

Socialist Appeal

The Marxist voice of the labour movement

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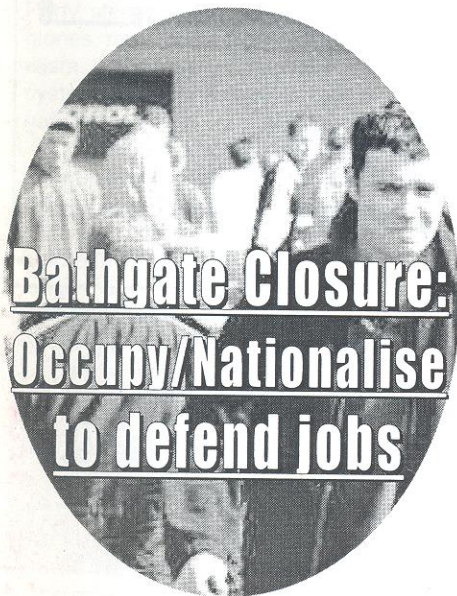
General Election

Defeat Tory Racism

Vote ~~New Labour~~

Fight for

Socialist Policies!



**Bathgate Closure:
Occupy/Nationalise
to defend jobs**

General Strike in Greece and Spain

see page 25

USA

- America, China and the Pacific
- Racism in Cincinnati
- Eyewitness report of protests in Quebec

75th
Anniversary
of the
British General
Strike

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Capitalism - the weakest link

As we go to press, everything is pointing to a June general election. The plans for a May election had to be abandoned given the foot and mouth crisis dominating the headlines. But time is pressing. To delay any longer would be to risk running into a global economic slow down which has already led to tens of thousands of job losses especially in the hi-tech sector.

With a huge lead for Labour in the opinion polls, the Tories are facing another humiliating defeat. William Hague has failed to pull the Tory party together since its political meltdown in 1997 - its biggest defeat for more than 150 years. Out of sheer desperation, the Tories have again been toying with racism, especially in their attacks on asylum seekers, to bolster their dwindling support. The racist views of Tory MP John Townsend, who accused immigrants of undermining Britain's "homogenous Anglo-Saxon society", is not unique in Tory circles, and not confined to the backwoods men and women of the Tory rank and file. Tory MP Sir Richard Body recently issued a book entitled "England for the English", arguing that multiculturalism was a threat to England's future. Hague himself made his "Let me take you to a foreign land" speech, hoping to appeal to the most politically backward and xenophobic sections of society. Racism has always been an integral part of the Tory Party, steeped in its traditions of Empire glories, racial superiority and British imperialism. It has its roots deep in the capitalist system, based upon exploitation and subjugation.

With Michael Portillo refusing to sign an anti-racism pledge, snubbing Hague, and Conservative MPs in disarray over the issue, everything seems to be falling apart before their very eyes. The talk of challenges, plots and intrigue is getting louder. With rumors rife over the future leadership of the Tory Party, the knives are already out, threatening to sink the Tory general election campaign.

Meanwhile, there is little enthusiasm for New Labour. Workers voted for fundamental change after 18 years of Tory attacks, but have been disappointed with the results. After four years in office, the Blair government has failed to deal with the problems facing working people. Having stuck to Tory spending plans in the first two years, little has in reality changed. In fact, with Blair attempting to appease the City of

London and Big Business, he has been the most conservative Labour leader in history. He is proceeding with the Tory policies of privatization of London Underground and of air traffic control. In education, selection is being reintroduced. Pensions were given a miserable 75p rise, while corporation tax was reduced to the lowest in the western world. The bulk of the anti-trade union legislations has been scandalously left in place, which has been used by employers to frustrate industrial action, the latest being to use the law against the RMT at a cost over of over £50,000 to the union.

At the same time, as we head into the general election, local authority workers are threatening industrial action over a wage increase, teachers are discussing action over the introduction of a 35-hour week, and doctors are revolting against their workload, threatening to leave the NHS en masse. All this is symptomatic of a profound underlying discontent throughout British society.

There are storm clouds gathering on the horizon as the American economy rapidly slows down, spreading fears of a global recession. With the axing of 12,000 jobs at Ericsson, more than 100,000 have lost their jobs in the global telecoms industry over the past 10 weeks. "What we have experienced is probably the fastest dive in our industry that we have ever seen," said Kurt Hellstrom, Ericsson chief executive.

According to the *Financial Times*, the organ of British finance capital, "British employees appear particularly exposed to the industry's downturn, which started in the US with the collapse of the internet investment bubble." Already in Scotland, workers are facing the closure of the Motorola plant at Bathgate, and Matsushita was considering shutting its transformer factory in East Kilbride. Including the supply industries, such as NY Plastics, this means that 5,000 jobs are on the line.

High street retail sales halted abruptly in March suggesting "consumers are tightening their belts in the face of a global economic slowdown." But this is just the thin



edge of the wedge. A slump in the US will have massive repercussions internationally, and will plunge the British economy into a deep crisis, leading to massive job cuts.

Socialist Appeal is campaigning for a Labour government committed to socialist policies. A second term Labour government will face a radically different climate: a developing world economic slump. As always, pressure will be exerted by Big Business to make the working class pay for the crisis. The Labour movement will need to exert counter pressure to force the Labour government to change course and adopt socialist measures. A start has been made by the UNISON demonstration in Manchester over the minimum wage.

Above all, the trade unions, which founded the Labour Party 100 years ago, need to conduct a struggle within the party to win it back to such a socialist programme. Don't contract out - contract in! The attempt to run capitalism better than the Tories is a road to disaster, as will be clearly exposed when the economic crisis bites. There is no middle road. Only by taking over the major monopolies, banks and insurance companies that dominate the economy, can the resources be generated to solve the problems of working people. Only through a socialist plan of production, democratically run, can we guarantee a real future free from the anxiety of poverty, unemployment, homelessness, exploitation and environmental disaster. Capitalism is the weakest link. It is time it was told goodbye. ☆

Playing the "Race" card

Whenever the general election finally takes place, there is little doubt that it will be soon followed by some sort of leadership struggle inside the Tory party. Already, despite all the grand statements of loyalty, the various contenders are manoeuvring for position in case Hague's position is put under threat by a bad result at the general election.

by *Dave Schofield*

Given the recent opinion polls there is every indication of that prospect coming to pass. So when one leading Tory said that he backed Hague to the hilt, a newspaper cartoonist quickly responded with a picture of the opposition leader's back about to have a sword pushed into it - up to the hilt!

Not unsurprisingly, political observers are looking for any and every sign of covert struggle at the top of the Tory party. The latest such case revolves around the issue of the signing by politicians of the Commission for Racial Equality (CRE) pledge on race and the general election.

The actual text of the CRE pledge on not using race as an issue at the next general election is fairly vague and you have assumed not too controversial. After all for a candidate to actually break any of the main points of the pledge - on not encouraging racial violence, producing racist material, and so on - would involve, apart from anything else, breaking the law. Undoubtedly it was assumed by all the political leaders that the signings would go largely unnoticed, just another photo opportunity and ready made sop to any community leaders who might raise tricky questions about their record on race issues. Indeed the pledge has been around since 1994 without anyone making waves about it. However, Hague reckoned without the likes of Portillo and Widdecombe.

Despite all the fine words, for some time now the Tories have been playing with the race issue. They have a long and nasty tradition on this, going back to the veiled rantings of support for Powell and his ideas, through the statements of Thatcher on "alien" cultures, up to the present day and the issue of the asylum seekers. It is the height of hypocrisy for Hague to sign the CRE pledge and at the same time talk about Britain becoming a "foreign land." Such statements can only have one intention. The refusal of people such as Portillo to sign the pledge is intended to send a not-too-coded message to the more reactionary elements within society - and inside the Tory party - of his real position on race.

The Tories have been working hard at every level to raise the issue of asylum seekers and use it to whip up opposition against them. If you listen to what they were saying you would quickly become convinced that Britain was being "flooded" with hordes of asylum seekers, spreading out to

every corner of the land, although in fact Britain takes less asylum seekers per head of population than any other country in Europe. Fascist groups have already tried to jump onto this bandwagon, organising demos and encouraging violence against these people.

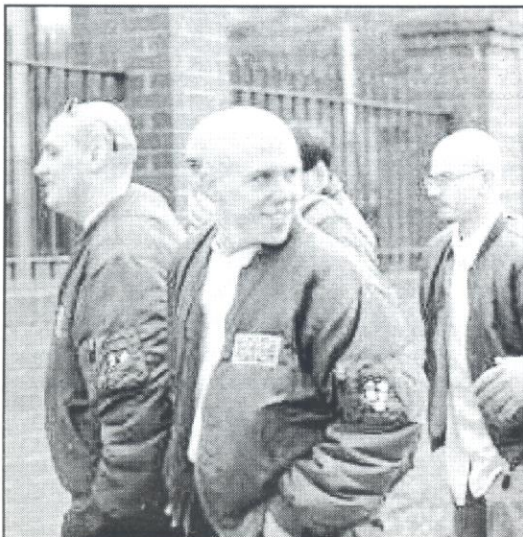
However rather than taking a firm stand against this racist tripe and clearly stating that all asylum seekers are welcome here, the government has, in effect, helped pander to this by constantly going on about how "tough" they already are on anyone trying to get asylum here. Most asylum seekers come from countries with appalling human rights records, the sort of countries that leading politicians are usually only too happy to pontificate on about, telling us how terrible they are and so on. Yet when people arrive here, in fear of their lives as often as not, they are herded into camps and constantly threatened with being returned back to these awful places - assuming they can actually get into this country in the first place. Even if they are allowed out into society at large, they are usually prevented from getting jobs and have to rely totally on state handouts, usually in the form of vouchers. This is both humiliating and simply serves to emphasize their dependency on the state.

Asylum seekers

Britain's record in treating asylum seekers is pretty bad, but clearly nothing to what it might be under the Tories. Ann Widdecombe has already stated that if the Tories win, they will work within a two year time scale to ensure that all asylum seekers are "held" in reception centres. Given that they would evidently need to build the equivalent of nine 600-place prisons a month to do this, it doesn't take much imagination to guess what sort of concentration camps we would actually see.

In using race to assist in the jockeying for position in the event of a fight for the leadership of the Tory party, these characters are playing with peoples lives. If nothing else it should remind us of the importance of ensuring that the Tories are never elected to office again. However, we should also clear that racism will not be defeated by just signing pledges and making pious statements. The way in which the issue of asylum seekers has been used to whip up racial tensions is a warning to the Labour movement that we need to eliminate those things which allow racism to breed: poverty, bad housing, low paid jobs and unemployment and behind it all, capitalism. ☆

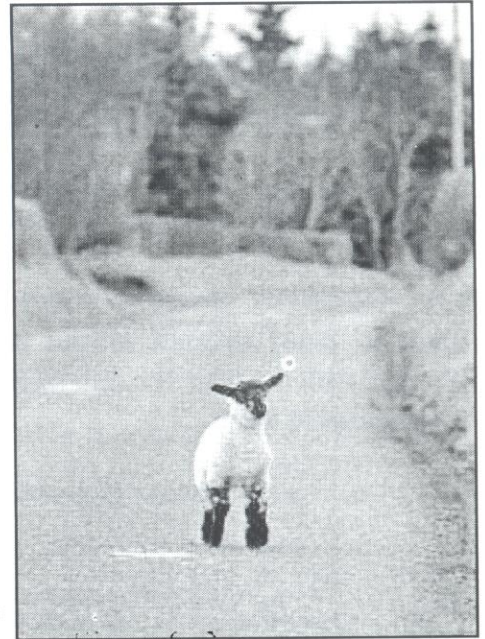
NF demo in Berrmonsey



A burning issue

When the first Foot and Mouth outbreak for decades hit Britain at the start of the new year it was widely believed that it could be brought under control in a matter of weeks. Now the situation is that, in truth, no one really knows when this will happen-the picture changes day from day with reported outbreaks having long since passed the thousand mark.

by *Dan Wexford*



Far from being able to bring the full might of modern science to successfully bear on this crisis, the experts are now left arguing amongst themselves. Given that sheep, for example, can recover quickly from the disease and appear 'healthy' without any one being the wiser, the real scale of how far Foot and Mouth Disease (FMD) has spread may not yet be known. The way in which the disease has seemed to be able to move around the country at will suggests that it could be years before it is finally eradicated. Behind this crisis lies the deeper one of which direction is Britain's farming going in, who benefits and who loses?

Much of the Government's efforts during the spring period has been directed towards pushing the tourist industry. Given the terrible weather we have been enjoying over the last six months, this has become critical for the rural areas. It also reflects the relative position of tourism over farming in the economy. With only 4% of the rural population now working in agriculture, conflicts are starting to arise over which part of the rural economy should be given priority. According to government figures, farming now only generates £1.9 billion a year in income, less than the £2.5 billion it gets in direct subsidies from the state (data for year 2000).

The policy of mass slaughter has run into serious problems. The number of animals waiting to be killed has increased alongside the number of dead ones waiting to be destroyed or buried. The success of the mass slaughter strategy is totally dependent on these waiting lists being eradicated. Since this is becoming more and more difficult, not unsurprisingly the thorny question of vaccination has been brought further forward. However the livestock-based farming interests are largely opposed to this. They are quite happy to receive the huge government payouts in compensation for animals culled and loss of

trade (£600 million in total as at the start of April) but are not so happy with the prospect of vaccination being introduced with its implications for the lucrative export trade and sales to the big buyers from the supermarkets.

This attitude, reflected in the constant carping from such organisations as the NFU, says volumes about the nature of farming today. The days of the countryside as a haven of peace and rural idylls have long gone. Now it is all about mass production and factory farming methods. Many have correctly pointed out that such methods have directly contributed to the spreading of FMD with animals being moved around the country at will alongside the general decline in standards of animal health and resistance to disease. The rise in cost-cutting sharp practices have also played their part, not least in ensuring that the first outbreaks of FMD went unnoticed for several critical weeks.

Large farming

Agriculture is dominated on the one side by the large farming interests who own much of the land, get most of the subsidies and can undercut the small farmer and on the other side by the supermarkets who do most of the buying and can exert considerable pressure over what is bought and for how much. The supermarket chains are also quite happy to see the policy of killing and destroying animals continue since they do not have to pick up the tab and can get their goods from other sources, passing any increased costs onto the consumer. Agriculture can provide massive profits for some but is also responsible for some of the lowest wages in the country with rural poverty rising year on year.

When Tony Blair talks of carrying out a "root and branch" overhaul of British agri-

culture once the FMD crisis is over, you can bet your life savings that he will not be tackling these fundamental problems caused by the profit system. He may wish to look closely at the subsidy system but he will run into problems there. Big business is always very keen to cut state support for the poor but not so keen when it comes to their own pockets. Slash the money that goes to the small farmers by all means, they will say, since we can then take them over once they go bust, but leave our payouts alone...or else.

The growing popularity of organic produce shows that people want decent quality food to eat, not the rubbish currently dished out by the supermarkets. However the overriding search for huge profits on the part of big business has left most of us with no choice but to buy the cheap-but-not-so-cheerful stuff. We all pay the price for maintaining a capitalist food industry and as long as it exists we will keep paying. Instead of pandering, as he surely will, to these vested interests, Blair-if he is really serious about reforming agriculture-should be adopting socialist measures. Nationalisation of the relevant monopolies (from production to sale) for a start would remove the yoke of profit from the backs of rural Britain and lay the basis, linked to a socialist plan of production, for the development of a farming industry which produces good quality food, with humane farming methods and an end to the continued scandal of rural poverty and low pay. To say that FMD was a disaster waiting to happen may seem like a cliché but the trouble with clichés are that they are generally true. What can be said is that this outbreak was not the result of "bad luck" or an "Act of God" but rather a direct consequence of the way in which farming has been run by big business as just another source of ready profits. ☆

Motorola Announces Closure

Only Occupation of Plant can save jobs

The announced closure of Motorola's Bathgate plant in West Lothian, which produced mobile phones, with the loss of 3,200 workers has come as a devastating blow.

by our industrial correspondent

"I have not yet absorbed what it means," said Susan Innes. "I am just thinking of my family. My son came out of college and started there and I wanted him to have a future. He and his fiancé have just bought a house and I don't know what they will do now. I don't know what any of us will do."

The once apparent rosy future heralded by inward hi-tech investment is turning to ashes in face of the world-wide slowdown that threatens to engulf "Silicon Glen". Motorola management, while initially stressing there was no "final decision", was organizing to close the factory behind the back of the workers. The meetings with union representatives proved to be a sham. The telecommunications giant, with plants at East Kilbride and South Queensferry, axed the jobs to reduce costs, maintain its profits and please its shareholders. As one worker said on leaving the plant: "it's about profits before people."

Motorola set up in Scotland in 1969. As with other companies, the government fell over itself to offer "sweeteners" to attract inward investment. In 1992, Motorola received £34 million to subsidise wages and buy land and plant. Over the last six years, it got a further £16.75m in subsidies from the Scottish Office. Last year, it was offered £30m to move into the Hyundai mothballed plant in Dunfermline.

However, these threatened job losses are not an isolated case, but part of a growing crisis that is hitting hi-tech companies. The news about Motorola follows the announcement at Phillips of a planned 7,000 job cuts. Marconi has announced that it intends to lose 3,000 jobs and Ericsson that it was shedding 15,000 jobs this year. The American-owned 3M company is also making 500 workers redundant. JDS Uniphase, the manufacturer of fibre-optic equipment, on the same day as the Motorola closure, said it would cut 5,000 jobs, 20% of its workforce, to cut costs because of falling demand.

Lucent, the telecom equipment manufacturer, announced a second-quarter loss of \$3.7bn after spending \$2.7bn on restructuring charges and suffering a sharp slowdown in demand. Compaq is to cut 700 jobs in Erskine, while Polaroid is getting rid of 235 jobs in the Vale of Leven in Dumbartonshire.

"Silicon Glen" employs 40,000 workers, with a further 30,000 in the supply industries. It has meant £21.5bn in sales. But now, with the world slowdown, everything is at risk.

While the UK electronics industry is regarded as the strongest in Europe, foreign-owned companies dominate it. This leaves it particularly vulnerable to fluctuations in the global market, as witnessed three years ago when a fall in the world-wide price of semiconductor chips saw plants in Scotland and the north-east, owned by Hyundai Electronics of South Korea and Siemens of Germany, mothballed for years.

"Most foreign-owned companies here are essentially off-

shore manufacturing sites which makes it easier to switch off a UK plant when times are tough", said Federation boss John Dodd.

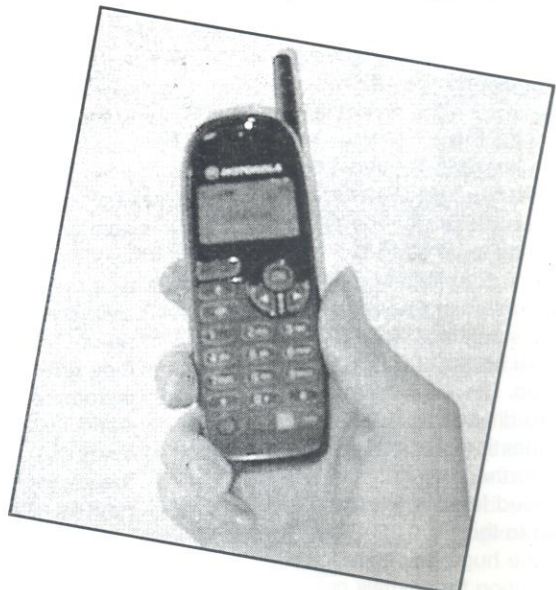
The AEEU engineering union leadership called on electronic manufacturers to hold their nerve, but got a rude reply. The bosses are only concerned with their balance sheets and bank balances. They are not interested in the workers of West Lothian or elsewhere.

Tony Blair said the closure of Motorola was a "bitter blow". Robin Cook described it as a "human tragedy". John Monks, in a picture of impotence, bewailed the fact that they had not been consulted. Danny Carrigan, while describing it as "a kick in the teeth", said if the company won't talk, then "there is not a lot that the workforce can do."

But the Labour and trade union leaders have allowed Big Business to get away with murder. They have presided over a situation where it is cheaper and easier for UK workers to be sacked than any other industrialized country. While the French government is tightening laws to prevent redundancies, the Blair government has bowed the knee to Capital and the City of London. Their drive for "flexibility" has been at the expense of the working class. Their worship of the "market" is turning the British workers into the "coolies" of Europe. And this is the end result.

On the very day of the closure announcement, Gordon Brown was singing the virtues of the British economy. There will be no more Tory "boom and bust", he said. But "bust" is what has happened, and this is just the beginning.

In face of these vicious attacks, the trade unions should stop peddling 'sweat-heart' and partnership deals. There has never been a better time for organizing an immediate fightback. Such is the avalanche of redundancies, the unions must demand work-sharing with no loss of pay. If the bosses fail to respond, workers should be balloted for industrial action. Where closure is threatened, as in Motorola, the plants should be occupied and a campaign mounted to nationalize the industry under workers control and management. On the basis of the capitalist market, there is no hope for working people. ☆



news in brief

Cracking the whip

Few of us will have heard of a group calling themselves The Institute of Directors. This body is evidently considered well to the right of the CBI, if such a thing was possible. Why? Well have a look at some of the issues they have been raising on behalf of their members. First of all they are opposing new proposals from the government on rights for working mothers, calling them "unrealistic and sentimentalist." It seems that providing rights for women returning to work after having a baby is nothing more than a flaming nuisance and these women should not allow themselves to get in the way of profit making. The IOD are also unhappy about people complaining about the long hours we work, arguing that people want to - and are happy to - work long hours, even without pay! People who complain about long hours of work are just moaning out of a national habit, they say. So get back to work you whingers! ☆

War at the Opera

The victimization of a trade unionist by Royal Opera House management at Covent Garden is threatening to bring the curtains down on forthcoming productions including *La Traviata*.

No doubt opera buffs will be in uproar over this inconvenience. However, backstage staff, represented by the union BECTU, are up in arms over disciplinary action being taken against a shop steward Pat Styles.

Management are accusing Styles, who has been suspended, of aggressive behaviour and bullying. The union claims it is because he is a union official, and it is not the first time ROH bosses have acted in this way.

Around 80% in a union ballot backed industrial action. The union and management are now in discussions, but a lot will depend on management's attitude. "The opera house cannot afford to wage war on its workers", stated Gerry Morrissey, assistant secretary of BECTU. ☆

Rail Workers take Action

Over 9,000 London Tube workers are being balloted for strike action over clean-up facilities - a long running dispute with management - and the result is expected on the 17th May.

Both RMT and ASLEF workers are being balloted about management's failure to implement an agreement promising better facilities at outlying stations.

The agreement promised to supply basic facilities, such as washing facilities, lockers and parking spaces in remote workplaces. However LUL management has refused to honour the deal.

This dispute comes on top of the RMT strike on the underground on the 3rd May that is set to cripple the system. This is over safety fears involved in the fragmentation of the Tube under the government's privatization proposals. This will be the second stoppage, following the successful action on 29th March, where ASLEF members refused en mass to cross picket lines in solidarity. The action will last up to 36 hours and further strikes are planned.

The union is also staging a strike on South West Trains on the 3rd May over the "total breakdown" of industrial relations, due to management intransigence. ☆

Capital Idea

Tickets please?

Virgin Rail have announced proposed fare increases of around 9%, apparently to make up the shortfall on income caused by the Hatfield rail disaster. Since Railtrack are refusing to pay up anymore money in compensation, it is apparently now down to us - the rail users - to help the privatised companies maintain their profits. The fact that Virgin do not even feel a little bit embarrassed about trying to get more money off people, in return for providing a rail service of dismal quality, says volumes about these scavengers. Needless to say the best the Minister responsible, Lord MacDonald, could come up with is the word "regrettable" - strong language indeed!

By the way, Railtrack are also set to get an extra £497 million in government cash to help them out over lost income from reduced freight operator charges (funny how they get their travel costs reduced?). So no one loses out over privatisation except, as usual, the poor souls who have to travel by train.

Corporate murder

Delegates at this years Scottish TUC have backed proposals to take stronger action against firms who abuse health and safety. A delegate from UCATT reported that the Health and Safety Executive had stated that 80% of deaths on building sites could have been avoided had proper care been taken by management beforehand. Firms who break the law on this have been hit with average fines of just £2,500 - a pittance, even allowing for the fact that there are just 115 health and safety officials to cover the whole building industry. ☆

Quote of the month **Quote of the MONTH** quote of month

From an article by Ed Crooks in the *Financial Times* of April 10th: "Bankers who have been told that, to keep costs down, they have to limit expense account diners to £7,000 a time do not seem to deserve much sympathy." A bit of an understatement there!

Teachers fight for 35 hour week

The Easter holidays have always been the time of year when the teaching unions traditionally have their conferences. In recent years we have seen an increasing division between the rank and file delegates, reflecting the mood of anger on the "shop floor", and the various leaderships, trying to keep control and have a quiet life. Invariably this has involved various scams on the part of the officials to cancel actions or shunt them off into a siding somewhere.

by Steve North

In the lead up to Easter, we saw joint action by members of the NUT and NASUWT over the issue of staff shortages. Members carried out work-to-rule's, refusing to cover for absent or non-existent staff after 3 days of a notified absence. Given the huge number of teacher vacancies, estimated at 10,000 nationally, this action could not fail to have had an effect. Efforts to claim that the shortages in staff were being overcome by virtue of the 24% increase in applications for teacher training were soundly rejected by the unions who noted that there had been no increase in actual teachers going into classrooms.

Unfortunately, the NUT leadership did their usual trick and, on the eve of the

Easter weekend conference, joined the NASUWT in suspending the industrial action in favour of "talks" with the government. Despite various efforts to reverse this decision, including a proposed suspension of standing orders, the position was allowed to stand.

Nevertheless, it was not possible to hide the anger of delegates over the key issues affecting teachers at the present time. Strong attacks from the floor of the NUT conference were launched against such issues as the creeping privatisation of education, the pay negotiation arrangements, and the general levels of pay itself. The NUT leadership were defeated over their opposition to a conference vote to ballot for a boycott of the performance management scheme of appraisals scheduled for this autumn.

Elsewhere another teaching union, the ATL, voted to take industrial action over the demand for a 35 hour week. The lecturers union NATFHE also chimed in with a warning over a potential "summer of discontent" over pay and job losses in the universities and colleges.

The crisis in the teaching profession will not go away. Teachers are facing long hours, with endless paperwork designed to preserve the illusion of improving standards, and with pay levels which are



HOW TO GET PERFORMANCE-RELATED PAY.

increasingly not keeping up with pay in comparative jobs elsewhere. A recent NASUWT survey has shown that 64% of teachers polled had considered leaving the profession. Tony Blair's rhetoric about "education, education, education" now seems to be more and more hollow. Blair cannot rely on the assistance being provided by the union leaderships forever, sooner or later the increasing pressure from below will start to tell. ☆

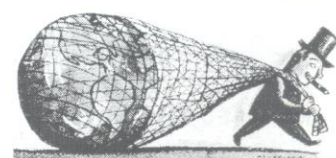
Scottish Transformer Plant threatened with closure

Following on the heels of the closure of Motorola's Bathgate factory, Scotland's electronics sector workers face a further blow as Matsushita announced it was considering shutting its East Kilbride plant which makes flyback transformers for monitors.

The Japanese electronics group, which owns Panasonic, stated it was reviewing its operations "in light of increasing competition from global manufacturers". In other words, they want to cut labour costs. The move could lead to the loss of 120 jobs. The Scottish organizer of the AEEU, which organizes the plant, stated, "Frankly, it's another nail in the

coffin of the Scottish manufacturing base."

Clearly the factory must be kept open. The unions must not allow plant to be set against plant. This means a campaign of solidarity action involving the workers at the other Matsushita plants, four in Wales and two in England, which employ a total of 4,000 workers. Only a campaign of industrial action can force the bosses to back down. ☆



Sophie's choice or upper class weapon?

The "Wessexgate Tapes" saga may have faded from view after a spectacular few weeks of fun, but we should pay close attention to some of the things they have shown us. The monarchy may seem at times to be one long upper class soap opera, or a kind of Carry On Up the Palace, but they have a serious role to perform on behalf of capital.

by *Steve Jones*



The fun all started when an employee of RJH (the "public relations" firm founded by one Murray Harkin and the wife of Prince Edward, Sophie Countess of Wessex) became so unhappy about the way in which the firm was using its links with the monarchy to drum up business that he decided to go to the press. Arising from this the *News of the World* (NoW) newspaper set up a sting operation. A journalist was dressed up as a Sheikh supposedly rolling with spare cash and off he went to meet our Sophie and Mr. Harkin. What followed was taped.

Initially the Countess tried to buy the paper off by agreeing to an interview which, with headline hogging statements about Prince Edward's sexuality, was hoped would knock the scandal on the head with the paper agreeing not to use the tapes. However with various versions of the tapes being leaked to other papers, NoW decided to do the honourable thing and publish the transcripts of the tapes anyway. What they presented was the spectacle of two upper class twits shooting their mouths off about everything under the sun. Harkin concentrated on the serious stuff, the sex and drugs, whereas Sophie dealt with the tittle tattle, babbling on about other royals and politicians in an unusually open way, no doubt hoping to impress the "sheikh" with her deep and meaningful comments.

We should not be surprised by what was said. Sophie's statements are typical of her class. They reveal once again the deep seated prejudices which are embedded in the supposedly neutral Royal family. Far from being representatives of all the people, as their supporters would have it, they in fact firmly stand behind their class, the ruling class. When she attacks Blair and the rest of New Labour, she is not only rebuffing the best efforts of the Labour leaders to cuddle up to the rich but also showing roy-

alty's clear support for the Tories. The only reason Hague comes in for criticism is because he does not speak with a suitable accent like other Toffs are supposed to.

Up to now strenuous efforts have been made by the assorted royal advisers to ensure that the real views of the monarchy on politics and society are kept firmly hidden. Prince Charles is allowed to babble on about architecture and plants but the rest keep silent. Rumours about the reactionary opinions of people like the Queen Mother sometimes surface and the Duke of Edinburgh can usually be relied on to put his foot in it, with statements about foreigners etc., but in the main they say nothing beyond bland platitudes.

"A model family"

This reflects the 20th Century strategy of presenting the Royal Family as a tourist-friendly, lovable, model family, "one of us" and so on - at least until Diana and Fergie got to work in adding the word "dysfunctional" to the above description. Further more, we are told, they all work hard of behalf of the nation. But do they? What they consider to be "work" involves opening things, making speeches and stuffing their faces at assorted binges. Most of them do not even bother with that - only 10 royals during the year 2000 carried out any form of public engagements at all. We are told that, in their defence, only the Queen, her husband and mother receive any form of public wages to help make ends meet. But all the rest receive considerable income from other sources. Most of them get cash from the Privy Purse which in turn comes from income raised from the Duchy of Lancaster. This money - £5.7 million after tax in the year 2000 alone - goes to the Queen who then passes on about £1.4 million a year in pocket money to the others. The Prince of

Wales can also count on getting a bit in from the Duchy of Cornwall, at least £4.5 million a year! With something like £37 million in public money a year going to fund the running of the monarchy then they are clearly not going short at the end of each month. In any case the Queen may have around £1 billion in reserve should things get tight.

So the question has to be asked - why are we funding this institution? After all £37 million is a lot of public money, let alone all the other incomes which could go directly into the public purse, not to forget the money from tourism that could be raised by opening up the palaces etc. Yet at a time when there seems to be problems raising cash for hospitals, schools and other necessary things, the huge cost of the monarchy goes unchallenged. Why?

The monarchy has a very important role to play in the constitution of the state. As head of state, the army, navy, airforce and police all swear allegiance to the Queen not the elected government. All parliamentary acts have to be signed by her before becoming law. This may all seem very much like mere technicalities - and normally they would be - but what would happen in a major crisis where society is in turmoil? As a reserve of reaction the monarchy would be ready to be used to underwrite the actions of the capitalist class, however "undemocratic" it might be. As the wit and wisdom of Sophie has revealed, they would not need much convincing to approve any measures needed against the aspirations of the working class. As much as we might find the sheer cost of the monarchy to be reason enough to abolish them, the danger they pose as a weapon of big business, ready to be used in reserve if needed, provides a much greater justification for sweeping this mediaeval anachronism away. ☆



The pain after the gain

The world's stock markets took a big hit in the first quarter of 2001. The US markets were down at least 10%, as was the UK's FTSE index. The world index of all stock markets measured in dollars was down 14%. The technology sectors were hit even more. The US hi-tech index, the NASDAQ, fell 26% in the first three months of this year and the UK's Techmark index did nearly as badly.

by Michael Roberts
our economic correspondent

Each day it is announced that investors in yet another hi-tech company have lost more than 90% of the stock price value of their cash investment. For example, one high profile internet company, the online travel booking agency, Lastminute.com, fell 22% in the last two days to join the '90% club'. Even more serious is that many of these companies, like Lastminute, are now worth less in the stock market than the cash they have in the bank. That means the stock market reckons they have no chance of ever making any money!

The question is: does this matter? After all, a fall in the stock market does not always herald a collapse in economic growth, investment and employment. It didn't in 1987, when there was a much bigger and quicker fall. It may be that this is just a "correction" from the ridiculously high levels that particularly hi-tech company stocks reached just one year ago.

At that point, the US economy was motoring along at 4%-plus real growth rate and the value of the US stock market reached 181% of US annual GDP. Compare that with the start of this hugely long 'bull market' which started in 1982. Then US company stocks were worth only 45% of annual GDP. They gradually rose to 70% of GDP by 1995. But the rise in the last five years of the millennium was the greatest in the history of capitalism, a near tripling of stock value in relation to real production.

That must mean a stock market bubble. The values placed on US companies were way out of line and the money invested in them would not be repaid. It must be fictitious. And so it has proved. Around \$4trillion dollars of value in the stock market has been erased in the last year.

Apparently, it was not obvious at the time, even to capitalism's No.1 hero, the US Federal Reserve Bank Chairman, Alan Greenspan, that this was a bubble that had to burst. The good chairman, who was recently the subject of a best-selling adulatory biography written by the journalist who originally exposed the Nixon Watergate scandal, told the US Congress last year (before the crash started): "as I have argued previously, it is very difficult to make a judgment on whether we have a bubble except after the fact"! That Mr Greenspan could not

recognise a bubble until it burst in his face perhaps explains why he delayed cutting interest rates in the US until the tech market had collapsed and economic growth in the US fell to 1%, as it did in the last quarter of 2000. Before Xmas, he told the world everything was fine. Within weeks, he made an emergency cut of ½% and followed that with more cuts adding up to 1.75% in interest rates. But it has done nothing to stop the stock market falling further.

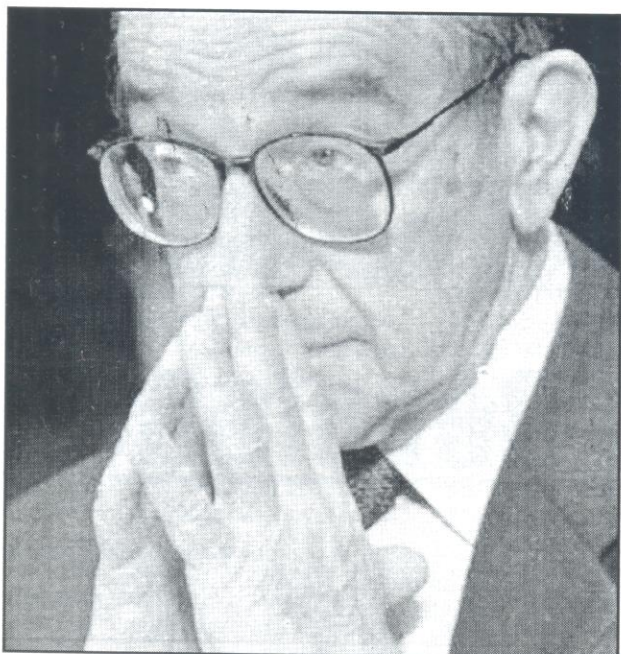
Now, Mr Greenspan is not supposed to cut interest rates just because the prices of the stocks of the companies in the so-called 'New Economy' start to dive. His job, using the interest rate set by the Federal Reserve (the basis of all other borrowing rates), is to keep prices down, but without destroying economic growth.

But Mr Greenspan, along with most of the capitalist economic gurus of today, has been fooled. Like the investors in hi-tech companies, he seems to think that 'this time it is different'. This time, the US and the rest of the modern capitalist economies are not going into a slump after a breakneck boom, because of the structural changes created by the new hi-tech, internet revolution.

Competition

Capitalism will keep going as long as the profitability of investment stays up with the expectations of investors. But Marx showed that each individual capitalist is in a perpetual struggle to sustain profitability by increasing investment in technology that lowers the cost of production. If a company does not invest, then competitors will and so steal their markets by undercutting price or by making more profits to invest even more. So investment is stepped up across the board. At some point, however, profits to match increased investment will not be realized and profitability (the rate of profit) will start to fall. This can be avoided for some time. The main way is by increasing the productivity of the labour force so much that the rate of surplus value extracted from the labour force rises even faster than the increase in the cost of investment in new technology.

Mr Greenspan and many of capitalism's economic gurus are convinced that this time, in



year, but because it is also faster than last year's machine, the 'real' value should be boosted. The statisticians argue that, just as the price of strawberries should be quoted by the weight and not by the box, so the value of a computer should be measured by its power and not by its price as a box. And they impute just such an improvement.

So by how much more is this improvement worth? By a whacking nearly three times! The real annual value of hi-tech investment is calculated not at \$118bn, but at \$329bn! So whereas, US money investment in computers has risen 10% a year since 1995, the statisticians estimated the 'real' increase

at 45% a year. Undoubtedly, if capitalists invest in new technology and the price of those investments falls, that cheapening represents extra real value. Since 1995, the price of computers has fallen 7.7% a year, but under the government's adjustments, they calculate the 'real' fall in the price at 33% a year!

At the same time, the government's statisticians have decided that investment in software should no longer be considered a business expense, but as an investment like buying a computer. The result is that 'investment' in hi-tech goods and software has been bumped up to \$676bn, or around 8% of annual GDP! So by a sleight of hand, billions of dollars have been added to US production without any extra effort. No wonder US productivity has jumped up and why Mr Greenspan has been fooled.

Little profit

This addition to national product and productivity is largely fictitious. And remember all this investment has brought in little profit to the investors. It has been a huge expense that had to be made by each capitalist because competitors would do it otherwise. And yet it has not produced the returns claimed by the statisticians. No wonder the bubble has burst and the economy has slowed as company after company begins to realize that it 'over-invested' in this productivity-giving new technology.

This time the capitalist economic cycle will be different - but not in the way Mr Greenspan thinks. This time, the fall in the stock markets of the world will have a material effect on the real capitalist economy. The money wasted in hi-tech Internet stocks is the hard-earned, borrowed and saved money of millions of American households who have been sucked into the stock market boom, particularly over the

last five years. Now over one-third of all American household own shares and their retirement pension funds are also heavily invested in the markets. Americans continue to spend well beyond their means. The latest figures show that the household savings rate is at its lowest since records began in 1933, at minus 1.3%. In other words, Americans are borrowing more than they earn to spend because they remain confident that their existing savings invested in the stock market will look after them in the future.

The stock market boom, particularly of the five years up to March 2000, fuelled the economic boom and vice versa. As internet-related stocks shot up in price, Internet companies were flush with cash, which they spent on advertising with the likes of Yahoo (the only profitable internet company). Yahoo's revenues rose sharply and this increased the expectations of investors for the whole of the market. So the most important boost to Yahoo's profits was the stock market itself. But now the process is in reverse.

Of course, the capitalist optimists remain. Stock prices have slumped, so now they are cheap, the optimists argue. Once investors realize that, they will start buying again. The market will rally and 'confidence' will return. It's true that stock prices are down, although they are still way higher than they were in 1995. But profits are also going down. US company absolute profits declined nearly 5% in last quarter of 2000. And profit rates have been falling since the end of 1997.

The huge boom in the stock market since 1997 has been fostered by all kinds of fakery and trickery - the buying back of shares by companies with their cash to keep prices up; the hiding of the true profit position by excluding the cost of stock options to top executives; the adding in of the profits of companies taken over without including all the costs of debt incurred to buy them, and so on.

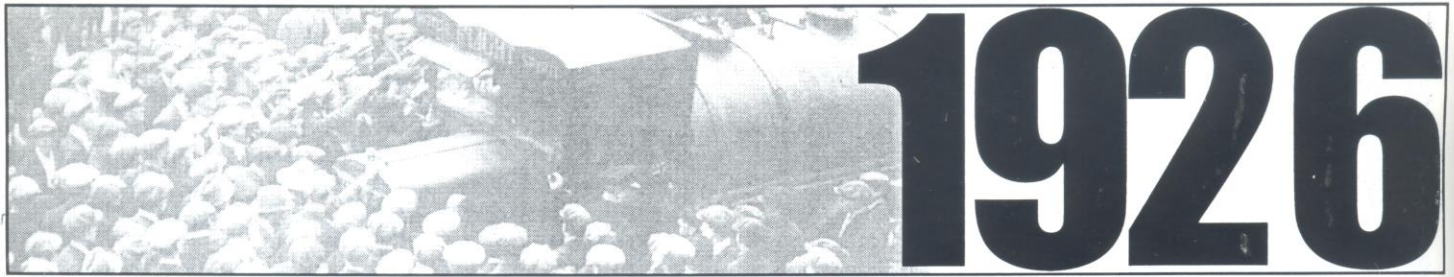
But it is all going to end in tears. For the moment, the news that current chief executive of America's biggest bank, Citigroup, took home \$28.6m plus an additional \$196m in exercised share options last year does not produce a murmur of complaint. Or that the chief executives of top five investment banks in the US 'earned' \$154m between them last year. But once investors realize that they have lost the bulk of their money forever, once the stream of bad profit announcements turn into a river (it's already beginning to happen), and once employees, not just at internet companies, but also at the likes of Marks & Spencer, Procter & Gamble and Boeing, start to get the redundancy notices, then the mood of complacency will turn. Then Mr Greenspan won't be seen as the most popular person in the US today. ☆

the new economy, productivity growth is so fast that it will sustain US growth for the foreseeable future. And it would appear that productivity growth has shifted up in the US. Between 1889-1917, US productivity grew at 1.7% annual rate. Between 1917-27, just before the Great Depression of 1929-33, productivity grew a tremendous 3.7% a year. From 1927-48, it rose around 1.8% a year. Then, in so-called 'golden years' of world capitalism, US productivity managed 2.7% a year. In the terrible years for capitalism of inflation and booms and slumps, from 1973-95, US productivity growth slumped to new lows of just 1.4% a year. But in the hi-tech years of the end of century, it rose 2.8% a year, surpassing the golden years.

And there is no reason why this won't continue, so Greenspan and co argue, thus putting a floor on US economic growth and avoiding a slump. As he said: "the key factor in driving (the economy) has been the extraordinary pick-up in the growth of labour productivity experienced in this country since the mid-1990s".

But is this apparent upshift in productivity levels real? The startling truth is that the figures are almost entirely due to an unacceptable change in the way productivity is being measured. It is only in the US that this method of measurement has been adopted. And it is only in the US that we have seen an apparent upshift in productivity growth. In the UK and Europe, productivity growth languishes at 1980s levels.

Let me explain. In the last quarter of 2000, the US annual rate of investment in computers and hi-tech items reached \$118bn in money terms. But the US statisticians have 'corrected' that figure to measure the 'real' value of hi-tech investment, adjusting it for faster processing speed and hard drive capacity. In other words, a machine may cost \$1000 the same as last



1926

On the Verge of Revolution

75 years ago an earthquake shook the very foundations of British capitalism. In the greatest display of militant power in its history the British working class moved into action in the General Strike of 1926. For 9 days, from May 3, not a wheel turned nor a light shone without the permission of the working class. In such a moment, with such power, surely it ought to have been possible to have transformed society? How can such a position have ended in defeat?

by Phil Mitchinson

"It is a conflict which, if it fought out to a conclusion can only end in the overthrow of parliamentary government or its decisive victory."

Winston Churchill, Tory Chancellor of the Exchequer

"I have never disguised that in a challenge to the constitution, God help us unless the government won."

Jimmy Thomas, Labour MP and Secretary of the National Union of Railwaymen

"There's never been anything like it. If the blighters o' leaders here...dinna let us down we'll hae the capitalists crawlin' on their bellies in a week. Oh boy, it's the revolution at last!"

ILP activist quoted in John Paton's *Left Turn*

The 1926 General Strike did not fall from a clear blue sky. During the first world war the miners, railway workers and dockers had formed the Triple Alliance of nearly a million and a half workers. At the height of the upsurge in class struggle in 1919 only the deception of the government and the vacillation of the leaders of these unions prevented an all out confrontation. In the summer of 1920 the Labour and TUC leaders for the first time threatened a general strike in the event of any renewed intervention by Britain against the young workers state in Russia. Months later in 1921 the confrontation was to come to a head when the government announced that it was relinquishing control of the mines. The coal owners immediately announced drastic wage cuts. The Miners Federation rejected their attack and the miners were locked out on March 31.

The movement in 1921 was like the prologue of the events to follow just five years later. Troops were dispatched to the coalfields. The Triple Alliance pledged to join the miners fight on April 15. On the eve, however, The Miners' Federation (The Fed) secretary Frank Hodges announced that a compromise was possible on the basis of local bargaining. This was decisively rejected by his own executive,

but was seized upon by the other union leaders as an excuse to bow out. Strike notices were withdrawn and April 15 is remembered as Black Friday. The miners were left isolated. After a courageous struggle lasting three months they were defeated. Wages were scythed down by 10-40% almost everywhere.

Not for the last time, the defeat of the miners had a big impact on other workers. Amongst the miners themselves, anger with the government was matched by anger at the betrayal of Jimmy Thomas, the leader of the railway workers union. This betrayal was to be repeated on a far grander scale in 1926.

There followed a certain respite for the miners. After the crippling conditions imposed in 1921, a boom in mining in 1923, following the French occupation of the Ruhr, meant an increase in wages and a fall in unemployment.

A new militancy saw a shift left in the unions. The key to this swing left was the work of the National Minority Movement. This rank and file body had taken off in 1924 under the leadership of the young Communist Party (CP). The task of the Minority Movement was declared to be "not to organise independent revolutionary trade unions or to split revolutionary elements away from existing organisations affiliated to the TUC...but to convert the revolutionary minority within each industry into a revolutionary majority."

This proved a highly successful strategy which we could learn a lot from today. They built their support amongst transport, railway and engineering workers and above all amongst the miners. When Hodges resigned from the leadership of the Fed in 1924 (to take up a government post) the Minority Movement supported the miners agent for central Rhondda, Arthur James Cook for the leadership. Cook had resigned from the CP in 1921 but still declared himself a "disciple of Karl Marx and a humble follower of Lenin."

Economic conditions were changing again. French withdrawal from the Ruhr saw German coal back on the market and British exports slump. The new Tory Prime Minister, Stanley Baldwin, appointed that long standing enemy of the miners and the international working class, Winston Churchill, as Chancellor of the

Exchequer. His first budget in April 1925 announced a return to the Gold Standard at pre-war parity with the dollar. This meant overvaluing the pound by 10%. The bosses of industry would have to make up this overvaluation by cutting costs. It would be workers wages and not bosses profits that would be slashed.

As usual the mine owners were the first to announce cuts.

Black Friday had not been forgotten. Since March the miners had been trying to organise a new Triple Alliance. With nothing yet finalised, the miners turned for support to the full General Council of the TUC. It placed itself "without qualification and unreservedly at the disposal of the Miners Federation."

Other industrial unions were joining the Triple Alliance. It was clear that the attack on the miners would be repeated across the board. All workers would face the same attacks if they were not beaten back now.

This was confirmed by Baldwin himself. The miners reported to a meeting of union executives that Baldwin had declared "All the workers of this country have got to face a reduction of wages to help put industry on its feet."

It was clear to both sides that a serious fight was brewing. Baldwin moved to buy time by introducing a nine month subsidy to maintain the miners previous agreement while an inquiry into the mining industry took place. There had been many such inquiries before. Their findings had never been to the liking of governments or coal owners. Most advised some form of nationalisation for the mines. In reality Baldwin and co were not interested in any Report, only in buying time to be better prepared for an all out confrontation.

On the workers side Cook understood this. "Next May" he announced "we shall be faced with the greatest crisis and the greatest struggle we have ever known and we are preparing for it.... We have already beaten not only the employers, but the strongest government in modern times."

Such a victory, and more, could and should have been possible. The main obstacle however was not 'the enemy', the employers and the government, it was the union leaders.

The views of the right wing bureaucrats were most clearly expressed by J R Clynes of the General and Municipal Workers union, "I do not fear on this subject to throw such weight as I have on the side of caution. I am not in fear of the capitalist class. The only class I

fear is our own." (my emphasis)

While these ladies and gentlemen were preparing to surrender before the fight had even begun, the ruling class were preparing with gusto.

The ramshackle Emergency Supply and Transport Committee set up by Lloyd George in 1919, and beefed up in preparation for a fight at the time of Black Friday in 1921, was reorganised. It was built up and joined by a 'volunteer' body, the Organisation for the Maintenance of Supplies. The OMS were an unsavoury bunch including the fascists.

The ruling class, the employers organisations and the state were all busily preparing a showdown. The TUC General Council, meanwhile, met to consider its role for the first time on April 27, 1926 - three days before battle lines would be drawn and the government subsidy end.

By now unemployment had risen, and union membership fallen from 8.25 million in 1920 to 5.25 million. The union leaders had neither the desire nor the will to fight.

The publication of the Samuel Report, the findings of the government inquiry, was their great hope. The report damned the coal owners, but stopped short of calling for nationalisation as earlier reports had done. It called for wage cuts, but the retention of national agreements and a reorganisation of the industry.

The National Minority Movement immediately condemned the report. They convened a National Conference of Action in London on March 21 which represented hundreds of thousands if not a million workers. In the Minority Movement we saw the basis for a mass Marxist force in Britain. However, the CP policy was based on the Anglo-Russian Committee, a bloc between the Russian unions and the General Council of the TUC. This bloc led the CP to support the lefts in the union leaderships against the right and tone down their criticisms. Appallingly, this bloc with the General Council actually continued for a year after the strike was defeated at the hands of the TUC leaders. In the end it was the British union leaders, who had only ever used the bloc as a convenient red coloration before their members, who broke up the committee in 1927.

The CP had set up groups in 300 pits and factories by the beginning of 1926. They held important positions too in

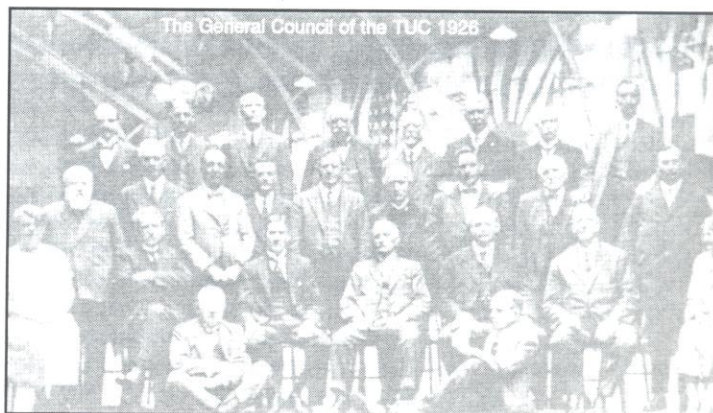
the Trades Councils which were to play a leading role in the local organisation of the General Strike. They should have been in a solid position to grow rapidly, provided they had a correct policy, a policy based on exposing the bankrupt union leaders of right and left varieties.

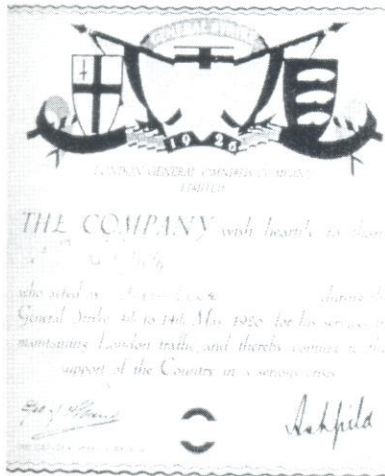
Cook stuck by the miners position "Not a minute on the day, not a penny off the pay". The TUC leaders however saw the Samuel report as a way out. The coal owners posted notices that all employment on current conditions would terminate on April 30.

The TUC's Industrial Committee asked to speak to the Prime Minister, desperate to find a way to avoid a conflict. While the TUC leaders continued to plead with Baldwin to intervene on their behalf, they should have been preparing their own forces. Baldwin was already intervening on behalf of his class. The government wasn't some independent arbiter from which the workers could gain even-handedness. It was, and remains, in essence a committee for organising the affairs of the ruling class. Baldwin was preparing to fight his enemy, even while the officers of the opposing camp were knocking on his door asking for his help.

On the afternoon of April 30 the bosses announced their proposal. A return to the Minimum of 1921, a 13% cut in pay and an eight hour day.

On Saturday May 1, one million miners were locked out. The General Council now assumed responsibility for the miners' dispute. They immediately contacted the government for talks, and prepared to call out the 'front ranks' from midnight May 3. On Saturday evening they went to meet the Prime Minister. Baldwin realised that the TUC leaders were terrified of a general strike and wanted to give them some room to manoeuvre. The rest of the cabinet however were ready for the fight. They issued a statement demanding the TUC's complete capitulation. Another round of cat and mouse





Certificate issued by London bus company to blackleg worker

followed with negotiations over this or that wording which might allow the TUC leaders to back down and abandon the miners again. At 11pm the miners executive joined the General Council in number eleven Downing Street. The miners and the General Council rejected the sell out they found on the table, and Bevin instead tried to draw up a compromise which might be acceptable to the miners. These plans were interrupted however when Baldwin informed the TUC leaders that negotiations were off because workers at the Daily Mail had started the strike already. The General Council left Downing Street with a letter from the cabinet demanding "repudiation of the actions referred to that have already taken place, and an immediate and unconditional withdrawal of the instructions for a general strike."

The TUC leaders rushed off to find out what had happened at the Mail. It turned out to be an unofficial walkout by workers refusing to print the paper's lead article 'For King and Country'.

Instead of supporting the printers, Citrine scurried back to number ten with a letter repudiating this action, but found the Prime Minister had already gone to bed and could not be disturbed.

Bevin's compromise proposals were now put to the miners executive, who rejected them 12 - 6. The General Council however approved the plan unanimously and endorsed the view that they were now in charge of the miners' dispute. Once again they thought they had found a way to back out of the fight. However, the government weren't interested, they would only accept a guarantee that the miners would accept a cut in wages, and would not negotiate at all unless the strike was called off.

A State of Emergency was declared in parliament. During the debate the representatives of the ruling class showed a thorough understanding of the nature of class struggle and the events that were about to unfold. Baldwin announced that we have been "challenged with an alternative government... I do not think that all the leaders when they assented to ordering a general strike fully realised that they were threatening the basis of ordered government, and going nearer to proclaiming civil war than we have been for centuries past..."

The government's plans had been prepared

The army of labour was well organised, at least locally. Councils of Action grew in size and authority across the country. They took responsibility for organising permits for transport, picketing, entertainment and financial assistance for those in most need.

for years. They passed an Emergency Powers Act; food, coal and petrol were stockpiled. Regional Civil Commissioners were given dictatorial powers, and all ready to go into action on receipt of a one worded telegram - "Action!" The telegram was sent out on May 2. All army and navy leave was cancelled. Troop reinforcements were dispatched to Scotland, South Wales, London and Lancashire. Warships docked in the Tyne, the Clyde, in Swansea, in Barrow, in Bristol and in Cardiff.

The OMS handed over its organisation to the government. There were maybe 100,000 of them. These were the forces lined up against the working class.

Yet when 4 million out of 5.5 million workers are out, the question is inevitably posed, where does power really lie? No matter what its initial aim, a general strike raises the question which class rules in society? The leaders, if they are not prepared to see that struggle through to a conclusion, have no other alternative but to betray the movement. This is a cardinal lesson of 1926.

On May 4 transport was crippled. The NUR and ASLEF were solid. London was choked. Only 15 out of 315 tubes ran. On Tuesday 4 May 300 out of 4400 buses were running. By the end of the week that was down to 40. Nine of 2000 tramcars operated. This picture was repeated around the country. From the first moment the power of the working class was evident. Nothing moved without the workers say so. By the end of the first day builders, printers, iron, steel, metal and heavy chemical workers had joined transport and railway workers and dockers. The strike was solid.

Churchill undertook the production of a newspaper, a filthy rag called The British Gazette, the sole aim of which was to spread propaganda, lies that there was a drift back to work etc.

TUC response

The TUC response was The British Worker. Instead of rallying the troops and taking the movement forward the main task of this journal seemed to be to refute the Gazette's slanderous accusation that the unions were organising a revolution.

The role of leadership should have been to counter the lies of the bosses, to spread the movement and take it forward. Instead they were desperately trying to keep control of the men and women they were marching up to the top of the hill in order that they could march them back down again. Jimmy Thomas, the Grand Old Duke of York, admitted as much in the Commons on May 13 "If by any chance it should have got out of the hands of those who would be able to exercise some control, every sane man knows what would have happened... That danger, that fear was always in our minds, because we wanted at least, even in this struggle, to direct a disciplined army."

The army of labour was well organised, at least locally. Councils of Action grew in size and authority across the country. They took responsibility for organising permits for transport, picketing, entertainment and financial assistance for those in most need. In East Fife a workers defence corps was organised. Initially consisting of 150, its ranks swelled to over 700 when clashes with police illustrated clearly the need for such a body. In Bolton, Merthyr and Methil well organised Councils of Action functioned alongside Central Strike Committees. Some outstanding local strike bulletins were produced, although these were discouraged by

TUC headquarters.

In large parts of the country control of the roads, transport and distribution was firmly in the hands of the Councils of Action, but these were never linked up, there was no nationally coordinated policy. The Paisley strike committee spoke for many, the "chief difficulty lay in getting accurate information from headquarters, particularly in regard to the issuing of permits."

Churchill and Baldwin exaggerated, there was no alternative government, but there could have been. Linking up the councils of action and strike committees across the country would have been the basis for just such an alternative government, a workers government. That would have meant taking the struggle from a defensive one to save the miners, to an offensive one to change society. Unfortunately the TUC leaders were not even prepared to carry through the defensive battle.

Their own recent history gave no reason to have any illusions in the tops of the unions. Even the most honest and courageous of the workers leaders, Cook, had no clear perspective and plan of action. The Communist Party limited itself to supporting the left union leaders. Some of the best local leaders were Communists, they held important positions in most Councils of Action and strike committees. However they did not see a revolutionary potential in the movement before them. Karl Radek in Russia gave the British CP their lead, "this is not a revolutionary movement. It is simply a wage dispute." Indeed it was not yet a revolutionary movement, but a strange mere wage dispute which involves a general strike, councils of action, in some parts of the country, like the north east, almost dual power with the workers in control of everything that moved. No, this was not simply a wage dispute. It was a defensive battle, but one which was by the day and the hour increasing the confidence of the working class. They could see and feel the power at their fingertips. After the strike there were over 3000 prosecutions, more than half of them were for acts of incitement, one Lambeth tram cleaner, for example was fined £5 for shouting, "We want the revolution."

Instead the order came on May 10, via the British Worker "Stand firm. Be loyal to instructions and trust your leaders." Those leaders were desperately scurrying around looking for the fire exit. They found it in the return of Samuel. Once it dawned on Thomas and co that the ruling class weren't willing to compromise, they realised that they had no alternative but to...capitulate. All sorts of excuses like the alleged drift back to work (in reality there were more workers coming out every day) were wheeled out to justify backing Samuel's new proposal. This included promises of

reorganisation of the mines but insisted on a wage cut. The General Council backed the proposal. The miners naturally rejected it and were rightly appalled that even the basic demand of trade unionism, a clause guaranteeing no victimisation of those who had been on strike, had been omitted. They were told to take it or leave it. On May 11, after a week, with the strike growing in dimension and confidence the TUC decided to call it off the next day without any guarantees on further negotiations, without any defence against victimisation, without even the promise of an end to the lock out. This was abject surrender. The government immediately announced it as such, declaring that it had "no power to compel employers to take back every man who has been on strike." The union leaders sent out messages to their members promising that "assurances had been given" there had been "firm undertakings" etc. Around the country workers greeted the news with incredulity, with a mixture of anger and dismay. The workers had been betrayed by those leaders who kept asking them to trust them. The bosses immediately tried to ram home their advantage. There were sackings and wage cuts everywhere. One group of strikers wrote in Lansbury's Labour Weekly a week later "The bosses in all trades felt...that now they had the trade union movement at their feet, and all they had to do was to stamp on it."

Anger

As a result of these attacks and anger at the TUC's betrayal, there were 100,000 more out on the day after the strike had been called off than there had been on its first day. Churchill's Gazette was like a red rag to the workers with its headline reading "Unconditional withdrawal of notices by TUC. Men to return forthwith. Surrender handed to Premier in Downing Street."

However the cowardice of the leaders should not be mistaken for the mood of the workers. The bosses were in danger of going too far. Fenner Brockway wrote from Manchester "The Gazette...chortled over the great surrender but the temper of the workers was more militant than ever and in Manchester there was no thought of going back...For the first time feeling was bitter - bitter against employers who were everywhere victimising the local strike stalwarts, and bitter against the TUC General Council. It looked as though the end of the strike might be the beginning of the revolution."

The TUC surrender could have ended in a rout but for the struggle and militancy of the workers themselves who managed to minimise the nevertheless vicious attacks of the bosses.

After a week however, without leadership and direction, seeing no way forward workers did begin to return to work.

The miners were isolated again. Despite



Camberwell Trades Council demonstration during the General Strike

the willingness of the workers to fight on, the NUR leaders now even refused to embargo the movement of coal. The TUC refused to arrange a levy for the miners. After a heroic struggle, locked out for seven months, the miners went back to work, at least those not victimised, on longer hours, with less pay and no national agreement.

The ruling class had spent hundreds of millions of pounds, yet with all the resources at their disposal they could never have defeated the general strike but for the treachery of the TUC leaders.

The Communist Party grew from 6000 to 10,000. This was small fry however, with a correct policy they could have gained ten times as many.

The defeat, or more accurately surrender led to the introduction of vicious anti trade union legislation in the form of the Trade Union Bill of 1927, where sympathetic strikes were outlawed and trade unionists had to opt in rather than opt out of the political levy. Sound familiar? There are indeed eerie comparisons with the miners strike of 1984-5 where the heroic struggle of the miners and the support of the rank and file of other unions was only matched by the treachery of the TUC and Labour leaders. The miners defeat in 1985 had a dramatic impact on all workers and on the bosses who launched attacks on other sectors while almost identical anti union legislation was introduced.

The coal owner Lord Londonderry had predicted in 1926 that the unions would be smashed from top to bottom. They were not. The TUC surrender had a profound impact on workers, but their will to struggle returns again and again. What is lacking on each and every occasion is a leadership worthy of the workers willingness to fight. In the Minority Movement we had the beginning of such an alternative leadership for the unions. Today, too, the task must be to build such a new leadership for the workers organisations. The first step must be for us all to study and learn the lessons of the history of workers struggle. ☆

2001



YEAR

Market

We are repeatedly told about the virtues of the market. The capitalist market is said to be the only real means of organising society on a rational basis, despite all its faults. So it has been, and so it always will be. With the collapse of Stalinism, this message has been hammered home on every possible occasion. Mick Brooks uncovers the mystery of the market and lays bare its underlying contradictions.

by Mick Brooks

"Every child knows that a nation that ceased to work, I will not say for a year, but even for a few weeks, would perish."

Karl Marx in a letter to Kugelmann in 1868.

When looking at historical materialism, the Marxist theory of historical development as a whole, we asked the question - what differentiates humans from other animals? We find that humans differentiated themselves by transforming external nature, and in doing so made themselves. The process by which people define and redefine themselves is the labour process.

Sure, humans are thinking beings. But why do they need to develop the capacity for thought? What are they thinking about? Usually they are thinking about survival, about where the next meal is coming from. Marx established that the way people organise themselves to gain their daily bread is the mode of production, the skeleton of any form of society. And in so far as we can talk of an objective notion of progress in human history, it is given by the development of the productive forces, primarily science, industry and technique. This in turn is achieved by raising the productivity of labour - the increase of our power over external nature.

To begin with, let us look at the capitalist mode of production. Capitalism is mystifying to understand. The cause of our mystification is the market system. Capitalism presents itself to us as a system of universal commodity production (that is, where everything is produced for sale), where even the labour power of workers is a commodity. That is how Marx defined capitalism. We hear a lot about the 'magic of the market place'. Once in place, a system where everything is bought and sold strikes us as eternal and natural. We need to remind ourselves that generalised commodity production is a late and recent development in social evolution. For hundreds of thousands of years humans made their living without the aid of markets, in fact for 99% of our existence as a species!

Secondly we need to understand what markets do. They are a form of the social division of labour, as explained by Marx. But that is not how they appear to us. A worker in Malaysia gets a job on a dredger, which is digging out tin ore from the river. After passing through dozens of sets of hands the tin ends up in Taiwan, where it is used to make solder to manufacture a transistor radio. Meanwhile a garment worker in Milan machines a piece of cloth that began life as raw cotton in the field of a peasant in Pakistan. The peasant is very poor. All he has

to listen to at night is the transistor radio. He doesn't know about the workers in Malaysia or the woman in the sweatshop in Taiwan with the electric soldering iron. He doesn't know about the catwalks in Milan and the illegal immigrant on the outskirts who turned the raw cotton he grew with his own hands into a luxury item.

What is going on here is a division of labour, indeed a global division of labour. But nobody sits down in a meeting and says, "Here's what we need. Here's how long it takes to get it. You're good at this, why don't you do this? You're good at that, why don't you do that? O.K., let's vote on it. We've got agreement - let's do it." The worker in Malaysia would like to be a teacher, but it's not to be. He has a family to feed. The woman in Taiwan would probably prefer not to spend long hours looking at circuit boards doing her eyesight in. The market is a ferocious dictator, but no one person takes decisions. It just happens, or so it seems.

Dependence

None of these economic actors (as the bourgeois economists call people) realise how everyone is dependent on everyone else. They don't even know of each other's existence. The thing that brings them together is the price of the good. The price, we are told, shows how much the consumer wants the good (how much they are prepared to pay) and how much graft it cost the supplier to produce. Prices measure costs and benefits to society.

The forces of supply and demand, we are told, act as signals. Nobody knows how much tin we all need at the moment. Nobody needs to know. If too little is being produced, the price will go up because of shortages for consumers. If the price goes up there is a super-profit to be made. And where there is a super-profit, there will be an inflow of capital. Capitalists making average or below average profits in other sectors of the economy will be attracted to tin production. To keep pumping the stuff out of the factory gate they will be prepared to hire more workers. They may even have to post higher wages, to attract workers from other industries. The system is unplanned. But the capital will keep on flowing in as long as there is money to be made. This is what Adam Smith called the 'invisible hand' in celebrating market forces.

As more capital flows in, the price of tin will be beaten down and the rate of profit in that sector return to the average. Quite often capitalists will overshoot, respond to the shortage by overproducing, leading to unsold stocks and

May Day greetings to *Socialist Appeal*

Harlow

Trades Union Council
sends May Day Greetings
Forward to a Socialist Labour
Government

CWU London No 7

**May Day Greetings!
For the Repeal of all
Tory ant-union laws!**

Andy Blake, Branch Secretary

**Merseyside Supporters
Send May Day Greetings to
Socialist Appeal on its 90th issue!**

Workers of the World Unite!
Break the Anti-Trade Union laws

Nigel Pearce
Vice-President Yorkshire Area
National Union of Mineworkers
(Personal capacity)

May Day
Greetings from Scottish Supporters

Forward to the Weekly!
Workers of the World Unite!

**CWU East London Postal
Workers branch**
sends May Day Greetings
to the Labour Movement

Repeal all Anti-trade union laws!

For a Socialist Labour Government!

May Day Greetings to *Socialist Appeal* from Phil Waker, CWU Executive Committee member
(personal capacity)

Fight for your rights!
May Day Greetings from
Jeremy Dear, NUJ
national organiser
(personal capacity)

May Day Greetings from *Socialist Appeal*
readers in LONDON

May Day greetings from Salisbury and Andover Marxists

UNISON
NORTH WEST ANGLIA
DISTRICT HEALTH
BRANCH

**Sends May Day Greetings to *Socialist Appeal* and
workers in struggle everywhere.**

NO! To PFI and privatisation!
**YES! To a democratically controlled NHS free to all at
the point of need!**

**"THE RIGHT TO LIFE IS HIGHER THAN THE
RIGHTS OF PRIVATE PROPERTY."**

PETERBOROUGH
TRADES UNION COUNCIL

May Day Greetings To All Trades Unionists!

Repeal the anti trade union laws.
Full employment rights for all workers.
For a £5 per hour minimum wage, with no exemptions.

NO MORE PRIVATISATION!
RENATIONALISE THE RAILWAYS!



Saludos a vuestro magnifico trabajo y exitos en la construcción de la fuerza marxista de masas que la clase obrera de Gran Bretaña necesita.

Vuestros y de la causa obrera

Comité de Redacción de El Militante

Madrid, 9 de Abril de 2001

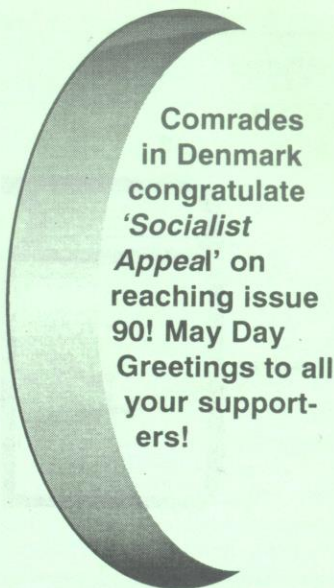
La Riposte

Salutations à l'occasion du 1er mai 2001.

Luttons ensemble pour une France socialiste et une Grande-Bretagne socialiste!

Bravo pour la qualité de "Socialist Appeal"

Comité de Rédaction
La Riposte
www.lariposte.com



Comrades in Denmark congratulate 'Socialist Appeal' on reaching issue 90! May Day Greetings to all your supporters!

Militante

sends May Day Greetings from workers and students in Mexico.
Down with NAFTA!
Down with imperialism!
For a socialist victory worldwide!

Greetings from Indonesian Marxists to *Socialist Appeal* and its supporters.
Support the Indonesian Revolution!
All Power to the workers and peasants!

May Day greetings from Canada!

We wish you successful demonstrations, and celebrations. In Canada we expect this to be the biggest May Day for years. After the FTAA protests in Quebec City and a series of strikes across the country the Canadian working class is on the move.

In Solidarity

L'Humanite,
Canadian Marxist Journal.

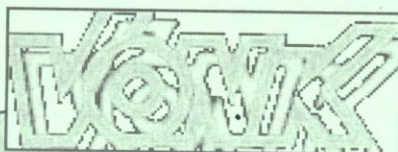
Solidarity and greetings from the Greek Marxists to *Socialist Appeal*! Workers of the World Unite!

The comrades of 'The Struggle' in Pakistan send revolutionary greetings to workers in Britain and internationally.
Forward to the socialist revolution!
editor Lal Khan
struggle@nexlinx.net.pk

To *Socialist Appeal* on May Day 2001

The In Defence of Marxism web site (www.marxist.com) sends fraternal May Day greetings to all workers and youth in Britain and we express our solidarity to the British Marxists on this day of international workers' solidarity.

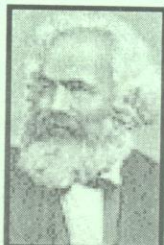
Together with the workers and youth of the world we will struggle for international and world socialism! Workers of all countries unite!



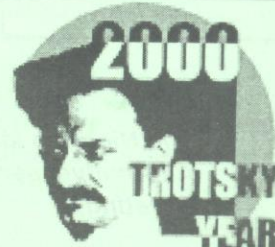
Dear Comrades,

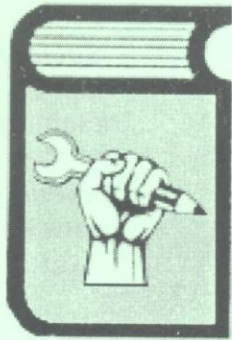
We would like to send our warmest May Day greetings to *Socialist Appeal* and the British working class. *Socialist Appeal* is an excellent paper and a vital source of information and analysis for the British youth and working class in their struggle towards a society in which equality and freedom are not only reserved for the privileged.

Our day will come comrades! Forward towards Socialism!
On behalf of the Editorial Board of the Belgian Marxist paper *Vonk*.



In Defence of
Marxism





YFIS

Youth For International Socialism

We want to extend our greetings to workers of the world on this May Day. Internationalism is the life blood of the workers' movement. Forward to the overthrow of capitalism and the creation of a socialist world federation.

FalceMartello

Mensile marxista per i lavoratori e i giovani

In this day of the international struggle of the working class, we want to give you our warmest revolutionary greetings. Your tireless work in defence of the Marxist ideas in the workers' movement is an inspiration and help to us.

FalceMartello
(Marxist paper in the PRC - Italy)

Pakistan Trade Union Defence Campaign

We wish to extend our May Day Greetings to workers everywhere. In unity across all countries we will be victorious!

Workers of the world Unite!

The Irish Marxists send Greetings to *Socialist Appeal* on its 90th issue! With the ideas of Marx, Engels, Lenin, Trotsky and Connolly we will succeed!
For a Socialist United Ireland!

Greetings from the other side of the world! May Day from the Australian Marxists

Revolutionary Greetings from the Marxists of Cyprus
No to Global Capitalism!
Victory to Socialism!

Greeting from the USA - the heart of imperialism! 'New Youth' sends its best wishes to comrades in Britain. Down with Wall Street! For World Socialism!

The Nigerian Marxist paper 'Workers Alternative' send you May Day Greetings!

May Day Greetings from the Swedish Marxist paper Socialisten

Der Funke

Revolutionary May Day greetings from the Editorial Board of *Der Funke* Marxist journal in the German labour movement.

Oppose Schröder's and Blair's "third way" which leads to disaster!
Don't blame the unemployed for the crisis of capitalism!
Renationalise the privatised enterprises!
For a genuine socialist alternative!



Greetings from the Russian comrades!
For a New October Revolution!

Der Funke - the Austrian Marxist newspaper - send May Day Greetings!
No to the Bosses' Europe! For a United Socialist States of Europe! For Workers Solidarity!

Revolutionary
May Day Greetings from your Turkish friends and comrades!

Madness

bankruptcies. Capitalism, which is held up to us as the apex of efficiency, necessarily and always wastes human and material resources through its planlessness. The boss wouldn't let you get away with this in 'his' factory!

The apologists of the capitalist economy say that markets give us 'consumer sovereignty'. The market system is in effect a giant economic democracy, where we vote with our money for what we want, not just once every five years but every time you go down the road for a bottle of milk.

Consumers weigh up what goods they want most. For their part producers have to give people what they want in the quantities they want. Otherwise they go out of business.

Is this right? Neo-classical economics starts with people's wants. But where do they come from? Are they just 'exogenously given', as they say in the textbooks? Most of our wants are suggested by the possibilities for humans given by the development of the productive system. It is quite likely that medieval peasants were bored on long winter nights. It is unlikely that they sat around wishing someone would hurry up and invent television. And the idea that these days giant oligopoly firms make their

whole it's not a nuisance - it's a contradiction. Each capitalist strives to drive down the living standards of his workforce in order to maximise profits. But for the capitalist system the working class are their main customers. That means they should have plenty of money jangling in their pockets. One way a capitalist nation can solve this contradiction is by driving down wages at home and selling abroad. As Keynes told the MacMillan Committee during the Great Depression, "If you are part of an international system, you can always improve matters by cutting wages more than your neighbour". But for world capitalism there is no 'abroad'. Attempts to offload the contradiction merely generalise the crisis and produce results such as the 1929 Depression.

And markets measure the costs and benefits. not to society as a whole, but for the capitalist. This can have perverse results, results which are very costly for 'society', for the rest of us, but not for the capitalist firm. The firm belches out smoke and pollutes our air. It does so because this is cheaper than attaching a filter. The firm doesn't have to pay the costs of hospitalisation and early death of workers with lung and respiratory illness caused by pollution.

the detail worker to capital, extols them as an organisation of labour which increases productivity - denounces just as loudly every kind of deliberate social control and regulation of the social process of production, denounces it as an invasion of the inviolable property rights, liberty and self-determining genius of the individual capitalist," states Marx. "It is characteristic that the inspired apologists of the factory system can find nothing worse to say of any proposal for the general organisation of social labour, than that it would transform the whole of society into a factory." (Capital)

Both divisions of labour just impose themselves on us as workers. But the division of labour within the workplace is consciously planned by the boss. He doesn't just hope that there are raw materials for you to work on somewhere out there. He makes sure they are stored up ready for you before you get in. And he makes sure there's a worker in place to do what's needed. All this is done in advance. He may say markets are wonderful, but he's not so stupid as to rely on them himself if he can help it. The only way he can make money is by selling into the marketplace. And here nothing is done in advance. You lay out your

Each capitalist strives to drive down the living standards of his workforce in order to maximise profits. But for the capitalist system the working class are their main customers. That means they should have plenty of money jangling in their pockets.

money by 'giving people what they want' is quaint, but naive. On the contrary they spend vast sums making sure we will want what they give us, by manipulating people's wants. The most obvious way they do this is through advertising and the sales effort. This doesn't come cheap. Ten years ago advertising alone swallowed up 1.3% of our National Income. Marketing expenses also include finance credit, lawyers' fees, accounting costs, packaging, commissions, coupons, samples and trade allowances. For toiletries advertising is 14p for every £1 of sales, for soap 10p and for pharmaceuticals 8p. So much for giving people what they want!

Nor is it true that markets equate the costs and benefits to society of production for people's needs. First under capitalism production is for profit, not for need. It is just a nuisance for the capitalist that he has to sell his goods to somebody before he can realise the profit. For the system as a

And once it's in the air, you can't 'choose' not to 'consume' the pollution. Paradoxically this affects the 'consumer sovereignty' of everyone. Even a millionaire in Mexico City can't buy clean air, - and the pollution poisoning his lungs is the source of his profits.

And what sort of electoral system is it that gives 257 billionaires more 'votes' (more money) than 2 billion poor people in the world? For capitalist economists the distribution of income, like wants, are 'exogenously given'. In fact capitalism produces rich and poor as inexorably as it produces Coca Cola.

The market is not the only division of labour. Marx realised that there are two divisions of labour within a capitalist economy, one in the marketplace and the other within the capitalist firm. "The very same bourgeois mentality which extols the manufacturing division of labour, the life-long annexation of the worker to a partial operation, and the unconditional subordination of

stall and hope someone wants your stuff. If they don't, then all the work has gone to waste. But you only find out after the event. Because markets are a form of the world division of labour, it is not just the capitalist that is wasting resources - it is the world, it is all of us.

The real secret of capitalist production - where profit comes from - is to be found in the workplace, in the exploitation of the working class. This fact is masked by the apparent dominance of market forces over capitalist society. Marx had to start with the commodity (goods made for the market) because the market dominates the form of appearance of the capitalist economy. But capitalism rests on the exploitation of the working class, whether organised by bureaucrats in a corporation plan (big companies have five year plans just like Stalin) or whether imposed by the apparently impersonal workings of the world market. ☆

The Origins of Our Species

The latest discovery of a fossil skull in Kenya, more than three million years old, once again demonstrates the complex evolution of humankind. The following article examines the evidence and sees how it fits into the ideas of human origin formulated by Frederick Engels more than 100 years ago.

By Rob Sewell

"There is a grandeur in this view of life, with its several powers, having been originally breathed into a few forms or into one; and that, whilst this planet has gone cycling on according to the fixed law of gravity, from so simple a beginning endless forms most beautiful and most wonderful have been, and are being, evolved." Charles Darwin, *The Origin of the Species*, pp. 459-60, Penguin 1985.

The latest discoveries in palaeontology once again reveal the rich and complex evolution of the human species. In March, the magazine 'Nature' reported on a new fossil find in Kenya of a 3.5 million year-old skull. Originally, it was thought that the human linkage had been traced back to an ancestral genus called the Australopithecines (the "Southern Ape"), the most famous remains being 'Lucy', discovered by D.C. Johanson. These proto-humans roamed the savannahs and Rift Valley of Africa more than 3 million years ago, and are closer to modern humans than apes. However, new evidence suggests that the Australopithecus family was not the only hominid species to have existed at this time.

'Nature' describes a new species - Kenyanthropus platyops - with a much flatter face than any Australopithecine. "Kenyanthropus shows persuasively that at least two lineages existed as far back as 3.5m years," said Meave Leakey of the Kenya national museum. It is clear that the evolutionary tree is far bushier than at first appeared. While the human lineage split from that of the African apes some 5-10 million years ago, this new evidence suggests possible new lines from which humans evolved. It shows a far greater diversification of human evolution prior to the emergence of the Homo genus.

The newly discovered skull has a small ear-hole, like those of chimpanzees. However, it shares other features of early hominids, such as a small brain. But there are other striking differences, including tall cheek bones, small teeth and a flat plane beneath its nose bone, giving it a flat face appearance. The flatter face - a feature once thought distinctly human - arises primarily from the way the new species ate its food.

"It seems that between 3.5 and two million years ago there were several human-like species; which were well adapted to life in different environments, although in ways that we have yet to appreciate fully", stated Dr Daniel Lieberman, an anthropologist at George Washington University, Washington.

It is understood that, as with the Australopithecus, the Kenyanthropus also walked upright. The emergence of these bipedal apes was a revolutionary breakthrough in human evolution. What forced these creatures in this direction is likely to have been the climatic changes that swept through the African continent some fifteen million years ago. The transformed geography, driven by the separation of two tectonic plates, running from the Red Sea in the north through Mozambique in the south, saw faulting and uplifting of mountains and the creation of the Great Rift Valley. This transformation caused the forests to shrink and fragment, creating radical changes to the habitat of the ape populations.

"The land to the east of the valley was no place for apes, with its forests rapidly disappearing as rainfall levels diminished", states Richard Leakey and Roger Lewin. "One very persuasive theory for the origin of bipedalism, the feature that established the human family, is that it was an adaptation for more efficient locomotion between widely distributed food sources. There are other theories, too, but this one makes good biological sense, given the habitat changes of the time." (*The Sixth Extinction*, p.88)

Over a period of several million years, new species arose and others became extinct. The development of hominids with small brains and the ability to walk on two feet represented a qualitative evolutionary leap. In the fossilised river bed in Laetoli in Northern Tanzania are hominid footprints dated at 3.5 and 3.7 million years. In the words of Leakey and Hay: "the Pliocene hominids at Laetoli have achieved a fully upright, bipedal and free striding gait, a major event in the evolution of man which freed the hands for tool-making and eventually led to more sophisticated human activities. Moreover,



evidence supplied by cranial parts of the somewhat later but related hominid fossils from the Afar in Ethiopia (dated between 2.6 and 3 million years) indicates that bipedalism outstripped enlargement of the brain. To have resolved this issue is an important step in the study of human evolution, as it has long been the subject of speculation and debate." (Quoted in *The Labour Theory of Culture* by Charles Woolfson).

In fact it was Frederick Engels who first explained this revolutionary birth of mankind as early as 1876, five years after the appearance of Darwin's 'The Descent of Man', in his brilliant essay 'The Part Played by Labour in the Transition from Ape to Man'. Engels, using the method of dialectical materialism, was able to explain the evolutionary process despite very little fossil evidence. "Labour is the source of all wealth, the economists assert", wrote Engels in its opening lines. "It is this - next to nature, which supplies it with the material that it converts into wealth. But it is also infinitely more than this. It is the primary basic condition for all human existence, and this to such an extent that, in a sense, we have to say that labour created man himself." (*The Dialectics of Nature*, p.279, Lawrence and Wishart 1946)

Engels recognised that the erect posture in walking represented "the decisive step in the transition from ape to man." This allowed the hand to be free and could "attain ever greater dexterity and skill". Thus states Engels, "the hand is not only the organ of labour, it is also the product of

humankind. The fossil record serves to confirm the suggestion, also made by Darwin, that the use of tools was both the cause and effect of bipedal locomotion. For the hominids evolving towards humans, their way of life depended upon the skills of tool-using and tool-making. According to S.L. Washburn, "The success of the new way of life based on the use of tools changed the selection pressures on many parts of the body, notably the teeth, hands and brain, as well as on the pelvis. But it must be remembered that selection was for the whole way of life."

Development of the brain

Engels brings the whole picture together. "First comes labour", states Engels, "after it, and then side by side with it articulate speech - these were the two essential stimuli under the influence of which the brain of the ape gradually changed into that of man, which for all its similarity to the former is far larger and more perfect. Hand in hand with the development of the brain went the development of its most immediate instruments - the sense organs. Just as the gradual development of speech is inevitably accompanied by a refinement of all the senses."

This view was confirmed by Woolfson, "Human beings can create their own special access through speech and tool-making to an ever widening pool of social information about the problems of subsistence. Tool-making and speech, therefore, could

Most anthropologists of the day imagined a harmonious gradual transition from ape to man, driven by increased intelligence. "Upright posture is only the consequence of higher development of the brain", wrote the embryologist Karl Ernst von Baer. Fossil evidence would soon provide the "missing link", or so it was thought. However, the accumulation of fossil evidence confirmed Engels' thesis. The Australopithecines walked upright but had small brains! Increasingly, but amid great resistance, a growing number of palaeontologists have come to accept this materialist view.

"Although controversy remains over the precise dating for the first likely emergence of Homo," writes Charles Woolfson, "the evidence suggests that stone-tool making had become a habitual part of a developing human way of life prior to the major cranial expansion and other anatomical developments, which have often been taken to mark the emergence of man."

The English scientific establishment in particular was dominated by pragmatism. Rather than recognizing evolution as a process encompassing leaps and breaks in continuity, they contented themselves with a vulgar gradualism. Engels sought to challenge this scientific and philosophical orthodoxy, which placed things on their heads. Today, palaeontologists like Stephen Jay Gould and Niles Eldredge have embraced a new dialectical view of evolution, called punctuated equilibrium. Gould has recognized Engels' contribution, describing his essay on human origins as "a brilliant

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labour." He then went on to explain that this had further revolutionary consequences. "But the hand did not exist by itself. It was only one member of an entire, highly complex organism. And what benefited the hand, benefited also the whole body it served."

Bipedalism alters the shape of the foot. Upright walking also necessitates a narrower pelvis to hold the guts in position and changes the shape of the birth canal. Unlike in other primates, as a consequence, in humans child birth is a difficult process. With the increased development and size of the brain, selection favouring larger heads, other physical changes also took place. To compensate for larger heads, humans are born at an earlier stage of development than apes. However this meant a greater period of dependency, and a prolonged mother-child relationship, which were to have a dramatic effect on social relations. Humans became, above all else, social animals.

The use and production of tools constituted a further revolutionary leap forward for

be said to provide the twin foundations for the whole subsequent development of human culture." Woolfson went on to state that "had Engels been alive today he would undoubtedly have greeted the latest scientific data with alacrity... the broad outlines of Engels's theory are, by and large, confirmed by contemporary research, and that in this respect Engels's essay is a brilliant scientific anticipation of what is now thought, by some writers at least, to be the likely pattern of early human evolution."

Engels' materialist viewpoint challenged the existing orthodoxy of the day. The idealist view dominated, which saw the development of brain as the key to the development of man. This false view was carried into the twentieth century, and epitomised by the fraudulent Piltdown man, a skull of a supposedly large-brained ancestor, with an ape-like jaw. "The hoax was accepted for so long because it was exactly what the English scientific establishment had wanted to find", noted Christopher Wills (*The Runaway Brain*, p. 72).

expose." However, notes Gould, it "had no visible impact on Western science." (Ever Since Darwin, p.210)

"All merit for the swift advance of civilization was ascribed to the mind, to the development and activity of the brain", wrote Engels. "Men became accustomed to explain their actions from their thoughts, instead of from their needs.... And so there arose in the course of time that idealistic outlook on the world, has dominated men's minds. It still rules them to such a degree that even the most materialistic natural scientists of the Darwinian school are still unable to form any clear idea of the origin of man, because under that ideological influence they do not recognize the part that has been played therein by labour."

The latest discoveries in this field of human origins is a testimony to Engels thought and contribution, not least the discovery of Kenanthropus platyops. It is a confirmation of the method of dialectical materialism, the only consistent scientific outlook of the world. ✪

Youth for Socialism

Students revolt against fee increases at Rome University

Over the past decade a programme of privatisation and cuts has been taking place in the Italian education system, the so-called "autonomy" which gives headmasters managerial-type powers. More importantly, it involves seeking private finance, with an inevitable handing over of a part of each school's decision making powers to the private investors. Those schools that can get the private finance will tend to become schools of the elite, and those that don't, have to make do with the fewer and fewer crumbs provided by the state.

by Arnaldo Mirabelli

**Students' Collective of the Faculty of Psychology,
La Sapienza University, Rome, Italy**

Over the past decade there have been a series of mass mobilisations by high school students, but in the universities there was no movement. A similar programme of "autonomy" has now been proposed for the universities. This has sparked off a major revolt by the students at Rome's 'La Sapienza' university. Below we publish an article by a student who is actively involved in this movement.

Recently the Chancellor of La Sapienza University in Rome announced increases in fees of 70% for low income families and 40% for the remaining higher income brackets. It is likely that other universities will announce similar increases. But the students have decided to mobilise...

The struggle begins

The movement started with a few meetings and a demonstration on 18th January. On 13th March three halls of residence were occupied in protest against the new criteria for assigning rooms and deciding who should get grants.

The next day a meeting of 200 students at the Arts Faculty decided to occupy the offices of the Head of the Faculty and one of the lecture halls. The Psychology Faculty was also occupied. Then 500 students occupied the Engineering Faculty. The Sociology Faculty was also occupied. On 16th March the police forcibly removed the students from the occupied faculties.

The Rector thought that by doing so he could nip the movement in the bud, but it had the opposite effect. We put up no resistance to the police and then called a mass meeting. There was a massive turn-out! On 19th March there was a meeting at the Science Faculty with 180 stu-

dents taking part. One hundred of these marched to the office of the Head of Faculty who agreed to call an official meeting for 23rd. On 20th 1500 students attended a meeting at the Arts Faculty. On 21st there was a demonstration of 8000 students.

On 22nd, 1500 students picketed the State and Regions Conference, [which is the body that has to decide on the criteria for approving discretionary grants]. The same day, the Political Science and Arts faculties were occupied. On 23rd 1000 students attended the Conference of the Science Faculty. The following week they occupied both the Administration Offices and the main lecture hall, forcing the Chancellor to meet the students.

The Chancellor, who up until then had refused to talk to the students, then declared that he would discuss the fee increases with the elected representatives of the students. He immediately announced that he would be separating the lowest income bracket from the next income bracket up (previously he had unified these into one bracket which meant that the lower income bracket would have to pay an increase of 70%, about £400 per year). The was clearly a manoeuvre on the part of the Chancellor, who was trying to divide the students.

Then the Economics, Psychology and Sociology Faculties were also occupied, and a series of staggered occupations took place with a new tactic being developed by the students: they carried out a series of lightning occupations in departments where a lot of money has been invested.

By then the student action had already achieved important results. The government had announced that an extra £240 million had been set aside, 10% of which had been earmarked for the La Sapienza University in Rome. The government under-secretary, Guerzoni,

added that he would like to meet the students because they had not understood the "reform".

We immediately took advantage of this and we went with our demand that Chancellor D'Ascenzo withdraw his proposed increase in fees, seeing that now the funds had been made available.

What we are struggling for

The fees increase at Rome University are the first of a series. However, the movement in Rome is not just against the fees increase. It is also against the whole of the University "Reform". The main thrust of the resolutions passed in the various student assemblies during the struggle is the following:

- Against making the present degree courses equivalent to the new three year courses, which would be brought into being by the Reform [Note: the Reform divides degree courses into different levels, with so-called short courses, which would be pretty worthless from the point of view of job prospects];

- Against the setting up of full-time and part-time degree courses which would mean discriminating between first and second class students;

- Against all measures of selection [such as limiting the number of students per Faculty and measures which would make grants more difficult to get...]

What we have here is a generalised struggle in defence of high quality university courses OPEN TO EVERYONE. We aim to spread the struggle to all the other universities in Italy. One thing, however, is clear: the ice has been broken. Ten years of silence in the universities have been brought to an end by the struggles taking place in Rome. This will have an important psychological effect on thousands of university students. The example of Rome will play an important role in pushing students in other universities into action. The reform can and must be stopped! ☆

"Want to get what out of YFIS"?

1) "I have always been interested in socialism and when I studied Marx at uni last year I felt I had found something that felt completely right. True Marxism has such a lot to say about modern society..." *Susan, 19, London.*

2) "I wish to learn more about the varied views within Marxism to truly grasp how to educate people in the truth..." *Mahir, 18, London.*

3) "Education and then to educate the masses, who fear socialism..." *Duncan, 15, Edinburgh.*

4) "I would first off want some ideas from you's comrades, so that I can have a good start in convincing my people that Marxism is the great system..." *Hajeji, 15, Liverpool.*

5) "I have been reading Marx since I was ten years old. I first read the Communist Manifesto, and then Capital, I have also seen what it is like to be oppressed by the capitalists within my own family..." *David, 17, Liverpool.*

6) "I am a sociology student and we studied this perspective in depth and it is something that rapidly changed my opinions..." *Dan, 17, West Midlands.*

7) "I am interested in speaking to people my age with similar views. My views on socialism are dictated by the works of Marx, Engels, Lenin and Trotsky. For the past few years I have tried whenever possible to educate myself further on socialism..." *Tom, 17, Birmingham.*

8) "I want to learn more about Marxism and revolt against capitalist powers..." *Dave, 16, Derby.*

9) "Studying the politics of geography and being disgusted by the evil way capitalism and the extent to which it has been forced down the throats of those who trust in the people who are chosen to speak for them..." *Hayley, 21, Oxford.*

10) "I like to think that I can make a difference, but I know that that's being naïve. I think that by joining the YFIS, I have more of a chance..." *Harry, 17, Hull.*

11) "Basically I would like to help in anyway I can to promote Marxism to those who have not yet been enlightened..." *Mark, 16, Hull.*

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www.newyouth.com

YFIS youth School

A new Youth for International Socialism day school is taking place in South London on Saturday 19th May. The main subjects will be Globalisation and Marxism or Anarchism? Given the recent mass protests in Quebec and the growing anti-capitalist movement, we need to understand the nature of international capitalism and how it can be defeated. This school will bring socialist youth together to discuss these issues and get organized. Make sure you are there! For further details contact Espe at espe@newyouth.com or phone her on 0207 5157675

China, America and the Pacific

The clash between China and the USA over the crashed spy plane has thrown into sharp relief the tensions between the great powers in Asia. The incident in itself was an accident. But dialectics explains that necessity can be expressed through accident. Underlying the immediate incident lie fundamental contradictions between China and the USA.

**by Ted Grant
and Alan Woods**

Before 1939, US, Japanese and European imperialism vied with each other for the control and plunder of China. In the end, the struggle reduced itself to a titanic struggle between the USA and Japan for control of the Pacific and above all China. US imperialism succeeded in its bid to dominate Asia and turn the Pacific into an American lake, much as the Romans succeeded in turning the Mediterranean into a Roman lake.

With the collapse of the Soviet Union, the USA, with its colossal economic and military potential, has exercised complete domination. With limitless power comes overbearing arrogance. Already before Bush, American imperialism had embarked on a policy of intervening everywhere, ignoring all rules of sovereignty, and treating the whole world as America's backyard. George W. Bush merely took over the existing policy, investing it with the crudeness and narrowness which are the hallmarks of his world outlook.

Having been caught in the act of spying off China's shores, and caused the destruction of one Chinese plane and the death of its pilot, the Americans had the temerity to demand that the Chinese should not board their grounded aircraft - now sitting in Chinese national territory - but treat it with the respect due to an embassy! The Chinese naturally treated this unprecedented demand with the contempt it richly deserved. They returned the crew - whom they treated with respect - but have so far kept the US spy plane, which they will obviously not relinquish until it has given up all its secrets.

The insolent tone adopted by Washington at the beginning of the present crisis soon had to be modified. Even Western commentators pointed out the sheer hypocrisy of the posturing of Washington. If a Chinese plane had flown close to America's shores and had caused the death of an American pilot, one can just imagine the howl of indignation that would have ensued. Belatedly

aware of the potential damage to trade with China, the Bush administration changed its tune. The President sent a letter of "regret" to the mother of the dead pilot. This was as near to a formal apology as one could expect.

China's rapid development

The massive gains in production, industry, science and technology made possible by a nationalised planned economy after the 1949 Revolution transformed China from a weak semi-colonial country, robbed and humiliated by foreign imperialists, into a formidable military power. There could be no question of the USA or any other country reducing China to colonial slavery as in the past. China thus represents the limits of US power in the Pacific.

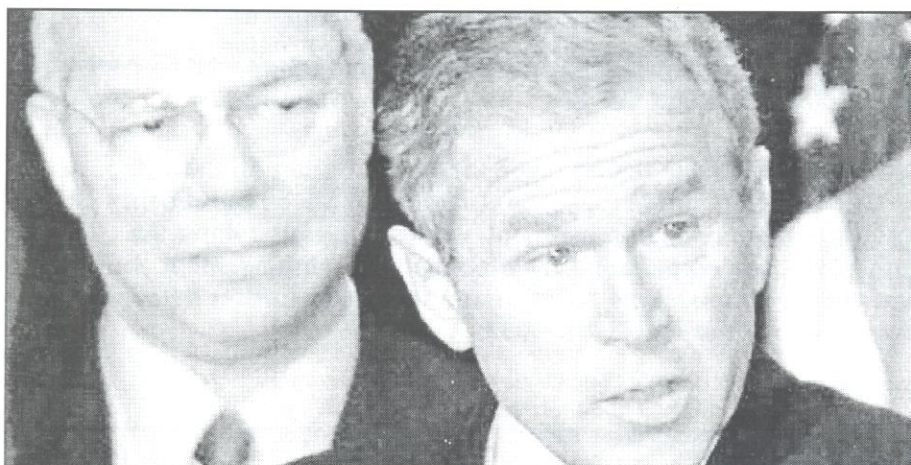
In the course of the last 20 years, the integration of China in world trade has increased with seven-league boots. Both China and America are interested in developing trade. For the big US monopolies, the prospect of developing the China market presents an alluring perspective of profits. They represent the China lobby in Washington, which is anxious to prevent a deterioration of US-China relations which would endanger their interests.

China wants to develop its economy and technology as quickly as possible. This is a matter of life or death for a country that needs to achieve a rate of growth of at least eight percent each year to prevent the growth of unemployment. Therefore, neither Washington nor Beijing wishes to bring matters to an open break. In all probability, some kind of compromise will be cobbled together.

Given the existence of conflicting interests in a whole series of areas, incidents like these will continue to occur at regular intervals. But given the balance of forces, they will not lead to open war between China and the USA. In such an eventuality, the USA could not defeat China, and China could not defeat the USA. Therefore, each crisis will end in a compromise. This uneasy balancing act can last for decades. In the long run, however, conflict between China and America in the Pacific is unavoidable.

At every step, China's vital interests in Asia clash with those of the United States. The contradictions have been manifested in a series of incidents that have hampered the establishment of normal relations between the two countries. There was a serious clash over the Tien an Minh Square massacre in 1989. In 1996 there was the crisis over the lobbing of Chinese missiles close to Taiwan. In 1999, there was the crisis over the American bombing of the Chinese embassy in Yugoslavia.

Above all, the problem of Taiwan, which



Beijing still regards as a rebel province which must rejoin the Motherland, remains as an ulcer that poisons relations. Washington is pledged to come to the aid of Taiwan in the event of hostilities, and there is a vocal pro-Taiwan lobby in Congress, especially in the ranks of Mr. Bush's party.

There is a lot of bluff on both sides. It is not at all clear that the US could defend Taiwan successfully against an all-out attack from China. But the threat of US military intervention is always present, and it is doubtful that Beijing would want to take the risk. At the end of the day, both sides have so much to lose that the Chinese will probably have to reach some kind of a deal with the Taiwanese capitalists, who are already investing in China. There will be a lot of noise on the diplomatic front as both sides seek to gain an advantage over the other. But, at least in the short term, it will not lead to war.

China and Russia

Whereas before the War, the American imperialists thought that they could dominate China, this is no longer the case. China is too strong to be trifled with. That is the message of the recent events. For the present, the incident is closed, and China has won on points. But in the future there will be new flash points in the struggle of China and America to dominate this decisive part of the globe. Faced with such a powerful antagonist, China must look around for allies.

After decades of conflict between Russia and China, the rulers in Moscow and Beijing are beginning to draw closer. Putin's visit to Beijing will be followed by closer collaboration on the military and diplomatic front. The domination of US imperialism is bitterly resented in both countries. The outline of a future anti-American bloc, composed by Russia, China, India and Iran, is already visible. It will take place gradually, over a period of years, and will not be a smooth process. China does not want to be dominated by America or Russia, and will attempt to play one off against the other for its own

tor, the Chinese Bureaucracy has moved cautiously, in piecemeal fashion, while maintaining a firm grip on the levers of power.

In recent years China has enjoyed a high rate of economic growth. Even now it has a rate of growth of seven per cent. But this has another side. The movement in the direction of capitalism has engendered colossal social dislocation. Unemployment is around 150 million. There is huge and growing inequality, both in the cities and villages. Tens of millions of poor people have poured into the cities in search of work. In capitalist enterprises - frequently owned by foreigners - they are subjected to the most brutal exploitation for very low wages. Unbearable pressure is put on housing and the infrastructure. Such conditions, which recall those of the Russian working class a hundred years ago, are a breeding-ground for revolution.

This is not 1949. After decades of economic growth, the Chinese working class now numbers at least 200 million. The revolutionary potential of this gigantic proletariat is self-evident. There have been big strikes and demonstrations in the cities of China in recent years, and also disturbances in the villages and a ferment in the minority nationalities (The Tibetans, Mongols, Uighurs, etc.) This explains why Beijing has concentrated all its energies on developing the economy. The Bureaucracy does not want conflicts outside China that can have negative repercussions inside the country. It would prefer to avoid a clash with America, which, apart from being an important source of modern technology, is a major market for Chinese exports. China has a big trade surplus with the USA.

The future of capitalism in China is by no means certain. The Bureaucracy itself is split between a pro-capitalist wing and a "conservative" wing that fears the consequences of social instability that flow from capitalism. While some sections of the Bureaucracy have enriched themselves, the majority have gained little or nothing from the market reforms.

The future of capitalism in China is by no means certain. The Bureaucracy itself is split between a pro-capitalist wing and a "conservative" wing that fears the consequences of social instability that flow from capitalism.

benefit - now tilting towards one, now swinging back to the other. But ultimately the logic of events will drive China into the arms of Russia.

The link with Russia will provide China with access to a huge arsenal of arms and equipment. In the last analysis, China may gain access to Russia's nuclear arsenal. This is a prospect that fills Washington with the deepest foreboding. That is another reason why it will try to avoid a direct confrontation with Beijing - for example over the spy plane issue. Although China's failure to release the plane has provoked fury in the Pentagon, the Americans know that, if they push China too hard, the Russians would be the ones to gain. They are therefore compelled to manoeuvre. They try to press Beijing, but dare not press too much.

Uncertain prospects for capitalism

Although China has moved a long way towards capitalism over the past twenty, and particularly the last ten years, the transition is by no means complete. A large part of the economy still remains in the hands of the state, especially the key sector of heavy industry. True, there are thriving pockets of capitalism, mainly on the coastal areas and in Hong Kong, and these are growing in importance. But, unlike Russia, where the Bureaucracy foolishly accepted the advice from the West to move rapidly to dismantle the state owned sec-

This is particularly true of the inland provinces that have not received the kind of investment which has flowed into the coastal areas.

The fact that the Americans still speak of "Communist China" is an eloquent proof of their attitude to it. Under Clinton, Washington followed the line of engaging China - that is, attempting to enmesh it in the world capitalist system, thereby ensuring that capitalism in China would become irreversible. But the Bush administration is divided. One section wants to avoid a break with Beijing, exploit the Chinese market, and thus enmesh China more firmly in the world capitalist system. The other sees that in the long term, a clash between China and America over the control of East Asia is inevitable.

China is more integrated in the world economy than at any time in history. But this fact, which is generally a progressive development that has helped boost the Chinese economy to unheard-of levels, also means that China is no longer immune to the shocks that come from the world market. The trade surplus which China currently enjoys with the USA can be ignored, or treated as a minor irritant so long as the boom lasts. But with the beginning of a downturn, protectionist tendencies in the USA will grow. Such tendencies are particularly strong among the Republicans. The attempt to include China in the World Trade Organisation - which is still not finalised - will meet ferocious resistance from these sec-

tions. If the present downturn turns into a slump, the contradictions between China and America will intensify. Already the chorus in the US about China's human rights record, the absence of free trade unions, the low wages etc. are a hypocritical disguise behind which the protectionist lobby pushes its case against trade with China.

Changed balance of forces

For the present, a war between China and America is not on the agenda. But that can change. The conflict between China and the USA that flows from the whole situation will develop over decades. Even now one can see a significant shift in Washington's attitude to China. In a short time, it has been transformed from "most favoured nation" to "public enemy number one", or, to use the elegant language of diplomacy, from "a strategic partner" to "a strategic rival".

Everything now points to a movement in the direction of recession on a world scale. That the American ruling class is seriously worried at this prospect is shown by the string of cuts in interest rates. However, it is far from clear that these measures will be sufficient to stave off a crisis. If, as is quite possible, the present recessionary trends in the USA end up in a deep slump on a world scale, everything will be thrown into the melting-pot. Not that this would lead immediately to war, either. On the contrary. The immediate effect of a slump will be to redouble the natural tendency of the Republicans to turn inwards, to devote most of their energies to "solving America's problems first". America's appetite and capacity for foreign adventures will therefore be severely restricted.

However, it is impossible for the USA to extricate itself from the maelstrom of events on a world scale. Its interests are everywhere, as are its foreign bases. Serious events abroad must impact in a major way on America itself. Thus, in the last analysis, the slogan "America first" is not the slogan of isolationism, but a particularly virulent expression of imperialism. In the next period, America will have to defend its perceived interests on a world scale: interfering in the affairs of other states, especially in Central and South America, getting involved in wars, assassinations, military coups and counter-revolutionary conspiracies on a global scale. In the same way that, during the period of economic upswing, the USA was the capitalist world's "banker of last resort", so in the period of crisis and downswing, it will be the policeman of world capitalism.

Such a position will prove costly. Already, the attempt to place a cordon sanitaire around China, by means of forming military alliances with certain Asian states, has begun to break down. Washington continues to back Taiwan as a dagger pointed at China. But after the collapse of 1997, many Asian governments are re-thinking their traditional alliances with the USA. Indonesia, in

the throes of revolution, has criticised Washington over the spy-plane issue. Malaysia, another giant, is generally unfriendly to the USA. Only Thailand remains staunchly and unambiguously pro-American. In all Asia, there are now approximately 100,000 US troops. Their presence is not an accident. Thailand has recently staged joint military exercises with the Americans (Operation Cobra). Just to underline the point, this is the largest military exercise in Asia this year.

Lacking firm allies in the region, Washington is now cultivating the Philippines. But the recent political upheavals that led to the downfall of Estrada shows that the Philippines is also entering into a new period of instability and revolution. On the other hand, Australia - a weak imperialist power - is increasingly intervening in the affairs of its neighbours with a view to carving out spheres of influence, and grabbing markets and sources of raw materials for itself. It talks of establishing an "arc of stability" around itself, allegedly to shelter its shores from the instability that already afflicts its neighbours: Fiji, Papua, the Solomon Islands and East Timor. In answer to those who argued that Australia's intervention in East Timor was a "humanitarian enterprise", we explained that Australian imperialism was only interested in strengthening its stranglehold on the wealth of the area. This is now proven by the course of events, as Australian companies set up shop in East Timor.

Asia and socialism

The Romans considered the Mediterranean as the centre of the world, which is precisely what the word signifies in the Latin language. Before the Second World War, Trotsky observed that the centre of gravity of world history had passed from the Mediterranean to the Atlantic. He pointed out that the Mediterranean had become a "Lilliputian lake". And, in a brilliant prediction, he added that in the future, the Pacific would be at the centre of events. The history of the last fifty years has demonstrated the correctness of this prediction. The USA has long since turned its gaze away from Europe, which, while still important no longer plays the same role as in the past. Instead, the American bourgeoisie is turning its attention to Asia and the Pacific. This is no accident. The Pacific holds the key to the future of the world.

Along the Pacific rim - which, it must not be forgotten - includes the USA - the tremendous potential of hundreds of millions of people has begun to emerge as a deter-



U.S. built destroyers in Keelung harbour

mining factor in world history. Formerly downtrodden masses are beginning to flex their muscles and show what they are capable of. We had a tantalising glimpse of the tremendous potential of Asia in the period of upswing of the 1980s which lasted until the collapse of 1997. Marxists welcomed the development of the productive forces under capitalism because it strengthened the proletariat and laid the material basis for a higher form of human society under socialism. But there is another side to this. The contradictions of capitalism are gathering like a threatening cloud over the Pacific Ocean. Explosive developments are being prepared.

There is no shortage of combustible material in Asia which can set the whole region alight in a series of destructive wars and conflicts. If capitalism is allowed to continue the pillage of Asia, the inevitable rivalries between nations will engender one conflict after another, signifying death, destruction and poverty for millions. Countries like Indonesia are threatened with the nightmare of national disintegration, with the dreadful spectre of ethnic slaughter as a consequence. Only the working class can prevent this by taking power into its hands. The principal problem that has prevented this from taking place until now has been the weakness of the subjective factor: the revolutionary party and its leadership. Upon the resolution of this problem the future of Asia depends.

Under capitalism, the potential of Asia will never be realised, or only realised in a partial and distorted manner. Only on the basis of socialism can the immense potential of Asia and the Pacific be realised to the full. By combining the economies of the region in a common plan of production, the road would be open for an unheard-of development of industry, agriculture, science and technology, and an unprecedented blossoming of culture. But the prior condition for this is the breaking of the stranglehold of capitalism and imperialism. This is the only hope for Asia and for the world. ☆



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STOP PRESS

GENERAL STRIKE IN GREECE

As we go to press we have received reports of a general strike in Greece.

The strike, which has the backing of all the main trade unions, was called for Thursday, April 26. It is the Greek labour movement's answer to the latest attack on living standards and conditions launched by the Simitis government. This entails an increase in the retirement age, reductions of between 40 and 60 percent in pensions, and other measures.

In recent years, the Greek working class had succeeded in making big gains which, in a number of areas, has meant a better deal than in Britain, where the welfare state has been steadily eroded for years under both Tory and Labour governments. By contrast, the age of retirement for Greek men was lowered to 60 (less for workers involved in heavy labour), and 55-58 for women. Now, at a stroke, the right-wing "socialist" administration of Simitis wants to raise the retirement age to 65 for everyone.

For the past ten years, the leaders of Pasok have moved steadily to the right. Like the Blairites in the British Labour Party, they have abandoned all pretence to stand for socialism and the working class. Under the pressure of Brussels, they have moved to "modernise" Greece: by which they mean, introduce flexibilisation of labour, privatisation, downsizing, and all the other delights of the market economy so beloved by Blair and Brown.

For a time the Greek workers accepted this reluctantly. There were some strikes, but no general movement. The trade union leaders - like the "new realists" in Britain, collaborated with the government, opposing strikes and accepting all the impositions and cuts without a murmur.

But now things have begun to change. The mood of the workers has hardened. The latest law was the

last straw. The attitude of the workers is: "Enough is enough!"

Under the pressure of the rank and file, the leaders of the TUC have moved over to open opposition. Even such a right winger as Polyzogopoulos, who previously backed Simitis, is calling for strike action and talking about "social war".

Alarmed at this sudden turn of events, Simitis is attempting to modify some of his proposals to arrive at a compromise with the union leaders. But the mood is such that this seems unlikely to halt the strike, which will be accompanied by mass demonstrations.

The demonstrations are likely to be huge. For the first time, the leaders of the Communist Party, who usually call separate demonstrations, have agreed to a unified protest. The red light is flashing for the Greek Tony Blair! ☆

...AND ALSO IN SPAIN

In a parallel development, the leaders of the Spanish General Workers' Union (UGT) has also called for a general strike. This surprise move comes after a number of years in which the leaders of the UGT (which used to be a Socialist union) and the Workers' Commissions or CCOO (which used to be linked to the Communist Party), followed a policy of pacts with the conservative government of Aznar's

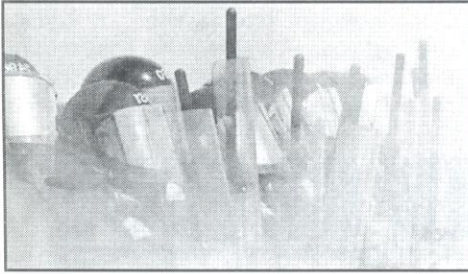
Popular Party.

As in Greece, the sudden change in the stance of the UGT reflects a growing discontent in the working class after years of retreat and the erosion of conditions. The leaders of the CCOO are now to the right of

the UGT. Following the logic of pacts and class collaboration, they have come out against the general strike, which they consider 'inopportune'. For them, militant action will always be "inopportune"! But if they continue to oppose the strike, there will be serious opposition in the ranks.

The situation in Spain and Greece is changing rapidly. There is every indication that this changing mood is taking shape all over Europe. In Britain, too, the strikes on the London Underground are indications that the mood is starting to change. Stormy times lie ahead! ☆





And the Wall came tumbling down...

Eyewitness report from QUEBEC City

Today, the mass movement of youth united with immense élan to oppose Capitalism and its institutions. As I write this I am yet to see the news reports, so these are my impressions from the street and of those I talked to.

**by Alex Grant
Editor of L'Humanité
April 20, 2001**

I arrived in Quebec last night, the airport was already dominated by the police with military helicopters everywhere: When I got into town I walked to the security fence, it was immediately clear that while the State had control behind the wall, the perimeter was clearly ours. Young people walked up and down, talking, sharing stories, discussing ideas (marxism, anarchism, how to defeat "them", etc.), there was a mood of enthusiastic tension.

This morning I headed down to the People's Summit down by the old port. It felt very much like most political events I am used to attending, trade union officials, info tables, news conferences, average age about 40. At 1pm we decided there was not much going on so we headed back up to the fence. When we got there the mood had changed considerably, many youth were congregating by the main exits. As soon as I got out any literature, people were coming up to me and asking me for it (we were selling L'Humanité and passing out English and French translations of our anti-FTAA piece). What is more, people frequently sat down on the spot to read the contents. It was clear that many of the youth here were new to politics, searching out for the right ideas, unsure what they are for but determined about what they are against. The average age at the wall was probably about 20.

The gate we were at (Saint-Jean) had a surreal quality, a women's demonstration had woven dozens on bra's onto the fence, young people danced and chalk-painted the ground, while a cop guarded a cemetery on the other side of the fence (obviously even the dead need policing!). Suddenly, almost without warning,

the crowd turned into a march. This was the youngest, fastest, most energetic march I have ever been on. It started with about 1000 people, but it kept on pulling more and more young people in, almost out of the ground itself. It is hard to describe the sheer elemental nature of this movement with all the strengths (and weaknesses) of youth. Trade unionists were present but not many, also most of these unionists were already linked to the youth movement (e.g., CAW service sector, CUPE York University).

We turned up the hill to the main gate to the summit on René Lévesque Boulevard. We stopped to hear impassioned speeches in English, French and Spanish. The crowd (which had now grown to about 5000) immediately went silent to hear the speakers who were speaking without the aid of platforms or sound systems. Then we turned down René Lévesque away from the summit, still the crowd swelled, until we met head-on with the march coming up the road from Laval University. Now we were at least 15,000. We turned around to face the wall.

At this point it is probably useful to point out that Québec City is one of the most "French" cities in Québec. Few people here speak English fluently and it is the home of Québec nationalism and separatism. At no point were these divisions present on on the demo - French Canadian, English Canadian, American, and Latin American youth communicated in all languages and united against the common enemy.

Marching back towards the wall there came a point where certain groups had decided that the march should split into 3. A so-called safe "green" zone, a more forceful yellow zone and the red zone where attendees should expect arrest. But this plan fell apart with the demonstrators heeding the basic need for unity - most people just marched straight ahead (I think this was the yellow zone, but it made no difference - mass action is the key). Also the "safeness" of the green zone was definitely not respected by the police, I was later told by an NDP MP that the 7000 people there were tear gassed without warning or provocation.

By the time we got back to the wall we were



about 7000 strong. The tension level rose significantly as we moved up face to face with the fence, about 30 riot cops were lined up on the other side. Then people grabbed the fence and started pulling back and forward on it. One guy climbed up on top and served as a counter-balance that increased the force of the crowd. And then with a cheer the fence came down. The first wave of tear gas came and momentarily there was panic, people ran in anticipation of the inevitable backlash. But the cops didn't come and the crowd turned around after running 10 metres. Some started throwing bottles, cans and a few stones. There was a "back and forward" process in the crowd, pushing at the force of the State, testing it out, working through our collective fear. We realized that tear gas hurts but is tolerable. We had done it, we had torn down the fence, that insulting symbol of corporate power on our streets.

This "back and forward" proceeded for 45mins, we were not prepared to move forward but we would not retreat (despite the gas and pepper spray). Chants of "Who's streets? - Our streets!" stiffened the crowd's nerve and proclaimed the elation. Looking up, a helicopter flew in directly above us. Obviously it's intention was surveillance for whatever the police were planning next. Almost out of nowhere a line of stormtroopers appeared on the left. Moving forward step-by-step while bashed their shields. A volley of tear gas overhead, straight into the heart of the crowd, got everybody running. And then behind us two huge tanks, sporting water cannons, drove up René Lévesque. Now we were concerned that they would block the crowd off with no place to escape. Despite this some people attacked the tanks with stones, they retreated a short way and then opened up with

water. Discretion was clearly the better part of valour at this point as the crowd ran down the side streets to escape (some shouting "dont-run!" to ensure a safe retreat). Despite minor scuffles after this point it was over. The mood changed to finding answers - where now? What next? Which way forward?

The wall came down, for that we can celebrate an incredible symbolic victory of the power of youth. Yet we have to be absolutely clear that this is only a symbolic victory. We have changed nothing and we have won nothing. The FTAA will still be signed (or not signed if protectionist capitalism overtakes free-trade capitalism). Maquiladora workers will still face unbelievable oppression. McBurgers will still be flipped. The only power youth have in this society is to act as a spark to ignite the power of the workers movement. Youth can make alot of noise on the streets but it is workers struggle, strikes and occupations, that can paralyze capitalism. Milosevic was only overthrown when the Serb miners struck and the security forces stood aside feeling their strength. Tomorrow the forces of organized labour join the march. **Forward to the unity of youth and workers, for Socialism and international solidarity! ☆**



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Racism and Capitalism in Cincinnati



The murder by a white police officer of an unarmed 19-year-old black man was the spark which ignited the accumulated tinder of racism and poverty in Cincinnati last week. In the biggest "race riots" since the Rodney King trial in Los Angeles in 1992, hundreds took to the streets to protest at police brutality and the pent-up frustrations of decades of marginalization and poverty.

by Peter Johnson,
Editor of *New Youth*

Timothy Thomas was the 15th black male killed by Cincinnati police since 1995, and the fourth since November. During the same period of time, no whites were killed by police. Officer Stephen Roach shot him as he evaded arrest for outstanding warrants - mostly traffic violations. Roach claims he feared for his life because he saw Thomas reach for a weapon during their encounter in a dark alley - but no gun was recovered at the scene. Like the Amadou Diallo case where the West African immigrant was shot 19 times just for reaching for his wallet, the case of Timothy Thomas highlights the fact that relations between one of the most oppressed segments of society and the police are balanced on a knife's edge, ready to explode at any moment.

The rage expressed by the residents of the Over-the-Rhine neighborhood, which spread to other predominantly black neighborhoods is just a tiny indication of things to come as the contradictions of the capitalist system come more and more to the fore. As long as these problems remained restricted to the poor and minorities, as long as they stayed in their own neighborhoods and wallowed in despair, ignorance, degradation and poverty in isolation from the rest of "decent" society, no one cared. But as soon as the residents rose up in exasperation at the lack of real opportunity and the virtual police state they lived in, the whole world watched, astonished that in the United States there were people so poor, and that they were willing to come into conflict with the world's mightiest state machine and police.

But who were these "rioters"? Why did they see no other option but to burst onto the scene in a spree of arson, vandalism and confrontations with police? The phenomenon of "white flight", whereby more affluent whites move to the suburbs, abandoning the decaying centers of cities to the poor in general, and poor African-Americans in particular, is a serious indication of the divisions in society along economic and racial lines. About 43 percent of the city's population of 330,000 is black, up from 38

percent a decade ago. The Over-the-Rhine neighborhood is 83 percent black. According to a recent study by the University of Cincinnati, the average income in Cincinnati is \$14,420 a year per person, but in Over-the-Rhine it is just \$5,359, and 48 percent of its residents are on public assistance. Cincinnati is home to major corporations including Kroger Co., Procter & Gamble and Chiquita Brands International Inc., and the unemployment rate for the greater Cincinnati area has averaged just 3.8 percent over the last five years. But among blacks in Over-the-Rhine the jobless rate is closer to 30 percent, according to the same study.

No opportunities

The resulting conditions have been dealt with not by increasing the opportunities available to the residents of these areas, but by increasing the presence of the ever more brutal police. The practice of "racial profiling" of young African-American males, many of whom are unemployed, by police who treat them like second-class citizens was bound to result in an explosion sooner or later - and this will not be the last. According to one resident, "From all the people that have died, all the African-American males, the subconscious message being sent is if you come in contact with the police, its not going to be a good experience."

One can't help but see the striking similarities between the actions of the Israeli "defense" forces against the Palestinian youth who are in similarly bleak circumstances, and the repression of the poor youth in the inner cities by the Cincinnati police. The police are supposedly here to "serve and protect" - but the question which must be posed is the following - who are they serving and protecting? The answer is clear - they exist as part of the repressive arm of the state power which defends private property and the capitalist system of wage slavery. That a "state of emergency" was declared and hundreds were arrested during the curfew in a

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major US city sends a message to people around the world. It highlights the fact that the US is not at all the land of milk and honey, and that the ruling class here will use the



A demonstrator holds up a sign saying 'We salute our youth, thank you for the revolution!'

same repression it dishes out to the rest of the world against its own people. The bourgeois raise their hands in horror at the violence of the oppressed - and in particular the violence against their sacred private property - yet every day they inflict even worse conditions and violence on the workers, unemployed, minorities, women, and youth of their own country.

After decades of searching for a peaceful solution to their deteriorating position, the residents of these areas could no longer take it, and took things into their own hands. According to Reverend Daman Lynch who runs a local church, "They relied on their leaders after 14 deaths, to negotiate, to bring about plans but there was no action. And after the 15th, they wanted to send a message and... they sent a message that actually woke up this city."

But we must emphasize that this is not strictly a racial issue - the fundamental reason for the plight of the residents of the inner cities is the dead-end of capitalism. The near state of war raging daily on the streets of the world's richest country is only a graphic expression of the wholesale war which the capitalist system wages on the majority of humanity. It is organically incapable at this stage of history of offering a way forward. As Malcolm X explained when he was moving towards a class analysis of society, "racism is rooted in capitalism". Wherever there is an accumulation of wealth and prosperity at one pole, and scarcity and want at the other, people will divide along the superficial lines of race, religion, gender, etc. Lenin explained that it is a question of bread - if there is not enough to go around, then people will fight over

the scraps which capitalism throws them.

So what is the solution? Put bluntly, there is no simple or easy solution - and no solution whatsoever under capitalism. The only way to change this situation is to provide decent jobs, housing, education, healthcare, leisure activities, etc. But this is impossible under capitalism which cares only for its profit margins. Capitalism doesn't create jobs or opportunities just for the sake of it. If this means that millions and even billions of other humans languish in depravity and destitution, then so be it, as far as the capitalists are concerned, that's "just the way it is". As Marx explained in the Communist Manifesto, the bourgeoisie "is unfit to rule because it is

incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state, that it has to feed him, instead of being fed by him.



A Cincinnati police officer takes aim at protesters with a riot gun

Society can no longer live under this bourgeoisie, in other words, its existence is no longer compatible with society."

But a look around shows that there is no need for this state of affairs. Humanity has at its disposal the most wonderful technology and knowledge which could transform the living conditions of every human living on the planet almost overnight. But only the revolutionary change of society along democratic socialist lines can effect real and lasting change. The task of overthrowing capitalism is the job of the workers, unemployed, and youth of all races and nations. We must build up class-independent organizations which can effectively fight in the interests of all oppressed layers of society. Join us in building a genuine alternative to the capitalist system!

☆ **Outlaw all forms of discrimination!**

☆ **No to police racism and brutality!**

Fighting Fund

Last issue I reported that with just under half way to go we had only raised £1200 towards our spring fighting fund target of £5,000. So a big push was needed. That push has borne results. With just a week to go we have now received £2,900 towards our target. In addition readers and sellers have pledged a further £1385 to be redeemed as soon as possible. If that additional cash comes in then we will be just over £700 short of hitting the target. This represents a considerable improvement over the situation of last month but the fact remains, we need to hit that target.

So I am looking here at readers and sellers who have not yet made a pledge or donated. Can you help? This cash is urgently needed so that we can ensure that *Socialist Appeal* has the maximum impact over the next period. At this time of year we are starting to enter the trade union conference season. There is also the question of

the (almost certain) general election. Plenty of opportunities to spread socialist ideas - but we need the funds to do it!

We have no other source of finance apart from that provided from the pockets of ordinary men and women. The papers and magazines of the bosses get, in effect, huge subsidies from advertising provided by big business. In return for this they spew out a daily torrent of propaganda in favour of capitalism. Our free press is only free for those with money - the golden rule being that those who have the gold rule. Needless to say these fair minded people are loath to let socialist ideas grace their pages. So it is left to the likes of us to try and repair the imbalance. The fact that it is the working class which funds us is a source of strength - we don't want the bosses' dirty money. But that places a great burden on us and therefore on our readers and sellers.

So please send what you can. You

could also do what several of our readers are now doing and make a regular donation each month by standing order from your bank or building society account. If you are able and would like to do this then phone us on 020 7 515 7675 or drop us a line at the address below and we will send you the form to fill in and send back. Even a small regular amount each month will be of tremendous help to us in our work. Indeed, every bit of cash helps - no donation is too small.

There are far too many different donations this month to be able to individually list and thank those who have given but rest assured we are grateful for every bit of cash which has come in and we thank you all. Keep it up! Donations should be made payable to Socialist Appeal and sent to us at PO Box 2626, London N1 7SQ.

by Steve Jones



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☆ **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.