW)

The fact that the protests have spread to other cities, and particularly the oil-producing areas, must fill the regime in Teheran with deep foreboding. We must recall that the decisive blow against the Shah was struck by the oil workers in 1979. The masses have joined in

the struggle of the students, but have added their own independent demands for improved living standards, wages and conditions. However, it would be wrong to assume that the real motive for these protests is the deterioration in the material conditions of the masses. The question of electricity shortages and bad drinking water—important though this is—is only the spark that has lighted a fuse prepared long in advance. After twenty years of rule by corrupt and reactionary mullahs, the working people of Iran have had enough. Nothing less than a fundamental change of society will satisfy them. This means that revolutionary developments are on the order of the day in Iran.

The events in Iran are being followed with growing concern in Washington and Brussels. Western diplomats regard the renewed violence as an expression of desperation by conservative elements aware that their power is slipping away. They doubted that Khamenei had sanctioned Saturday's move by the vigilantes. In other words, they fear that the whole situation is getting out of control. The stirrings among the masses pose a threat to their fundamental interests in a vital area of the world where instability is already becoming generalised. The idea of a new revolution in Iran fills them with horror.

Election victory

It is no accident that immediately after Khatami's election victory, the Clinton administration spoke for the first time in nearly two decades of the possibility of a rapprochement with Iran. The Clinton administration lifted an import ban on Persian carpets, caviar and pistachios from Iran last March as an overture toward Teheran. For their part, the reformers would welcome US investors after two decades of frozen relations and is waiting for the United States "to make the first step", the country's foreign minister was quoted as saying. "From our side the way is open for American companies to come to Iran and become active here," Kamal Kharrazi told the German weekly *Der Spiegel* in a recent interview. But in contrast to European governments, the United States has still blocked major business deals, specifically in the oil industry. Reformers generally favour the restoration of normal relations with the US but it is a case of too little and too late.

President Khatami's visit to Germany is an indication of the real intentions of the "moderate" clerics. They would like to revive ties with Western Europe and the USA, broken since Iran's 1979 Islamic revolution overthrew the Shah and Islamic militants held 52 Americans hostages at the US Embassy in Teheran for 444 days. Western Europe froze ties with Iran after a 1997 German court ruling that the 1992 slayings of four Iranian dissidents in Berlin had been ordered at the highest level in Teheran. But Kharrazi said that was all in the past now.



"There's no question about that," Kharrazi told *Der Spiegel*. "We want to look to the future and would rather look at possibilities that can bring us closer together." Kharrazi invited Germany to boost economic ties with Iran, saying that current Iranian plans call for investments totalling \$13 billion. "And we expect that such a range of projects is of interest for many countries, including Germany," he said.

The pro-bourgeois character of the Iranian reformers is thus quite clear and is not lost on the West. Imperialism would like to base itself on the Khatami wing to head off a revolution and, incidentally, open up a highly lucrative market. But this fact does not necessarily represent a plus for the reformers inside Iran itself. Anti-imperialist sentiment remains strong among the masses -- a fact that the Khamenei wing seeks to use for its own benefit. To the degree that the reformers' pro-market economics adversely affects the living standards of the masses, it will only serve to accelerate their loss of support. Not for nothing did Khamenei blame the Western powers for the country's social unrest, saying they planned to destroy the Islamic republic as they had the Soviet Union. "Why is it that America and Britain, which are responsible for 50 years of misery in Iran, now advocate reforms?" Khamenei asked demagogically.

The very idea of the American or European imperialists acting as the champions of democracy in Iran is just laughable. These gentlemen were the champions of the brutal dictatorship of the Shah until he was overthrown by the Iranian masses. How can they claim to stand for democracy now? These hypocrites merely want to prevent a revolution in Iran in which power would pass to the people. They want to install a weak pseudo-democratic regime that would permit them to plunder Iran's oil wealth and reduce it to a satellite of the West.

The protesters, however, are not demonstrating for capitalism, but against the reactionary regime of the mullahs. In so doing, they are, in fact, challenging the basis of the Islamic system, calling for an end to clergy rule in Iran and demanding a referendum on democracy. This directly poses the question of power in Iran. The question is posed: who will convene a referendum? Who will guarantee the democratic rights of the people? All talk of democracy remains a nonsense as long as the state, the army and the police remain in the hands of the mullahs and their cronies. The pro-bourgeois reformers cannot solve this question. They are too terrified of the masses to lead a genuine struggle for democracy.

The only force that is genuinely interested in democracy in Iran is the working class and its natural allies—the poor peasants and urban poor, plus the lower middle class, the students, small shopkeepers, bazaaris and the like, who will look to the proletariat for a lead, once the working class is mobilised in

the struggle to change society.

It is the task of all conscious members of the working class to fight for an independent class policy. In this way, the struggle for democracy can be the first step in the revolutionary struggle for the socialist transformation of society. The first condition, however, is for a total break with the bourgeois Liberals. No trust in Khatami! The working people must rely only on their own strength to put an end to the dictatorship of the mullahs!

Anniversary

The present protests were called on the anniversary of the student rebellion on July 8 last year. These protests ended in bloody repression and the arrest of the leaders. But, as we predicted at the time, the setback would only be temporary:

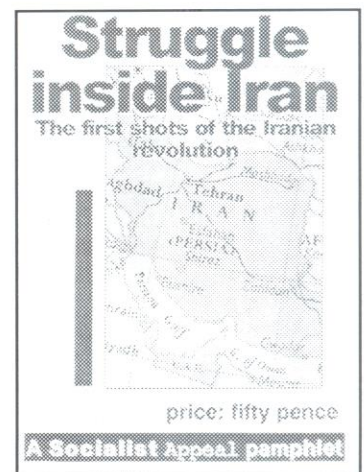
"Given the lack of leadership, repression may have the effect of postponing the movement temporarily, but only at the cost of causing an even more violent and uncontrollable explosion later on." (*The First Shots of the Iranian Revolution*, 17 July 1999.) This prediction has now been fully confirmed by events. The struggle will continue, with inevitable ebbs and flows, until a decisive settlement is reached.

The workers and youth of Iran have repeatedly shown a great revolutionary potential. What is required is to give the movement an organised form and a clear programme and perspective. Along the road of compromise and class collaboration no way out is possible. The prior condition for success is the independent movement of the working class, together with its natural allies, and a decisive break with Khatami and the bourgeois liberals. It is necessary to set up action committees in order to organise and co-ordinate the movement on a local, regional and national scale. It is necessary to prepare for self-defence against the vigilante thugs, while appealing to the rank and file of the army to come over to the side of the people.

Above all, it is necessary to work out a concrete programme to link the struggle for democratic rights with programmatic demands to solve the most pressing prob-



lems of the working class, the peasantry, the unemployed and the women and youth. Such a programme will necessarily imply a radical break with capitalism and will place on the order of the day the struggle for workers' power and a movement in the direction of socialism in Iran. The prior condition for the success of the struggle is the active participation of the working class, particularly the decisive section of the oil workers. Once the working people of Iran have the power in their hands, they can begin a movement that will spread like wildfire throughout the region. It would have an even bigger effect than the Russian revolution of 1917, especially if it were led by a conscious revolutionary Marxist party. The creation of such a party is therefore the most urgent task before the vanguard of the Iranian workers and students. Armed with the correct ideas, programme and strategy, the Iranian working class will be invincible. ☆



Struggle inside Iran by Alan Woods. Price 50p + 30p p&p from Socialist Appeal publications

Era of turmoil in Indonesia

Exclusive interview with Indonesian socialist

The following is an exclusive interview with an Indonesian socialist activist, who spoke to *Socialist Appeal* about the new era of turmoil which Indonesia has entered and the potential for the Left.

What is your balance sheet one year after the first bourgeois-democratic elections since the overthrow of the dictator Suharto?

Indonesian capitalism and the new so-called democratic government are in an impasse. First of all the government has not been able to fulfil the people's demand for a trial of Suharto. The newly elected President Gus Dur has made some efforts to prosecute the old dictator for corruption. At the same time he has also promised to pardon Suharto if he is found guilty, just as with the other corrupt leaders, if they return the stolen money to the state.

Prosecutors plan to bring Suharto to court in the second half of August. However, Suharto's lawyers claim this is impossible because of the permanent brain damage their client has suffered as a result of a stroke. His doctors claim that for a year he has not even been able to answer the questions submitted to him. At the same time the Attorney General in charge of prosecuting the old dictator is under constant death threats. Recently his office was destroyed by a bomb after he made a new attempt to force Suharto to obey his injunctions. Stakes indeed are very high. The amount of wealth accumulated through nepotism and corruption by Suharto and his cronies is estimated at some US\$ 16 billion.

But the incapacity of this government to eradicate corruption does not stop at Suharto's case. The two main protagonists in the Bank Bali scandal involving US\$ 72.8 million, which was siphoned into private pockets, have been released without any charges by a corrupt court. Until now no one from the old regime suspected of corruption and embezzlement has been put on trial. New cases are also coming to light like the one from the personal masseur of Gus Dur who disappeared a few months ago with US\$ 4.7 million from BULOG (the National Rice

Distribution Agency). It comes as no surprise that more and more people become cynical about the outcome of the trial of the generals involved in the last years' massacre in East Timor or the officers involved in the abduction, torture and killing of the women's union organiser Marsinah in East Java.

On the socio-economic front Indonesia is at its grimmest. The country is now relying more and more on world imperialism through the funds of the IMF and the World Bank. After the worst economic slowdown in 30 years, the economy recovered slightly - but only temporarily. Nobody should be lulled by the capitalists' blind hopes for a new "Indonesian Renaissance". National bourgeois analysts admit in desperation that this crisis will go on for 20 years! Despite a 36% rise in exports in the first four months of this year and a 3.2% year-on GDP growth in the first quarter, the Indonesian economy is not inspiring much confidence at home or abroad. In the last two months the Rupiah has lost 30% of its value.

The national debt is now nearly equal to the total GDP of the country. In other words it can never be paid back. The Indonesian banking system collapsed in 1997 as a result of the fantastic private sector debt. The IMF, this vampire doctor, demands that the indebted companies and banks should negotiate a plan of repayment. But those local bloodsuckers give the responsibility to the government who will pay for the rescue of their companies. Under the pressure of the IMF the government was pushed to cut the budget of the public services, such as education (via privatisation of some universities) and social services. The price hikes in electricity (+10%), telephone

(+25%) and fuel (+30%), is a bitter consequence of the IMF's policies along with the newly introduced taxes on certain goods. It is not finished yet.

The privatisation of state enterprises and their downsizing has caused massive unemployment. In the private sector more than 40% of textile and garment workers lost their job and so did 70% of construction workers. Total unemployment has soared to nearly 40% of the workforce. It is believed that 80 million people are living below the poverty line although the official number is only 36.7 million.

The effects on the general welfare are staggering. Life expectancy has sharply decreased in the last 2 years. Indonesia is reported as one of the countries with the highest incidence rate of tuberculosis, death mortality and the worst health service. Hundreds of children die of disease and malnutrition every day. More and more children are forced to work at an early age. More than 1/3 of children have ceased to go to school because of poverty.

Meanwhile the ministers and the so-called peoples representatives of the capitalist parties are engaged in infighting. As hungry coyotes they are trying to bite each other in a desperate struggle for a part of the loot and access to some kind of influential position where they can increase their personal privileges. Their shameful attitude was revealed in the latest parliamentary session of August where they were more busy discussing Gus Dur's style, mismanagement, etc., than how to solve the pressing needs of the workers, the poor peasants and the urban poor. It is clear that the people cannot expect anything from these bourgeois politicians.

What is the role of the military in this process?

After the resignation of Suharto, the military were forced to withdraw from civilian and political affairs. Gus Dur is attempting to put the generals under civilian control and is leading to a new backlash. More and more high-ranking officers are dissatisfied with the policies of Gus Dur, in particular in relation to the question of the disturbed provinces of Aceh and Irian Jaya (West Papua) who want to separate from



Jakarta, as well as the civil war raging in the Moluccas. In recent months the army has stated repeatedly that their priority is to defend the national unity and territorial integrity of Indonesia. They threatened to "act" in order to avoid further instability. Some military even pointed recently to the military coup in Pakistan if the government proves incapable of maintaining the country together.

In the short term it will not be easy for the military to fully regain its famous "Dual Function". In this process it has still to deal with its most dangerous enemy: the mass protest in the streets and the upsurge of working class actions. The army is still very divided by internal rivalry between its different components. Nevertheless they have succeeded in manoeuvring the government to declare a civil emergency in the Moluccas that has come under their control now. A few weeks after this civil emergency have been declared the Defence Minister raised publicly the need to modernise the Armed Forces and to increase the number of troops by two and a half times to be able to deal with intensified social unrest and other threats to national stability.

How are the left forces developing in this situation?

The reactionary character of the even the most democratic capitalist elements is becoming clear to a larger layer of people. This creates a lot of discontent. A growing number of workers and poor peasants are not waiting anymore for this government to solve their problems but are taking the initiative into their own hands. The people are becoming increasingly dissatisfied with their conditions and want a real transformation to make their life better. This explains the surge in working class activity and the recent movement of poor peasants demanding genuine land reform. For instance in the first

four months of the year, the Greater Jakarta Police reported some 600 strikes, 224 of them in the month of April alone. This situation is favourable for the development of the left.

The PRD, the Peoples Democratic Party, is still the most attractive group for left wing activists. Although they got a very low vote in last elections they still represent the only left working class party on a national level today in Indonesia. Its main leader, Dita

Very important today are the myriad of small discussion and political groups composed mainly of students which have risen dramatically in the last year.

Sari is the chairperson of radical and independent trade union, FNPBI. As a party it has started a campaign against the IMF. But its main weakness is its refusal to raise socialist ideas in the current phase of the struggle because it describes its political task as those of the "democratic revolution" and that the level of workers' consciousness is too low to accept socialist ideas. The PRD's refusal to combine slogans that mix today's consciousness with propaganda for a socialist strategy reflects the blindness of the party's leadership before the permanent character of the revolution. Although they promote the strategic concept of "uninterrupted revolution", they fail to grasp the nature of the revolution that is in front of us. Their argument is that it is first necessary to "clean the feudal remnants and finish off the dictatorship and then immediately after it to start the struggle for socialism."

The problem is not of timing but of the incapacity of the bourgeois to participate in wiping out those feudal remnants (the subjugation of the peasants to the landlords and the state and big land estates, the lack of land for the tiller and the domination of the Sultans etc.) and struggling against the imperialist domination of Indonesia. If the PRD leaders persist in their wrong policies they will act as a break on the revolutionary process in the same way the PKI leaders disoriented the workers and peasant

masses in the 50s and 60s.

Besides the PRD we see the rebuilding of the Indonesian Socialist Party (PSI) taking the form of all kinds of networks amongst workers, peasants, students and NGO. Until now the young people involved in this project and older cadres have not openly declared the party as such, but there is no doubt this will happen in the future. They could become a serious challenge to the PRD in the next years.

At the same time we discover how the international reformist trade union bureaucracy of the International Confederation of Free Trade Unions (ICFTU), the American AFL-CIO, the Australian Labour Party are pumping lots of money into all kind of projects and initiatives in an attempt to prevent Marxism gaining a solid ground amongst left wing activists. The phenomenal number of NGO's in Indonesia (more than 4,800 to date) is also part of that attempt to deviate the tremendous hopes for social change along reformist and social democratic lines.

The PDI-P (the Indonesian Democratic Party—Struggle) led by the Indonesian first president daughter Megawati Sukarnoputri received massive support from the workers, poor peasants and the poor youth of the cities in the last elections. The bosses, old cronies of Suharto and generals for their part have turned to this party with the hope that it would serve their interests once in came to power. They were right. Workers and the poor in general are very disappointed by Megawati's party which pretended to be the champion of the poor. In the future this party will face a bitter internal struggles reflecting opposing class tendencies within its ranks. A bourgeois party like PDI-P with massive workers' support will in the future inevitably split along class lines.

Very important today are the myriad of small discussion and political groups composed mainly of students which have risen dramatically in the last year. Most of them are from the left and discuss all the brands of socialist ideas. The popularity of socialist ideas at universities but increasingly also amongst the workers is a very important symptom of a profound political turmoil. This fact has not gone unnoticed to the capitalists themselves who paradoxically are trying to make money out of it by printing all kinds of books on Marxism -- but of course never distribute the original works. It is now commonplace to find left or "Marxist" books in the bookshelves of important supermarkets!

The most urgent task is now to reequip a new generation of young activists and cadres with the genuine ideas of Marxism, as outlined by Marx, Engels, Lenin and Trotsky. This is the task that we have set ourselves in the workers, peasants and student movement of Indonesia."

Interview by Jean Duval



Textile workers plight

At the beginning of 2000, the Ministry of Industry issued an upbeat prediction on the bright future of the textile-garment industry. Vietnamese textile products are currently available in over 40 countries.

At present, in Vietnam there are 18 garment companies and 22 textile factories belonging to the General Textile and Garment Company, with over 500,000 workers. The textile sector occupies an important position among other industries, due to its low initial investment, its quick turnover, and the high value of its exports. Though the working environment of textile-garment workers is not as hard as that of other industries, the intensification of labour and the pace of work are very high. As a result, workers in this industry come fourth in the ranking of toil-levels.

Surveys conducted by the Institute of Labour Protection in some well-known textile-garment companies (Viet Thang Textiles, 8/3 Garments, Phong Phu Textiles, Viet Tien Garments, 10 Garments, Duong Long Garments, etc.) are revealing. Although they are big companies, the factory buildings are very long and with low ceilings. In summer, temperature inside the workplace is three to five degrees Celsius higher than that of the outside. Maximum temperatures are all over allowed standards. Air temperature is between 0.5-fold and 3-fold above permitted limits.

Stepping through some of these workplaces where workers have to work for long

hours—often over eight hours a day—one is suffocated because of lack of fresh air. In nearly every factory there is no general ventilation, but only local fan systems. In addition to this, there is the heat from the lighting system and the stench of chemicals and other materials, which means that workers have to labour in conditions of heat and suffocating mugginess. There are hardly any air conditioning systems, for example, in the ironing workshops of the garment companies.

The chairwoman of a trade union in one company revealed: "Many women are very tense, making their family life stressful. In spite of that, we can do nothing."

Periodical health examinations in textile-garment companies (every three years) show that the number of workers who are healthy is reduced every year. The main diseases they suffer from (according to the Vietnamese Institute of Labour Protection's issue of late 1999) are: humpback (5.5%), twisted backbone (37.6%), eye problems (55.6%), otolaryngology (31.1%), dermatitis, nervous problems, gynaecological difficulties, etc. Particularly, there is the phenomenon of a loss of eyesight in proportion to the duration of the hours of work. Approximately ten percent of these workers have eyesight in both eyes of under 10/10. According to the research conducted by the Japanese Institute of Industrial Health, industrial noise can easily give rise to high blood pressure, heart trouble, and even

stomach cancer. Interviews with workers reveal that 100 percent of workers have a headache after their shift.

In addition to the factors directly affecting garment workers' health proven by the results of investigations by official institutions, there are other peculiarities of this industry which must be considered, including the burden of physical labour and nervous labour. "They have to work in awkward positions, with no chance of varying these postures, while carrying out monotonous operations," an expert of Institute of Labour Protection points out.

Workers in this industry can only work up to the age of forty. Many who receive so-called golden handshakes spent their time "trying to get this title in time to get into a sanatorium."

Though many measures to improve working conditions for textile-garment workers have been approved, such as the introduction of anti-noise equipment (sound faders, earplugs), or the reassessment of working positions and the changing of producing areas, those solutions still remain on paper instead of being applied in practice. The contradiction between "market joy" and "health sorrow" is still a yawning gulf in the textile-garment industry.

This is an extract which was specially translated for *In Defence of Marxism* from the Vietnamese newspaper *Lao Dong* ("Labour"), 11 August, 2000. ■

Evans' view

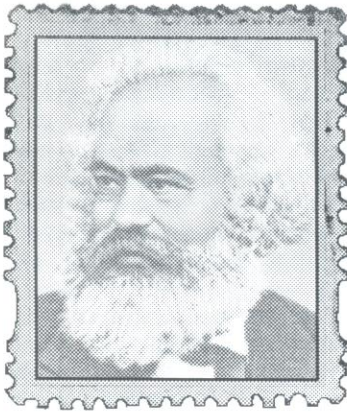


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Dudley Dispute

Dear comrades,

In August 600 non-clinical hospital staff in Dudley staged a series of strikes. This followed an 83% vote in favour of strike action. The strikes were in opposition to the NHS trust's plans to transfer their jobs to a private consortium, Summit Healthcare. The workers correctly see this as the privatisation of their jobs. The strikes send a clear message to New Labour that workers want the protection of public sector employment and are prepared to fight for that protection.

The optimism of the disputes were reflected in the 300 strong rally and a 400 strong demonstration in Brierley Hill. A march also took place to Dudley town centre. Messages of support from UNSION branches around the country and from Peugeot car workers show the breadth of support for this struggle. Union branches across the country have already donated £10,000 to the strike fund.

The trust management used traditional media scare stories of "patient suffering" and cancelled operations due to the strike, however despite this the picket lines at all three hospitals in Dudley were solid.

One of the reasons why the trust's claims of patients being put at risk by the dispute is unconvincing is because the public realise that the PFI plans will result not only in staff being transferred to the private sector but in 70 bed losses.

Unfortunately local "New Labour" MPs have been very quiet on this issue. Despite the fact that many owe their election to opposing the capital PFI plans announced under the Tories in 1995. Plans that would mean the closure of Wordsley hospital and the downgrading of Corbett hospital to an out-patient clinic. Now that the staff are affected we have yet to hear any message of support from the same MPs.

The next step is likely to be a full seven-day stoppage at the end of August. These workers which include some of the lowest paid in the NHS (cleaners, porters, catering staff etc.) desperately need the financial and political support of the entire labour movement.

Messages of support and donations should be sent to: Mark New, Branch Secretary Dudley Group of Hospitals UNSION, UNISON Offices, Wordsley Hospital, Stourbridge, West Midlands, DY8 5QX.

Councillor Steven Cox
Dudley South CLP (Personal Capacity)

Russian submarine disaster

Dear comrades,

The Russian Army and especially the Navy are very hard and closed structures. There is a long and bad tradition in the Russian military. In 1989 the majority of the marines from the submarine "Komsomoletz" were frozen in the Barents Sea, purely for the "prestige" of the admirals. So most of the population think that it was a step forward when the Russian Navy called in NATO for support in the end. I do not think that this affair will have much influence on the masses' attitude to Putin. The attitude of the masses is more or less: "Bad admirals did not tell Putin about this catastrophe."

However, the main influence of this catastrophe will be on the military and political establishment. This is inevitable. There are two main tendencies among the generals. First, there are the "Chechen Heroes". This faction is putting strong pressure on Putin to make budget cuts in the strategical forces (i.e., the Strategic Nuclear Missile Force and the navy). These are, incidentally, notorious in the Russian army for their punitive character. This summer, for example, half the graduate students of the Dzerzinsky Submarine Officers' School in Saint Petersburg were sent to Chechnya as Marine infantry!

The second faction, headed by Sergejev, the Minister of Defence, have an orientation towards strong strategic forces. This autumn, a force consisting of two heavy nuclear cruisers - "Peter the Great" and the "Admiral Kuznetsov" - together with two submarines (the "Kursk" was one of them) were supposed to go to the

Mediterranean Sea and the Adriatic on a "special mission". The loss of the "Kursk" in the process of preliminary manoeuvres may destroy this plan. In that case, the Strategic Missile Force may be liquidated as a special force and merged with the airforce, which would mean deep cuts. The Russian budget does not have enough money for both a strong Strategic Force and the Chechen war. Before this catastrophe, Putin was balancing between these factions. The recent tragedy will undoubtedly influence his choice.

A.P. (Leningrad)

Albanian eyewitness

Dear comrades,

I am an Albanian living in the USA who participated in the revolts at that time. I saw the SHIK forces trying to separate the revolts, and my family even got beaten by a d**m SHIK officer. When I read your article, I got goosebumps and chills going down my body from the memories that I have of that time and my life in Albania. Your article is the most realistic and accurate that I have ever read. No Albanian trusted Sali Berisha, since the beginning. Things seemed too good to be true. I hope that I will go back to Albania sometime to live there again in peace and harmony with my fellow Albanians. I have lost relatives during the Berisha regime and I believe that his punishment should be one of death.

Long live the Albanian people and the honest people all over the world! You have my e-mail address in case you need to ask me something.

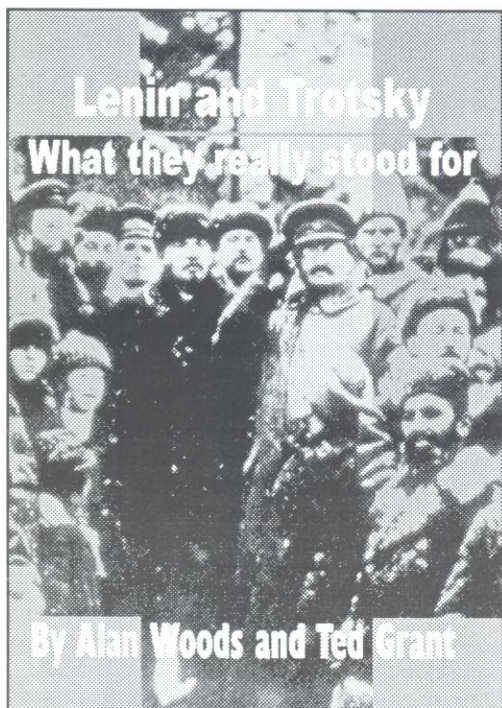
Good Luck and Thank You !

Sincerely, A. D., Connecticut, USA

What is your opinion about the articles in **Socialist Appeal** and www.socialist.net?

Lenin and Trotsky - What they really stood for

by Alan Woods and Ted Grant



The ideas of Lenin and Trotsky are without doubt the most distorted and slandered ideas in history. For more than eighty years, they have been subjected to an onslaught from the apologists of capitalism, who have attempted to present their ideas - Bolshevism - as both totalitarian and utopian. An entire industry was developed in an attempt to equate the crimes of Stalinism with the regime of workers' democracy that existed under Lenin and Trotsky.

On the other hand, ever since the invention of 'Trotskyism' in 1924, the Stalinist bureaucracy has systematically falsified the real relationship between these two leaders of the October Revolution.

Originally written as a reply to Monty Johnstone, a leading theoretician of the British Communist Party, it systematically demolishes all the arguments used to discredit Trotsky's ideas and his role in the Bolshevik Party. This book uncovers the real ideas of Lenin and Trotsky.

"In 1968 I was one of the national leaders of the Young Communist League. I used to have many ding-dong arguments with Alan Woods and other 'Trots' and did everything I could to undermine them. I was very pleased with our efforts in producing the 'Cogito' article on Leon Trotsky. 'That will shut them up!' I said. Then 'they' produced *Lenin and Trotsky - What They Really Stood For*. I read it and re-read it. The careful, honest presentation of the historical facts and political arguments led me to become a whole-hearted supporter of the Marxist tendency now embodied in *Socialist Appeal*."

Jim Brookshaw
Chair of Young Communist League 1965-68
YCL International Secretary 1969

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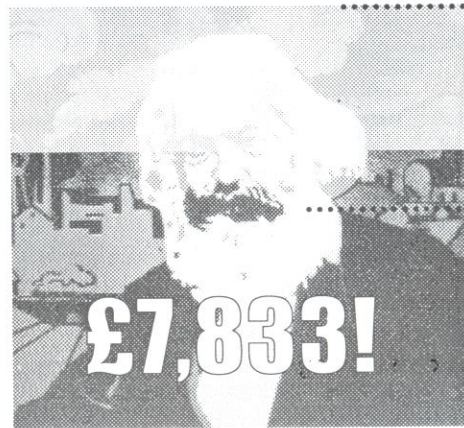
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Special Building Fund launched!

Socialist Appeal has consistently argued that Labour must stop tinkering with capitalism and turn instead towards socialist policies. Labour in power must recognise that its job is to defend the interests of working people not the rich and powerful. In failing to do this, the Blair administration is laying the seeds of a future disaster. No one wants the Tories back with all that would mean for working people. Yet the threat must be taken seriously. We need to start the fightback to turn things around, reclaim the party and arm it with a socialist programme. *Socialist Appeal* will try and do its bit in fighting for these ideas but we need your help.

We do not have rich backers or wealthy firms prepared to pay for expensive adverts. Instead we rely on the income from the sales of our journal and donations from our readers to support our voice. As at the middle of August we have raised £7,833.93 towards our £13,000 target to be reached by the end of October. So we have two months to raise £4,000. A tall order but it can be done with your help. A special appeal held during July to support the struggle of socialists internationally raised £2,000 from UK readers in memory of Leon Trotsky, who was murdered 60 years ago. So it can be done.

Looking ahead we are launching this autumn a special *building fund appeal* to raise £5,000 as a matter of urgency. This is needed as we intend to move offices in the next period as our lease has expired. Using this opportunity, we will move to a larger premises, with facilities for a bigger print shop. The move will cost quite a bit of money, especially as our press will have to be professionally moved. There will also be additional costs incurred with redecoration and any other work which may be need-



- £13,000
- £9,750
- £6,500
- £3,250

ed to get things up to scratch. Time is against us so please send in what you can. Special thanks to all those who donated over the last period, including West London readers (£100), Donald Waterson (£50), Leicester readers (£19), Merseyside (£59), Jim Brookshaw (£40), Harry Whittaker (£10), Stuart from Andover (£100), AEEU activists (£100) and many others. Over £140 profit has also been raised from the sale of Trotsky T-Shirts with more to come. Thanks also to all those who donated to the special international appeal. Donations should be made payable to Socialist Appeal and sent to us at PO Box 2626, London N1 7SQ.

Steve Jones

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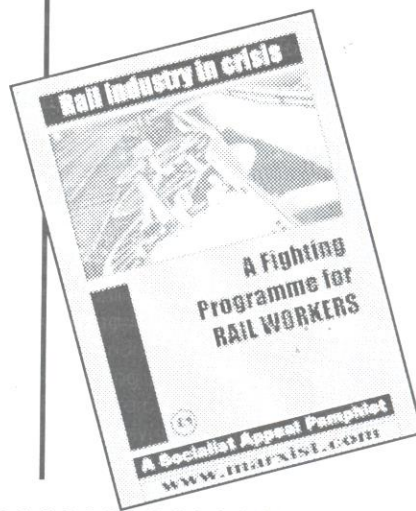
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