

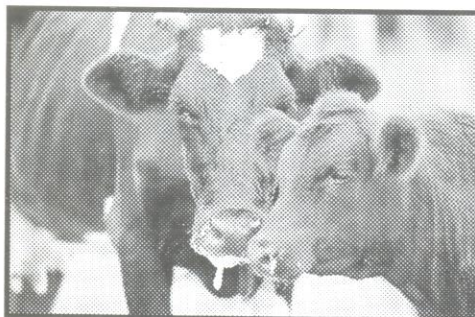
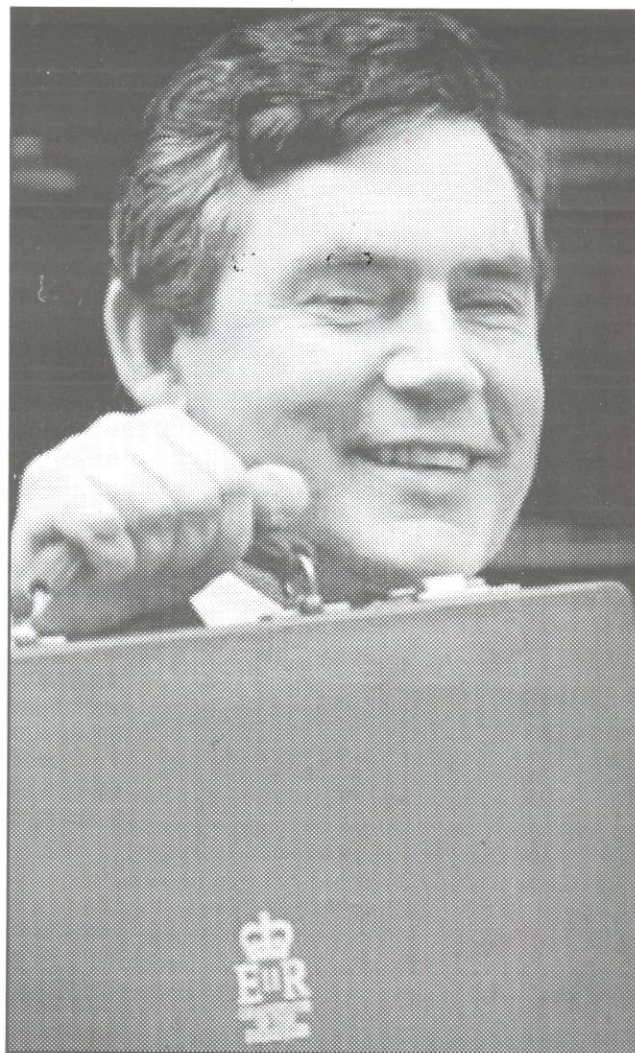
Socialist Appeal

The Marxist voice of the labour movement

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General Election Campaign:
Labour's second term

**Fight for
Socialist
policies!**



**Foot and mouth:
A disease of the
profit system**

2001



YEAR

Steel industry in crisis Militant action needed!

Anthropology: In defence of Engels

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Profits kill!, Moldova: Communist victory,

France: Historic victory dampened by right gains,

Macedonia: The next powder keg?

**Ireland and
James
Connolly**



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*Shahida, leading Marxist in Pakistan
is being hounded by the dictatorship.
Her children have been arrested*

The General Election: Time to change course

With a general election only weeks away, the Blair government is poised to win another landslide victory against a withering Tory opposition.

But while opinion polls give Labour a 15-point lead, there is no great enthusiasm for the government. All the evidence, based on turnouts in the local, European and Welsh Assembly and Scottish Parliamentary elections, points to the lowest turnout in a general election for generations. This reflects a deep-seated dissatisfaction with Blair, but an even greater dissatisfaction with Hague and the Tory Party.

When Labour won a landslide in 1997, working people were demanding a fundamental change from the cuts and devastation of the Tory years. They wanted change from the two decades of run-down cash-starved public services, hospitals and schools. They wanted an end to the destruction hundreds of thousands of manufacturing jobs and the communities that they rested on. People were sick and tired of Toryism and all its ills. Unfortunately, they were disappointed with the record of the Blair government.

This led to protest votes in Wales and Scotland, which benefited the nationalists. In Wales Plaid Cymru now controls the Rhondda Valley, as Labour stalwarts deserted the Labour Party in droves! Traditional Labour voters everywhere tended to stay at home. Government ministers had the cheek to portray this as "voter satisfaction"!

While Labour has introduced certain reforms, such as devolution, minimum wage, certain rights at work, it followed Tory spending policies for the first two years. Rather than introduce a socialist programme, it enthusiastically embraced the market as Thatcher had done, continuing with unpopular privatisation of air traffic control and London Underground.

Although Gordon Brown loosened the purse strings in the Budget, this was after an unbearable two-year squeeze on public spending inherited from Kenneth Clarke. Under the Tories, public spending increased more slowly than the economy at just over 1.6% a year. In Labour's first two years it was cut by 0.6% on average. Spending on the NHS increased by just 2.2% under Brown, compared with 3.1% under the Tories. Even this was less than what the Tories were planning. The recent increase in public expenditure simply compensates for the retrenchment of 1998 and 1999. Even the City analysts Deloitte & Touche thought the Budget too cautious!

No wonder people are fed up. As Wendy Upton, a community care manager

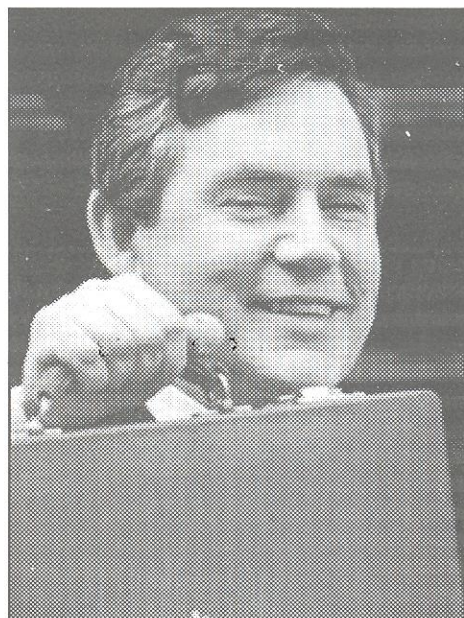
said: "In many respects nothing has changed under the Labour government. Money's still tight - we're pared to the bone, but at the end of every financial year we've got to cut more and look at alternative means of care."

The continuation with Tory privatisation is an absolute scandal. After twenty years of this racket, privatisation is clearly associated with deteriorating standards, dangers to health and safety and sleaze. The pendulum has swung massively against privatisation, as revealed in all opinion polls. *The Guardian/ICM* poll last month showed that a huge 76% want to see the railways renationalised, while 60% want an end to private prisons. In regard to the proposed privatisation of air traffic control, 72% were opposed, with only 14% of Labour and 14% of Tory voters supporting the plan. Even 40% say BT should be renationalised! With a campaign of explanation by the Labour and trade union leaders, it is clear that a big majority could be won to such a position.

Renationalisation

In regard to the government's policy of "private-public sector partnership", dreamed up by the Tories, this draws only 25% support, 32% of Tory voters, but only 23% of Labour voters. The survey shows that all voters, including Tories, want to see public services run by the government or local authorities and overwhelmingly reject the view that public services should be run for profit. Only 6%, and just 13% of Tories, think it should be profit-run.

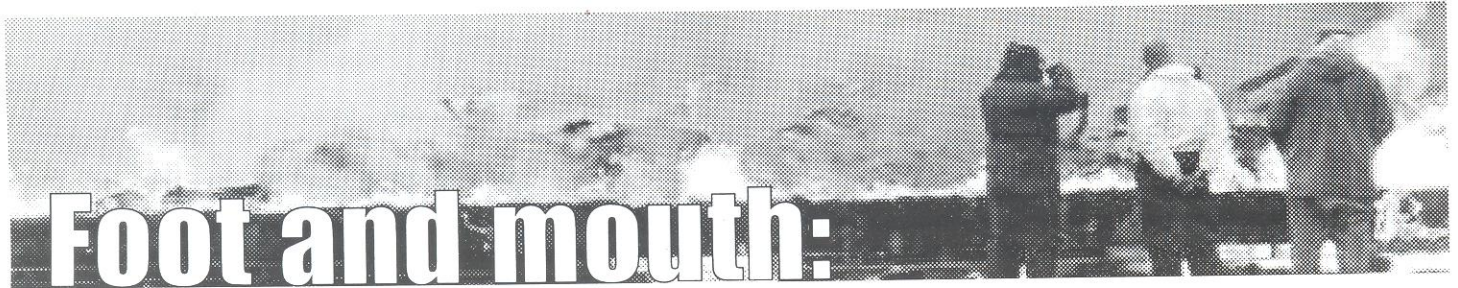
This groundswell of opposition to privatisation and the market has reached all sectors of the population. Even traditional Tory voters, who were the most enthusiastic, are now repelled by their experience of privatisation, especially Railtrack. Incredibly, some 71% of Tory voters want the renationalisation of the railways, and 60% want the end of private prisons! This shift in opinion is earth shattering. But it has not yet pene-



trated the echelons of the Blair government, which has become divorced from the aspirations of ordinary working people, and keen to follow the line of the Treasury.

Now Railtrack comes cap in hand again to the government for a £1.5bn subsidy - 50% more than previously published - amid growing concern about the company's cash flow. It could apparently run out of money by September. Why doesn't the government simply step in immediately and take over the company for £10, the sum paid to BMW for Longbridge? That should be the start of a programme to take back the privatised industries, and take over the commanding heights of the economy. Industry could then be run under democratic workers' control and management, and a socialist plan of production drawn up to use the full resources of Britain for the benefit of the majority and not the bank balances of a handful of billionaire tycoons.

The trade unions have reportedly given Labour £11million towards the election. It's about time the unions got their money's worth by demanding measures in the interests of the working class. No more big business or Tory policies! The unions should take back the Labour Party and fight for real socialist policies that can answer the aspirations of working people. The capitalist market, privatisation and private greed must be put into the dustbin of history where they belong. It is time to change course. I



Foot and mouth:

A disease of the profit system

Over the past weeks the news has been dominated by the story of yet another crisis in farming. Appalling pictures of funeral pyres of animal victims of the foot and mouth outbreak have made every front page. What the hell is going on?

by Mick Brooks

What is going on is capitalism as usual on the farm. 'Townies' can be a bit schizophrenic in their attitude to farmers. On the one hand you hear about farmers driving around in Range Rovers paid for out of Common Market subsidies. Then you read the horror stories about smallholders who are only getting paid £1 for a sheep. Which is true?

They're both right. On the one hand farming is one of the most cosseted sectors in the so-called free market system. Brussels bureaucrats dished out £23 billion in subsidies last year - £3 billion in Britain, where there are just 168,000 farms.

So farmers should be in clover. But actually it's the richest 20% of farmers who get 80% of the subsidies from the public purse. It is true that farming is at present in crisis. A supermarket pays 17p for a litre of milk. But it costs the dairy farmer 22p to produce. Sheep do sell for as low as £1. The majority of farmers are struggling. Tens of thousands have left the industry. Ten years ago there were 233,000 farms. Now only 168,000 are left. 70% of these farms only provide a livelihood for one person. At the same time there are 4,000 acre prairies worked by £150,000 tractors directed by satellite navigation. Farming is big business, with the little people going to the wall as the big firms flourish. And that's where foot and mouth comes in.

The virus cannot harm humans. It's not fatal to the vast majority of farm animals. It's the animal equivalent of flu. The creatures suffer discomfort for about the same length of time we suffer from flu, and then recover. So what's the problem?

The problem is money. The reason the farm industry has poisoned our food so often in the past has always been for money. What the present outbreak has in common with past contagions is that it is 'an economic disease', as some commentators have noted. In the main it hurts the big farmers who are responsible for the lion's share of the £1.2 billion of meat and livestock exported every year.

One of the symptoms of foot and mouth is loss of appetite. And meat animals are treated by capitalist intensive farming as eating machines until it is time to go to slaughter. For instance it takes 5 ½ months to get a piglet

ready for market. A further delay of a month or so makes pig breeding uneconomic. As Ian Campbell of the National Pig Association puts it, "(Waiting) would severely damage the economics of it."

The mass slaughter is being conducted for one reason - because it is the most profitable course of action. As Matthew Fort says (*Observer* March 11), "Commercial operations, of which farming are one, are designed to make a profit. You can no more expect them to put social consequences above that need for profit than you can expect a great white shark to become a vegetarian."

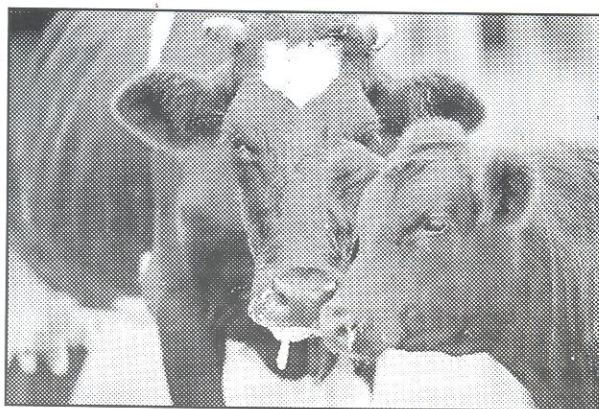
Most of us, including most meat eaters, are horrified at the scenes of unnecessary slaughter from the country. Who is taking these decisions on our behalf? For the farming industry and the Ministry of Agriculture, Fisheries and Food there is no alternative. The farmers are represented in the corridors of power by the National Farmers' Union. In fact the NFU pushes the interests of the big agribusinesses. The MAFF, in turn, is supposed to represent our interests to the farm industry. In fact for decades the Ministry has misrepresented the interests of agrarian capitalism to the rest of us, and has not hesitated to cover up the fatal consequences of cost-cutting, right up to the last moment.

Siting

There are alternatives. The first one is to let the disease run its course. We don't actually know when the virus first started to cause outbreaks. Before the twentieth century, the only option for farmers was to put up with the loss of output. The problem is that foot and mouth is incredibly infectious. It can be borne on the wind for quite a distance, so it is likely that the entire population of farm animals in the country would go down with it. Capitalist farmers find this insupportable. In fact all they have to do is sit tight and wait for the compensation.

The second alternative is vaccination. Again there is no technical problem. The form of foot and mouth we are confronting (type 'O') has a well-developed and effective vaccine available.

There are millions of shots of it stored in the European Union for use. But it's expensive. Farmers have to pay for the vaccine. Whereas if animals are slaughtered, we the taxpayer pay the farmers compensation. In other words it's all about money again.



effectively under house arrest. Rural schools have been closed because of the epidemic. Normal everyday life in the country areas has ground to a standstill.

Farmers don't own the countryside. It belongs to all of us. Farmers are just custodians of much of the countryside. And their industry has sealed it off from us. Rural tourism is reckoned to be a £1.2 billion industry. So far the hotel owners, bed and breakfast accommodation, tea shops and country pubs have been haemorrhaging £100 million a week. This compares with the £30 million lost to the farmers. The streetwise commercial farmers already have their hands outstretched for compensation.

Tourism industry

But the tourism industry will never get that money back. Country tourism actually provides five times as many jobs as farming. The owner of the Wasdale Head Inn works it all out. He's lost £26,000 so far because

farmers got 50-60% of the price of food returned to them as revenue. Now it's only 9p in the pound. Last year the Competition Commission took a look at supermarkets. It wasn't easy. Their suppliers would only give evidence if they were granted anonymity. The Commission spoke of 'a climate of apprehension'. 'Fear' would be a better word. They had such leverage over small farmers that 'a request amounted to the same thing as a requirement.' In particular the big chains made 'requests for retrospective discounts'. They were demanding money with menaces! It's

true that Tony Blair recently had a pop at the supermarkets for the food crisis. But with the likes of Lord Sainsbury in the government, they've had an easy ride since 1997.

The farmers respond to the pressure in the only way they know - by relentless cost-cutting. This is inevitably at the expense of animal welfare and our food health. A broiler chicken reared for sale in a supermarket lives out its life in a space the size of a sheet of A4 paper (the size of our front cover). No wonder 'Which', the journal of the Consumer's Association, found 22% of poultry were riddled with infections. We have paid a very high price for these economies in the food industry. Britain remains a country where capital is king and where the civil service is imbued with a Thatcherite, neoliberal attitude of indifference to the public welfare. This after four years of a Labour government!

What the crisis shows is the conflict between the profit motive and the wider social interest. It is easy to blame farmers,

What the crisis shows is the conflict between the profit motive and the wider social interest. It is easy to blame farmers, but they are just a cog in the money-making machine. We cannot go on like this! We need a fundamental rethink of our food industry.

This operator is described as a farmer, but he seems to be a dealer or speculator in livestock - prepared to drive all over the country in search of a bargain. Of course what all this travelling does is to immediately amplify any localised outbreak into a national disaster. If we still had the local abattoirs any local infection could be contained. 'Globalisation' in the food industry means we import beef from Namibia while exporting home produce all over the world. Naturally to be shipped such distances the meat must be treated with chemicals and processed. And imported meat can spread the disease. In another food industry scam, the disease was probably brought in on illegally imported meat.

This is not just a farming crisis. It is a crisis of the countryside. Most people who live in the countryside are not farmers. Country dwellers in affected areas are

there are 600 sheep in the valley worth £30 each (total price £18,000). "At local market prices...I could have bought every single beast in the valley and have money to spare for a great night out. I could buy all the sheep, slaughter them, let the walkers and climbers back in and remain open for business - it would make more sense." This is the logic of the policy carried out by Nick Brown at the behest of the big farmers. This is the logic of capitalism! Early estimates are that the epidemic will cost the country £9 billion. This expense is necessary, we are told, to save exports of £1.2 billion. But meat exports from this country are banned, and will stay banned for a long time.

Farmers are just one link in the food chain. Compared with the supermarket chains, they are small fry. So the supermarkets, through their buying power, have farmers by the short hairs. Fifty years ago

but they are just a cog in the money-making machine. We cannot go on like this! We need a fundamental rethink of our food industry. Individual farmers can't change things. They're cutting corners because they have no alternative. They are responding to market forces. Market forces are not an expression of what people want. We don't 'vote' with our money to be poisoned. Market forces are the way the rule of profit imposes itself on us. We can have healthy nutritious food from animals reared in humane conditions. Or we can have a capitalist food industry. We can't have both. I

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Paying for the Scots...

A recent Television program on ITV sought to investigate the amount of Tax that goes from London to Scotland each year. As the presenter of the program was Richard Littlejohn, the right wing Sun Journalist and English nationalist, we would have been foolish to expect a un-biased and balanced view of the situation.

by Robert Collins



However, here is not the place to fall into the trap Mr Littlejohn sets with his English Nationalism by replying with equally virulent Scottish Nationalism, as a certain Joan Burnie, *Daily Record* contributor, does. Rather, it would be more productive to analyse the program from a class position.

Mr Littlejohn's first interview is with the equally repellent Simon Heffer, of the *Daily Mail*. Their discussion, which takes place in a London Wine Bar, ends by concluding that Londoners pay £4.5 billion a year - £600 per tax payer. When one City Gent is asked what he could do with an extra £600 per year, he replies that he could 'probably afford a decent bottle of wine in this place'. But what about asking some of the most worse off Londoners what they could do with an extra £600 per year? Surely they could find a better use for it.

'If the Scots want to be independent,' says Heffer, 'then surely they can pay for the their own doctors and teachers'. This is the basic message that Littlejohn tries to convey to the viewer throughout the program.

Littlejohn's next port of call is the East End of London - Bow. Here, unemployment is high and sickness and disease is common. But, immediately this is contrasted with the beautiful scenery of Loch Lomond. The fresh air, the lochs, the mountains ... how dare those damn Scots get all of this when we are living in poverty in run down London!

Mr Littlejohn travels to Edinburgh, and comments that Princes Street is 'Not a million miles away from Knightsbridge'. True, maybe. He goes to Govan, typically associated with Rab C Nesbitt and the Deep Fried Mars Bar. Yet he is some what surprised when he stumbles on a well to do old folks home. Hardly the poverty that we in London are supposed to be forking out for. He discovers that Scottish pensioners are being better looked after than English ones.

true, again, but not as much as they could be. There are many pensioners in Scotland still living in poverty. If Littlejohn had cared to search out a few statistics, then he may have come to completely opposite conclusions his program.

The journalist's lack of Objectivity lets him time and time again. Of course there are extremely affluent parts of Glasgow and Edinburgh. And of course there are places in London were poverty and unemployment is extremely high. But if Mr Littlejohn had cared to travel a few miles to the west of Princes Street he would have stumbled upon the schemes of Edinburgh - Wester Hailes and the like. Likewise, if he had travelled for ten minutes by DLR in East London, he would have come across Canary Wharf and the luxury apartments on the Docklands.

It is the common perception of Scotland being generally worse of than London that drives Richard Littlejohn. He fails to recognise that poverty is every where. More importantly, he fails to note that poverty is caused by capitalism. It is not naturally occurring in a particular nationality, as he perhaps thinks. Rather by the senile decay of a system which can no longer provide even the most basic of needs for people. In Glasgow, heavy industry has collapsed. And been replaced by what? By new jobs, new opportunities? By nothing, except grinding poverty which leads people into the terminal decline of poverty, bad health and 'welfare dependency'.

Only socialist policies on an all Britain scale can meet the needs of the people of Bow, Wester Hailes, Govan and elsewhere. Only by taking the commanding heights of the economy under democratic worker's control and by planning the economy to fit the needs of the many, not the few, can the working class break with the cycle of poverty, misery and depression that they currently find themselves in. I

UNISON wins pay dispute

Scottish Unison members working in local government are considering an inflation-busting

4 year pay deal. It is sure to resolve the dispute over pay and conditions that has been going on this last year.

They have been offered an average pay increase of 14.1% accross the years 2000-2004. The worse paid members will be offered increases of up to 16.37% while the better paid will recieve increases of 11.29%. Unison members will be balloted on the offer, which will end on the 5th march.

The deal would incorporate rises totalling 3% for 2000, 3% from February 2001, £500 from march 2002 and 4% from 2003. Should inflation get within 0.25% of the annual settlements, negotiations with the Union would automatically reopen.

The union's Scottish organiser, Joe di Paola, believes that the

tactic of one day and selective strikes has been the decisive factor that has 'pushed the employers to this new position'. The Union has suspended industrial action while the ballot is carried out.

However, local government workers in England and Wales have been offered just 3%. The unions are asking for an extra £1,000 per year for over a million of their members. They are aking the the employers to reconsider their offer.

Mick Graham, national secretary of the GMB union's Public Services Section, said 'fair treatment of local government workers is pivotal to the modernisation agenda to deliver quality services local communities need'.

Jack Denny of the T&G warned against underestimating the 'growing discontent amongst local government workers'. Talks over the pay dispute are due to resume on the 20th March. I

Teachers ballot for strike action

School teachers in ten areas in England are balloting for strike action over staff shortages.

Teachers are refusing to cover for staff illness of longer than three days or long term vacancies, which is leading to pupils from up to 1,000 schools in Greater London and Doncaster to be forced into 'part-time schooling'.

The government and local authority employers have announced that they are

willing to negotiate with the teacher's unions, on the condition that they call off the strike action and cancel all further ballots. The Local Government Association has also offered to pay teachers up to £20 over-time immediately, if they covered for their colleagues.

In its report on Teacher's pay and conditions, the school teachers review body recommended that there should be an independent evaluation of teachers' workload, a

measure which the Education Secretary has only recently accepted.

Doug McAvoy, general secretary of the NUT welcomed the proposals from the government and employers, while Nigel de Gruchy of the NASUWT said 'The unions have waited for 15 years for talks on teachers' contracts so obviously we take the government's offer very seriously'. I

Teachers Strike in Ireland

There is currently a dispute between secondary school teachers and the government over pay and conditions but particularly the working hours of teachers who are regularly called on to work over 50 hours when they are in fact only contracted to do 22 teaching hours. The strike which is being coordinated by a left caucus called the "B team" has now been escalated to two days this week and three next week with the ever looming possibility of an all out strike at the time of the exams bringing massive disruption. Bertie Ahern is adopting all the dirty tricks in the book to dirty the strikers name and last week sent a letter which said that he wouldn't back down. This coming only three days after the Labour court had decreed that the teachers had a legitimate case. This is a test case for the Irish government as the teachers become only the latest in a long line of workers who have taken action in order to seize their fair share of the booming "Celtic tiger". I

by Steve Forrest GMB
London Region.

Daewoo sacks more

Daewoo are widely seen to be the most visible victim of the crises in the car industry. Indeed things are so bad that they are now in court receivership in their home country of South Korea. The consequences for Daewoo workers here in Britain have been pretty serious. During March of this year 90 redundancy notices were issued to workers at their technical centre in Worthing. This will push the workforce down to a level of just 160. A year ago it was 750! So much for Daewoo as a shining example of the way ahead for car production and industry in general. I

Bolton UNISON branch secretary expelled

The smouldering witch-hunt in UNISON seems to have reached new depths with the expulsion of Bernie Gallagher, Secretary of Bolton Local Government Branch. If reports of the basis of the expulsion are correct, then the union bureaucracy is clearly stepping up its attack on the left.

Last year Bernie, a Labour Party member, was re-elected unopposed. Some others on the left slate (which included some Socialist Worker Party members) were defeated. However, it soon became evident that the membership list used by the Regional Officer to run the election had incorrectly included branch retired members. At the AGM, which normally ratifies election results, a resolution was put forward, calling for the result to be declared null and void, and for existing officers to stay in place until a new election could be held. Objections to the result were submitted to the Regional Officer, as the returning officer.

At this point the Regional Secretary, supported by the regional lay-leadership stepped in. They determined that the newly "elected" officers should take up their positions pending an investigation, and effectively suspended the branch. After several months new elections were finally organised, but disciplinary charges were laid against the Branch Chairperson and Secretary.

It was eventually determined that the Chairperson, by allowing the resolution about the election result to be discussed at the AGM - against the advice of the Regional Officer, had brought the union into disrepute. He was suspended from holding office for 6 months. At Bernie's lengthy hearing she faced charges of bringing the union

into disrepute and misappropriation of union funds. The first charge seems to have related to her perceived overall responsibility for running the election, despite the fact that this was largely undertaken by the full-time Regional Officer. Amazingly, the second charge seems to flow from the first, in that by blaming Bernie for having to re-run the election, the NEC are claiming that she "misappropriated" the additional costs involved. The reality of the situation was clearly exposed in the disciplinary hearing, where in effect she was accused of working with and being supportive of SWP members within the Branch - even though there is no constitutional reason why she should not have.

If this is the basis of the decision to expel Bernie, it is clearly completely outrageous! UNISON members around the country should demand a full explanation of the basis for Bernie Gallagher's expulsion, both via their Branch and direct to the General Secretary.

The witch-hunting of SWP members within UNISON has clearly been facilitated by that organisations ineptness in dealing with the Blairite / Communist Party union lay-leadership and the bureaucracy, which are totally hand in glove. Clearly, however, this latest move - if unchallenged - could see the attacks extended to other left groups and to the left within the Labour Party. They make the current moves to re-establish a single, open "broad-left" within UNISON even more important, and a process that left UNISON members should seek to actively support. I

by Ray McHale, Cheshire County
UNISON, personal capacity

Steel Industry in Crisis

Militant Action Needed Now!

The steel industry is facing a bleak future. Nine months ago Corus, which was formed in 1999 through a merger of British Steel and Hoogovens, announced the loss of 4,500 jobs. Now, on top of this, bosses have placed a further 6,050 jobs under the axe, spread across the company. If the Corus employers get their way, the workforce of the British steel industry would be reduced by a third over the next 12 months or so. It is cutting its capacity by a fifth. There would only be 20,000 workers left in an industry that had over 200,000 twenty years ago. With this disaster hanging over the heads of thousands of workers, Corus bosses are engaged in a 90-day consultation period!

by Our Industrial Correspondent

Under the company plans, Llanwern, a major South Wales plant, would see 1,309 job losses and the closure of steel making. Only a part of the current plant would be retained, employing some 50% of the present workforce. Ebbw Vale would close altogether with 780 job losses and 350 out of 850 jobs would go at Shotton. In Teeside, Lacombe Plate Mills would shut. Then assorted jobs would go in Corby and Scotland. In South Yorkshire some 250 jobs are lost, while in Scunthorpe, 4-500 jobs are to be axed, out of 3000 employed. This would be a crippling blow to the steel industry nationally.

At the same time as demanding these cuts, Corus provoked anger by announcing plans for a new £1.05bn steel mill in Australia. In the trade and industry committee, Sir Brian Moffat, chairman of Corus, stated there was no hope of maintaining steel production at Llanwern. "We have far too much capacity in the UK," he said. He insisted that the closure plan was the best hope for the industry.

Corus bosses intend to cut steel making and concentrate on "down stream" activity - tubes, car components, etc. It is in this area that more money can be made rather than in producing bulk steel. At the back end of last year, the company was estimated to be losing some £40-60 a tonne on carbon steel. Last month it announced a pre-tax loss for last year of £1.2bn, including restructuring charges. This is primarily due to overcapacity and a fall in world steel prices. This, however, must not cover up the fact that in the mid-1990s, the steel industry was making massive profits. Workers will no doubt ask where have the profits gone? When the merger went through with Hoogovens more than £700m was handed out in dividend payments to shareholders.

However, the bosses' tactics have been to cut costs by slash and burn, despite the effect on the livelihoods of thousands of steelworkers. Thousands more would be affected in other trades as a consequence, turning unemployment black spots into industrial deserts. The madness of capitalist planning is revealed in all its glory when Corus's plans were announced. Coil comes at present from Teeside to Corby, where it is made into tubes. Now the steel bosses are planning to ship plate from Teeside down to South Wales to be made into coil, then the coil will be transported to Corby to make tube! You don't have to be a financial genius to work out that the extra transport costs alone would make the whole venture uneconomic. Even from a capitalist point of view it is madness. Or is it? It appears that management is

deliberately pushing up costs as an excuse to close down production and ship it abroad.

At the moment, there is major overcapacity in strip steel and management is looking to close major steel plants. We only have four integrated steel producing plants in the country: Scunthorpe, Teeside, Port Talbot, and Llanwern. That is why workers are facing the chop. Corus wants to dispose of its "non-core" business. So these present redundancies are simply the thin end of the wedge. If Corus gets away with 10,000 redundancies, they will certainly come back for more threatening the very survival of the British steel industry. What is at stake are not the fat profits of the shareholders, but the livelihoods of tens of thousands of steelworkers and those in the supply industries.

Over the last six months in the USA, eleven steel corporations have shut down. This has included the third largest in America. All this reflects the world glut of steel, despite the longest boom since the war. What will things be like in the coming slowdown and slump?

Job disaster

While some meetings have taken place between bosses and unions, nothing has been resolved to prevent this jobs disaster. On 9th March a European Works Council was held in Newport attended by union representatives from Sweden, Germany, Netherlands and Britain. Brian Moffat was present to explain where the company was and to answer questions. However, the only thing made clear by Moffat was that the multi-union package put forward to retain steel making was rejected. To counteract the allegations of company secrecy prior to the job cuts, he said the company had held 145 meetings with government representatives and unions over the last 12 months. However, this is just bluff. In Moffat's discussions with Blair, the Prime Minister was told in no uncertain terms that Corus was a private company and would make its own decisions. In other words, while the company would accept handouts, there must be no outside interference in the business of making profits.

Instead they are holding on tight to their original plan. In the meantime, with an estimated £1 million loss per day, Corus has gone to the City to borrow money. The City believes Corus can be in profit in two years time. They don't see any recovery until 2002. However, they are prepared to lend money to Corus, no doubt at substantial rates of interest, to keep the operation going.

British steelworkers are currently being blamed for "under performing". The jewel in the crown of Corus is the integrated steel works Ijmuiden in the Netherlands, employing 11,000 workers. But without the necessary investment, British workers cannot possibly compete on these terms. Up until now, Corus has failed to come up with the investment, as a consequence of its short-term approach and incompetent management. In fact when the steel industry had the opportunity to invest in a site in Workington, Cumbria, to make steel rails, it balked at the proposal.

The consequences of this failure to spend an estimated £50m in new equipment at Workington to make long lengths of rail was that in 1999 Corus was forced to buy a plant in France for £83m to manufacture similar products that were then being required by Railtrack.

The Corus bosses have responded to the crisis by a restructuring plan, driven by redundancies and closures. In the process they have got rid of 30% of senior management - with big handouts, no doubt.

With a further European Works Council scheduled for April, the steel unions had better act swiftly. At the last council, the Dutch representatives attacked the company, accusing it of subordinating the interests of its workforce to the interest of its shareholders. In a statement they said "the logical but unacceptable consequence is that the employees of Corus are faced with the consequences of a failing policy." They offered their support to British workers in defence of their jobs, and demanded that there be no transfer of production to other locations.

However, some union leaders have already thrown in the towel. Sir Ken Jackson is backing an offer by Exi Telecoms to retain redundant steelworkers. "This will be a genuinely radical way of dealing with the threat of redundancies at Corus", he said. Capitulation is hardly radical! "For the AEEU to suddenly announce that they have been looking for alternative employment for steelworkers sends out the wrong signals. It says they have accepted the cuts will take place", stated Eddie Long, a TGWU official at Ebbw Vale. Ballots for industrial action have taken place in Scunthorpe. However, union leaders see these more in terms of bargaining chips rather than a launch pad for strike action across the industry. The issue now is not simply about compulsory redundancies; it is about the future of steel making in Britain. The attempt to sack 10,000 workers is to throw down the gauntlet to the steel unions.

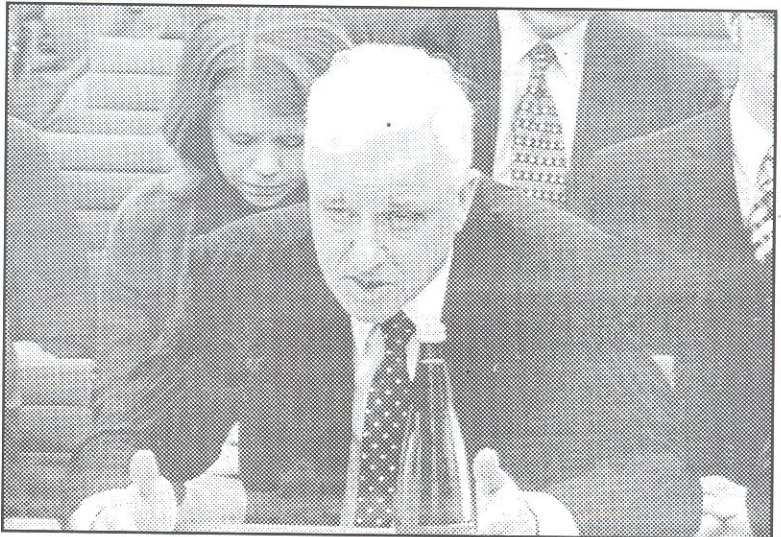
Change in the situation

The situation has profoundly changed from the days when you could get some concessions from the bosses around a cozy negotiating table. The period of friendly relations with the employers is over. The leadership of the ISTC, AEEU and other unions in the industry must give a lead. That is why they were founded in the first place. They must answer these attacks with a national strike. It has been 20 years since the last national strike in the steel industry. But there has never been a more important time than now to take up the struggle. The bosses know of no other language!

The union leaders must demand the opening of the books! The workforce should see where the profits have been squandered.

Mass meetings must be called to keep the membership informed and to prepare for action. Strike committees should be formed in all areas.

A national one-day strike should be linked with the



Sir Brian Moffat, Corus chairman, under pressure

threat of occupation of the plants. Any attempt to force through redundancies must be met with industrial action. An injury to one is an injury to all! An appeal to trade unions on the continent would result in the complete blacking of steel.

Steelworkers throughout Britain are looking for a lead. But if the union leaders delay and prevaricate they can sow bitter disillusionment and despondency. Workers who face the axe will not wait forever. Some have already thrown in the towel, as a result of no lead or direction. This must not be allowed to happen!

A political struggle should also be launched to demand that the Labour government take back the steel industry into public ownership. However, unlike in the past, there must be democratic workers' control and management of the industry. Again, the steel industry must not be used as a milch cow, providing cheap steel to the rest of capitalist industry. The commanding heights of the economy must be taken into public ownership to allow us to plan the economy in the interests of working people. Given the fundamental importance of steel in the modern economy, the industry would be at the hub of a planned economy. This would guarantee steelworkers a real future, using the most advanced technology, enabling us to introduce a 32-hour week with no loss of pay, and retirement at 55.

The steel industry in private hands has been decimated. It is time we called a halt!

● **For a national one day steel strike, as the opening shot in a campaign to reverse the attacks!**

● **Open the books - let us see where the profits have gone!**

● **For international solidarity! Black all movements of steel!**

● **If the bosses fail to retreat, occupy the plants!**

● **Nationalise steel under democratic workers control and management!**

Youth for Socialism

Youth for International Socialism School in Edinburgh

On Saturday the 10th of March, we held the first School organised by YFIS in Scotland. 11 young comrades, eager to learn about Marxism, were present.

by Colin Rice

We began the school by discussing Ireland and the revolutionary James Connolly. As the ideas of this great Irish Marxist have been distorted by nationalists, and so called Republicans, it is necessary for Marxists to 'reclaim' him for Socialism.

Connolly had been born into a working class family in 1868, not far from where we were meeting. He was a self educated man and taught himself in the ways of Marxism, making his own contribution to it. One of the most remarkable aspects of Connolly's Marxism was that it was developed without direct contact with the other great Marxist thinkers of the period, such as Lenin, Trotsky and Luxemburg.

He went to Ireland, first with the army in 1882 then again in 1896, later becoming the leader of the Irish Transport and General Workers Union. There, he led the struggles of Catholic and Protestant workers in disputes such as the 1911 Belfast Textile strikes and the Dublin lockout of 1913.

The bourgeois distorters of Connolly have tried to make him into a hero of Ireland, an infallible courageous saint who fought for his country's freedom from the tyranny of British rule. Yet he also made mistakes, as is inherent in human nature, some with dire consequences. The Easter Rising, though heroic enough, could not have been won without the calling of a General Strike, which Connolly did not do. Thus, while the ICA (Irish Citizens Army, the first revolutionary army in Europe) occupied the General Post Office, life in Dublin carried on as normal.

Unfortunately, after Connolly was executed after the uprising, there was no revolutionary Marxist party to carry on the work he had begun. This allowed the Nationalists to assume command of the struggle for a 'United Ireland'. The occupation and subsequent partition of Ireland by British Imperialism could not be defeated by their tactics which have only resulted in needless killings on both sides of the sectarian divide, as they have played into the hands of the imperialist

tactic of divide and rule.

After the lead off, there was some discussion on the role of James Connolly.

The next topic for discussion, was on Youth for International Socialism. We discussed the nature of YFIS and how a revolutionary Marxist Youth movement is needed, especially in this period of wide differentiation between rich and poor all over the world. The speaker spoke of the importance of building YFIS into a campaigning Socialist grouping, that could intervene in protests which other youth were taking part in. We learned that the Internet has been a very useful tool for YFIS, especially in the USA. Were it not for the internet, YFIS would not be the success that it is in the US.

One comrade raised the question of anti-capitalism and how far YFIS should be involved in demonstrations of the kind that have taken place in Seattle, Washington and Prague. There was an Anti-Gap protest in Dundee at the same time as we were meeting, where protesters were throwing eggs at shoppers going in and out of the shop. Should YFIS be involved in this kind activity?

We argued that socialists should take no part in this sort of activity. While we recognise that the kind of labour practices that multinationals such as Gap and Nike go in for in the third world are disgraceful and should be condemned by all socialists, throwing eggs at shoppers and workers, is no way to bring down the multinationals. While it may attract publicity for the 'Anti Capitalist cause', is it really going to make Gap bring in decent labour regulations for its workers? The only possible way to make Gap introduce fair employment rules would be for the Gap workers in the West to organise, unionise and strike in support of their comrades in the third world.

The final discussion was on Perspectives for Scotland and Britain for the coming period and the need for young comrades to join and help build YFIS as a campaigning socialist youth organisation.

In the 10 years that have followed the fall of the

Berlin Wall, 10 years after the capitalist 'victory', there has been no sign of the promised 'ever lasting peace'. There has been the first war in Europe since WWII.

Suffering and poverty in the third world, despite the attempts of a few celebrities every other year to put an end to it, has continued and in many cases worsened. There has been the beginnings of a mass youth movement, protesting against capitalism. Industrial disputes in Britain and internationally are being reignited. revolutionary movements have taken place all over the world, from Serbia to Ecuador to Iran. All this, explained the speaker, was in a period of capitalist upswing, when the people are all supposed to be contented with their lives and want for nothing.

In Britain, the crisis in the Labour Party is demoralising a whole layer of activists who are becoming disaffected with politics. This is due to the Labour leaders following capitalist policies of privatisation and low public spending. A few activists are looking for 'alternatives' to 'New Labour' and are moving ahead of their class. Yet the vast bulk of working people will simply register their protest against Blairism by not voting. The fight back against the Labour Right must be conducted in the trade unions and Labour Party, not outside.

The overall mood of the school was very positive. It was inspiring to be part of stimulating debate. We agreed to hold another national YFIS school in May in London. I

New wave of repression in Pakistan

The weak Musharraf Dictatorship has now resorted to repression in a desperate attempt to curb the rising wave of mass retaliation.

The ARD (Alliance for Restoration of Democracy) announced a meeting on 23rd of March in Lahore, but the Government has refused to grant permission and started a systematic campaign of arrests and harassment. They have arrested a large number of PPP (Pakistan Peoples Party) leaders while the rest have gone underground to escape arrest.

Comrade Shahida Jabeen has a long history of struggle, for the cause of the working class, from the platform of the PPP. On 20th of March at 3.30 A.M., about a-dozen policemen including some plainclothesmen and two policewomen entered her house where she lives with her husband, two sons and a daughter. On finding that she was not at home the policemen began torturing her husband. When they protested against this barbarity, police threatened to take them all to the police station. In the end they chose to take away the youngest member of the family, her son Jharna, who is only twelve

years old. Despite every effort, he was held in police custody for 14 hours. The police are still looking for Shahida.

In another act of state terrorism, police took away the younger sister of Lahore PPP President, Ms. Sajida Mir. This girl, Saira alias Bubly, is suffering from arthritis, enlarged liver and spitting blood.

In both these actions, the authorities have, in effect, taken revenge on innocent and defenseless relatives, in a blatant attempt to terrorize political opponents and subject them to emotional torture and blackmail. This inhuman act shows the real face of this so-called liberal dictatorship.

Messages of protest from individuals and organisations should be sent urgently to:

**Chief Executive of Pakistan,
General Pervaiz Musharraf,
C. E. Secretariat,
Islamabad, Pakistan.
email: CE@pak.gov.pk**

Copies of all messages should be sent to: PTUDC@socappeal.easynet.co.uk or PO box 6977 London N1 3JN.

Strike Threat at the Express

The threat of a strike by journalists at Express Newspapers looms as staff stepped up their resistance to the latest redundancies proposed by Richard Desmond, the new owner. The company announced their intention to make 145 positions redundant by voluntary means. However, the 542-strong editorial workforce is to receive/have received letters telling them they are potentially redundant.

The potential redundancies include staff in the library, among secretarial staff, imaging as well as journalists both in London and in other areas, including Glasgow. The NUJ has been given an assurance that there are no plans to close editorial operations outside London.

However, new employees would be offered N&S contracts and anyone being promoted would be offered the new contracts. What became clear are that as well as using more agency material, there are plans for greater working across titles.

The NUJ has grown substantially over the last couple of months, recruiting 90 new members. Union organisation has gone from nothing four months ago

to a point where strike action is possible. More than 200 employees recently attended an NUJ meeting and agreed to hold a ballot on industrial action over the threatened sackings.

By a NUJ member

In this days all of us are called upon to sacrifice... I have decided to sacrifice...

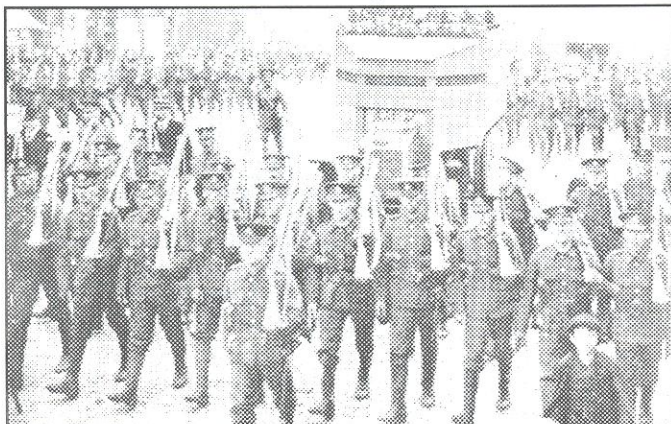


James Connolly and the Easter Rising

Born in 1868 into a poor family in Edinburgh, James Connolly was a genuine proletarian. His working life commenced at the age of ten. All his life he lived and breathed the world of the working class, shared in its trials and tribulations, suffered from its defeats and exulted in its victories. Connolly was a self-educated man who became a brilliant speaker and writer. He alone in the annals of the British and Irish Labour Movement succeeded in developing the ideas of Marxism.

**by Ted Grant
and Alan Woods**

British troops sent to crush the rising



On the basis of a careful study of the writings of Marx and Engels, he developed an independent standpoint and made an original contribution. Even more remarkably, he did this without the benefit of direct contact with the other outstanding Marxist thinkers of the time: Lenin, Trotsky or Luxemburg.

From the first, Connolly had to contend with the same problems that blighted the existence of the rest of his class: dire and unrelieved poverty, which at times made it all but impossible for him to feed his family. But nothing could deter him from his chosen path. With unceasing vigour and absolute single-mindedness, Connolly fought for socialism. The programme of the Irish Socialist Republican Party, written by Connolly, was not a nationalist but a socialist programme based upon:

"Establishment of AN IRISH SOCIALIST REPUBLIC based on the public ownership by the Irish people of the land, and instruments of production, distribution and exchange. Agriculture to be administered as a public function, under boards of management elected by the agricultural population and responsible to them and to the nation at large. All other forms of labour necessary to the well-being of the community to be conducted on the same principles."

Connolly was, first and foremost, a militant workers' leader. The Irish Transport and General Workers' Union (ITGWU), under the leadership of Larkin and Connolly, led the stormy wave of class struggle that shook Ireland to its foundations in the years before 1914. Rarely have these Islands seen such a level of bitter class conflict. This affected not only Dublin but also Belfast, where Connolly succeeded in uniting Catholic and Protestant workers in struggle against the employers. In October 1911 he led the famous Belfast Textile

workers strike and organised the workers of that sector - predominately low-paid and very exploited women.

The wave of strikes was countered by the employers in the notorious Dublin lockout of 1913. Here we saw the real face of the Irish bourgeoisie: grasping, repressive,

reactionary. The Dublin bosses, organised by William Martin Murphy, the chairman of the Employers' Federation and owner of the Irish Independent newspaper, set out to crush the workers and their organisations. The ITGWU replied by blacking Murphy's newspapers, and he retaliated by locking out all ITGWU members.

The issue of class unity runs like a red thread through all the writings and speeches of Connolly: "Perhaps they will see that the landlord who grinds his peasants on a Connemara estate, and the landlord who rack-rents them in a Cowgate slum, are brethren in fact and deed. Perhaps they will realise that the Irish worker who starves in an Irish cabin and the Scots worker who is poisoned in an Edinburgh garret are brothers with one hope and destiny." (C.D. Greaves, James Connolly, p. 61.)

Throughout the lockout, Larkin and Connolly repeatedly appealed to the class solidarity of the British workers. They addressed mass rallies in England, Scotland and Wales, which were also the scene of big class battles in the years before the war. The appeal of the Irish workers did not fall on deaf ears. Their cause was enthusiastically supported by the rank and file of the British movement, although the right wing Labour leaders were preparing to ditch the Irish workers as soon as the opportunity presented itself. Despite the solidarity and sympathy of the workers of Britain, the trade union leaders refused to organise solidarity strikes, the only way that victory could have been achieved. In the end, the workers were starved back to work. Bitterly, Connolly noted:

"And so we Irish workers must again go down to Hell, bow our backs to the last of the slave drivers, let our hearts be seared by the iron of his hatred and instead of the sacramental wafer of brotherhood and common sacrifice, eat the dust of defeat and betrayal. Dublin is isolated." (p. 23)

The Citizen's Army

In the years preceding World War One, the British ruling class was facing revolutionary developments in Ireland and in Britain. In order to head off the danger of revolution, they resorted to the "Orange card". Lord Carson organised and armed the hooligans of the Belfast slums in the Ulster Volunteers, pledged to resist Irish Home Rule by force. When the Liberal government in London contemplated using the British army in Ireland, they were met with the "mutiny

at the Curragh". Connolly remained firm in the face of the sectarian madness. He organised a Labour demonstration under the auspices of the ITGWU, "the only union that allows no bigotry in its ranks." In answer to the sectarians and religious bigots, he declared class war, issuing his famous manifesto: "To the Linen Slaves of Belfast".

In order to protect themselves against the brutal attacks of police and hired thugs of the employers, the workers set up their own defence force: the Irish Citizens' Army (ICA). This was the first time in these Islands that workers had organised themselves on an armed basis to defend themselves against the common enemy: the bosses and the scabs. The latter, it should be remembered, were much more numerous than at the present time, as a result of the widespread conditions of poverty and despair. The two main leaders were Connolly (himself an ex-soldier) and Captain Jack J. White DSO - a Protestant Ulsterman. But Connolly saw the ICA not only as a defence force, but as a revolutionary army, dedicated to the overthrow of capitalism and imperialism. He wrote:

"An armed organisation of the Irish working class is a phenomenon in Ireland. Hitherto, the workers of Ireland have fought as parts of the armies led by their masters, never as a member of any army officered, trained, and inspired by men of their own class. Now, with arms in their hands, they propose to steer their own course, to carve their own future." (Workers Republic, 30 October 1915)

As we see from these lines, Connolly envisaged the ICA in class terms, as an organisation organically linked to the mass organisations of the proletariat. It was funded out of the subscriptions of the members

In order to protect themselves against the brutal attacks of police and hired thugs of the employers, the workers set up their own defence force: the Irish Citizens' Army (ICA).

of the union, and its activities were organised from Liberty Hall, the headquarters of the ITGWU in Dublin. The Citizens Army drilled and paraded openly on the streets of Dublin for several years before 1916. Here was no secret organisation engaged in the methods of individual terrorism, but a genuine workers' militia: the first workers' Red Army in Europe.

Unfortunately, the movement in the direction of revolution in Ireland was rudely cut across by the outbreak of the First

World War. In August 1914, despite all the resolutions passed by the congresses of the Socialist International, every one of the leaderships of the Social Democratic Parties betrayed the cause of socialist internationalism and voted for the War. The only honourable exceptions were the Russians, the Serbs - and the Irish. Right from the start, Connolly adopted an unswerving internationalist stance, which was, in all fundamentals, identical with the position adopted by Lenin.

Commenting on the betrayal of the leaders of the Socialist International, he wrote in Forward (15 August, 1914):

"What then becomes of all our resolutions; all our protests of fraternisation; all our threats of general strikes; all our carefully built machinery of internationalism; all our hopes for the future?"

And he reached the same conclusion as Lenin. In answer to the kind of pacifism that was the hallmark of Labour Lefts such as Ramsay MacDonald (at that time) and the leaders of the ILP, he wrote:

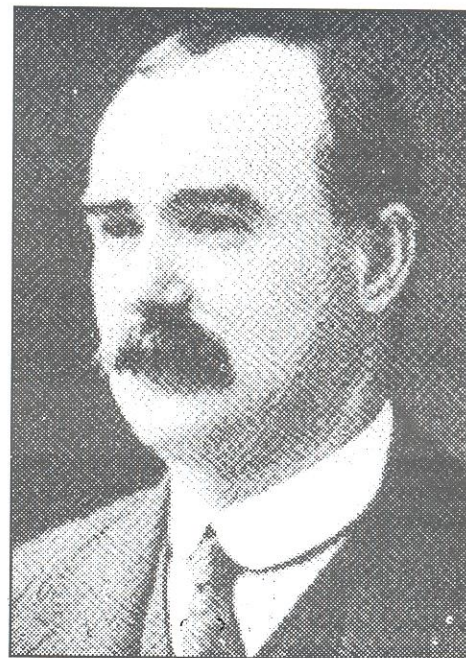
"A great continental uprising of the working class would stop the war; a universal protest at public meetings would not save a single life from being wantonly slaughtered."

Connolly was not just a socialist, not just a revolutionary: he was an internationalist to the marrow of his bones.

The Easter Rising

From the start of the War, Connolly was virtually isolated. Internationally, he had no contact. Outside of Ireland, the Labour Movement seemed to be as silent as the grave. True, there were symptoms of a revival in Britain, with the Glasgow rent strike of 1915. But Connolly feared that the

workers of Britain would move too late. The idea of an uprising had clearly been taking shape in Connolly's mind. The threat that Britain would introduce conscription into Ireland was the main issue that concentrated the mind, not only of Connolly, but also of the petit bourgeois nationalists of the Irish Volunteers. Connolly therefore pressed them to enter a militant alliance with Labour for an armed uprising against British imperialism. In the event, the leaders of the Volunteers withdrew at the last moment,



James Connolly

leaving the Rising in the lurch.

Was Connolly right to move when he did? The question is a difficult one. The conditions were frankly unfavourable. Although there were strikes in Ireland right up to the outbreak of the Rising, the Irish working class had been exhausted and weakened by the exertions of the lockout. There were rumours that the British authorities were planning to arrest the leading Irish revolutionaries. Connolly finally decided to throw everything into the balance. He drew the conclusion that it was better to strike first. He aimed to strike a blow that would break the ice and show the way, even at the cost of his own life. To fight and lose was preferable than to accept and capitulate. When Connolly marched out of Liberty Hall for the last time that fateful morning, he whispered to a comrade: "We are going out to be slaughtered." When the latter asked him: "Is there no chance of success?" he replied: "None whatever."

Connolly was undoubtedly a giant. His actions were those of a genuine revolutionary, unlike the craven conduct of the Labour leaders who backed the imperialist slaughter - with the enthusiastic support of the Irish bourgeois nationalists. Yet he also made some mistakes. There is no point in denying it, although some people wish to make Connolly into a saint - while simultaneously ditching or distorting his ideas. There were serious weaknesses in the Rising itself. No attempt was made to call a general strike. On Monday 24, 1916, the Dublin trams were still running, and most people went about their business. No appeal was made to the British soldiers.

Only 1,500 members of the Dublin Volunteers and ICA answered the call to rise. The nationalists had already split



Jim Larkin, leader of the ITGWU together with Connolly, led the stormy wave of class struggle that shook Ireland to its foundations

between the Redmondites - the Parliamentary Irish Group - who backed the War, and the left wing. However, on the eve of the Rising, the leader of the Volunteers, Eoin MacNeil publicly instructed all members to refuse to come out. As so many times before and since, the nationalist bourgeoisie betrayed the cause of Ireland.

The behaviour of the nationalist leaders came as no surprise to Connolly, who always approached the national liberation struggle from a class point of view. He never had any trust in the bourgeois and petit bourgeois Republicans, and tirelessly worked to build an independent movement of the working class as the only guarantee for the re-conquest of Ireland. Since his death there have been many attempts to erase his real identity as a revolutionary socialist and present him as just one more nationalist. This is utterly false. One week before the Rising he warned the Citizens Army: "The odds against us are a thousand to one. But if we should win, hold onto your rifles because the Volunteers may have a different goal. Remember, we are not only for political liberty, but for economic liberty as well."

From a military point of view the Rising was doomed in advance - although if the Volunteers had not stabbed it in the back, the Uprising could have had far greater success. As

it was, the British used artillery to batter the GPO (the rebel centre) into submission. By Thursday night, after four days of heroic resistance against the most frightful odds, the rebels were compelled to sign an unconditional surrender.

Although the Rising itself ended in failure, it left behind a tradition of struggle that had far-reaching consequences. It was this that probably Connolly had in mind. In particular the savagery of the British army, which shot all the leaders of the Rising in cold blood after a farcical drumhead trial, caused a wave of revulsion throughout all Ireland. James Connolly, who was badly wounded and unable to stand, was shot strapped to a chair. But the British had miscalculated. The gunshots that ended the life of this great martyr of the working class aroused a new generation of fighters eager to revenge Ireland's wrongs.

The Easter Rising was like a tocsin bell, the echoes of which rang throughout Europe. After two years of imperialist slaughter, at last the ice was broken! A courageous word had been spoken, and could be heard above the din of the bombs and cannon-fire. Lenin received the news of the uprising enthusiastically. This was understandable, given his position. The War posed tremendous difficulties for the Marxist internationalists. Lenin was isolated with a small group of supporters. On all sides there

The tragedy of the Irish working class was that, unlike Lenin, Connolly did not create a revolutionary Marxist party, armed with theory, that would have carried on his work after his death.

was capitulation and betrayal. The class struggle was temporarily in abeyance. The Labour leaders were participating in coalition governments with the social-patriots. The events in Dublin completely cut across this. That is why Lenin was so enthusiastic about the uprising. But he also pointed out:

"The misfortune of the Irish is that they have risen prematurely when the European revolt of the proletariat has not yet matured. Capitalism is not so harmoniously built that the various springs of rebellion can of themselves merge at one effort without reverses and defeats."

Had the Rising occurred a couple of years later, it would not have been isolated. It would have had powerful reserves in the shape of the mass revolutionary movement that swept through Europe after the October Revolution in 1917. But Connolly was not to know this.

Importance of leadership

Some sorry ex-Marxists criticised the Easter Rising from a right wing standpoint, such as Plekhanov. In an article in *Nashe Slovo* dated 4 July 1916, Trotsky denounced Plekhanov's remarks about the Rising as "wretched and shameful" and added: "the experience of the Irish national uprising is over...the historical role of the Irish proletariat is just beginning."

Unfortunately, this prediction was falsified by history. The tragedy of the Irish working class was that, unlike Lenin, Connolly did not create a revolutionary Marxist party, armed with theory, that would have carried on his work after his death. This was his biggest mistake, and one which had the most tragic consequences. In the same way that the murder of Rosa Luxemburg and Karl Liebknecht later beheaded the German revolution, so the killing of Connolly removed any chance of the Irish working class leading the revolutionary movement against British impe-

rialism. This was a heavy price to pay!

Connolly had created the Irish Labour Party, with a solid base in the trade unions and the working class. In effect, it was the workers of the Irish Citizens Army who had led the Easter Rising, not the petit bourgeois Volunteers. In fact, Sinn Fein played NO role in the uprising, while the Irish bourgeois nationalists openly betrayed it.

Yet, when Connolly was removed from the picture, it was the bourgeois and petit bourgeois nationalists who took advantage of the situation to seize

control of the movement. Tragically, the leaders of the Irish Labour Party, lacking Connolly's grounding in Marxism, proved to be hopelessly inadequate to the tasks posed by history. Instead of maintaining Connolly's fight for an independent class policy, they tail ended the nationalists, standing down in their favour in the general election after the War.

Under the leadership of the bourgeois and petit bourgeois nationalists, the movement was side-tracked into a guerrilla struggle, and then betrayed. Fearful of the prospect of revolution, the rotten Irish bourgeoisie reached an agreement with London to divide the living body of Ireland. All Connolly's warnings about the treacherous role of the bourgeoisie were confirmed by the terrible events surrounding partition. The legacy of this betrayal is still with us today.

For the last 85 years, the Irish bourgeois and petit bourgeois nationalists have demonstrated their complete incapacity for solving the tasks of the Irish national liberation struggle. In 1922, the bourgeois leaders signed the partition of Ireland. This problem cannot be solved on a capitalist basis. For the last 30 years the Provisional IRA have been trying to solve the problem by a senseless campaign of bombing and shooting. These tactics of individual terrorism have absolutely nothing in common with the methods of Connolly and the Citizens Army, which were always based on class politics and organically linked to the proletariat and the mass workers organisations.

What have these methods achieved after 30 years? Over three thousand deaths; the destruction of a whole generation of Irish youth; the splitting of the population of the North into two hostile camps; a terrible legacy of sectarian bitterness. And with what result? Has the border question been solved? Let us speak clearly: After three decades of so-called armed struggle, the cause of Irish reunification is further away today than at any other time. Ignominiously, the leaders of the Provisionals have capitulated for the sake of a few paltry ministerial portfolios. Nothing has been solved for either Catholics or Protestants.

This is the terrible legacy of decades of individual terrorism and the total lack of any class or socialist perspective. True, there was a serious division in the past between Catholics and Protestants in Northern Ireland. But now in place of division we have a yawning abyss. Yet none of this would have been necessary if Connolly's ideas and methods had prevailed.

In his lifetime, Connolly always fought for the unity of the working class above all national and religious lines. By concentrating on class issues, he succeeded in uniting the Catholic and Protestant workers in the struggle against their common enemy - the employing class. That is the only way to get out of the present mess. The only way to solve what remains of Ireland's national problem is as a by-product of the revolutionary struggle for socialism. That was true in Connolly's day. And it remains true today. There can be no reunification of

Ireland while the working class remains divided along sectarian lines.

The socialist revolution in the North is inextricably linked to the perspective of socialist revolution in the South - and in Britain. In other words, it can only be solved with a proletarian and internationalist policy. There is still a ray of hope in the North of Ireland. Despite everything, the fundamental organisations of the working class - the trade unions - remain united. They are probably the only real non-sectarian mass organisations that still exist. This is the base upon which we can build! That would undoubtedly be the message of James Connolly, were he alive at this time.

Eighty five years later, it is necessary to cut through all the fog of historical fantasy and nationalist mystification that surrounds the events of Easter Week, and see the key role of the proletariat. What a great opportunity was missed with the death of James Connolly! But the new generation must take the lesson to heart. Connolly failed because he did not create - as Lenin created - the necessary instrument with which to change society: a revolutionary party and a revolutionary leadership!

Today we pledge ourselves to defend the heritage of this great Marxist, fighter, and martyr of the working class. We must rescue the ideas of Connolly which have been stolen and distorted beyond recognition by people who have nothing to do with Connolly, socialism or the working class. We must continue the fight for Connolly's ideas - the only ideas that can guarantee the ultimate victory. We must create the necessary revolutionary organisation, soundly based on the programme, policy and methods of Marxism. And we must understand that such an organisation must be firmly based in the only soil in which it can grow and flourish: the trade unions and the mass organisations of Labour in Ireland, North and South, as well as on the other side of the Irish Sea.

The Easter Rising was a glorious harbinger of what is still to come. The job was left unfinished in 1916. The task now falls upon our shoulders. Armed with the ideas of Marx, Engels, Lenin, Trotsky - and Connolly - we shall not fail! I

The socialist revolution in the North is inextricably linked to the perspective of socialist revolution in the South - and in Britain. In other words, it can only be solved with a proletarian and internationalist policy.

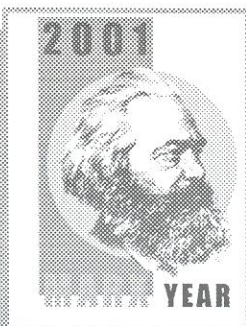
New website announced

Independent Socialist Youth, our Irish supporters, have just launched a new site aim at spreading the ideas of genuine Marxism to both North and South. This new group is politically affiliated to *In Defence of Marxism and Youth for International Socialism*.

You can visit this site at

www.marxist4t.com





Marxist theo

"The market is governed by the forces of supply and demand". Isn't this true? Well, yes and no. Capitalism is an unplanned, anarchic, system. It is not chaos. There are forces at work to establish the "proportional division of labour" that must exist in any society. These forces work in anarchy and through anarchy. Their immediate triggers are greed and stupidity.

by Mick Brooks

Capitalists all search for a higher rate of profit. Those on the ball enough will spot a shortage by rising prices. By moving capital into an area with high prices and an above average rate of profit they will help to eliminate the shortage. By their restless search for above-average profits, they will unconsciously help to establish an average overall rate of profit. The apparently random fluctuations in price given by supply and demand no more contradict the role of value as the central regulator of the system than the movement of waves up and down on the surface denies the concept of sea level - which does go up and down according to the pull of the tides. Supply and demand, as Marx pointed out is just the executor of the laws of capitalism. The law of value gives us the basic structure and dynamics of the system. It is the way labour is allotted to various tasks in an unplanned system. Capitalism produces Mars bars and Coca-Cola. It also produces workers and capitalists, rich and poor, and continually reproduces these class relations through the market mechanism, driven by the law of value.

In *Capital*, Marx starts with the isolated act of exchange of one commodity for another, in this case of twenty yards of linen for a coat. As inhabitants of a market economy, we don't blink at this notion. But what's really happening? Coats do not really confront piles of linen. People confront each other, but they do so via the products of their labour. That is why market forces are important to us, but also mystifying. Relations between people appear to us as relations between things. This is what Marx called commodity fetishism.

Even in 1867 coats v linen was a tedious example, but note what else is unusual about it. In a market economy we do not usually exchange things we've produced but do not want for things we haven't produced but do want. We swap things around with money. But Marx does not want to take money for granted, as capitalist economists invariably do. He wants to show how the universal equivalent emerges inevitably as exchange becomes generalised. Like him, we will derive the money form from the value form.

Since twenty yards of linen is being exchanged for a coat, they must have something in common. Clearly this cannot be a physical characteristic. Bourgeois economics argues that they are both objects of utility. But if artisans produce coats all day, they are not producing for themselves and selling the surplus. They are producing the coat for sale from the word go. In other words the

coat has no utility for its maker. Sure, if nobody wants to buy it will turn out to have no exchange value. Use-value is a precondition for the determination of value. It does not determine its magnitude. Modern neoclassical economics makes marginal utility the foundation of its value theory. They obviously came up against the objection at a very early stage that water, the most vital requirement of life, is virtually free, while diamonds (basically useless lumps of carbon) are very expensive. They propound a grand 'paradox of value' to be found in almost all the textbooks. This states that the reason we don't rate water very highly is because there's a lot of it about. Though water is valuable in absolute terms we don't care much for any more because we've already got a lot. We value the marginal unit, not the mass. Now really this amounts to nothing more than noticing that water is relatively abundant. Likewise diamonds are dear because they are scarce. They don't really need to natter on about marginal utility at all. This is not good enough!

Use-value and exchange value

Marx, and Ricardo before him, were aware that paintings by Van Gogh and the like were exceptions to the law of value. Since they are unique, they are not reproducible at will. In that case their price will be determined entirely by how much collectors are prepared to pay for them, by their utility. But both Marx and Ricardo were concerned to analyse the production process as the life process of society. If we want to understand the social division of labour imposed by the market, we need to understand how an expansion of demand calls forth a capital inflow and an increase in the supply of the vast bulk of goods that can be increased in quantity by human effort. That bourgeois economists spend so much time contemplating the situation of people seated beside abundant springs or dying of thirst in the desert only shows how remote they are from the real production process.

That a commodity is both a use-value and an exchange value is a contradiction. What does that mean? It means that labour expended on the commodity is only a potential value. Someone must be prepared to buy it. Value has to be validated in the marketplace. Likewise it is irrelevant to me if you spent twice as long to make a chair as everybody else. You have just wasted your time. I, and every other buyer, expect an average price determined by the extant productivity in that sector

ory of Value

at the moment. It is not the amount of labour individually or accidentally expended on a commodity that determines value, but the amount socially necessary for its production. This is a vital concept when we come to look at the dynamics of the capitalist system.

The only thing both commodities have in common is that they are both objects of human labour. Obviously all real labour is the labour of particular types of worker, whether maker of coats or bus driver. As such they are examples of individual labour. They are also all taken from the general pool of social labour available to satisfy our needs. In the act of exchange private labour is seen as its opposite, social labour and concrete labour of a particular kind as representative of its opposite, abstract labour. In other words, both forms of individual, concrete labour are part of the pool of social labour available to meet our needs.

What are we doing when we use twenty yards of linen to measure the value of a coat? In effect the twenty yards of linen is used as what Marx called the equivalent form. In other words it is being used in a one-off act of exchange as performing one of the functions of money. A commodity is both a useful object, a use-value, and an exchange value. It contains a contradiction within itself. When it enters into exchange, the use-value of the equivalent serves to measure the exchange value of the other. The contradiction is not eliminated, it is reproduced on a higher level in the money form.

This is exactly what we do when we weigh things. We know both the things we want to compare are completely unlike in every respect but one. To be comparable, they must have some common property. They both have weight (mass). There is no such thing as weight that we can isolate and measure independently of objects with weight. Likewise with value we can't just add up the quantities of labour congealed in the product at different stages of production. In the case of weighing something, we start off by placing one object on a set of scales and finding it equal to the item on the other side, say a lump of metal. At a later stage, as we start weighing things regularly, we will probably ascribe a conventional measure to the lump of metal (for

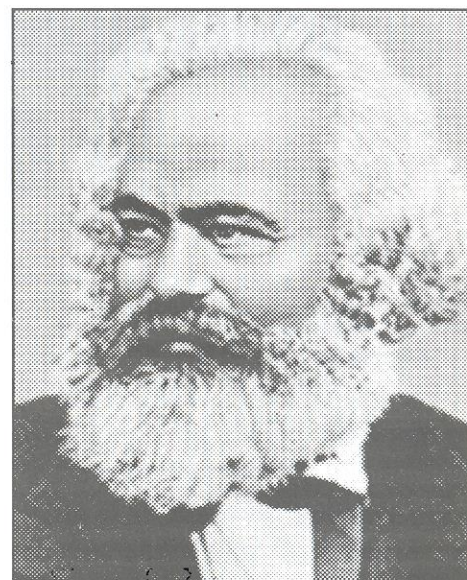
example ten kilograms). This, of course, is how money emerged from the exchange process.

What we are doing in assessing value is essentially the same. First we know both commodities are products of the pool of social labour. So they have this common substance. Now let's move away from Marx's example and go with ten biro equals one pint of beer (both cost £2). In this example it should be evident that even a 20p ballpoint pen is the product of a world division of labour. And it is the product of large-scale capitalist production. The plastic is manufactured by enormous ethylene crackers by oil that has first been to a refinery. The crude oil may come from the North Sea, extracted by derricks twice the size of Nelson's column. Or it may come from the Gulf states, or Mexico, or Nigeria, or Brunei or anywhere else. The metal tip - where does that come from? How much time did it take to extract the ore, refine the metal and shape the tip? It is overwhelmingly obvious that we cannot possibly work out how much labour time is involved in the production of even such a simple object as a cheap pen.

Just as we don't know how much weight an item has except by comparing it with something else, so we can't assess value except by comparison made in exchange. Exchange value is the phenomenal form of value. And the value of commodities is determined by the labour time socially necessary for their production.

Innovation

Why do we need a theory of value? How does it help us analyse the dynamics of capitalist society? Here's an example. The first ballpoint pen was produced by the Reynolds International Pen Company in 1945. As is usual in capitalist innovation, Reynolds did not invent the ballpoint. He just bought the patent off the shelf. The price was set at \$12.50 but the cost of production was just 80c. The novelty value of the pens caught on and production, and profits, expanded sharply. Rivals cashed in, with Eversharp and Schaeffer both marketing pens at \$15. By now Reynolds had pioneered mass production methods and unit costs had fallen to 60c. The cosy relationship with Schaeffer, Eversharp and Reynolds not trading on each other's toes



Marx was concerned to analyse the production process as the life process of society. If we want to understand the social division of labour imposed by the market, we need to understand how an expansion of demand calls forth a capital inflow and an increase in the supply of the vast bulk of goods that can be increased in quantity by human effort.

came to an end as the Ball-point pen Company of Hollywood marketed a \$9.95 model and David Kahn announced plans for the \$3 pen. Reynolds retaliated with a \$3.85 ballpoint, though production costs were now about 30c a go. By Christmas 1946 there were 100 manufacturers, some selling pens for \$2.98. By February 1947 the cutting edge price was 98c and the following year saw the 39c ballpoint costing just 10c to mass-produce. In 1951 prices had fallen further to 25c as the ballpoint effectively replaced the fountain pen (remember them?) in everyday use.

Why did ballpoints get cheaper? Because it took less labour time to produce each one. That's obvious. It's equally obvious that Reynolds and his fellow capitalists were not using labour time calculations. They were just chasing a fast buck. And they decided, in competing with one another, that the best way to sell things cheaper than the opposition is to make them cheaper - that is with a smaller expenditure of labour time. That is precisely how the law of value asserts itself behind the backs of the individual actors. I

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Marxism and Anthropology

In Defence of Engels

Science allows us to understand the world in which we live. It has allowed us to build up a picture of the past, even to understand the origins of our own species. However, as in all fields of scientific study, there is a conflict of method among the schools of anthropology about how the past should be interpreted. One is broadly based upon a materialist, evolutionary approach, while the other attempts to approach the past through the prejudices of present day class society, reinforcing the notions of natural inequality, male domination and class rule.

by Rob Sewell

Both Marx and Engels acquired a profound interest in the latest discoveries of science, and sought to explain and deepen them by their dialectical materialist approach. "According to the materialist conception, the determining factor in history is, in the final instance, the production and reproduction of immediate life", wrote Engels. "This, again, is of a twofold character: on the one side, the production of the means of existence, of food, clothing and shelter and the tools necessary for that production; on the other side, the production of human beings themselves, the propagation of the species." (*The Origin of the Family, Private Property and the State*, p.35-6, Penguin 1986). Put simply, how people live is determined by the stage of development of the productive forces on the one hand and the family on the other.

Marx and Engels saw the confirmation of this outlook in the striking discoveries of the biologist Charles Darwin and the American anthropologist Henry Lewis Morgan. "For Morgan in his own way had discovered afresh in America the materialistic conception of history discovered by Marx forty years ago, and in his comparison of barbarism and civilization it had led him, in the main points, to the same conclusions of Marx", states Engels. (*Origin*, p.35)

Marx had intended to write about Morgan's discoveries, but did not live to fulfill his ambition. It was left to Engels to carry out this intention with the publication of *The Origins of the Family, Private Property and the State* in 1884. While Marx had reached his conclusions from the historical evidence of class society, slavery, feudalism and capitalism, Engels based himself on Morgan's work ("as important as Darwin is in biology") to elaborate the materialist view on mankind's earliest period of existence. In his work Engels took over Morgan's classifications of savagery, barbarism, and civilization, further dividing them into lower and upper stages. It is with the first two classifications, the epoch of pre-class society, that *The Origin* is concerned.

According to the famous archaeologist Professor V. Gordon Childe, "The latter (Morgan) had collected data of just the kind suited for illustrating the Materialist conception of history. The criteria he used for distinguishing between savagery, barbarism, and civilization, if not precisely 'forces of production' - still less 'modes of production' - at least approximated more closely thereto than the criteria expounded by any other school at that time." Childe concludes "In the end Engels succeeded brilliantly in correlating the transition from one 'sta-

tus' to the next in Morgan's scheme with changes in the productive forces at the disposal of society." (*Social Evolution*, p.10).

The earliest epoch described by Morgan, savagery, is based upon a food-gathering economy. This provided for some 98% of human existence on the planet, and covers the whole of what archaeologists call the Paleolithic or Old Stone Age, and geologists classify as the Pleistocene.

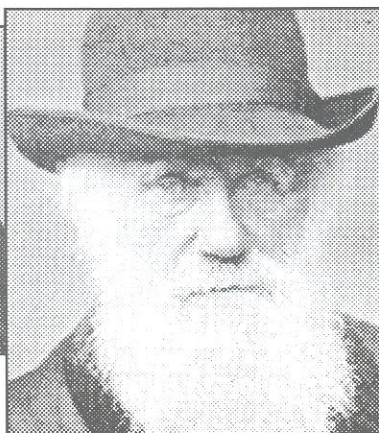
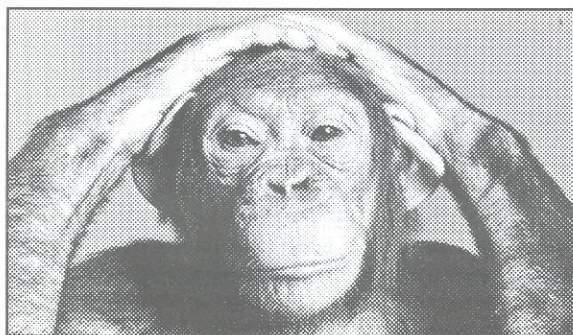
Perhaps between 10-12,000 years ago, some societies increased the food supply through plant cultivation and the breeding of animals. This new food-producing economy was identified by Morgan as the stage of barbarism, and is represented by archaeologists as the Neolithic or New Stone Age. With the emergence of agriculture, the life of hunting and gathering, which had dominated life for perhaps two million years, rapidly went into decline. Although these are generalizations and need to be qualified, they are important classifications that allow us to understand the development of society.

The next stage is civilization, born in the valleys of the Nile, the Tigris-Euphrates, and the Indus, with the development of surplus foodstuffs used to support urban life. The first two thousand years of civilization coincide with what archaeologists call the Bronze Age. It was the emergence of class society, and the economic basis of slavery.

From ape to man

The transition from ape to man may have occurred as long ago as six million years, with the emergence of the first hominids. Engels explained our human origins in his brilliant essay, *The Part Played by Labour in the Transition of Ape to Man* in 1876. Here he explains how the first upright posture freed the hand for using tools, which in turn increased intelligence (brain size) and later developed speech. Tools were first made two and half million years ago, while *Homo sapiens* evolved a mere 100,000 years or so ago.

How these humans lived has to be pieced together from the discoveries of zoology, anthropology, paleontology, and archaeology. Man is a social animal. Early humans banded together for protection and survival. Cooperation was an essential ingredient in the shaping of human society. While life in this human band can only be guessed at, given the scarcity of evidence to go on, paleontologists and anthropologists have provided us with important clues.



It is clear that this period of savagery was dominated by a gatherer-hunter way of life. There is evidence of hominid campsites, which reveal that our ancestors lived in social groups. Stone tools were manufactured, used to dig roots, scrape skins, and hunt. Scavenging was also an important element in our early development. At this stage, there were no such things as private property, classes or the state. In fact it was, to use Marxist terminology, a period of 'primitive communism'.

The orthodox anthropological view of this period was the image of a brutal, violent, male-dominated society. "Man is man, and not a chimpanzee, because for millions and millions of years we alone killed for a living", states Robert Ardrey. Raymond Dart describes it as "the predatory transition from ape to man." However, this view has been challenged and discredited by recent evidence from gatherer-hunter peoples. Basing themselves on observation of the Kung San of northern Botswana and other peoples, Richard Leakey and Roger Lewin, came to the conclusion that the current evidence "points to such cooperation between large groups of hunters as a key element in the emergence of human characteristics... Cooperation must be a very basic motivation in human nature." The network that holds these societies together, both within the bands and between them, is kinship.

Both Morgan and Engels recognized not only cooperation in these early hunter/gatherer societies, but as food was shared in common, there was also equality between man and women. Morgan fiercely challenged the assumption that these societies were 'patriarchal' or male dominated. On the contrary, also a view endorsed by Engels, society had a high regard for women. In fact, given the type of family that would have existed, it would be uncertain who was the father of a child; but it was certain who its mother was. "It is therefore clear", writes Engels, "that in so far as group marriage prevails, descent can only be proved on the mother's side and that therefore only the female line is recognized. And this is in fact the case among all peoples in the period of savagery or in the lower stage of barbarism." (*The Origin*, p.71) Modern anthropologists term this matrilineal. Engels gives the credit for this discovery to Bachofen, who uses the term

'mother right'. However, Engels, while using this term for brevity, believes it "ill-chosen, since at this stage of society there cannot yet be any talk of 'right' in the legal sense." (*The Origin*, p.72)

A division of labour developed between the sexes, where women concentrated on food gathering, while men concentrated on hunting. This appears to be a feature of all hunter/gatherer peoples of today, and is likely to have existed from the beginning. The !Kung divide their activities so that men hunt and women gather nuts, roots, and other plants and vegetables. "On average adults work for between 12 and 19 hours a week, a devotion to the food quest that can hardly be termed excessive! Although girls may begin an adult life at around 15 years of age, boys commonly do not step into the adult world until they are at least 20. And by the time people reach 60 they generally 'retire' and are then cared for, respected, and fed for the rest of their days: the old are greatly valued for their experience and wisdom. Childhood and old age are therefore free of stress and obligation in the !Kung society." (Richard Leakey & Roger Lewin, *People of the Lake*, p.88)

What kind of Society

The authors ask: "What kind of society is it, then, where working life begins at 15 years at the earliest, and finishes at 60, with an average of about two and a half hours labour each day in between? American anthropologist Marshall Sahlins describes it as the original affluent society, where finite needs are satisfied with a minimum of effort. Certainly it doesn't appear to be a recipe for an existence that is nasty, brutish, and short."

This confirms Engels' view about the communistic and egalitarian lifestyle of the hunter/gatherer people. "There can be no poor and needy - the communistic household and the gens know their responsibility towards the aged, the sick and those disabled in war. All are free and equal, including the women. There is as yet no room for slaves or, as a rule, for subjugation of alien tribes.

"This is what mankind and human society were like before class divisions arose.."

Although a division of labour emerged between the sexes, it is certainly not one based upon domination or exploitation, but on mutual respect and cooperation. There is tremendous skill required in gathering as there is in hunting. For gathering, efficient and extensive mental maps are required, knowledge of the seasons and the cycle of plants are also invaluable. Hunting requires a fundamental understanding of animal behaviour.

The reason for the division lies with the woman's reproductive role. !Kung babies feed from their mother for at least two and a half years. Whenever women collect food, babies are carried on their backs. !Kung women usually walk around 3,000 miles every year on trips and moving camp. Childbirth is therefore spaced out about once every four years, with only half of children likely to survive. It should come as no surprise that abortion and infanticide are common parts of hunter/gatherer life, and must go back to its origins.

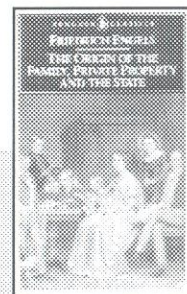
Engels has been attacked and maligned for his theories on the origin of the family. Of course there are flaws contained in a work written in 1884, given the limited anthropological evidence at the time. In the Preface to the fourth edition of *The Origin*, he states "our knowledge of the primitive forms of the family has made important advances. There was, therefore, plenty to do in the way of improvements..." If Engels were alive today, he would, basing himself upon the latest discoveries, certainly make changes and modifications to his original thesis. However, those who attack him, are attempting to attack and discredit his scientific method, the method of dialectical materialism, as part of a general attack on Marxism.

There is an ongoing debate over whether a 'matriarchal' society ever existed or matrilineal descent was ever universal. Most of today's anthropologists would argue this idea was false. There is not the space here to go into the argument. But it is certain that there was no experience of female oppression in these early societies. This arose with the development of private property and the division of society into classes and, in the words of Engels, "the world historical defeat of the female sex." I

The Origin of the Family, Private Property and the State

Friedrich Engels
Penguin edition

£6.99 plus £1.20 postage
from Wellred Books, PO Box, 2626,
London or www.marxist.com/wellred





World deflation - led by Japan

The complacent optimism of capitalist consensus is fast disappearing. At the beginning of this year, the general view about the world economy was that US growth would slow gradually to about 3% from 5%, Japan would pick up a little to about 2% and Europe would trundle along at about 2.5%. The US central bank, the Federal Reserve, would cut interest rates to ensure that any slowdown would not mean a loss of investor confidence or consumer demand.

by Michael Roberts

Harold Wilson once said that a week was a long time in politics. Well, January seems like eons ago in global economics. After a non-stop spate of warnings about lower profits from the main US corporations and the release of economic data each day that showed a weakening economy, US stock prices have plummeted. And it's not just been the so-called hi-tech stocks, but also all the mainstream company stocks as well.

The 60% drop in the value of share prices in the last year has meant that American households have lost \$3trn in financial wealth from their peak at the beginning of 2000. At that time, nearly one-third of all household assets (including property) were held in shares. Americans still have a lot more in the value of shares than they had five years ago, but the shock on the psychology of middle-class households is palpable. They are going to save more and spend less. As a result, the US economy is going to slide even further.

And US companies are also suffering. According to the latest figures provided by the Federal Reserve, corporate profits are now falling at annualised rate of 26%. Although they are cutting back on investment spending, the drop in profits means that companies have less profit to reinvest. So they are borrowing even more. US companies have never been more in debt and have never spent so much more than they can raise in revenues. Their cash deficit has now reached over 5% of GDP. Companies

are going to have to cut back even more on investment and production in order to narrow that borrowing gap and many will go bust. That means lower investment and economic recession on the way.

Wall Street's future

The coming slump in the US is already mirrored across the Pacific in Japan, which has been stagnating since its stock market collapsed at the end of 1980s. The bursting of that bubble has continued taking out Japan's stockbrokers and banks by the dozen and bringing down the likes of Barings in the infamous 'Nick Leeson' rogue trader scandal. Now the Tokyo stock market is at a 16-year low. This is the future for Wall Street.

A stagnant and deflating economy, the stench of scandal and corruption, a plunging yen and Nikkei - it's all doom and gloom in Japan. Prime Minister Yoshiro Mori's short reign as Japan's political leader will probably be over by the time you read this.

And it is getting closer to the end game for those he represents - the ruling Liberal Democrats. They are just like Italy's old Christian Democrats were back in the mid-1990s. The people who run the Liberal Democrats were collaborators with the Japanese military machine during the second world war, but were reinvented and rehabilitated by the Americans afterwards in order to keep Japan safe from 'communism'. And, along with the American military, they helped to impose near slave labour conditions for Japanese workers and the atomisation of the trade unions.

Now they are engulfed in scandal after scandal and seem brain-dead when it comes to solutions for Japan's economic malaise. Under the Mori administration, we've had former construction minister, Eiichi Nakao forced to



Capital Idea

Unloniso.com

The Graphical, Paper and Media Union (GPMU) are organising at the internet store, Amazon.com.

Conditions are poor at the Milton Keynes warehouse, where the action is being taken. Workers work for 11 hours each day, of which ten hours are paid, at £5 per hour. However, workers must work to a strict quota: they are set time limits in which they have to select and pack the items to be sent out. They also can walk up to 20 miles a night around the warehouse.

GPMU organiser Peter Lockhart calls the working conditions 'Victorian', even though Amazon are a company with a 'modern high tech image'.

Over Christmas, the membership of the GPMU at the plant rose from 17 to over 50. The total workforce is 300.

BT's Red Nose Profits

No doubt many readers watched this year's Comic Relief marathon on TV. Most interest concentrated on the celebrity Big Brother programme in which viewers were invited to vote out celebs on a daily basis and in doing so raise cash for charity. We were told that each phone call made to vote would cost you 25p. Naturally a large number of people were quite happy to go along with this in view of the needy causes that would benefit. But it now appears that one of the causes to benefit from viewers generosity was poor old BT. It seems that for each 25p spent, 9.5p of that has been deducted by BT for themselves and the tax man. It is reckoned that this will add up to an incredible £280,000. Looks like charity can be very profitable-for some that is!

resign after being accused of accepting bribes for construction contracts. Then Kimitaka Kuze, a top banking regulator, resigned after not declaring alleged donations from various financial institutions he was supposed to be regulating. Then Mori's own cabinet secretary, Hidenao Nakagawa was found to have close connections with an extremist crime syndicate and was accused of leaking details of a drug investigation to his mistress. More recently, the Minister of Economic Affairs, Fukushiro Nukaga, had to resign after being accused of taking a bribe from insurance company KSD, a beneficiary of government subsidies. And when foreign ministry official, Katsutoshi Matsuo was fired for embezzling government funds to buy racehorses named after his mistress, it badly tarnished the reputation of foreign minister Yohei Kono.

Indeed, one of the reasons Mr Mori has survived as long as he has, despite having the lowest popularity rating ever for a PM, is because the LDP does not know who to replace him with. And the leading candidates in the LDP's factions are not sure they want to take up the poisoned chalice and take the bad medicine of heavy defeat in the upcoming Upper House elections this summer.

What's wrong with Japan?

Everybody knows about Japan's huge public sector debt accumulated over the last decade or so. Gross national product has stagnated and deficit after deficit has been run up as the politicians tried to spend their way out of the economic stall. And whoever takes over from Mr Mori will no doubt deliver yet another 'supplementary fiscal package' to try and kick-start the economy before the elections.

But just as a junkie gets less and less 'high' from each new 'fix', so each new fiscal package has had less effect on stimulating the economy than the last. The only result has been that Japan now has the largest gross public debt to GDP ratio of any country in the OECD, currently at 130%. The past response of Japan's politicians has been to point out that, when public assets are taken into account, net public debt is only 60% of GDP. But that assumes that these assets are worth anything. As they are mostly the product of loans by public agencies to 'pork barrel' projects favoured by leading politicians over the last 20 years, the value of much of these assets is likely to

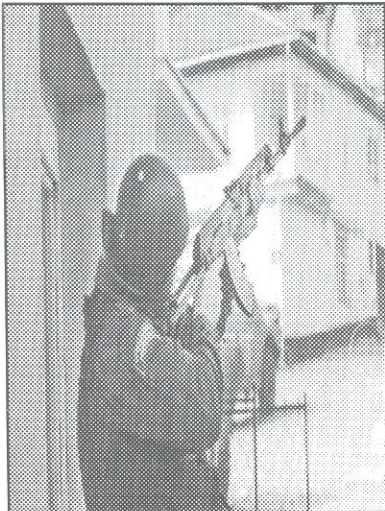
turn out to be fictitious. Indeed, if you add in local government debt and the huge liabilities of state pension funds (not backed sufficient revenue flows over the next 20 years), then the public sector debt ratio is more like 250% of GDP. Even finance minister Kiichi Miyazawa has now admitted that Japan's fiscal condition is in a state of near collapse.

It's not just public sector assets that are bogus. Japan's banks have lent money in a big way to Japanese companies and, by most realistic reckonings, there is now something like Y60trn (\$50bn) of non-performing loans on their books. The long economic stagnation has mainly crippled Japan's small and medium-sized companies. Their average net debt to equity ratio is 165% while the large company ratio is about 93%. The banks are being squeezed in all directions with huge bad debts and falling share prices that have turned their profits on equity holdings into losses.

Easy money, fiscal stimulation and stock market support funding - it's the same old formula from the political mafia. It hasn't worked before and it won't work now. Japan remains locked into a downward deflationary spiral of falling prices, stock markets and currency.

And is a prospect not just for Japan, but also for the OECD economies. The US is heading towards a Japanese-style bust at the rate of knots. The Asian 'tigers' are being dragged down by the US slowdown and Japanese stagnation. Latin America is also heading downwards. Argentina is struggling to meet its commitments to the IMF without being forced to devalue its currency. Mexico is beginning to lose out because its major export market, the US, is slowing down. And Brazil will face problems if the other Latin American economies head into recession. In Europe, Turkey is already a busted flush and going into slump and Poland is also failing fast.

European leaders seem to be maintaining their complacency. European growth is still trundling along at about 2.5%. But it won't last if the rest of the world collapses. This year, Italy and Britain go to the polls. Next year, Germany and France do. Just as President Bush and PM Mori are finding it difficult to keep capitalism on track now, so will Messrs Blair, Berlusconi, Schroeder and Jospin find it increasingly tough over the next year. I



What is unfolding in Macedonia today confirms what we have always said. There will never be a solution to the National Question on the Balkans so long as the underlying economic and social problems remain. As Lenin pointed out the National Question is essentially a question of bread. Macedonia is one of the poorest countries in Europe.

by Fred Weston

Macedonia

The next powder keg?

Unemployment stands at about 40%. However, among the Albanian speaking minority (which makes up about 22% of the overall Macedonian population of 2 million) unemployment has reached the staggering figure of 60%! Average annual GDP per capita stands at about \$1000. The break-up of the former Yugoslavia has been an absolute disaster for Macedonia which was already, together with Kosovo, one of the poorest parts of the ex-Yugoslav federation. Between 1990 and 1995 the economy contracted each year, in 1990 by 10%, in 1993 by 9%. Only in 1996 did the economy begin to pick up again, but only by a miserable one per cent or so. Macedonia is at the mercy of the foreign powers which now dominate it, in particular US and West European imperialism. It has to import all its oil and gas, and most of its machinery.

It is not at all surprising therefore that it is precisely in this small country that the National Question is once more flaring up on the Balkans. The immediate conflict has broken out around the mountain village of Tanusevci near the border with Kosovo. Albanian gunmen had, a few weeks earlier, seized the village, but what brought the situation to the attention of the world media was the killing of three Macedonian soldiers on March 4th. The reaction of the Macedonian army was to launch a heavy attack on March 5th and push the Albanian fighters back into Kosovo. The conflict had in fact been brewing for some time. Already back in February there had been an attack on a Macedonian police station in Tetovo. Fears are now growing that the situation could spiral out of control.

The problems in Macedonia are similar to those in all the ex-Stalinist countries of Eastern Europe. The old state run planned economy has been, and is being, dismantled, but what is taking its place is not a system that can alleviate the social and economic problems of these countries. In many of Macedonia's neighbouring countries (Albania, Serbia, Bulgaria...) we have pro-Western, pro-bourgeois governments eager to be seen as loyal servants of imperialism. They are all pushing the line that privatisation and investment from the West is the only road for solving the crisis gripping these countries. They are, in reality, gangster outfits capable only of building an unstable Mafia-type capitalism, based on corruption, patronage...

The government of Macedonia is continuing with a programme of privatisation of state resources. At present a coalition, including one

of the Albanian Nationalist parties, the DPA led by Xhaferri, is governing the country according to the "logic of pragmatic politics, in which either you take part in the division of what is left of the nation's wealth or you are marginalised, without power, without a stimulus for the party and without a financial base" (from an article published in 'Forum', 8-21 December 2000). In fact the divisions among the various political parties are dominated by the desire to get a share of the cake of what is left of the state assets. Each party has a clique at the top that wishes to become part of the new bourgeoisie. None of the major parties, whether from the Albanian speaking minority or from the Macedonian speaking majority, represent the real interests of the peoples of Macedonia. That is the tragedy of Macedonia today.

No confidence

The workers of Macedonia hate the government. It has support only among the up and coming capitalists (mainly based on foreign capital) and the nationalist petit-bourgeoisie. The working class have no confidence in this government. Unfortunately they do not have an alternative to turn to. The trade union leaders are ineffective and divided among themselves. However, recently we saw an example of the potential militancy of the working class. For three months (the strike ended on March 1st) the white collar workers of the judicial administration were out on strike. Practically the whole legal system was brought to a standstill for the duration of the strike. The strike revealed what the workers are capable of. The government tried to undermine the strike with all kinds of dirty tricks, such as bribery, withdrawal of wages, conspiratorial manoeuvres... The government, at one point, even tried to raise a scandal against the leader of the strike, but this had the opposite effect to what they had hoped. It in fact strengthened the resolve of the workers. Unfortunately this strike remained limited to one sector and did not involve the whole of the working class.

The spectre of national conflict is coming back to haunt the area. We have witnessed this scenario many times before. If the labour movement proves incapable of providing an alternative then the vacuum left can be filled by the poison of nationalism and, in the conditions of the Balkans, this means war between the peoples that inhabit the area.

Macedonia is just one small pawn in the big game the Imperialist powers are playing throughout the whole of the Balkans. The main aim of imperialism in this area is to guarantee its economic and strategic interests. And to achieve this it will play one people off against another. One day they will "champion" the cause of the Albanians, only to abandon them the next. Let us remember that only two years ago NATO heavily bombed the Serb forces in Kosovo and also did extensive damage to many of the cities of Serbia itself. They did this in the name of defending the "poor" Albanian people. Now, in both Macedonia and Kosovo, NATO's Kfor troops have come into armed conflict with Albanian fighters. We consistently warned the Albanian people not to trust NATO. We explained that they would never achieve their aims if they allied themselves to NATO. That is now being proven by the events of the past few weeks.

We explained that Western imperialism would never tolerate an independent Kosovo precisely because this would tend to spread outwards, involving Montenegro and Macedonia, and that this would have far wider ranging consequences, that would be a threat to the real interests of imperialism.

In June 1995 we wrote the following: "The situation has reached a critical point in the last few years. If the Serbs were tied up in a war in the north, there would be the strong possibility of an uprising in Kosovo, which the Serb army would attempt to put down, with terrible bloodshed and the exodus of a large number of refugees. This would threaten to drag Albania into the conflict, since its shattered economy is in no position to absorb a huge influx of people.

"Most seriously of all, it would destabilise Macedonia where a very precarious balance exists between the Slav majority and the Albanian minority. The fact that the Former Yugoslav Republic of Macedonia is the most dangerous flashpoint in the Balkans is recognised by the international strategists of capital. That is why it is the only part of the ex-Yugoslavia where the USA has a military

We repeated this point in June 1999, "Western imperialism does not want an independent Kosovo precisely because this would tend to move towards a Greater Albania, affecting Albania, Macedonia and even parts of Montenegro.

presence, albeit a token one. The Macedonian question has been at the root of other Balkan wars in the past. It has not been resolved by the declaration of an independent statelet called Macedonia. On the contrary. The old problem has thereby been put back on the agenda of Balkan politics.

"In reality, none of the surrounding states accepts the independence of the new Republic of Macedonia which used to be part of Yugoslavia. The Serbs still refer to it as 'Southern Serbia.' The Bulgarians have always maintained that the Macedonian Slavs are Bulgarians. The Albanians put themselves forward as the defenders of the sizeable Albanian minority in Macedonia, and would lay claim to at least part of its territory. The Greeks have been most vocal in their opposition to the setting up of a Macedonian republic. They blocked the recognition of the new state until it dropped the name of Macedonia in international usage. They have organised mass rallies with the slogan 'Macedonia is Greek' and launched an economic blockade of its northern neighbour.

"The attitude of Greece has enraged the EU, who are terrified of the consequences of the destabilisation of Macedonia. The Greek bourgeois has entered into a de facto alliance with Serbia. In the event of the war spread-



ing, it is quite possible that Serbia will invade Macedonia on the pretext of defending the Serb minority there. It is likely that the Greek army would move across the border (purely as a 'defensive' move, of course). But this would not go unchallenged by the others. Bulgaria, Albania and, most importantly, Turkey immediately recognised the independence of Macedonia. Turkey and Albania, in addition, are in a military alliance."

We repeated this point in June 1999, "Western imperialism does not want an independent Kosovo precisely because this would tend to move towards a Greater Albania, affecting Albania, Macedonia and even parts of Montenegro. It would involve the break up of Macedonia where a new war would inevitably be fought out. This time however countries like Greece and Turkey would be involved. It would mean an all Balkans war with two NATO members, Greece and Turkey on opposite sides. Thus, as events unfolding in places like Prizren show, NATO will be forced to disarm the KLA if it is to achieve any control over this whole bloody process."

The present events bring this nightmare scenario even closer. After the Macedonian army's 5th March attack

against the Albanian guerrillas, NATO came down firmly on the side of the Macedonian army. The day prior to this attack the "governor" of Kosovo, Haekkerup and the commander of the KFOR troops, Cabigiosu, went to the capital of Macedonia, Skopje, where they came to an agreement with the Macedonian government on how to coordinate military operations. Thus the US troops, that are part of Kfor in Kosovo, occupied the small Kosovar village of Debelde, a base from where the Kosovar Albanians were carrying out their operations inside Macedonia, just across the border. At the same time, in the US controlled areas of Kosovo, a massive wave of arrests began to take place of anyone suspected of being an "Albanian extremist". This was the first serious armed conflict between NATO troops and Albanians!

Recently the government of Macedonia also signed an agreement with the Serbian government in which the border between the two countries has been fixed. This has upset the Albanians in Kosovo and in the surrounding countries because the agreement recognises that Kosovo is a part of Yugoslavia. Now that the friends of imperialism (the DOS) are in power in Serbia, NATO has turned against the Kosovars. This shows that the Kosovar Albanians were, as we have repeated many times, just

one pawn in the imperialists' endeavour to overthrow Milosevic. Now NATO is going one step further in betraying the Kosovar Albanians. They have recently allowed Serb troops into the "buffer zone" between Kosovo and the rest of Serbia and they are planning to gradually reduce the zone altogether.

Bulgaria also is showing an interest in stationing its troops in Macedonia. It has already provided the Macedonian army with tanks and other equipment and is preparing to massively increase this in the coming period. It has also announced that it intends to sign an agreement with NATO giving its troops permission to use Bulgarian territory for its operations in the area. The extreme right in Bulgaria have also been raising their voices against the Albanian speaking minority in Macedonia, presenting it as a threat to "stability on the Balkans". The Macedonian government has asked for an international force to be stationed within a "security zone" on the border with Kosovo. The Serbian government immediately suggested it should be made up of Greek, Bulgarian and Yugoslav soldiers! The Greek government has also declared that it would provide troops to be sent to Macedonia as part of an international "peace-keeping force". And everything the Greeks do the Turks monitor carefully! As the Bulgarian journal, 'Sega' put it, "History has taught us that when such guests visit Macedonia, each one of these, from the very first day, are thinking of what they can steal from it." ('Sega', March 8th, 2001).

Thus Greece, Turkey, Bulgaria, Serbia... are preparing to intervene in Macedonia. Of course they would do this disguised as "peace-keepers". In reality they would be carving out their own spheres of influence within Macedonia itself.

At the moment NATO is trying to avoid

such a scenario, and is hoping to stem the conflict that is unfolding. But the underlying social and economic problems will not go away. The peoples of Macedonia urgently need to find a solution to unemployment, low wages and poor infrastructure. With the policies of the present government no such solution will be forthcoming. Thus in the long run, either the labour movement comes forward with a class alternative or nationalism will be whipped up on all sides and the danger of a new war will become a reality. The break up of Macedonia would be one more disaster to be added to the long list of disasters that have hit the ex-Yugoslav republics. If Croatia, Serbia, Bosnia cannot find a solution to their problems, what chance does Macedonia have? Recent events in Croatia, Serbia and Kosovo demonstrate that these problems have not been solved.

A task of the working class

In Serbia itself, however much NATO and US imperialism may have intrigued, Milosevic proved very difficult to bring down. The task of bringing down Milosevic was accomplished only when the working class intervened decisively. He fell because of the internal contradictions that had built up. We were laughed at in the past when we pointed out that neither US bombs nor the KLA would defeat Milosevic, when we pointed out that the task of overthrowing Milosevic lay in the hands of the Serb working class. In Macedonia today the workers can trust only their own forces, and their own brothers and sisters, the workers of the rest of the Balkans. No foreign power is going to come into Macedonia with the idea of helping the working people of this small country.

The situation in the short term may seem grim, but we must raise the only real solution, the building of a Socialist Federation of all the Balkans. Every single one of the peoples that inhabit the Balkans has suffered as a result of the collapse of the planned economy. Standards of living have fallen dramatically. The wars in the ex-Yugoslavia are a part of this process. And so long as capitalism dominates in the area there will be no solution. One conflagration will be temporarily brought under control only for another conflict to breakout elsewhere. What is necessary is an economic integration of all the countries of the Balkans, a pooling of resources. Instead what we have is military spending on all sides to fight the local "enemy". Thus we see how imperialism dominates the area by playing off each small country against another. The working class of Macedonia have no interest in taking part in this carving out of spheres of influence.

There is no solution under capitalism, except for the building up of further contradictions and conflicts between the peoples. Capitalism means each one of these small countries competing with each other for favours, for crumbs, from the Imperialists. However, if these countries were united into a Socialist Federation they would have the resources to begin tackling all the problems they face. But this could only be done on the basis of nationalising all the big companies in the area and setting up an all-Balkans plan of the economy.

That is why the task of Marxists on the Balkans is to work towards the establishment of genuine workers' parties in all these countries, that will pose a class alternative to the barbarism which threatens to further engulf the area. I

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Historic victory dampened by right gains

The results of the municipal elections in France, whilst marking a setback for the right-wing parties in Paris and Lyon, are nonetheless a very serious warning for socialist, communist and trade union activists.

The victory of the left in Paris, putting an end to a century of right-wing domination, was a direct consequence of the crisis and divisions within the right-wing parties. Such a victory seemed unthinkable until the recent period.

by Greg Oxley

Just twelve years ago, in the municipal elections of 1989, all twenty electoral districts in the capital were won by the right. The loss of the capital has dealt a crushing blow to the morale of the ruling class, and will undoubtedly lead to further splits and conflicts within the right-wing parties over the coming months and years.

The former Mayor of Paris, Jean Tibéri, came into office when Jacques Chirac won the presidential elections of 1995. Over the last few years, Tibéri was hounded by the courts in relation to a whole series of corruption scandals. The revelations which led to charges being brought against Tibéri, and against many other right-wing politicians, were part of a general process of demoralisation and disintegration of the right-wing parties, which have still not recovered from the defeat of the Juppé government by the general strike of public sector workers in 1995 and the victory of the left in the parliamentary elections of 1997. Seeing that Tibéri was in a weak position, the leadership of his party, the RPR, opened a vicious campaign against him, expelled him, and nominated Philippe Séguin in his place as their official candidate. But in the first round of the election Séguin completely failed to mobilise traditional conservative voters. He won only 18% of the vote in the district where he stood. Tibéri only managed to win 13% of the all-Paris vote for his lists of rival candidates, but this was enough to further weaken Séguin, forcing the RPR leaders to impose a last-minute compromise with the man they had expelled just a few months earlier. The in-fighting between the different factions of the right-wing camp favoured the left, leading to the victory of the socialist candidate Delanoë in the second round.

Nationally, however, leaving aside Paris and Lyon, the results are not good for the left parties, reflecting the growing exasperation of workers with the pro-capitalist policies of the Jospin government. Out of the 583 towns of more than 15,000 inhabitants, the left suffered a net loss of 42 after the second round.

The policies of the Jospin government, supported by the leaderships of the socialist and communist parties, have completely failed to arouse the enthusiasm of workers and youth. The abstention rate was over 33% in the first round. Election rallies organised by the socialist-communist candidates were poorly attended,

and even Prime Minister Jospin found himself speaking to much smaller audiences than in previous campaigns. The increase in support for the Ecologist Party and, in some areas, for alternative left candidates, reflects the growing discontent in relation to the main left parties. Significantly, a number of key personalities in the government such as Elisabeth Gigou, Minister of Labour, Jack Lang, Minister of Education, and Jean-Claude Gayssot, the communist Minister of Transport, were defeated.

The Communist Party (PCF), in particular, has paid for its slavish support for the pro-capitalist policies being carried out by Jospin government. The vote for PCF-led lists in almost all former PCF strongholds has fallen sharply. With the victory of the RPR in Nîmes, the PCF has lost the last town of more than 100,000 inhabitants under its control. In former PCF strongholds such as Pantin, Aubervilliers, St. Denis, Ivry-sur-Seine, support for the PCF is now clearly declining sharply. In Drancy, for instance, where the municipal council has been under PCF control since 1935 (except during the Nazi occupation of 1940-44), the right-wing candidate won a clear majority in the first round. Whereas the PCF controlled 41 towns of more than 30,000 inhabitants after the 1995 elections, it now controls only 31.

These trends show that the divisions that have shaken the right-wing parties, which have helped the left to some extent, are nevertheless not sufficient to eliminate the danger of a return of a right-wing government in next year's parliamentary elections. The boom from the end of 1997 has failed to bring about any significant improvement in the living standards of working people in France. The few gains that have been made have been won by strikes and struggles on the shopfloor and in the streets. In general, working conditions and pay have worsened since Jospin came into office. Now that the boom is fading out, the downward pressure on living standards and public services will undoubtedly increase. French workers have shown their determination and their willingness to struggle many times over in recent years, but the present situation in France raises the urgent need to replace the pro-capitalist leadership of both the Socialist Party and the Communist Party with genuine workers leaders to lead the fight against capitalism. I



The landslide victory of the Communist Party of Moldova in the recent parliamentary elections has a great significance for all the former republics of the Soviet Union. It is the first time that a 'Communist Party' has managed to take power on the territory of what was the USSR.

**by Alexei Petrov,
editor of the Russian
Marxist paper
"Workers Democracy"
www.1917.com/ru**



Moldova: Communist victory

The high voter turnout makes the success even more impressive. With 71 out of 101 seats in Parliament, the Communist Party can, at least formally, do anything that it wants: appoint the President of the country, change the constitution, and pass any laws that it wishes. However, the 'Communists', who have come to power in one of the poorest countries in Europe, face serious economic and political problems.

It is not an exaggeration to say that this is the moment of truth for Vladimir Voronin and his party. Privatisation in Moldova has gone much further than in most of the other countries of the CIS. Western capital, especially French, now owns the key sectors of the national economy.

The question to be asked, however, is: can the 'Communist Party of the Republic of Moldova' lead the country out of the extreme poverty it now finds itself in? Yes, obviously it can, say the CPRM leaders, but there are certain necessary preconditions for this to happen.

The solution of the national question within the framework of a bi-lingual (or even multi-lingual) state would mean the reintegration of the manufacturing industry of Kishinev with the energy industry and factories in the Trans-Dniester region. In itself, the legal recognition of the economy of this region would, in fact, bring Moldova profound benefits. Reopening relations with Russia and Byelorussia, would re-open the markets of these countries for Moldovan wine, fruit juice, fruit and vegetables...

The CPRM proposes two stages in the solution of the economic crisis gripping Moldova. According to the leaders of the CPRM, in the first, "social-democratic stage", the communists, together with the "progressive forces" in society, would remove the negative effects of the capitalist counter-reforms, put an end to the theft of nationalised property, and restore the economic and technical potential of the country. They would also restore the social conquests achieved in the past in order to improve the material living conditions and cultural level of the population.

Collective ownership of the principal means of production are to be restored as the driving force of the economy, through the purchase of

the shares of privatised enterprises by the state. In this context the private sector would be allowed to exist, mainly in the sphere of industry and the production of consumer goods and services. Economic intergration would be guaranteed within the framework of the CIS.

Also, the power of the people would be restored, along with the defence of the basic social and economic rights of the workers.

During this "stage" more than one social system would exist... In other words the Communist Party is in favour of a mixed economy: elements of a planned economy combined with capitalist production.

However, it is very clear that the new government does not, and will not, have the money for "the purchase of the shares of privatised enterprises by the state". The same goes for the reconstruction of the basic sectors of the economy, and, unfortunately, the two-fold increase in pay and pensions promised before the elections.

Re-nationalisation

If we rule out the prospect of borrowing from international credit to achieve these aims, we inevitably come to the conclusion that the only way to rebuild the economy in present-day Moldova is through the re-nationalisation of the key sectors of the economy, without compensation. Without this key measure, all the rest of the programme will remain just empty words.

Moreover, the real situation is that Russian capital will never open up its markets in exchange for promises of "friendship and gratitude", and also the government would be too weak in the struggle against multinational corporations for control of the Moldovan market.

This, of course, does not mean that the nationalised enterprises should be quickly sold to Russian capitalists in order to encourage reintegration with the Russian economy. In the recent period of the union between Russia and Byelorussia, privatised Byelorussian industry has not been bought up by Russian capitalists. The Russian bourgeois saw no advantages in it for them. Likewise, the privatised market of

Moldova is either not open to the Russian bourgeois, or where it is open, it is on terms which are unfavourable for consumers in Moldavia. For example, undoubtedly the French capitalists, who own the energy industry of Moldova, could easily come to an agreement with Chubais (the chief executive of UES), but on terms that the government guarantee them their profits.

There is a similar economic background to the Trans-Dniester problem. It is obvious that the President of the PMR (The Trans-Dniester Moldovan Republic), Smirnov, has his own views about the privatization of industry on the left bank (of the Dniester river). If the basic sectors of the Moldovan economy were to be renationalized, then the reunification of the country could take place painlessly. There would be no objections to

boundaries of capitalism and bourgeois democracy, certainly not.

Only the immediate renationalisation of the economy, the democratic management of industry and the state by the working class, the rejection of the current "orientation" of foreign policy in favour of proletarian internationalism and the support of the working class in neighbouring countries, can transform the situation in Moldova.

The weakness of the Moldovan bourgeoisie has created the preconditions for the peaceful transfer of power into the hands of the working class in that country. It is necessary to seize this opportunity - and not only in Moldova.

The situation in the Ukraine is almost identical to that in Moldavia (although with a time-lag of one year). Even in the recent period a handful of nation-

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Voronin. On the other hand, if there is no renationalisation then such reintegration will not be easy.

Without the renationalisation of the economy, Moldova will inevitably find itself in one of two possible scenarios. Either the government will start to print money desperately, in which case hyper-inflation will definitely destroy the economy (as it did a few years ago in Bulgaria after the 'socialist' government printed money to balance the budget and satisfy pensioners and the agricultural lobby), or it can try to keep things as they are now.

Of course, neither of these perspectives can solve the burning problems facing the masses. The urban and rural proletariat of Moldova has been reduced to the harshest living conditions by poverty and unemployment. It is this poverty and unemployment that explains why people (who ten years ago supported Snegur and fought as volunteers in the war against "Russian commies" from the PMR) now vote for the CPRM.

But it is critical support. Voronin and his party have received an unlimited credit of trust but for a very short period of time. Perhaps the "honeymoon" period will last for as long as a year, possibly a little longer. It is impossible to predict with certainty the future tempo of events. However, if in the coming period the party does not begin sweeping reforms in the economy then it will itself be swept away by a spontaneous movement of the masses, and the country will be plunged into economic and political chaos.

The road along which the consciousness of the Moldovan masses has developed is not a new one. It has simply unfolded more rapidly than in the other countries of the CIS. This is due to the small size of Moldova and its weak economy. It has moved from support for pro-western liberal-nationalists like Snegur, through to the 'pragmatists' (as the former 'first secretaries' now like to call themselves) such as Luchinskii, and on to the pro-Russian 'communists', of which Voronin is an example.

Can the CPRM break out of this spiral which is leading to disaster? If it tries to stay within the

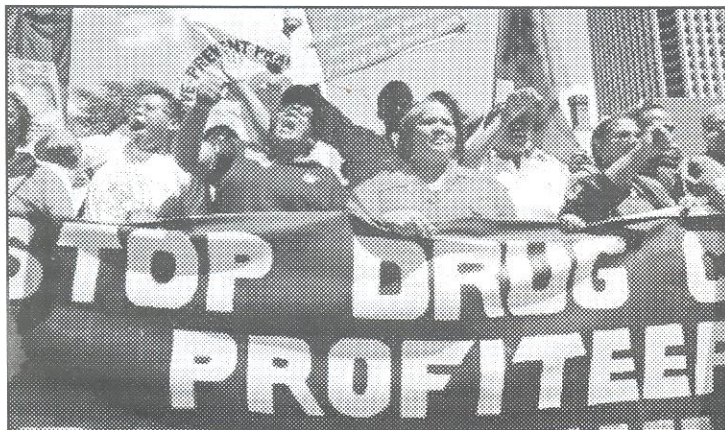
boundaries of capitalism and bourgeois democracy, certainly not. Now they have been sidelined by the massive popular vote. To this day, in Kiev, 5 or 10 or even 15,000 nationalists is nothing compared to the hundreds of thousands that the communists are able to call onto the streets. If the present trends continue the Communist Party of the Ukraine is guaranteed an easy victory in the next parliamentary elections in the Ukraine.

A powerful catalyst

Radical economic reforms in the interests of the working class in Moldova would become a very powerful catalyst in driving forward the revolutionary processes in the Ukraine, Armenia, Byelorussia and in the other countries of the CIS, and, finally, in Russia itself. On the other hand, a negative experience for the masses in Moldova would mean voter apathy in the elections, and a decline in support for the 'communists'.

That is why the first interview with Voronin, in which he expressed his intention "to form a government of professionals", represents serious dangers. Moldova, today more than ever, does not need "professionals", but political decisiveness and leadership from the "communist" leaders in the new government. It requires a readiness to go the end and to decisively break with the national bourgeoisie, with confidence only in the working class. It is up to the rank and file members of the party, to put pressure on the party committees at all levels, to alter the course of the party from its present day opportunistic policy of "two stages" and turn it towards the Leninist policy of proletarian revolution. I

Health warning! Profits kill!



Nearly 40 South African pharmaceutical companies are taking the South African government to court in order to defend their massive profits, even if this means the death of millions of people who are HIV positive. The case opened at the Pretoria High Court on March 5th.

by Jordi Martorell

In 1997 the South African government passed the Medicines and Related Substances Control Amendment Act which would allow the government, in certain cases, to use parallel imports (importing drugs from other countries where the patent owner is selling them cheaper) and compulsory licensing (forcing drug companies to release information allowing the government to produce cheaper generic versions of the drugs).

The South African Medicines Act was passed in compliance with the Trade Related Aspects of Intellectual Property Rights (Trips) agreement which is compulsory for World Trade Organisation (WTO) members. Trips was developed during the Uruguay round of the General Agreement on Tariffs and Trade (GATT), the WTO's predecessor, and allows companies to patent products for 20 years. A clause was added to Trips which says that under exceptional emergency cases governments are allowed to use compulsory licensing to produce cheaper generic versions of the patented product. All governments, including the US and European Union governments agreed to this, but immediately proceeded to put pressure on Third World governments to make sure the clause would never be used.

AIDS pandemic

Around the world there are an estimated 35 million people with HIV/AIDS, and 25 million of them come from sub-Saharan Africa, the region which also accounted for 80 percent of the 2.8 million who died of AIDS in 1999. Life expectancy has dropped dramatically and in countries like Botswana 35% of the adult population are HIV positive. The figure in South Africa is four million (about 20% of the adult population). In the year 2000 there were 3.8 million new infections in the region and more than 16 million Africans have already died since the pandemic started.

The enormity of the crisis in Africa is not unconnected to the massive plunder of these countries by imperialism. Over the last decade the US and Europe have forced African and other Third World countries open up their markets and privatise their public services (including health and education). It is in these conditions that HIV/AIDS has been able to spread faster than anywhere else and HIV means a death sentence.

The fact that the pharmaceutical companies are run on the basis of profit means that they are simply not interested in developing treatments to cure diseases which affect mainly people in the Third World as these people do not have the purchasing power to buy these drugs. Roy Vagelos, the former head of Merck, was quite open about this: "A corporation with stockholders can't stock up a laboratory that will focus on Third World diseases, because it would go broke".

But the pharmaceutical giants are hardly struggling to make ends meet! This highly profitable industry has been swept by a wave of mergers and take overs which has created massive companies. The combined worth of the "Big Five" is twice the combined GDP of all sub-Saharan Africa! And they will defend their massive profit margin (the highest of any legal industry in the world) by any means necessary.

In fact, the main emphasis of the research programmes of the pharmaceutical giants is on the so-called lifestyle drugs, that is products which treat conditions like obesity, baldness, face wrinkles and impotence amongst others. The market for such drugs is worth billions of pounds every year. Another growth area for these companies is the "companion animal drug market", with US sales for 1998 estimated at about \$1 billion.

One of the arguments that pharmaceutical companies are using to defend themselves and patent rights is that they need to recover the enormous cost of developing new drugs. But if one has a careful look at the real way in which they spend their budgets it becomes clear that these costs are greatly exaggerated and they spend twice as much on marketing as they spend on R&D.

Furthermore many products are actually developed by US government! Some of the AIDS drugs which are at the centre of the current dispute between the drugs giants and the South African government were discovered by publicly funded laboratories.

Last year the US government, after having been severely criticised, announced that it was going to give \$1 billion to AIDS prevention, but when African countries looked at the small print of the offer they discovered that what was being proposed were loans at commercial rates to be spent only on US manufactured drugs! In other words the "generous" offer amounted to the US government subsidising US drugs companies and mak-

ing a nice profit on the interest rate.

The pharmaceutical companies, fearful of losing markets, have also announced massive reductions in the price of HIV/AIDS drugs. But campaigners pointed out that the 85% price reduction announced by the "big five" drugs multinationals would make almost no difference to the number of people able to afford the treatment.

In South Africa only 10,000 people among the 4 million who are HIV positive are able to afford a treatment of the triple therapy which can cost up to \$10,000 a year. Most employed South Africans earn less than \$250 a month. Importing the drugs from India could reduce the price of the treatment to less than \$300 a year.

The South African activist group Treatment Action Coalition (www.tac.org.za) illegally imported 5,000 doses of the Thai generic version of fluconazole (which were bought in Thailand for 14p each instead of the \$9 they cost in South Africa), distributed them for free and confessed their crime to the police in a bid to force the South African government to do the same.

Ironically, although the South African government has been taken to court by the pharmaceutical industry, its actions have been far from defiant of this "international mafia". For most of the year 2000 the South African president Thabo Mbeki's argument was that poverty and not HIV caused the collection of diseases known as AIDS.

This was a very hypocritical line coming from the same ANC government which has pushed privatisation of the public sector, water and other council services and which has pursued pro-capitalist economic policies that have destroyed hundreds of thousands of jobs. Yes, poverty helps spread a whole host of diseases to which HIV positive people are more vulnerable, but the ANC government is not doing anything to solve the problem of poverty and lack of access to housing, water and electricity facilities. On the contrary, ANC councils (and others) up and down the country are busy evicting people for not paying their rent, cutting poor people from the water and electricity supply because they cannot afford to pay, etc.

Profits before people

It is clear that the profit motive which drives the big multinational companies is causing the death of millions of people every year from diseases which could be easily cured. The only reason why these treatments are not given to people in poorer countries is simply because they cannot afford them. Many other diseases could be cured, but research into those is not carried out simply because money cannot be made even if a cure was found.

But it would be wrong to argue that this is only because the pharmaceutical compa-

nies are particularly greedy. In fact this is the whole logic of the capitalist system. Production under capitalism is production for profit, and one cannot expect anything different as long as the system exists.

Therefore we must demand for the nationalisation of the pharma-mafia. These giant multinationals which have in their hands the lives of tens of millions of people should be put under the democratic control of the workers and be run on the basis of the interests of the majority of the population and not the profits of the few.

The problems of health care in the Third World though neither start nor end with HIV/AIDS. The most efficient way to fight disease in the Third World is to fight for decent jobs, decent housing, access to running water, electricity, quality education, etc. And none of these basic elementary needs can be achieved under the capitalist system.

This pandemic has been compared to the Black Death epidemic of plague in Europe in the Middle Ages. The big difference is that at that time the means to combat the epidemic did not exist. Now they do exist and the only thing which prevents them from being used is the profits of a handful of pharmaceutical companies. The current AIDS pandemic serves to highlight that the choices in front of us are today more than ever "Socialism or barbarism". I

Fighting Fund

We can do it!

At this time of year people normally start to think of spring and of putting winter behind them. At time of writing we are all still waiting to find out if those spring days will be spent out on the streets knocking at doors and dishing out leaflets in a general election. No doubt many activists (and voters for that matter) will be thinking ahead to a second term Labour government and wondering what that government will do. Unfortunately that wondering will not be accompanied by much hope or expectation.

All the evidence points to the government carrying on in the same way they have up to now, listening more to big business than to the ordinary workers who helped elect them. Labour canvassers should certainly expect this to be raised with them when they go out electioneering. What should they say in reply? The answer is to fight for socialism and socialist ideas. The Tories look like they haven't a hope this time, but what about next time if Labour continues down the same road they are currently using? A fightback is needed.

This is why we need *Socialist Appeal's* voice to be heard, in the Labour Party branches, trade unions, in the colleges and out on the street. Here you will find a clear

analysis, news of workers struggles and bold arguments for socialism. But to keep doing this we need your help.

Socialist Appeal is financed solely from the pockets of working class people. No big payouts from big business coffers for us, not that we would want it anyway. We prefer to rely on the labour movement for our support. We launched last month a quarter drive for £5000 fighting fund. With just under half way to go we have raised just £1200. So a big push is needed. Every bit counts, both from individual donations and from collections and fund raising events. Apart from anything else we have a sizable rent bill coming up that needs to be paid. It can be done if everybody chips in. Send what you can now to us at *Socialist Appeal*, PO Box 2626, London N1 7SQ.

Special thanks this month goes to the following: £85 Peterborough readers, £60 Tommy Watt, £5 Harry Whittaker, £10 Roger Gow, £10 Colin Penfold, £10 S Wood, £80 from 3 London readers, £40 Davy Brown, £20 Leicester readers, £180 Glasgow readers, alongside a number of other donations. Thanks to you all. Keep it up!

Steve Jones

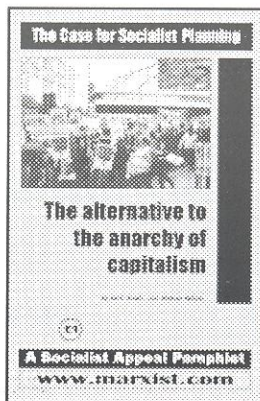
pamphlets

Socialist Appeal publishes pamphlets on a wide range of topical issues. From the stock market crash to the opening shots of the Iranian revolution, we have published material that not only comments on and explains

the issues as they happen, but puts forward a Marxist alternative to the views you'll get from the media, the Labour and trade union leaders, the City and big business. Indispensable reading for labour activists.

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Socialist Appeal Fights for

☆ **For a Labour government with a bold socialist programme!** Labour must break with big business and Tory economic policies. Vote Labour and fight to reclaim the party.

☆ **A national minimum wage of at least two-thirds of the average wage.** £6.00 an hour as a step toward this goal, with no exemptions.

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

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

☆ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining. Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.

☆ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.

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

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

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

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

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

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

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

