

SocialistAppeal

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STOP

the imperialist

WAR



**US SANCTIONS
ON IRAQ KILLS**

500,000 CHILDREN:

*"We think the price is
worth it"*

Madeleine Albright

Former US secretary of State

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Operation Infinite Madness

"These rulers call themselves holy men, even with their record of drawing money from heroin-trafficking. They consider themselves pious and devout, while subjecting women to brutality. The Taliban has allied itself with murderers and given them shelter."

George Bush, speech at the Pentagon, 11th October 2001.

With violent anti-American demonstrations spreading from Pakistan to Indonesia and from the West Bank to Malaysia, Bush's anti-terrorist rhetoric is becoming increasingly hollow. After all, wasn't it the United States that backed and financed these "holy men" and turned a blind eye to their heroin-trafficking and brutality towards women when they were fighting the Soviet-backed regime in Kabul during the 1980s? Did not the CIA and the Pakistan Secret Service give shelter to and ally themselves with Bin Laden and other murderers when it suited them?

Bin Laden was part of the anti-Soviet Mujahideen group that received at least \$10m from the US. The Taliban regime grew directly out of the generous funding that the US gave to Islamic Mujahideen groups in the 1980s. More recently, did not the US Administration give the Taliban government a donation of \$43m, approved by Colin Powell, less than four months ago, despite all the drug-trafficking, brutalisation of women, and sheltering of murderers?

American Imperialism, as its record shows, is no friend of the ex-colonial peoples. It has backed every reactionary regime under the sun when it coincided with American interests. "I'm pleased with the outpouring of support from Jiang Zemin and Vladimir Putin," said Bush, those well-known 'fighters for freedom'. He went on to say the United States would "lead the world to victory" over terrorism. Over the past century it has precisely been the US that has engaged in terrorism to safeguard its interests, from the bombing of Vietnam to the oppression of the Palestinians and the bombing of a defeated and bleeding Iraq. The Anglo-American war in Afghanistan is no different. It is a clear message to the masses of the third world that they had better do as the US says or else.

On the 12th May on the US TV programme "60 Minutes", the then Secretary of State, Madeleine Albright, was asked a direct question about the effects of the bombing and embargo on Iraq over the last

10 years: "We have heard that a half million children have died. I mean, that's more children than died in Hiroshima. And - and you know, is the price worth it?" Albright: "I think this is a very hard choice, but the price - we think the price is worth it."

This clearly shows the murderous policies of American Imperialism. They are not concerned about the lives of millions of innocent people. They are seen as small change in the dirty world of US power diplomacy.

The new US "Ambassador" in London, and great Christian, Tony Blair, continues to preach of a war for "democracy", "freedom" and "justice". He went on a tour of the Gulf and other states to bolster the "coalition against terrorism." He visited such vibrant 'democracies' as the United Arab Emirates, headed by the dictator Sheikh Zayed. He has visited the wonderful "democracy" of Oman, spoken to its autocratic leader Sultan Qaboos, and has travelled to see the military dictator of Pakistan.

Now these great "fighters for democracy" are supporting the Northern Alliance - another gang of cut-throat murderers and heroin-traffickers. They were ousted from power by the Taliban because they were so corrupt and despotic that they had lost all popular support. Now they are to be included by the imperialists in the post-Taliban regime that will govern Afghanistan. The 86 year-old exiled king in Rome has cracked a deal with the Alliance, already carving up ministerial posts in the new "democracy."

"All that talk of freedom, democracy and justice", states the *Financial Times*, "inevitably jars when people - in the west as anywhere else - look at the motley collection of despots and autocrats enlisted to the cause of defeating terrorism." (12th October)

The most advanced and richest country on earth is bombing one of the poorest countries in the world. We are facing a "humanitarian catastrophe", says the UN. According to the UN, out of a population of 21 million, 1.5 million Afghans face starvation and a further 7.5 million risk severe food shortages.

Despite the round-the-clock bombing,

US officials admitted that few or no guerrillas were present in the sites attacked from the air. Clearly Bin Laden has gone into hiding. So they are preparing to send in ground troops. But the actions of American and British Imperialism will not defeat terrorism, but is instead preparing a new wave of terrorism internationally. The root cause of this terror, which Marxists have always opposed, is the social and economic conditions plaguing the Third World. These have worsened as the imperialist powers have used their muscle to open up their markets and denationalise their utilities. On a capitalist basis, there is no way out of this impasse. On the contrary, the new slump that is facing the world will intensify these contradictions a thousand-fold.

The bombing of Afghanistan has met with growing opposition on the streets of the Arab capitals. The strategists of capital are terrified that this episode will simply increase the tensions and instability of the region. Pakistan faces the prospect of millions of refugees flooding across its borders, adding to its own instability. Many of the regimes in the Middle East are autocratic regimes with little popular support. Many are threatened with revolutionary overthrow. The bombing of Afghanistan has made matters worse for them. They are being forced to come behind the plans of American Imperialism, despite all the danger that entails. Already, despite the attacks from Israel, Arafat has taken measures to suppress dissent in the Palestinian Authority. Pakistan has clamped down on protests, so have other countries in the region. But how long can they do this for? With more bombing and the prospect of ground troops being used, the death toll will inevitably rise, causing greater opposition and protest. The autocratic rulers are treading a tight rope.

The task of overthrowing the Taliban, as with the other reactionary regimes of the region, is the task of the workers and peasants of these countries. The British labour movement must come out firmly against the imperialist aggression in Afghanistan and give its maximum support to the progressive forces in the region that are fighting against both imperialism and fundamentalism. The Pakistan Trade Union Defence Campaign - which is at the forefront of this struggle - needs our urgent support. In this time of war, it is our internationalist duty to give them backing. ●

Heading for a Jobs Crisis

Last month saw a big jump in unemployment in Britain. According to the Labour Force Survey, which also records jobless not claiming benefit, unemployment rose by 53,000 to 1.507m in the three months to August, the biggest rise for more than eight years. This follows comparable rises in the United States and Germany. Since 11 September, a further 36,000 jobs have been lost, including at Rolls-Royce and BT. 12,000 jobs were cut in just one day last month. The British Tourist Authority predicts that another 75,000 jobs will be shed in the tourism industry alone in the next few months. Consumer confidence is also finally taking a severe hit, with sales down sharply. There are also signs that the housing market is also being affected with volumes falling sharply.

Britain is on the brink of a labour market downturn. Out of the 53,000 increase, 27,000 were recorded in Scotland alone. This shows the haemorrhage of jobs from Scotland's new hi-tech industries, and blows a hole in arguments of the advocates of the 'new economy'. Over the past year, some 123,000 workers have lost their jobs in manufacturing, as the slowdown starts to bite. The UK's balance of trade in goods with the USA has swung sharply into deficit since the end of the first quarter. The value of exports to the US has fallen by 4.3 per cent in the last three months period compared to the previous three months.

Data from the trade unions show that 130,000 job cuts have been announced in the airline industry worldwide. British airlines account for 7 per cent of these. Virgin

Atlantic announced 1,200 job cuts. Virgin boss Richard Branson hoped his sacked workers understood the situation he was in, and thanked them for their "spirited and professional" response!

Despite all the measures to squeeze out productivity from British workers, the gross domestic product per British worker was 24 per cent below the average of the other Group of Seven large companies in 2000, according to the Office for National Statistics, compared with a 1999 gap of just 23 per cent. This is largely due to lack of investment. As always, the bosses are content to make the workers simply work harder.

No doubt the Blair government is embarrassed by these results. After all, the government campaign during the election - only five months ago - focused on its successful handling of the economy. Now things are unravelling fast. The drain on the public coffers as a consequence of the war in Afghanistan and the inevitable fall in tax revenues will lead to austerity measures.

On a capitalist basis, the Labour government will face a new economic downswing in the coming period. Attempts to patch up the crisis at the expense of the living standards of the working class will prepare a massive backlash, which will push the trade unions further into opposition. Events will show that only by taking over the commanding heights of the economy can the crisis be resolved in the interests of working people. ●

Sackings at Rolls Royce

Rolls-Royce, the UK jet engine manufacturer, is cutting 5,000 jobs - some 11.5 per cent of its workforce - in response to the downturn. The group is planning to cut some 3,800 jobs in the UK, with almost half of the lay-offs at its Derby plant in the East Midlands.

The knock on effect will create job losses amongst its network of 850 suppliers, including 600 in the UK. "We expect difficult market conditions for civil aerospace in 2002 and 2003, and we are taking the necessary actions to re-size overheads and to align cost and capacity with demand", said John Rose, Rolls-Royce chief executive using typical business jargon. What this will mean is cutting workers' livelihoods to help out shareholder's profits.

As always, it is the workers who have to make the sacrifices in times of economic difficulties. "I feel pretty bad," said Balbir Pabla, a 46-year old turbine blade maker in Derby. "I haven't been here very long. I will probably be one of the first to go." Derby will face the brunt of the attack as it is the centre for civil engine manufacturing. Trade unionists say many of the 1,000 contract workers targeted by Rolls-Royce are based in the city. Some 3,000 jobs are also under threat in the local supply chain.

Bristol is also in the line of fire, as are East Kilbride, Hillington, Barnoldswick and Coventry. Last year the government made £125m available in aid when Rover jobs were under threat. What will Labour do now? In 1971, the Heath Government nationalised Rolls-Royce in 24 hours in face of a collapse and 30,000 redundancies. Instead of bailing out the capitalists with taxpayers money, Rolls-Royce should again be nationalised, but this time under workers' control and management, and compensation only on the basis of proven need. That is the only way workers' jobs can be saved. |

Jeremy Dear Wins!

Results of the election for the general secretary of the National Union of Journalists have confirmed Jeremy Dear as the winner by an overwhelming majority. Jeremy took 67 per cent of the votes cast. He will replace John Foster and is likely to take up his position in the new year. Jeremy's election will serve to reinforce the younger left-leaning generation of general secretaries who have been elected in the CWU, PCS, ASLEF and in all likelihood in the RMT with the expected election of Bob Crow.

"Railtrack of the skies"

The National Air Traffic Services is in deep trouble. Dubbed 'Railtrack of the skies', the industry was part-privatised by the Blair government three months ago. Now, following the dramatic reduction in air flights after 11 September, Nats has hit a crisis.

The original plan consisted of an industry rejuvenated by the private sector after a 10-year £1bn investment programme. Now that is in ruins as the banks get cold feet. They were uncomfortable with the level of debt they were to service.

Suddenly another government public-private partnership is in trouble. With Railtrack collapsing and the London Underground PPP still not signed, this is a serious embarrassment for the Blair government. The latter - after ministers said originally that our airways were not for sale - did a U-turn and sold off 51 per cent shares to the private sector. Blair has built his case for public services around PFI, which is turning out to be a complete mess. Despite large-scale opposition the government pushed through the partial privatisation of

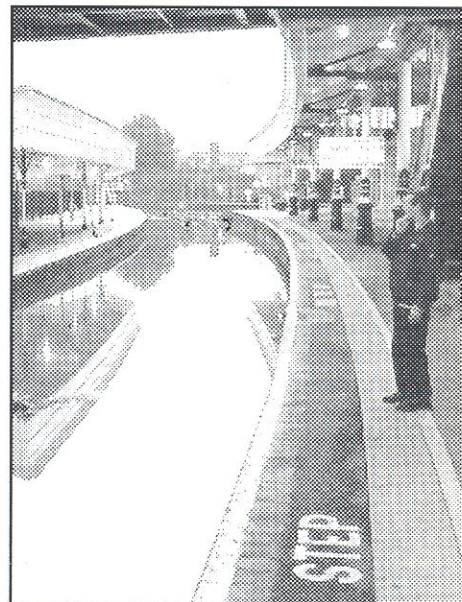
air traffic control. Now they have egg on their face.

The airlines believe that they overpaid the government and are eager to claw back some of the money. The banks and the airlines want to uphold the principles of the PPP scheme and maintain their spending plans, but of course with some delay. But they have made it clear, this whole venture is in jeopardy if the government - in effect - refuses to bail them out. As with Railtrack, they have come cap in hand to the government seeking taxpayers money to underpin their profits. It is ironic that the government main argument for privatisation was that the private sector would invest! Scandalously, the government has said that requests for aid would be looked at "on its merit."

Everyday, there is increasing evidence to show that the private sector cannot run public services. The case for bringing back National Air Traffic Services back into public ownership is overwhelming. As Lawrence King, chairman of the IPMS air traffic controllers branch, said: "Controllers are genuinely fearful. Cuts have started and gov-

ernment assurances are melting away."

National air traffic control covers British and eastern Atlantic airspace, handling more than 2m flights a year. It is time to act before a large-scale tragedy occurs. Labour must take back Nats into public ownership immediately!



Postal workers: trouble on the way - again.

Consignia, the government owned group that runs Royal Mail, has thrown down the gauntlet once again to its workforce. It announced plans to cut costs by 15 per cent, which has raised fears that up to 20,000 jobs could be axed.

This announcement has come at a time when Post office bosses are striving to push through a new deal on working practises. Even the right wing union deputy general secretary John Keggie said "This has put a spanner in the works."

The Post Office has suffered from a high level of strikes in the past period largely provoked by management's autocratic style. Even the report by Lord Sawyer highlighted an "authoritarian management style" in the industry. The bosses are using the argument of a new competitive environment to cajole the workers into accepting worse conditions, linked to some concessions. They are attempting to reduce costs after being granted "commercial freedom", which was wrongly supported by the union leadership who failed to grasp the implications. Now "commercial freedom" is being used to attack conditions and introduce new working practises. Bosses are adamant that targets have to be met.

They are looking for savings from outsourcing,

more efficient transport and ending the second post, as well as dropping the commitment to deliver to most homes by 9.30am. And last but not least, job losses.

The union has made some concessions over working practises, but the real test lies ahead. According to the area manager of Nine Elms sorting office in London, Roger Baynes: "If we are honestly going to survive, we have to look at cost reduction. And that's something the union is reluctant to get into." Well, can you blame the union? The union is supposed to be there to defend the workers, not sell them down the river!

Keggie has threatened: "If they go ahead with compulsory redundancies or sell parts of the Post Office, we will go ahead with political and ultimately strike action."

With Consignia admitting it will be difficult to hit their targets without compulsory redundancies, the scene is being set for a showdown. Only militant action can force the bosses to retreat. In the end, the Post Office should be reorganised under workers control and management. "Commercial" straitjackets run on the present lines only lead to attacks on the workers and must be resisted tooth and nail.

Labour Party conference: Struggle averted for now

This year's Labour party conference met under the cloud of an impending imperialist war. Anyone who saw on television the response Blair was seemingly given to his leaders speech on Tuesday could have been forgiven for thinking that the conference was nothing more than an enthusiastic rally for war. In fact the mood of many delegates as they left the hall was barely disguised cynicism.

**by Steve Forrest
Delegate, Erith and Thamesmead CLP
(personal capacity)**

Blair's attempt to show that by accepting the rule of capitalism, doing what Bush and America says and bombing everybody in sight, would in some magical way solve all the known problems of the universe was almost laughable. A vision of 'them and us' was covertly presented by the Blairites in which Blair, Bush, big business and venture capitalists were on one side and Lefties, the Taliban, asylum seekers and the public sector unions all on the other. Not unsurprisingly, unless you were a spin-doctor or 'adviser', this did not go down well with many delegates.

Even before the conference had begun it had been arbitrarily shortened by a day and a half 'in the interests of war.' This was an affront to party democracy, once again an example of the machine attempting to stifle debate. The party officials were clearly afraid that not only were the union delegates proving to be uncontrollable but that the same could now be said of the constituency representa-

tives. The same attitude was transferred to the running of conference itself where debate on motions was kept to a bare minimum and speakers were obviously hand picked in advance. The three contemporary motions chosen for debate were on pensions at work, fairness at work and the future of the public services all the rest were sidelined. Although an emergency resolution was later allowed on the war, from the FBU, no actual debate took place on this issue and instead it was simply ignored. The same treatment was reserved for the issues of PPP and the London Underground and re-nationalisation of the railways, as Cabinet ministers were given a clear platform (always during live television) to, basically, lecture the delegates with the agenda of the Blair government.

The emergency resolution on the war, put forward by the FBU, clearly called for more humanitarian aid and for a war crimes court to be used against bin Laden rather than a full-scale military assault. This huge antithesis between the emergency resolution and the government's will was eloquently concealed from the viewing public as the resolution was moved from its original slot, which was just after the commencement of the 11am television broadcast, to just before it. A stark and clear manoeuvre to prevent dissent of any description reaching the TV screens.

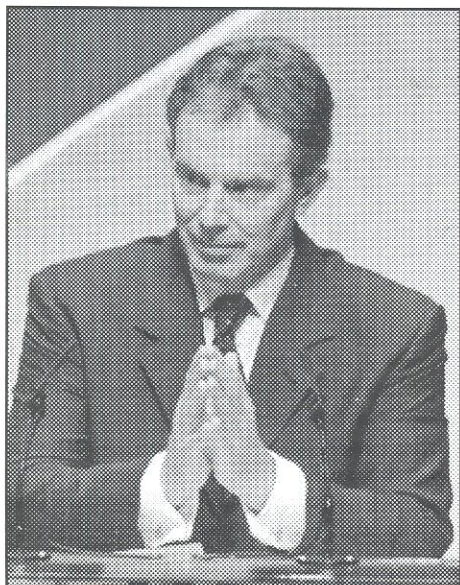
Despite the control of the bureaucracy and the manipulation of the conference there was a mood of anger present that, as we

saw with the Livingstone debacle in London, when it finds an outlet can unleash itself in a forceful manner. At this year's conference Tony Benn gave what he described as his last speech to party conference and, not just for old times sake, he brought the conference to its feet in declaring that he was against all anti union laws, privatisation and the newly announced imperialist war. This demonstrates the fact that if a clear left wing lead was given the mood exists in the party and the unions - even at party conference level - for a serious challenge to Blair.

Similarly Mick Rix, Aslef General secretary, showed once and for all that there is no chance of the Millbank machine holding back opposition for ever, when he rose to challenge the governments transport policy and called for the re-nationalisation of Railtrack. As a result he received a rapturous response from the conference, much to the irritation of the platform.

The key debate in the Labour movement at the present time apart from the war - is over the future of public services. This debate appeared in a question and answer session at the conference, where Alan Milburn initially tried to keep the lid on things when he heroically announced that there would be no private sector 'takeover' of public services, and that he did not see privatisation as being a 'panacea for the problems in the NHS', only to then reverse his initial comments, and state that a role for the private sector in the public services, nevertheless, did exist. Estelle Morris, Byers and Milburn were also there and many speakers weighed into them, questioning the whole of the privatisation agenda, and gave examples of how privatisation already is affecting the workforce and the people who depend on the services.

The mood existed in the conference for a clear fight on this issue instead of which the government managed to crack a deal with Unison's leadership, which headed off a conference revolt. The result-



ant composite was so weak that it allowed the seconder of the motion to support PPP of the London Underground in his speech! The main concession in return was from Byers who promised to 'take action' to end two tier workforces when public services are contracted out to the private sector. This manoeuvring between ministers and some unions opened up divisions within the trade unions over the issue. The GMB abstained in the vote simply because the composite went nowhere near far enough to satisfy the demands of GMB members.

That night in the Corn Exchange the GMB, TGWU and Unison held a joint public meeting as part of their campaign to 'Keep Public Services Public' and 500 delegates attended the meeting, which was addressed by the three General secretaries. This on the one hand was a massive show of opposition to the government but also served as a warning, echoed in the questions and contributions that followed, that delegates were not prepared to accept deals and instead were demanding a clear fight.

This conference demonstrated the magnitude of the union leaders' unwillingness to address the demands and the mood of the membership for a fight to end once and for all the government's attacks on the working class. Even on the supposedly unbendable issue of asylum seekers, the TGWU leadership managed to accept remission on their resolution on the basis of a few worthless promises from Blunkett. As socialists we understand that the trade unions and the Labour Party can become true instruments of the working class, and therefore achieve their real potential, only if they adopt a program that will wipe out any form of reactionary resistance and truly represent the interests of the working class i.e. a socialist programme. It is clear that the mood exists for a struggle and therefore it is the responsibility of socialists in the trade unions and the Labour Party to organise the fight back from below. Only socialist agitation and a Marxist programme can give a clear analysis and answer to problems that concern today's working class and youth. We must not leave a stone unturned and we must act now. The war is being used in the hands of the government as an instrument of disorientation and confusion. The conference was full of minute silences and solemn references to Sept 11th and the war. You half expected the leadership to arrive in the hall wearing military fatigues, dishing out leaflets about careless talk costing lives. More than ever we need to concentrate on the issues at hand and not allow this issue to put us off our political track. It is precisely due to this war that the British working class needs to overcome the obstacles that have been placed in its path.

In the various internal elections the party machine suffered some surprising

defeats. In the votes for Conference Arrangements Committee, the Left did quite well coming not far behind the successful establishment candidates in the CLP section, earning as much as 95,000 votes as against just 121,000 for the winners. In the trade union section John Aitkin was elected, coming top of the poll. In the National Constitutional Committee, the Left candidate, Rosina McCrae won the election by 114,000 votes to 97,000 for the right wing. Given all the manipulation that goes on, these results show the potential for the future.

With debates controlled, speakers handpicked, deals between the government and union leaders being done behind closed doors, it would be easy to say, as many have done in their despair and due to their inability to understand the political processes that develop before their eyes, that it was the 'worst conference for years'. But under the surface and on the conference fringe there was a growing mood of anger and revulsion against the pro-capitalist agenda.

This anger and revulsion is evident throughout the country, and as the international economic problems begin to deepen, and Blair's war aims are becoming more clear for what they are - brutal imperialist aggression - this mood will crystallise in the party and the unions. We will see the development of a serious movement which can play a crucial role in ripping power out of the hands of Blair and his big business backers and returning the Labour party to its roots i.e. a fighting socialist Labour party. ●

Pakistan Trade Union Defence Campaign
London -Wide
Public Meeting

Hear: **Naeem Khan (PTUDC UK organiser)**
Alan Woods
(Editor Socialist Appeal)

Crisis in Asia:
Oppose Imperialism!
Oppose Fundamentalism!

Thursday, 22nd November 7.30 pm
Conway Hall, Red Lion SQ, Holborn
London WC1 (Nearest Tube: Holborn)

IRA starts decommissioning arms...

Peace Process Lingers on

The action of the Provisional IRA to decommission part of its arms has served to temporarily rescue the fragile Good Friday Agreement. The Agreement was dead in all but name. However, pressure from the American, British and Irish governments on the leaders of Sinn Fein, was sufficient to force the Provos into granting these concessions in order to keep the so-called peace process on track.

by *Phil Mitchinson*

The leader of the Ulster Unionists, Trimble, who was delighted by the IRA's capitulation, will now move to get his party to re-enter Northern Ireland's power sharing government alongside Sinn Fein. His three ministers should be able to resume their seats, and Trimble will seek re-election to the first minister's post.

"The message we brought to the IRA was that the peace process and the Good Friday Agreement were in a state of imminent collapse", said Martin McGuinness, "and that was not in the interest of Irish nationalists or republicans or indeed the unionist people of the north."

While Blair and Adams hailed the IRA's action as an 'historic breakthrough', it simply postpones the crisis of the power sharing Executive to a future date. The name 'peace process' conjures up something radically different from that which can be observed on the streets of Belfast. For one thing, if 'peace' were meant to imply an absence of violence, then it is clearly inaccurate. The word 'process' suggests something developing, evolving, continuing. None of these apply here either.

As we explained at the time, the attempt to create peace through a new episode of Stormont, bringing the leaders of sectarian parties together in a so-called power sharing executive, was doomed from the outset. The current crisis, despite all the high-sounding words, illustrates this fact. The present 'resolution' is an attempt to paper over the irreconcilable interests involved in the peace deal.

The entire peace process has been like a perverse game of snakes and ladders, where the top of each ladder meets a snake which slides back down to square one. Except this is no game. This is real life for thousands for whom peace has meant the continuation of punishment beatings, pipe bomb attacks, troops on the streets, and protests outside local schools.

The peace process and the paramilitary ceasefires were meant to herald a new era. Yet since the first IRA ceasefire was declared on 31 August, 1994, north Belfast - a constituency where working-class Catholic and Protestant communities exist cheek by jowl - has become more divided not less. There are now more British troops deployed in north Belfast than ever before.

On the very day the IRA announced its ceasefire, civil engineers were laying the foundations for a huge Berlin Wall-style barrier to separate Catholic and



Protestant ends of a public park in the north of the city. The wall cutting through Alexandra Park, about a mile from Ardoyne, is now a permanent structure. A quarter of all the deaths in the conflict occurred in north Belfast. And many believe that, if the Troubles begin in earnest again, they will re-ignite in this same area.

The 15 walls of north and west Belfast mark out and protect sectarian territory, making it impossible for either side to encroach. Loyalist groups have undoubtedly been involved in stirring up a section of local Protestant residents who have hurled abuse at terrified Catholic children as they have been escorted along Ardoyne Road to the Holy Cross school. They are using the schools dispute as part of a wider strategy to secure territory.

"We want a wall built across Ardoyne Road to protect Protestant houses," said Jim Potts, a spokesman for the Glenbryn Concerned Residents. "It can be opened for a while during the day to let the children go to school as long as their parents respect the Protestant people living there and agree to behave while in our area."

The nature of the attacks in recent weeks smacks of a struggle over territory by Protestant paramilitary groups. The British government has declared that the Loyalist ceasefires are over. They have been 'specified', to use their jargon, as a result of the recent increase in pipebombings. The current crisis was undoubtedly provoked by the actions of the Loyalist forces. These bigots care not one jot about the problems facing Protestant workers and their families, their only concern is to keep alive the sectarian divide upon which they feed. "Decommissioning is not on the cards," a senior UDA

official made clear.

For now media consensus argues that the appointment of Martin McGuinness as the new IRA Chief of Staff represented a victory for those who wanted to see decommissioning of IRA weapons. Under pressure from the US administration, the Provos have agreed to some decommissioning, with the destruction of one or two arms dumps. For the hardline unionists like Donaldson and co, now in the ascendancy, this is still not enough.

Much of the recent paramilitary violence, on all sides, has a criminal character. Throughout history it has been a feature of organisations who base themselves on individual terrorism, that over time, without any perspective, at least a section of them degenerate into simple criminals. Meanwhile there is also an attempt at a subterranean re-division of areas based on changing populations.

Whilst there has been a temporary patching up of the Agreement, it has not resolved the underlying conflicts and interests, which are likely to quickly resurface and serve to keep alive the flames of sectarianism. Obviously, down this road there is no solution to the problems facing workers of all backgrounds. In order to struggle for better pay, jobs and services, the working class requires unity not division, and whoever acts to prevent that unity does immense damage to the cause of all of Ireland's working people.

The move by the Provisional IRA on decommissioning has served to drag out the Assembly's death agony still further. The 'peace' process has been rescued by the IRA's capitulation. While they talk in their statement of their objective of "a united Ireland based on justice, equality and freedom", there is no hope in hell of achieving this on a capitalist basis. Furthermore, given the widening sectarian divide, this aim has never been so distant. The Good Friday Agreement is no step towards a united Ireland. Also, the unionists will not be satisfied for long by the new offer on Provo arms. The Unionists will demand more and more as time goes by. This will lead to further crises. Meanwhile there will be increasing pressure from other republican groups against decommissioning. The leaders of the Provos know that further decommissioning will be seen as open defeat and capitulation, leading

to more splits and even endangering their own positions. All roads along the path of deals between sectarian parties and the British government inevitably lead to failure in the long run.

British imperialism has created a nightmare for itself in the shape of sectarianism and it is powerless to overcome it. The British would love to free themselves of the economic drain and the political instability of the north. That they cannot only demonstrates once more that the problems of Ireland cannot be solved within the confines of capitalism. This was probably their greatest opportunity, during an economic boom, in the new world order, with a defeated enemy and a war weary population on all sides, but they still cannot solve it. The institutions may survive a while longer on the basis of this or that compromise, but this will not last. Other issues will arise, such as on policing. The RUC is to be replaced by the PSNI. This is described by some unionists hysteri-



Roisin McGlore from West Belfast, "But I think we all were a bit stunned. There was no one celebrating around here. And if that was my reaction, what do you think was the reaction of those on the ground who took up arms, in their eyes to achieve justice, and are now being told the war is over."

The campaigns of bombing and individual terrorism have served to

In order to struggle for better pay, jobs, services, the working class requires unity not division, and whoever acts to prevent that unity does immense damage to the cause of all of Ireland's working people.

cally as a capitulation to the IRA. The DUP has described the change of name for the North's police force as "the formal obituary notice of the RUC". Ian Paisley jnr said the British government had handed a victory to the IRA. What would they make of even the most tentative step in the direction of uniting Ireland? Republican Sinn Fein meanwhile denounce the name change as follows: "It doesn't matter what they are called or what uniform they wear. They will still be the paid forces of the British establishment controlling our streets, protecting partition, and upholding British rule in Ireland", states Ms Geraldine Taylor. Names, flags and symbols have a great importance to many here. But no matter how they are coloured or titled nothing fundamental will change and few now believe they offer any real solution, or any long term future.

"I expected to be overjoyed", said

transform the sectarian divide created by British imperialism into a yawning chasm. "I was one of those unionists that voted for the Good Friday Agreement and wanted to give it a chance to work. But the way things are now, I think the only solution to our problems, the only way we can secure our area and stop republicans taking it over, is for some sort of barrier to be built across the Ardoyne Road", was the reaction of one Protestant.

Meanwhile behind the din of sectarian debate and the smoke of paramilitary attacks, Irish workers of all backgrounds will be under attack. Ordinary working people will be entering a new world of war and slump, a changed international situation which will have a major impact on Ireland north and south. Thousands of jobs will be under the axe. Services will be destroyed. Even if the Good Friday Agreement holds together for another

period it will not be able to solve any of these problems. The fundamental lessons of the last decade are that agreements between sectarian politicians cannot solve the sectarian divide they depend upon for their existence. An assembly cannot solve the burning problems of the day, because those problems have their roots in the capitalist system, and the assembly works within that system.

No matter how they twist and turn, no matter how many times they write and rewrite the laws and constitutions, it will not stop the rot. An elected assembly based on sectarianism is no answer. How could it solve the problem of unemployment or build enough houses for all? The crisis of the social system will continue to gnaw at the bowels of society, spawning more frustration, crime, and sectarian madness. The only way out is to put an end to the root cause of all our ills, the system of rent, interest and profit.

The only solution now lies in the hands not of the professional politicians but the working class. The only force capable of struggling for a united Ireland whilst defending the interests of Catholic and Protestant workers equally is a movement of the working class for socialism. The potential for such workers unity is demonstrated by the trade unions. They remain the only force organised on a non-sectarian basis. The unions must provide the foundation for a political expression for that united working class - a party of labour. But a party of labour based in the North, not a branch of the British Labour Party. Trimble in his address to Tory Party conference called for stronger links between their parties, that link has always existed. However the Labour Party should not simply set up branches in the north. Not because of the links with the SDLP, the neither social democratic, nor Labour, but liberal, nationalist party. They should assist, as should the labour movement in the south, the trade unions in establishing a party of Labour linked to the labour movement of Britain and Ireland. Armed with a socialist programme, such a party could win the overwhelming support of workers from both communities. Campaigning for a socialist solution to unemployment, low pay and bad housing, the working class could guarantee the rights of the Protestants in a socialist united Ireland linked to the workers in England, Scotland and Wales.

Of course some will argue that this is utopian. This is always the argument of those who lack confidence in the ability of the working class to change society. Surely what is utopian is to believe that after centuries of raping and pillaging Ireland, capitalism can offer any new way forward. Today they have failed again.

British imperialism created the mess in the first place, and they remain responsible for the mess today. They can play no part

in any solution. Nor can the sectarian parties of Unionist reaction or petty bourgeois nationalism. To achieve a peaceful and lasting solution the workers of all communities can trust only in their own strength and their own united class organisations.

There is no doubt that many in the republican movement genuinely want to struggle for the cause of a united Ireland. However, that can only come about through the socialist transformation of Ireland. Tragically, however, the method of the Provos, of bombings and shootings, has led them ever further away from their desired end. In this way a generation of young fighters have been wasted, poisoned by middle class nationalist ideas. Their courage and willingness to struggle, had it been channelled in a socialist direction, could have brought a real solution much closer.

The Provisional IRA's campaign of individual terrorism sought to substitute itself for the role of the working class. They denied the class question and turned instead to the madness of urban guerrillism. While guerrilla struggle may still have a role to play in more backward countries, though even there only as an auxiliary to the actions of the working class, in an industrialised society guerrillism has no place whatsoever. It is not a method of the working class, and simply plays into the hands of reaction.

Workers unity

Their campaign has in fact created an immense barrier to workers unity, and deepened the divide between Protestant and Catholic workers into a chasm. The method of individual terror has played into the hands of Orange bigots who feed on the fear amongst Protestants of what a united Ireland would mean on a capitalist basis. They have pushed Protestant workers into the arms of these reactionaries.

Neither sectarianism nor its progenitor capitalism can solve one of the problems facing Irish workers. Worse. The continuation of the capitalist system means the continuation of poverty, of all the problems of housing of health and discrimination and sectarianism. The exacerbation of these problems in a new period of world economic downturn will mean an increase in violence. Only one force in society is capable of preventing such a descent. Only a united movement of workers can defend jobs and services. Only such a movement can defend itself from sectarian poison and attack. Only such a movement can guarantee the rights of Catholics and Protestants alike, by fighting for the socialist transformation of Ireland.

Such a perspective seems difficult? But haven't we had enough of so-called "easy" solutions in Ireland, above all for the past



25 years? We now see where these "easy" solutions and alleged short cuts lead! A short cut to the grave for thousands of militant youth. A short cut to disaster for the working class and the cause of socialism. To all the skeptics and cynics who cast doubt upon the ability of the workers to unite to fight for their emancipation as a class, sweeping aside the sectarian muck, we shall reply in the words of the finest son of the Irish and British working class, James Connolly:

"As we have again and again pointed out, the Irish question is a social question, the whole age-long fight of the Irish people against their oppressors resolves itself, in the last analysis, into a fight for the mastery of the means of life, the sources of production, in Ireland ... The revolutionists of the past were wiser, the Irish Socialists are wiser today. In their movement the North and the South will again clasp hands, again will it be demonstrated, as in '98, that the pressure of a common exploitation can make enthusiastic rebels out of a Protestant working class, earnest champions of civil and religious liberty out of Catholics, and out of both a united Social democracy."

Under modern conditions there can be no solution anywhere to the national problem. A decade ago the illusion of such solutions was all part of the New World Order. In today's Disorder not only have those illusions been shattered, but new ethnic and national divisions across the planet are exploding to create a more turbulent and dangerous world. Today only the working class plays the progressive role in society required to solve these problems. United by the need to struggle over social and political questions, the working class alone can provide the only realistic lasting peace in a Socialist united Ireland linked by a free and voluntary federation to a Socialist Britain and a Socialist United States of Europe. ●

Railtrack shunted into oblivion?

The announcement on Sunday 7th October that Railtrack was being placed into administration would on any normal day have been the main item in the news. However the beginning of the bombing raids on Afghanistan conveniently put paid to that. Nevertheless the effective insolvency of a major privatised company - and a high profile one at that - has had serious repercussions.

by Steve Jones

Railtrack has been in deep financial trouble for some time. A shortfall of over 2 billion pounds had been identified in its future 5 year investment budget, with existing projects already way over the limit. To this must be added the fallout from the Paddington and Hatfield disasters.

The immediate effect of Hatfield had been to throw the whole rail network into crisis with contractors being hired to work night and day up and down the country to repair lines which Railtrack had suddenly 'discovered' were not up to standard.

In the face of all this, Railtrack's attitude was one of arrogance and bluff. Having failed to notice that the network's infrastructure was falling to pieces they acted as if it was a minor irritant which certainly did not merit any criticism falling on their shoulders. Such an attitude quickly earned Railtrack the title of Britain's Most Hated Company.

Strangely enough for the last year, assorted experts and City analysts have been calling for the renationalisation of Railtrack. This was not because of a sudden influx of socialists into these positions but rather a realisation that Railtrack's position was becoming untenable. Far better they said, before more 'investors' money was lost, to let the government buy the company back, pay off the shareholders so that they come out ahead, and then set up a new company, no doubt with all the existing management still in place on nice new inflated contracts and then carry merrily on as before with the government footing the bill. Well, that was their plan but things didn't work out quite like that.

Railtrack management had decided to bluff it out in the hope that the government would write them an open cheque. Given that Sir Alastair Morton, outgoing chair of the ineffectual Strategic Rail Authority (SRA) had stated that it could be 15 years (at least) before Britain could have a safe,

modern, reliable rail system, this was always going to be a mighty big open cheque indeed!

So the government decided on a course of action which had not been predicted and, after refusing to hand over any more subsidies to Railtrack, went to the High Court to effectively put the company into administration.

The plan is now to reform Railtrack as a Not For Profit trust to be called Newtrack, thereby avoiding having to renationalise and still get private investment. They also hope that the 'sacrifice' of Railtrack will distract attention from the other privatisation projects, both past and future.

This was not what the City wanted. With a passion that was sadly lacking from these people when it came to dealing with safety and levels of service they have been fighting to get something back from their now largely worthless shares. Despite all the talk about acting tough, the government has been quick to start caving in. The government may well issue interest earning bonds in the new company to Railtrack shareholders as compensation. But for the big corporate shareholders this may not be enough. They have already grouped together and hired a team of lawyers to start action against the government to get what they consider the full value of their shares back. A target of £3.60 a share having been set by Steve Marshall, the outgoing chief executive of Railtrack. Given the tendency of government ministers to bend the knee to big business when ordered to do so, the signs are not good that our money won't be further used to bail these speculators out at the expense of the public good.

What should be done? Firstly the Labour government should forget about such pseudo-nationalisation ideas as Not For Profit trusts, especially since they seem to be reliant on the private sector still coming up with the cash. The collapse of Railtrack is the clearest sign yet that privati-

sation has failed in every way apart from making a few rich speculators even richer at our expense. Labour should instead immediately renationalise the whole rail network; Railtrack, the operating companies, the lot. This should be done on the basis of compensation only to those small shareholders who can demonstrate real need with nothing at all going to the corporate shareholders and fat cats. We do not want a repeat of the sort of nationalisation which City voices were - and still are - calling for in relation to Railtrack. The sort of nationalisation we saw being carried out by the post-war Labour government in which the largely bankrupt rail and mine owners suddenly saw themselves being bailed out at great cost to the public.

The railways should be run as part of an integrated, publicly owned and controlled transport system for the benefit of all. The old system of setting up boards packed with management types, old relics from the City of London and the House of Lords and so on, acting as if the nationalised company was still private, should be replaced by a proper system of workers control and management with all sections of society (employees and passengers) having a say.

A socialist programme would enable all the problems of Britain's crumbling infrastructure, its railways, its roads, its schools and hospitals and so on, to be upgraded and brought into the 21st Century. The renationalisation of all the privatised companies should therefore be linked to the immediate nationalisation of the big monopolies, banks and finance houses. These bodies should be run under workers control and management as part of a socialist plan of production. This is the only way forward. The fall of the house of Railtrack shows us just how failed a system capitalism and the so-called free market really is. ●

Anti-war demonstrations: it's just the beginning!

The demonstration against the war called by CND on Saturday 13th October in London was much bigger than expected. According to the police there were about 20,000 demonstrators on the march, but this was a gross underestimation. The organisers claimed around 50,000 participated. In fact 2 hours after the first demonstrators had arrived in Trafalgar Square, there were still people arriving who could not get into the square. At one point the police stopped the demonstration, as it was obvious that not all the marchers would fit into the square. The number of marchers was therefore 40,000 or more. This is an important difference compared to the past. Just one week into the bombing of Afghanistan and already the anti-war movement has picked up a sizeable momentum. As the real meaning of this war becomes clearer the movement is bound to grow and pick up more support.

Some news reports internationally have tried to belittle the size of the demonstration (such as in Belgium) or have tried to

ridicule it (El Pais in Spain). Others have limited themselves to reporting the official police figures. In Britain the TV reports could not ignore the demonstration and every channel had to report on it as a main item of news. Some however did try to distort the nature of the demonstration. Anyone watching Channel Four news would have thought that the demonstration was composed almost solely of Muslims. They only interviewed Muslims and only showed footage of speakers at the rally in Trafalgar Square who were dressed in classic Islamic dress.

They would like to give the idea that in Britain the majority are in favour of the war and that those who oppose it are either Muslims or a few eccentrics. It would be surprising in fact if there had not been any British Muslims on the demonstration. According to the police these numbered about 4,000. But the overwhelming majority of those taking part were young people (black, white, Asians), various trade unionists and quite a wide cross section of the British population. There were banners from

trade union branches of the NUJ, NUT, TGWU, MSF, CWU and UNISON. Palestinians, Kurds and Turks were among the refugee groups present. There were also various left and radical groups on the march. In fact if there was one clear fact that clearly emerged it was that the people present definitely leaned to the Left politically.

The demonstration was the culmination of a whole series of anti-war meetings that have been taking place up and down the country ever since preparations for the war started. Interestingly there is now growing concern on the part of the authorities that the "war aims" are evidently not clear enough to the public at large, such is the lack of positive feedback they are getting on this. People are especially concerned about the bombing methods used. This mood will get worse for them not better.

Onward to Nov 18th!

Glasgow

It was a very successful anti-war protest and march in Glasgow. I estimate that there around two to three thousand protesters. After a rally in George Square addressed by a number of speakers, including Labour MP George Galloway, there was a march through the streets of Central Glasgow which brought traffic to a stand-still. The demonstration was very lively and the majority that participated were young people. YFIS has a good presence; we had a stall with lots of literature which attracted a lot of people who approached to ask about its aims and objectives. By the time the march came back to the square, all the YFIS leaflets had been given out and we had practically sold everything on the stall, including magazines, pamphlets and books - in total we took over £50 in sales and collected a number of email addresses of people that were interested in YFIS activities. So all in all, it was a very good day for us.

Lucy Sewell

For more reports visit
www.marxist.com

London

The London anti-war demo was also a big success. The organisers say 50,000 people turned up and the police reported more than 20,000. In any case this was a huge demo. When the head of the demo had already been in Trafalgar Sq for more than 2 hours, there were still people arriving who could not get into the square. Certainly it was much bigger than anything we saw during the war in Yugoslavia a couple of years ago.

The mood was lively, with lots of young people, a fair amount of trade union banners, a large number of muslims and Asian people, etc.

Interestingly the only reactions from passers-by were favourable rather than confrontational, which says something about the real mood amongst the British public in general.

We had a stall at the beginning and then moved it quickly to the end of the demo. Nearly 2,000 YFIS leaflets were distributed opposing the war and advertising the forthcoming YFIS national school. We sold plenty of material and made a few contacts for YFIS.

Speeches went on until 5pm (the demo had assembled at 12 noon).

A great day all in all. The demo got coverage in all the major news bulletins.

Jordi Martorell

YFIS School points way ahead

A successful YFIS weekend school took place over the 20/21st October in London. The school was planned as a culmination of the youth work since the beginning of this university term. It was attended by young people from around the country: Glasgow, Oxford, Brighton, Stoke, Cardiff, St Andrews, and London.

The first day's discussion began with an introduction by Rob Sewell about the war in Afghanistan and the international situation. A lively discussion followed raising a whole series of questions including the reasons underpinning the war and how it is likely to unfold. The parallel was made with the Kosovo conflict of 1999, where the bombing by the US and Britain could not shake the Yugoslav regime. The overthrow of Milosevic and his reactionary government was achieved not by the bombing, but by the struggle of the working class the following year.

The next discussion was more theoretical in character and was introduced by Fred Weston. This dealt with the main ideas which underpin Marxism. This allowed people to explore the Marxist method of analysis and how it applies to the modern world.

The following day we opened with a question and answers session with *Socialist Appeal* editor Alan Woods. This was a very good session because it allowed people to ask

more broad based questions in a more informal atmosphere.

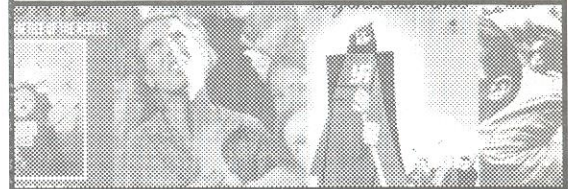
The afternoon discussion was on organisation. We decided that YFIS should build for the CND demonstration in London on the 18th November, using street stalls, and by attending and organising meetings in the various areas. It was a very lively discussion and everyone contributed ideas of how they could build YFIS in their area. All the areas represented agreed to organise meetings and other activities around this question. It was also agreed that we would publish a new YFIS leaflet with questions and answers about the war. This should bring in a layer of new members and allow us to build upon the sound theoretical basis established by the school with activity in all areas. Everybody was happy with the school and felt that we needed to hold similar events throughout the year. ●



THE SPANISH CIVIL WAR - Dreams and Nightmares.

A major new exhibition on the Spanish Civil War is being held at the Imperial War museum in London. The exhibition brings together a large collection of paintings, photos and posters showing the images of the war and its effect on ordinary people. Also included are a number of artifacts and mementos from the conflict, a number of which are extremely rare. This exhibition lasts until 28th April 2002 and is open from 10.00am to 6.00pm daily except 24 - 26 Dec. There is currently an admission charge but you can get in free after 4.30pm daily, all day on November 11th and everyday after December 1st when admission to the museum becomes totally free all day.

Further info on www.iwm.org.uk



Satish has been freed!

We are pleased to inform all readers that Satish Kumar has been freed on bail. This follows intense pressure from activists and Labour movement organisations both here in Britain and around the world, as reported in last month's *Socialist Appeal*. We would like to thank all those who participated in the campaign and sent messages of support to Satish. It is clear that the campaign had an effect in forcing the Indian authorities to realise that they could not get away with keeping Satish illegally in jail. Of course Satish is still under threat and we will need to ensure that we are vigilant on this issue.

Sunday 18th NOVEMBER NATIONAL ANTI-WAR DEMO

ASSEMBLE 12.00 HYDE PARK,

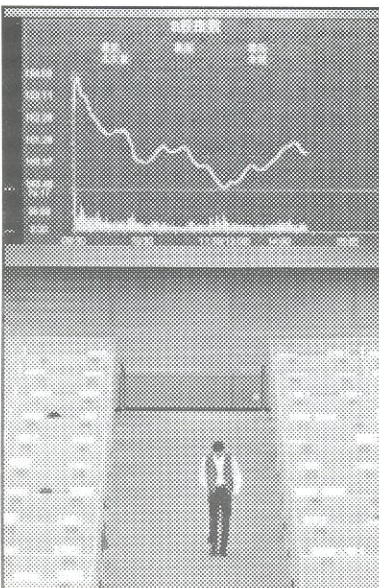
MARCH TO TRAFALGAR SQ

(look out for the YFIS stall at Hyde Park from 11.30 onwards)

The great recession

As the bombs rained down on Afghanistan and political leaders in Washington closed down the Senate because of scares about anthrax, the Organisation for Economic Cooperation and Development (OECD), the body representing the world's richest 30 countries, predicted that this year economic growth would be as low as 1% and would be only 1.2% next year. At the same time, capitalist economists forecast that global economic growth this year and next would be the worst for 30 years. The great economic recession of the early 21st century is under way.

**by Michael Roberts,
economic correspondent**



Given that the OECD and other capitalist forecasters have always been late in predicting downturns and are always far too optimistic, we can only assume that it's going to be even worse than they now predict. Only last May, the OECD was predicting near 3% growth for 2002.

This capitalist slump means even more hell for the world's poor. The World Bank notes that the downturn in growth is likely to push thousands of very poor people over the brink. As many as 40,000 children under the age of 5 will die, it estimates.

It is the powerhouse of capitalist prosperity in the 1990s, the US, which is leading the world into recession, and probably even long-term depression. America's job losses in September were up 77% over August and are now four times the level of a year ago. Recession is a "done deal", as the chief economist of the IMF put it. Warren Buffett, the billionaire US investor, predicts that it will be like winter... longer and deeper than most people can imagine.

What is the cause of this calamity? The single most important feature of economic development in the US over the past few years has been the steep drop in profits. Profitability started to fall at the pinnacle of the economic boom in 1997. Profits as a share of business turnover in America reached 13% in 1997. Now it is down to 8%. Now, not just the profit per unit of investment is falling, but the mass of profits too. Indeed, the latest figures for the third-quarter of this year show US company profits falling 25% from this time last year.

It's the downturn's one key cause. Everything else - the protracted plunge of stock prices, the savage cuts in business capital spending and the shrinkage of consumer income growth - is but a consequence of the profit carnage.

The great hi-tech revolution of the 1990s, that supposedly created a New Economy incapable of developing boom and bust cycles as in the past, has been exposed as a fraud. In a startling new report, the management consultants, McKinsey, found that the great economic boom of 1995-2000 did lead to a shift up in US productivity growth, but that new technology played a minor role in achieving that. Nearly all the post-1995 jump in productivity was in just six sectors - retail, wholesale, securities, telecoms, semiconductors and industrial machinery and equipment (mainly computers), representing about 31% of the non-farm private sector economy. In these six sectors, a number of factors contributed to the improve-

ment - of which information technology was just one. In most sectors of the economy large increases in IT investment did not produce any improvement in productivity. 53 sectors, representing 69% of the economy, contributed just 0.3% productivity growth. Yet these 53 sectors accounted for 62% of the acceleration in IT spending. Many of them actually experienced productivity deceleration!

As Marx would have explained, under capitalism, new technology may boost the productivity of labour, but it does not necessarily lead to increased profitability for all who invest in the capitalist market. Sure, those who use it first gain an advantage. But once everybody gets into the game, competition drives down prices and squeezes profits. And worse, everybody starts investing huge amounts of capital because they have to compete. The combination of innovations and massive over-investment leads to excessive borrowing and excess capacity. Profitability starts to fall. Share prices fall and companies cut back investment. As sales slow, competition drives prices down, which in turn pushes profits down even more. The boom turns to slump.

Desperate efforts

The great recession of 2001 onwards is a product of the desperate efforts of capitalists and their banks to keep the boom going even though profitability was falling. That has produced a huge credit bubble that is now bursting. Indeed, there are four bubbles. The first was hi-tech investment in dot.com and internet companies. That has well and truly burst.

The second was the collapse of the stock market that financed all those internet start-up companies. Share prices around the world are now down 30-60% from their peaks in March 2000. But there's more to come.

The third bubble is still expanding; namely, the property market. American and British households, in particular, having had their fingers badly burnt by investing in the stock market continue to push cash and borrow more to buy bricks and mortar - the safe investment. That bubble has still to burst.

And further down the road is the bubble of paper currencies, in particular, the dollar. The dollar reigns supreme still. But its days are numbered. Once it collapses, the world will spiral into deeper depression.

This unsettling new environment guarantees that we are about to experience more than an economic slowdown, more than a mere recession. We are about to witness the deepest stock market crash and depression

since the 1930s. Please don't misunderstand: Things will not fall straight down. The most powerful institutions and central banks in the world will do everything in their power to prop up their economies and stimulate temporary stock market rallies.

But there is one big difference between this bust and previous busts of capitalism in the last 100 years. In the 19th century capitalism had agriculture as its dominant sector, with movements in farm prices being key to boom and slump. During most of the 20th century, it was manufacturing that was the engine of capitalist expansion. But now, capitalism has exhausted its productive capabilities. It depends on financial markets and transactions for its health. As I've argued before in this column, never before in the history of capitalism have stock markets been more important.

Take the US. When the crash of 1929 began, the value of shares in the US stock market had reached 81% of annual production. In March 2000, the peak for share prices, the US stock market was valued at 183% of annual output - truly a massive bubble, wildly overvaluing the productive potential of capitalist production. Today it is still valued at 130% of GDP, or nearly three times the average of the last 75 years.

In 1975, the technology sector accounted for 10% of all capitalist profits in the US, while financial services generated 5%. Now the financial sector generates 25%, while technology's share is unchanged. Corporate America is no longer General Motors but more like the Bank of America. Increasingly, US companies have made their profits not from making things or even providing services, but from investing in other companies and hoping their share prices rise.

Of course, this is impossible indefinitely. Even worse, once share prices start falling, because of the huge modern role of the stock market, so do the profits of companies. Then the whole world starts to spiral down.

The American consumer has been living in an increasingly smaller and more lonely world, shielded from reality by credit cards, home equity loans, a couple of SUVs, and the nearest shopping malls. Until late August, consumers were still spending freely despite the bad economic news. Home sales were holding firm. Retail sales were still okay. But all that ended when the Twin Towers collapsed. The thin thread of consumer confidence was cut, irreversibly and irretrievably severed. Everywhere in America today, consumer confidence is gone.

Above all, most Americans have no cash. In the past, whenever they needed cash, they just grabbed the nearest credit card or took out still another loan on their home. No more. Indeed, defaults on debt are at a 29-year high. One out of 10 mortgage loans have late payments. Providian,

the fifth largest credit card issuer in the US, announced that more and more people are defaulting. Even though GM and Ford are offering zero-percent financing for new cars, the dealers are getting no takers.

And don't forget the mass selling still coming in the stock market. In September, the average American stock market punter withdrew a record \$32bn from their investments. Many investors called their brokers to sell. They didn't want to seem "unpatriotic." So they mumbled sheepishly that they were doing it "only because they had to". This is just the beginning of the forced liquidations in the stock market to raise desperately needed cash.

America's 10 largest great corporations, before the Crash of 1929, used to keep as much as \$2 in cash on hand for every dollar of current liabilities (bills and debts coming due within 12 months). Now many of those same companies are down to a dime on the dollar.

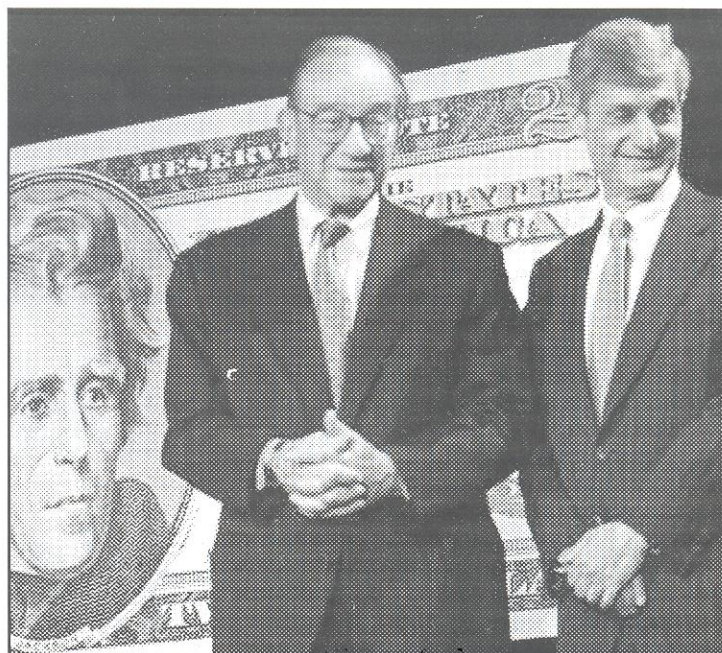
Burning through cash

US corporations are quickly burning through cash. Nervous lenders have already cut back sharply on lending to upstart companies and those with heavy debt loads. Companies are sinking in their own debt.

The leading airlines in America were equally cashless. They were estimating losses of \$2.5 billion for the year before the September 11 tragedy. Now, they say their losses in 2001 will be many times larger. They asked Mr. Bush and Congress for close to \$25 billion; they're getting "only" \$15 billion. But giving them money is like throwing salt into the sea. Even after 115,000 layoffs and even after flight bookings begin to pick up, they'll still be running way below capacity. The \$15 billion will be gone like a puff of smoke.

But don't panic, says the US government and Chairman Greenspan of the US Federal Reserve. Help is at hand. The government plans to spend hugely on arms and on tax cuts, while Mr Greenspan continues to cut interest rates to all-time lows.

After 1929, the Fed cut interest rates rapidly from 6% to 2% by early 1930. Greenspan has been pushing on a string



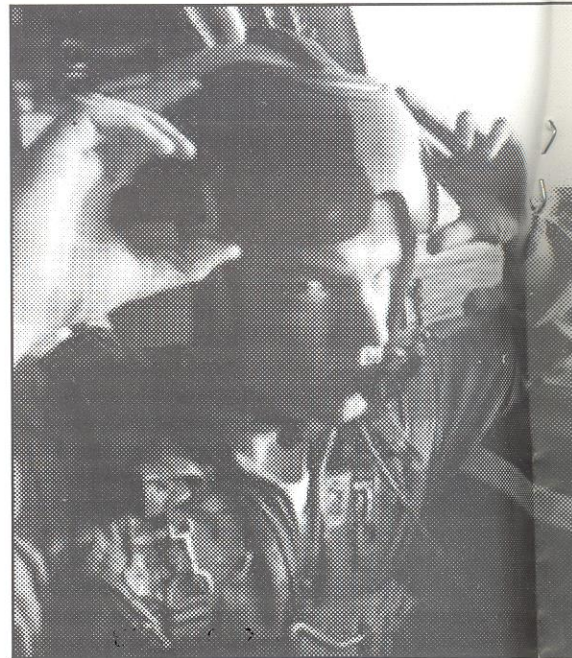
too. Rates have been cut from 6.5% to 2.5%, with results comparable to those of 1929. The bottom line throughout 300 years of capitalism is that economic expansion, no matter how handled, is, at the end of the day, like a balloon. When production has filled warehouses with unsold goods, when credit is at its limit, when the consumer is mired in debt, when big media advertising can no longer con or beat the consumer into spending more money, and the most ambitious marketing plans (at home and abroad) have gone awry, the balloon bursts or is rapidly deflated. Usually, the greater the expansion, the more severe the contraction.

President Franklin Roosevelt's WPA and deficit financing policies proved in the end to be just as futile. In 1940, the economy was still in depression. Only Pearl Harbor saved the economic day with the need for massive war production.

Many hope for a repeat of Pearl Harbor on the economy. Those who urged Japan to build bridges to stimulate its economy seem to believe that destroying bridges will be just as good. And where once they looked with pride on a budget surplus, they now cast their eyes appreciatively upon deficits and an open Congressional cheque book. If the taxpayers won't spend their own money, they reason, government will spend it for them. And those who never saw an economic downturn approaching now see it going away, thanks to the stimulus provided by the Fed and Congress.

But this time such is the size of the bubbles created by capitalism in the last ten years, the bursting is going to last a long time. Nature, in her magisterial simplicity, suggests the next phase: the huge wave will be followed by a huge trough. ●

War in Afghanistan: **Into the** **whirlwind**



The world situation is unfolding with a kind of fatal inevitability. The general pattern corresponds fairly exactly to that which we predicted after the September 11 events. But as the process acquires increasing momentum, all kinds of cross-currents and uncontrollable eddies will emerge, with unpredictable results.

by Alan Woods

The planners in Washington imagine that they now have everything under control. Their airplanes have complete domination of the skies over Afghanistan, and are systematically pulverising their targets with no loss of American lives. The governments of the entire world have closed ranks around them. Even Russia and China. There are no dissenting voices. Opinion polls in the USA reveal massive public support for the Bush administration.

Yet this reading of the situation is extremely superficial. In general, despite their colossal technological prowess and military might, the American governing circles are distinguished precisely by their superficial grasp of the reality of world politics. They lack the centuries old experience of European diplomacy and behave like vulgar upstarts who believe that muscle power and a big bank account can solve all problems. This is a sure recipe for disaster.

In general, the US imperialists give the impression that they do not know what they are doing. In the few weeks since September 11, they have changed their declared war aims half a dozen times. This fact in itself suggests that they are about to stumble into a situation which they cannot control, and all the technology in the world will not help them get out of it.

In Moscow, I discussed the position with veteran Canadian correspondent Fred Weir, who is widely respected for his extensive and insightful knowledge of Russian home and foreign policy. He pointed out to me that the Soviet military had exactly the same idea as the Americans when they first went into Afghanistan in 1979. It was supposed to be a limited strike carried out by Soviet special forces to eliminate the Afghan leader Amin and install Babrak Karmal as a puppet of Moscow. It was never the intention to stay in Afghanistan after the assassination of Amin. One of the Soviet generals in charge of the operation told Fred Weir that they were confident that the well-trained Afghan army of 50,000 men could deal with any rebellion, and that they would be able to withdraw almost immediately.

Like the Americans now, they believed they were in full control of the situation. But things turned out very differently. They found themselves being daily harassed by brigands who stole their equipment and shot at their troops. They had to retaliate. Then one incident led to another, and the whole infernal spiral commenced, which only finally ended with Russia's humiliating withdrawal in 1989.

The Russians blundered into Afghanistan, got stuck in a trap and paid a heavy price. Now the Americans are poised to make a similar mistake. The vast

superiority of their weaponry and intelligence equipment, and their military successes in the Gulf War and Kosovo, has convinced them that they can succeed where Moscow failed. This is a serious mistake.

In the Gulf War they were fighting a conventional war in a terrain ideal for the massive deployment of troops and armour. In Kosovo, they were simply lucky that they could confine their activities to massive aerial bombardment, with no real risk of taking casualties. In both cases, the betrayal of Moscow handed their enemies to them on a plate. But this is very different.

The natural conditions in Afghanistan are not at all suitable for the deployment of a modern army. It is a land of rugged and impenetrable mountains, with almost no roads. Most of the year, the days are scorching hot and the nights freezing cold. There is a wind, which became known to the Russians as the "Afghanets", which blows in from the desert, carrying large quantities of fine red sand. The effects of this on the computerised equipment of the US army can only be imagined. Moreover, the hostilities have commenced in the onset of winter, when the conditions will make helicopter operations difficult, if not impossible.

But worse than the landscape and physical conditions is the human environment in which they will have to operate. They will enter a society, the social fabric of which has been badly fractured by long years of war. This is a country where, even in the most favourable circumstances, the central government never completely succeeded in imposing its writ throughout the country. There are many fault lines left over by history: ethnic divisions between Pushtoons, Tadjiks, Uzbeks and Khazars;



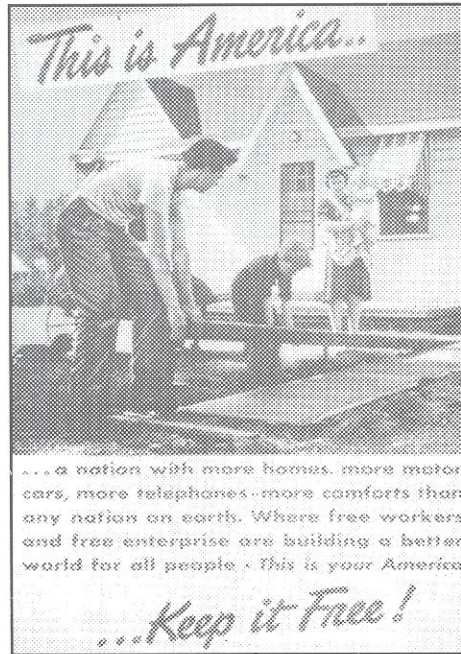
religious differences between Sunnis and Shias and numerous sub-divisions and sects; tribal and clan rivalries, even among the dominant Pushtoons. These were always present. But particularly in the last decade, they have acquired an extremely venomous and explosive character. It is in this climate that Washington wishes to set up a government of national unity to replace the Taliban!

Moscow's manoeuvres

An apparently new element in the world equation is the firm support for America emanating from Moscow. Right from the start Putin has expressed virtually unconditional support for Washington and its "anti-terrorist coalition". So enthusiastic is he that there has even been speculation about Russia joining Nato. However, a closer examination shows that things are not always what they seem.

The terrorist outrage in America was most convenient for Vladimir Putin, whose support in the opinion polls was beginning to decline. Russia has been involved in a war in Chechnya since 1999. The war was stepped up following a series of mysterious terrorist bombings in Moscow in September of that year. The authorship of these bombings has never been clarified. They were blamed on Chechen terrorists, but no Chechen group has ever claimed them, and it is widely believed by informed circles in Russia that the bombs were planted by the Russian secret services.

The second Chechen war has dragged on inconclusively, which says something about the appalling state of the Russian army. While there is no widespread public opposition to the war, the mood of the Russian population is decidedly unenthusiastic.



Therefore Putin saw the attack on the World Trade Centre as an opportunity. He has played his cards most skilfully and so far has extracted the maximum benefit, while in reality giving very little in return. Overnight, all western criticisms of Russia's actions in Chechnya have ceased. The "democratic" western media have fallen silent, and respected human rights organisations find that they are no longer welcome in the editor's office if they come with denunciations of Russian atrocities in Chechnya.

Suddenly, Vladimir Putin, who has systematically undermined democratic and trade union rights in Russia, has become a respected leader of western democratic civilization. The representatives of the World Bank and IMF are falling over themselves to help Russia's finances. Putin has seen that the Americans have thrown money at Pakistan and now would like a little of the same treatment. According to some estimates, in 2003, Russia will have to pay the trifling sum of nineteen billion dollars in debt repayment to the West - that is, the equivalent of Russia's entire state budget for that year. A little relief on this score would be welcome indeed. For are we not all representatives of western Christian values? And does not the Bible say: "And forgive us our debts?"

In an apogee of enthusiasm, Chaney, the chief American trade representative, publicly stated in Moscow that he hoped to get Russia into the World Trade Organisation early next year. This is news indeed! Before this, nobody seriously entertained the idea of Russia being admitted to the WTO in the near future - much less "early next year". How times change!

Some have even speculated about Russia joining Nato. But that is nonsense. The very idea that Russia would accept a

Freedom and family values: a poster issued by the US government during the second world war

unified military command that would potentially place its forces under American control is simply preposterous. Does anyone imagine that the Russians would accept the regular inspection of their military installations by foreigners? In any case, the expansion of Nato up to the borders of China would produce new tensions and dangers.

Moreover, the French and British who have so far played the leading role in Europe would not like to see themselves displaced by this particular giant. In fact, the real intention of Putin in speaking about Nato was quite different. What he actually said was that Nato must lose its military character and become just a political organisation. That is a most amusing suggestion. Nato - as Putin is well aware - is an aggressive military alliance under US control. If it were to disarm it would lose its very reason for existence. It would end up a toothless tiger like the United Nations. This would suit Russia very well. But, as the Russian proverb goes, no devil has ever cut off its own claws. The Nato spokespersons applaud politely - and carry on their business as usual.

What is Moscow giving away in exchange for all these favours? Putin has given a lot of verbal backing to the Americans - which has not been received in Moscow with universal support. But practical assistance is almost nothing. They may give some intelligence information. After all, they are tolerably well acquainted with Afghanistan. And they have lifted their objection to the US military's use of bases in Uzbekistan. But they have pointedly refused to allow the Americans to use any Russian bases. There is good reason for this reticence.

Despite all the talk of a united front and a warming of relations between Russia and America, the two sides are still deeply divided by a clash of interests on a global scale, and especially in Central Asia. Of course, it would suit Moscow for the Taliban to be defeated and driven out of power. But it would not suit the Russians at all for America to take control of Afghanistan and strengthen its position in Central Asia. Like all the rest of Russia, the regimes of Central Asia are deeply corrupt and dictatorial regimes. Popular discontent, which can express itself in the

well aware that once the Americans get a foot in the door, it will not be easy to get them out again. Therefore, despite all the rhetoric about "warmer relations", the conflict between Russia and America remains.

Even Moscow's "gesture" of removing its opposition to the Americans using Uzbekistan is more apparent than real, since Uzbekistan would probably have allowed the use of their bases anyway. The Uzbek regime is in serious trouble and facing an insurgency with Islamic guerrillas, who are being backed by the Taliban. It is a particularly vicious authoritarian regime and increasingly unpopular with its own people. The Uzbek dictator Islam Karimov has a tendency to arrest poor people who dare to speak out against his regime. This, of course, makes him a first-rate candidate for America's coalition of democratic forces against the Taliban.

The Russians, who have a far better understanding of the situation in Central Asia than the Americans, realise only too well the potential for destabilisation of the whole region, which fills them with horror. Partly in retaliation for the activities of the Northern Alliance, the Taliban have trained two or three thousand Uzbek guerrillas who are conducting a systematic war against the regime. These forces now control whole swathes of Uzbekistan. Last year Islamic guerrillas came close to the Uzbek capital Tashkent and killed at least 200 Uzbek soldiers. This event must have set the alarm bells ringing, not only in Karimov's palace but in the Kremlin.

The prospect of new Taliban regimes along its borders in Central Asia must fill the Russian ruling circle with dread. The whole area is vital to its interests - both strategic and economic. Karimov, increasingly desperate, hopes that the Americans will solve his problems for him, and Moscow is not reluctant to see this happen. What occurs the day after the Taliban are toppled is another matter altogether.

The fact is that the Russians are in touch with reality, whereas the Americans are not. They have yet to grasp the consequences of their intervention in Afghanistan. They are stirring up forces of which they have only a vague awareness, and which cannot be contained by high-altitude bombing. Like a cornered animal, the Taliban is showing its teeth. They have threatened Pakistan with war - which is an unreal prospect. They have also threatened Uzbekistan with war. This also is ruled out - in the sense of a formal military offensive. But to step up the infiltration of guerrilla fighters into Uzbekistan is entirely possible and indeed probable. Certainly, the Russians are taking the threat seriously.

The situation in neighbouring Tajikistan is hanging by a thread. Realising the danger, the Russians have stationed 30,000



regular troops - 10,000 of them on the border with Afghanistan. This border is long and porous. On the other side are the troops of the Northern Alliance, which Russia has been backing against the Taliban - together with Iran, India and the Central Asian republics. There is a strong rumour in Moscow that troops of Russia's 201st Motorised Rifle Division, stationed on the frontier, are participating in military action against the Taliban. These reports cannot be substantiated and Moscow denies all direct military involvement in Afghanistan, but they may well be correct. Moscow wants to give every possible support to the Northern Alliance, which it would like to see in a dominating position in any new government - in order to reduce American influence in the country.

Russia and the Caucasus

Meanwhile, there are signs that the Russians are taking advantage of the situation to press forward in the Caucasus. Everything we wrote on this subject in "The New World Disorder" has been shown to be correct. Two weeks ago, Moscow issued an ultimatum to the government of Georgia to hand over immediately all terrorists based on Georgian soil, or face the consequences. By terrorists, they have in mind the Chechen guerrillas who are based in Georgia, and who regularly cross the border to attack Russian soldiers in Chechnya. After years of fighting which have laid waste most of Chechnya, there are large numbers of Chechen refugees in camps across the frontier in Georgia. Among them there are undoubtedly a number of guerrillas. But the weak government in Tbilisi is in no position to do anything about this. They do not control the situation, and Moscow is well aware of this. Yet Russia delivers an ultimatum to Georgia, at a moment when the attention of the world is diverted by events in Afghanistan.

Not long ago, the Russians signed an agreement, brokered by the Americans, to pull out of Georgia (supposedly a sovereign state) the troops that remained there since the collapse of the USSR. Such a

move does not suit Moscow's interests at all. They wish to tighten their grip on the Caucasus and Central Asia, not weaken it. And they have watched with growing indignation the spread of American influence in countries that they still regard as "our territory". The war in Chechnya is being fought to maintain the Caucasus under Russian control and keep the Americans out. They have managed to get Armenia on their side, but Georgia was persisting in trying to become a client state of the USA and even raised the question of joining Nato - something Moscow would never agree to.

The Americans have long been manoeuvring in the Caucasus and Central Asia to get their hands on the huge oil and gas reserves of the area and to reduce the influence of Russia and Iran, utilising the services of their Turkish allies and big US oil companies. Until recently, the tide seemed to be flowing in their direction. But the events of September 11 have thrown the process into reverse. Seizing the initiative, the Russians are putting heavy pressure on Georgia - a key factor in the equation. The Americans, preoccupied with Afghanistan and the famous "anti-terrorist coalition" have played right into Moscow's hands.

President Bush has stated that any country that harbours terrorists will be considered as a terrorist state and treated accordingly. Moscow took the President at his word and issued what amounts to an ultimatum to Georgia. And things did not halt there. Georgia is seriously divided along ethnic lines, with rebel republics being established in several areas, notably Abkhazia (capital Sukhumi) and Adjara (capital Batumi). The Russians have been supporting the break-away republics as a means of putting pressure on Tbilisi. A few weeks ago, a UN helicopter was shot down over Abkhazia and its crew of observers killed. Subsequently, on Tuesday October 9, a group of Chechen and Georgian fighters raided a village in Abkhazia, killing 14 people. Abkhazian officials are claiming that Chechen and Georgian fighters have invaded the Kodor Gorge region of Abkhazia.

The build-up of incidents allows Moscow to make threatening noises. Russian Defence Minister Sergei Ivanov told reporters in Moscow: "Now it's becoming absolutely clear that the Georgian leadership either doesn't control the situation on its own territory or is manipulating the terrorists for its own goals." The stage is thus being set for a confrontation between Moscow and Tbilisi. It is not even excluded that matters could reach the point of a Russian invasion, though that seems unlikely. But at the very least, Moscow will use the situation to put unbearable pressure on Georgia to break its ties with America and move back into the Russian sphere of influence. The American "friends of Georgia" will shake their heads and look the other way. At the moment they have other - and bigger - fish to fry.

The temporary coincidence of interests between America and Russia will not last. They will come into conflict again and again. The present manoeuvres of both sides are like a game of chess on a global scale. Russia fears that it will be checkmated by America in the Caucasus and Central Asia, and moves its pieces accordingly. In the coming months and years the game will continue, with both sides trying to get an advantage. But this is no ordinary game, and every move will be accompanied with new wars, disasters and convulsions. Whichever side wins, the losers will be the poor people of the world. Neither group of gangsters has any interest in the deaths, the sufferings, and the agony of millions. Despite all the rhetoric about civilization, freedom, peace, humanitarianism and justice, the real motive is the lust for profit, and the strategic and military advantages which are merely the prior conditions for achieving the former.

America's dilemma

Despite their excessive confidence, the problems for the Americans have only just begun. It must not be forgotten that they have not yet achieved stabilisation in the Balkans, where new explosions are being prepared. Yet they are intent upon opening up, not just one new front, but several. So far, their bombing campaign is going well. They have inflicted considerable damage on the ground, with no loss of life on their part. The Taliban's air defences were no great threat to begin with, but the use of high-altitude bombing renders them completely useless. The American air force has complete domination of the skies and now feels confident to carry out daytime bombing raids with total impunity. They intend to keep this up for days, perhaps weeks, until the Taliban's military infrastructure - and with it, all that remains of the civilian infrastructure also - is utterly destroyed. Only then will they consider sending in ground troops.

For the US army, this is quite good news. For the Afghan population it signifies a nightmare. The Moscow Times reported the words of a shop owner in Kabul:

"Once again the dark storm is about to begin for us," said vegetable vendor Jamal Uddin, shutting down his shop as the lights went out Tuesday night. "We just sit in the dark, watching the sky, waiting to die." This is a very different picture to the sanitised versions presented on western television. Western public opinion is once again being subjected to the same old propaganda about smart bombs that leave innocent civilians unmolested. In practice, however, the American bombing campaign will destroy the last vestiges of semi-civilized existence in Afghanistan, killing many civilians and plunging what is left into conditions of indescribable misery.

The American generals and politicians persist in ignoring the real situation on the ground. For them it is merely a technical question. In Washington, US Defence Secretary Donald Rumsfeld cheerfully commented after the first day's bombing that the air strikes were so successful that US and British warplanes could fly at all hours with minimal concern about the threat to their safety (the safety of those on

thou must do, do it quickly." Unfortunately, the task posed here is not of a nature that it can be done quickly. The unsettling effects for Pakistan, with its explosive ethnic mix and deep economic crisis, are only too clear.

To make matters worse, in order to obtain the support of Islamabad, Washington has been obliged to tilt its foreign policy towards Pakistan, and has thus caused grave offence to India. In the recent period, the USA was attempting to court India. When Clinton visited the area last year, he practically supported India against Pakistan on the thorny question of Kashmir. Now the Indians will suspect that the Americans have done a sharp about-turn and will have offered Musharraf concessions on the Kashmir question in exchange for his support over Afghanistan. This is typical of how imperialism treats the national question - using weak and oppressed nations as so much small change in their international dealings.

The Indians are furious at this betrayal, and although they will not protest too much in public, they will not be very enthusiastic about anything Washington asks them to do in future. Indian policy will incline more towards Russia, and thus further compli-

Despite all the rhetoric about civilization, freedom, peace, humanitarianism and justice, the real motive is the lust for profit, and the strategic and military advantages which are merely the prior conditions for achieving the former.

the ground was evidently not under consideration): "We believe now we are able to carry out operations more or less round the clock," he said.

And so the air raids will continue relentlessly, pounding Afghanistan into the dust. And all that the American and British pilots will have to worry about is a certain amount of lost sleep. All this will lull the west into a false sense of security. Their belief in the superiority of their modern weaponry, immense firepower and advanced technology, added to their conviction that they alone have right on their side, will further increase the impression that "we are in complete command of the situation" - until the situation takes control of them.

In reality, things are not so simple. Quite apart from the problems of war on the ground in a hostile environment, which we have already referred to, the attack on Afghanistan is stirring up problems all over the region and further afield. The plain fact is that the USA has no allies in this region it can trust. The support of the Pakistan regime is grudging and unstable. A prolongation of the war can lead to an explosive situation, which is why Musharraf has told the Americans in so many words: "What

cate US activities in the area. When the Taliban are overthrown, the Americans will discover that the Northern Alliance represents not Washington's interests, but those of Russia, Iran and India, which is why Pakistan is bitterly opposed to any suggestion that the Northern Alliance should participate in the government of Afghanistan. Thus, the stage is set for further conflict and upheavals after the fall of the Taliban.

The only way to keep the new government in power will be to maintain a strong American presence for an indefinite period of time. But a Kabul government that is kept in power by American bayonets will inevitably be seen as a puppet of foreign imperialism. Given the traditions of Afghanistan, and the fractured nature of Afghan society, this means further upheavals and a long-term guerrilla war, into which America can be dragged, just as the Russians were. This is a nightmare scenario for US military planners.

All sides in the present conflict have miscalculated. The Americans miscalculated when they built up the fundamentalists and bin Laden against the Soviet Union, imagining that they could control them. The Pakistanis made the same mistake and will now pay a heavy price for it. But the

Taliban and bin Laden have also made a serious miscalculation (insofar as they attempt to calculate anything). They are under the delusion that it was they and their peculiar version of Islam that defeated Russia, and consequently, they could also take on America. This idea was expressed by Ahmed Sattar - an aide to the fundamentalist leader Sheik Omar Abdul Rahman - currently a guest in one of America's state penitentiaries: "If I can defeat the Evil Empire [the USSR], I can defeat anyone else".

In point of fact, the Afghan fundamentalists only succeeded in defeating the pro-Moscow government in Kabul because the Russians cynically abandoned it as part of a world-wide deal with America. Moscow cut off arms supplies while Pakistan and Saudi Arabia, with America's blessing, continued to supply the Mohajeedin forces. Similarly, the Taliban could never have succeeded in taking Kabul without the active support of Pakistan. Now that this support has been withdrawn, the Taliban's days are numbered. But that does not mean that the war in Afghanistan can be ended quickly.

From a military point of view, the present stage - which mainly consists of high-altitude bombing - is the easy part. Unfortunately, America's most highly publicised war aims cannot be realised through bombing alone. Sooner or later, they will have to commit ground troops. Then the hard part will begin. Although it will not be too difficult to drive the Taliban from the cities, it will not be so easy to root a determined guerrilla force from the mountains where they can shelter in caves and tunnels. Once the war on the ground commences, it can last a long time. And American losses are inevitable.

Reaping the whirlwind

A proverb says: "He that sows the wind shall reap a whirlwind". The source of the present mess is to be found during the war against the Soviet Union in Afghanistan, when the USA deliberately united the different strands of Islamic fundamentalism, and armed, organised and funded them in the war against the Soviet Union. Even when the crimes of the Taliban became public knowledge, and people began to complain about America's complicity and its failure to condemn the Taliban, former US National Security Adviser, Zbigniew Brzezinski retorted: "What was more important in the world view of history? The Taliban or the fall of the Soviet empire? A few stirred-up Muslims or the liberation of Central Europe and the end of the Cold War?"

In these few sentences are encapsulated all the stupidity, arrogance and

shortsightedness that characterises the world-outlook of US imperialism. Now these words have come back to haunt them.

By their actions, the American imperialists will provoke a wave of instability throughout the entire region. They will heighten tensions between India and Pakistan, with dangerous and unpredictable results. They will further destabilise Pakistan and the states of Central Asia, as the shock waves begin to spread. And they will achieve precisely the opposite result to what was intended in the first place. In the words of Ahmed Sattar: "The American government doesn't get it. You can kill Osama bin Laden today or tomorrow. You can arrest him or put him on trial. This will end the problem? No. Tomorrow you will get someone else".

The roots of terrorism lie in the chaos that the market economy has created on a world scale, particularly in the last ten or twenty years. It feeds upon the masses of dispossessed and unemployed youths, like the thousands who have passed through the madrassas of Pakistan and end up in bin Laden's camps. The poison of Islamic fundamentalism was fomented by US imperialism to further its own cynical ends. Thus, the responsibility for the whole wretched business must be laid firmly at the door of the capitalist system and the imperialists who sustain it by a combination of brute force and cynical manipulation.

How can the peoples of the world place any trust in these same capitalists and imperialists to solve the problem that was created by them in the first place? It is like putting an arsonist in charge of the fire brigade. Instead of putting out the fire, he will only pour petrol on the flames. And that is just what George W Bush and Tony Blair, his ventriloquist's dummy from London, are planning to do.

The working class and the world labour movement must place no trust whatsoever in the so-called anti-terrorist plans of the political and military establishment. We must oppose the present military adventure in Afghanistan, which will not prevent terrorism or help the Afghan people, but only lead to even greater instability, wars, death and suffering on a colossal scale. We must not accept the imposition of austerity measures, factory closures, wage restraint and sackings under the pretext of the world situation, nor any attacks on civil rights under the disguise of anti-terrorist legislation.

Only the working people of the world can put an end to the present nightmare, by taking power into their own hands, expropriating the giant corporations and financial institution that dominate the



planet and create constant crises, misery and fear through their remorseless greed for gain. The only war that we are prepared to fight is for the socialist transformation of society, nationally and internationally. The only just cause is the cause of the people who create the wealth of society and are exploited for their labour. Only the working class has no interest in oppressing and exploiting other people. Let us trust only in our own forces!

The recent events have aroused an intense interest in world politics among people who previously took no interest in world events. It is necessary for activists in the Labour movement to cut across the lying and hypocritical propaganda of the government and the media and expose the real class interests that are the genuine mainspring of national and international politics. Armed with the ideas of Marxism, it will be possible to explain the real significance of events to an ever wider audience. The terrible shocks that are being prepared on a world scale will transform the consciousness of millions of people. What is required is the construction of a Marxist political alternative, a leadership that is capable of showing a way out of the crisis through the socialist transformation of society. ●

Capitalist nightmare in the Ukraine

Socialist Appeal editor, Alan Woods, interviews Evgenii Leshan, member of the Ukrainian parliament.

Q: How would you sum up the experience of the Ukraine since the collapse of the USSR?

A: Over the past ten years we have seen a movement for the re-establishment of capitalism, just as in all the other ex-soviet Republics. There has been a drive towards privatisation and now most of the big firms are either in private hands or under the control of big capitalist groups.

Q: And what have the consequences been for the population?

A: It has been a real nightmare. The Ukraine used to enjoy one of the highest living standards in the Soviet Union. It is now on an African level. There is widespread suffering. Many pensioners now get ten dollars a month. Moreover, pensions are often not paid, or paid with delays of maybe two or three years. It is the same story with public employees, such as doctors and teachers. The big capitalists are mercilessly squeezing workers like the miners, withholding wages and not investing in health and security measures. As a result there are many accidents and deaths.

Q: For instance?

A: There was an accident at the Barakova mine in Lugansk region where over eighty miners were killed. More recently there was a similar accident at the Zasyadko mine (Donets), where 54 were killed. Smaller accidents occur all the time. Every year up to 300 miners are killed in this way.

Q: What about wages?

A: In some industries the workers are well paid - for example, shipbuilding. I mean 160 US dollars a month. Some can get up to 200 dollars a month. But not many earn this kind of money. The average wage is about 80 dollars a month.

Q: Is it possible to live on this?

A: Well, possible, yes, though not in Kiev. Most people rarely eat meat. Just basic vegetables. Mostly, people live on a diet of bread and potatoes.

Q: What about health?

A: There has been a very serious decline in health. The pharmaceutical industry is privatised and many clinics are private. These are so expensive that most people cannot afford to use them. The state clinics are supposed to be free, of course, but there also the doctors take bribes to treat people.

Q: So there is a lot of corruption?

A: Corruption exists at all levels: in hospitals, schools, clinics, universities. In a pri-

ivate school, there are official fees, but in the state sector, the teachers, headmasters and members of the governing bodies all take bribes. Parents pay bribes to get a place for their children and so on. It is far worse than in the previous system. Before, there were cases of corruption to some extent, but not on this scale. Then, if a teacher were caught taking a bribe, he would be punished.

Q: So now you have the worst of all worlds - the worst aspects of Stalinist bureaucracy and the worst aspects of capitalism.

A: Yes, the corruption exists in state circles also, reaching up to the highest places. The state is being used as a milking-cow for the big capitalists.

Q: Who are they?

A: The biggest groups, closest to the state are the Interpipe company that produces pipelines for oil and gas. Then there is the group controlled by Medvedchuk and Surkis, who dominate grain production and also the electro-energetic sector. There are many others. They really dominate the state. Medvedchuk is the speaker of the Ukrainian parliament.

Q: You are a member of the Ukrainian Communist Party (KPU) and, at 25 years of age, a member of parliament.

A: Yes, I was elected in the Spring of 1998.

Q: You must be the youngest member of parliament.

A: Not quite, there is one a bit younger than me.

Q: The KPU is the biggest parliamentary group. Can you say something about it?

A: The party has 110 MPs. It was formed out of a part of the old CPSU led by Pyotr Simonyenko. It mainly based itself on Soviet patriotism, playing on people's nostalgia for the past. Many joined it for this reason. It has more than 100,000 members, and is the biggest party in the Ukraine. But most are old people.

However, although it calls itself Communist, and claims to stand for Marxism Leninism, in reality it is trying to base itself on certain sections of the Ukrainian capitalists.

Q: What position does it

take on privatisation?

A: The KPU always claimed to be against privatisation. But in practice, it has jumped on the bandwagon. It supports the establishment of so-called free enterprise zones, and has also supported privatisation in individual cases, arguing that we should support the "good" capitalists against the "bad" ones. It also supported a reactionary trade union law that limits workers' rights and introduces strict state control of the unions.

However, the KPU does defend the rights of the poorest sections of the population: pensioners, disabled, children, the Chernobol victims (which is a big problem) and so on.

The problem is that the KPU does not take a class position, but claim to support Ukrainian capital against western capital, and also closer relations with Russia. They also advocate a "strong state".

Q: Have there been movements of the working class?

A: There is the beginning of a fight against closures of mines and for higher wages. There have been some strikes and marches on Kiev. The teachers are also beginning to move.

Q: What are the perspectives for Ukrainian capitalism?

A: One thing is clear: there is no such thing as good capitalism. Even if it were successful, the working class would be no better off. We need an independent class policy, whereby the workers fight for their own class interests. Once they have understood this, they can bury capitalism once and for all.

Kiev, October 10, 2001.



'Globalisation' is the latest hope embraced by capitalist commentators for the salvation of their system. They argue that a new era of unprecedented opportunity is opening up before the world capitalist class. As billionaire James Goldsmith once put it, 'during the past few years four billion people have suddenly entered the world economy'.

But what exactly is globalisation?

by Mick Brooks

What is globalisation?



The problem with trying to pin it down is it's not so much a theory, more a buzzword. The general idea is that the whole world is being opened up to world capitalism. All the old barriers are coming down. Capital flows will bring a transfer of technology to the poor countries - who soon will be rich! Extreme versions suggest that all national cultural differences will disappear in a homogenised world of global brands. International capital flows are acting on the world like a giant blender. In this form, the theory is nothing but globaloney.

But if globalisation is really happening, the system has not passed its sell-by date and we socialists are all wrong. On the contrary capitalism's great days are only now beginning. The trouble is - it's not happening. There has been no convergence between rich and poor nations. The gap has actually widened, and global capitalism is the reason why.

Millions of anti-capitalist protestors have also made the connection between globalisation, capitalism and the impoverishment of the third world from an opposite point of view from the apologists. They argue that all protection from the looting of the world's poor by global capital is being dismantled. For this they are routinely denounced by government ministers. Jack Straw calls them the 'stop the world' movement. The establishment argues that trade is better than not trading. 'Do you want to be like North Korea?' is the constant refrain. These people are wilfully missing the point. As we pointed out last month, the institutions that regulate world trade are set up so that big

business can systematically mug the world's poor. The anti-capitalist protestors want the mugging to stop - and they are right.

Globalisation and the 'demise of the nation state'

Proponents and enemies of globalisation alike suggest 'the nation state' has become irrelevant, helpless to deal with rootless international capital. On the contrary the decision-making of the 'enforcers' of global capitalism (the World Bank, the International Monetary Fund and the World Trade Organisation) is driven by the advanced capitalist countries, the muscle men of the multinationals. The domination of international capital is the domination of the strong nations over the weak. Nobel prize-winning economist Joseph Stiglitz puts it like this, "Countries find themselves in situations where they are having policies imposed on them. It is not unlike the 19th century opium wars when countries were told to open up their markets and this threat was backed up by military force."

Marxists understand that world trade is the way a world division of labour is established under capitalism. Potentially that division of labour can help every country to grow faster. We do not believe a socialist society of abundance can be built in a single country. We have to take advantage of that world division of labour to help the world's poor. But it is a fact that the division of labour imposed upon the less developed countries by the imperialist powers perpetuates them in the position of 'hewers of wood and drawers

of water'.

And it's true that capitalism is a global system. It always has been. Who said so? "The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country...All old-established national industries have been destroyed or are daily being destroyed. They are destroyed by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that work up raw materials drawn from the remotest zones; industries whose products are consumed in every quarter of the globe....The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarous, nations into civilisation." Thus said Marx and Engels in the *Communist Manifesto*, written over one hundred and fifty years ago.

They go on to draw the conclusion, "The communists are further reproached with desiring to abolish countries and nationality. The working class has no country...national differences between people are more and more vanishing owing to the development of the bourgeoisie, to freedom of commerce, to the world market". World capitalism begets a world wide enemy in the shape of the working class.

Does globalisation mean that living standards will rise throughout the less developed countries as capitalism spreads its blessings throughout the globe? The record of the recent past speaks otherwise. The overwhelming pic-

ture is of a massive impoverishment of the poor countries. According to the economic statistician Angus Maddison, from 1820 to 1997 National Income per head (the best indicator of the standard of living) rose nineteen times over in the advanced countries. In the less developed countries the increase was just 5.4 times over. No sign of 'convergence'! Throughout the capitalist era the gap between rich and poor nations grew ever wider. And it's getting worse. According to the World Bank's 'World Development Report' average income in the richest twenty countries is 37 times as high as in the poorest 20 - and the gap has doubled in the past twenty years.

At present 1.3 billion humans subsist on \$1 per day or less. Another 1.6 billion inhabitants of the planet make do on between \$1 and \$2 each day. These people are in absolute poverty, and there are nearly 100 million more of them than ten years ago. Together, this is half the world's population. Thus capitalism, even as it has developed the productive forces at the same time has failed to eliminate poverty. Actually capitalism creates rich and poor, just like it creates McDonalds and Coca Cola.

Lenin's 'Imperialism'

And it is Marxists who have explained why. Marxists regard the law of combined and uneven development as the motor of the historical process. Imperialism is the way that law of development manifests itself in the modern epoch. Lenin showed how the advanced capitalist countries drew the rest of the world into the capitalist orbit through the mechanism of imperialism. In doing so capitalism creates rich and poor nations just as it creates rich and poor within each nation.

The main planks of Lenin's theory were:

- The increasing concentration of production and creation of monopolies in place of free competition.
- The rise of finance capital. The export of capital becomes more important, as against the export of goods.
- The division of the world among associations of capitalist firms.
- The division of the world between the great capitalist powers.

Point for point, Lenin's theory of imperialism explains what is really happening in the modern world of 'globalisation'.

Concentration of capital:

First, take the concentration of capital into giant multinationals. According to the *Economist* there were 35,000 in 1990. Between them these multinationals employ more than 65 million workers. In that year General Motors had three quarters of a million on its payroll. GM's sales were twice as high as the entire National Product of



Venezuela.

Finance capital:

Globalisation means two things. First there is the globalisation of money capital summed up in the \$25 trillion of 'derivatives' swilling around in the world economy. The arcane financial instruments of swaps, forwards and options are all a bit like betting on a dog. It is obvious that capitalists can make money if their dog wins. It is not obvious how the system gets any richer for running like a casino.

Movement of money used to be analysed in terms of trade. Just like you buy a pound of tomatoes - goods go one way and money the other. Now that's all old hat. The movements of foreign exchange are now no longer the handmaiden of trade. For every dollar that crosses the exchanges for trade, sixty go for pure speculation.

Speculative capital:

Capital movements now overwhelm trade in their importance for the balance of payments. Financial globalisation has simply become detached from the real world of surplus value production. Capital strives after its ideal of a circuit of pure money without going to the trouble of being involved in the bother of production.

Actually, as Marx tirelessly explained, capital is not a thing - it's a social relation. It transmutes into different forms - from money in the hands of a capitalist - to the commodities, such as raw materials, he buys with it - to the process of production itself - to selling the produced commodities - to money once again. Neither money nor commodities nor production are necessarily capital unless they are linked to the extraction of a surplus from the working class. What is the significance of the circuit of capital? Money is infinitely flexible and can go anywhere. It can become a steel mill in Pennsylvania or a pineapple plantation in South Africa. But once it's taken a particular form, it's stuck like that. It's not really true that capital is footloose and fancy free.

The export of capital:

Since the 1980s the growth of Direct Foreign Investment (DFI) i.e. investment abroad by multinationals has been far more

striking than the growth of trade, and may well be the real engine of growth. DFI grew by 30% a year while trade grew by less than 10%. By 1990 the world's total stock of DFI was reckoned to be \$1.7 trillion. Multinationals now control 80% of world trade. In fact much of this to-ing and fro-ing is difficult to describe as trade at all, for two fifths of this multinationals' trade takes place between branches of the same firm. Multinationals have been around for quite a while. But the massive acceleration of DFI since the War and particularly over the past decade has only been made possible by the technological revolutions in communications (IT) and transport (containerisation). It is easier these days to shop around for the most favourable (profitable) places to locate. So globalisation is presented as a threat to the day to day working class struggle for better living standards in every country.

Globalisation as ideology

Actually they're trying to scare us with the concept of globalisation. Capital can shop around. What is capital supposed to be shopping for? Cheap labour of course. Places like China where they're 'happy' to work a 14 hour day for 50p. And there are four billion new suckers out there to exploit. So that's where they'll be heading.

Exploitation doesn't always just mean cheap labour. According to an *Economist* Survey (Oct 1st 1994) labour often only accounts for only 5-10% of costs in today's high tech products. German capitalists for instance pay \$25 per hour for a worker (that doesn't mean the worker actually gets \$25 - that includes National Insurance and all the indirect costs of employment). So Germany should be an industrial wasteland? Fat chance! German workers are worth \$25 per hour of any capitalist's money because they're so productive. Investment always beats cheap labour. More generally what capitalists are interested in is what they pay you compared with what they get out of you and the high wage economies are usually the high productivity economies.

Yuppies looking at screens can move millions around in nano-seconds. This seems to pose a threat to even a mildly reformist government. What about controls to stop economic activity mucking up the environment? Don't even think about it - it's bad for business. Going to raise taxes on profits? We'll pull our money out before it happens, then. Wouldn't it be popular to raise the minimum wage? Not with capital it wouldn't - we're outa here. So governments bow the knee. The stark message is - financial markets won't wear reforms. The balance of forces has moved decisively against the nation state in favour of global capital. It's a race to the bottom.

The logic of the globalisation thesis is that the nation state is becoming powerless and irrelevant in relation to global capital flows. Actually small nations are only powerless because they are bullied by big nation states in the interests of big business. This shows how the concept of globalisation is really an ideological weapon against the aspirations of working people for a better world. Tony Blair told the 1998 WTO meeting that 'globalisation is irreversible and irresistible'. That's a convenient excuse for him to do nothing to offend capital. But that's what he always wanted to do anyway.

Sure, multinationals can shop around. Other things being equal they'll always go for cheap wage locations - but other things seldom are equal. Multinationals need a technological infrastructure and an educated workforce - they don't want to pay for it, that's all. That's where the nation state comes in - as an enabling institution for global capitalism. Multinationals are not really rootless. Ford has been established in the UK since 1912 yet it remains the case that 80% of its assets are stashed away in the USA. This is also the case for more than half the assets of Pepsi and McDonalds, which should surely be regarded as symbols of global capital. And multinationals retain the habit of screaming for the help of their nation state whenever their profits are threatened.

Division of the world between associations of capitalist firms

So where do the multinational firms fit into all this? The position is complex. On the one hand almost all of them have a regional, indeed a national, home base. On the other hand the tendency to global autarchy threatens their global profit-making. In addition the cost of innovation is soaring, threatening the capabilities of even the biggest firms to keep up. If they ever do get round to developing the global car, it's going to cost £2 billion. A new mainframe computer will set the innovators back £500 million. So they have to

get together. Even IBM is not big enough. IBM is currently in bed with - Xerox, Siemens, GEC Plessey, NTT, Corning Glass, NEC, Mitsubishi, and Northern Telecom. The name of the game is strategic business alliances. The first thing about IBM's alliances is that it gives them a foot in each of the three camps. SBAs are part of the multinationals' response to regionalism.

Division of the world among the capitalist powers

Not through conquest, but through the stranglehold of the world trade mechanism itself, the poor countries are subordinated to the rich. Clear cut 'spheres of interest' emerge in the world, a polite term for what is really humiliating colonial dependence, economic imperialism.

Other theorists have talked not of globalisation, but of 'regionalism'. It is now the case that 75% of trade and 80% of production is located within three great regional trade blocs. Western Europe lays claim to Eastern Europe and the Maghreb. Japan has taken the other East Asian economies under its wing. The USA has always regarded Latin America as its backyard. Nobody much wants Africa south of the Sahara - there's no money to be made there. So people have got absolutely poorer for the past twenty years. These three regional blocs are responsible for 80% of world trade. Trade alliances are cementing the relationships. Alongside the EU we now have NAFTA. What else are these regional trading blocs clustered around a regional hegemonic power but the division of the world pointed to by Lenin as a central feature of his theory of imperialism?

Most capital flows are between the advanced capitalist countries. Poor nations don't really get a sniff. What capital does flow to less developed countries heads for client states within these regions - for instance from Japan to Korea and other East Asian countries. In the 1990s 4/5ths of US investment abroad

from the multinationals went to Canada, Japan or Western Europe. The poor countries got just 1%. No wonder the gap between rich and poor countries has continued to widen.

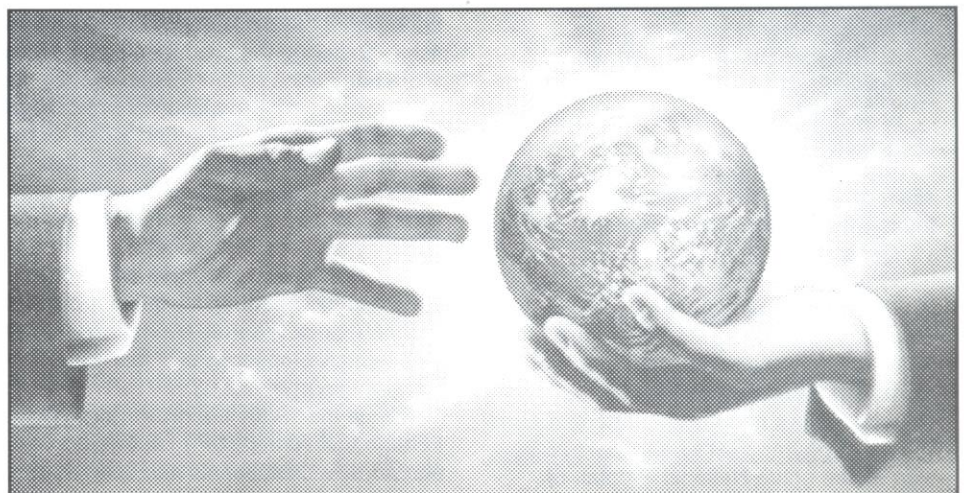
So what exactly is globalisation? Is it a trend or an ideological weapon in the locker of the ruling class? Globalisation is a tendency, not an accomplished fact. There are tendencies working the other way. Nor is regionalism the main trend of our time. The only way to understand the contradictory movements of our time is with the concept of imperialism.

Imperialism is the way the law of combined and uneven development manifests itself under conditions of advanced capitalism.

Uneven development means a dog eat dog world of firms fighting each other and nation states at one another's throats. At the same time shifting alliances of big business try to subvert the intentions of national governments while states huddle together against the pressure of international capital. That is the real picture of the world economy. It's complicated and contradictory, but that's how capitalism is.

The concept of globalisation is an attempt to understand reality. It is also a way of influencing its development. It is the language of a ruling class assault on working class living standards worldwide.

Socialists are not the only critics of the globalisation myth. "The rising tide of the global economy will create many economic winners, but it will not lift all boats. [It will] span conflicts at home and abroad...[Its] evolution will be rocky, marked by chronic financial volatility and a widening economic divide. [Those] left behind will face deepening economic stagnation, political instability and cultural alienation. They will foster political, ethnic, ideological and religious extremism, along with the violence that often accompanies it." So its capitalism as usual, then. Who says so? The quote is from the CIA. ●



Poetry in motion

"Red Lamp" is a small press poetry journal which proudly focuses on poetry that it considers to be socialist and as such is a platform for 'realist, socialist and humanitarian poetry.' Its commitment to this type of poetry is based no less on the fact that main stream poetry journals together with the academic canon have marginalised poetry that concerns itself with the issues of every day life that affect the working class. The values expressed in progressive poetry from Shelley's radical verse to Mayakovsky's revolutionary output or Brecht's scathing polemic is an integral expression of the oppression and exploitation of the majority within society. The poetry found in "Red Lamp" is part of this long and honourable tradition and encompasses the daily experiences as well as the hopes and dreams of men and women throughout the world who battle daily with the mere exigencies of everyday existence with the sweat of their labour. Extracted at a high price by a system that perceives them as no more than the cogs that oil the wheels. We hear the submerged inner longing of the factory worker in Peter Bakowski's 'The Jaws Of The Factory':

No-one says much.
 Everyone is trying to forget
 the pound and shunt,
 the hiss and lurch
 of metal.
 We are submerged,
 lost in aching prayer,
 prayer for a better life.
 Out of the corner of our eyes
 we look at each other:
 we are looking for just one brave soldier
 amongst our ranks,
 with straight back and clear eyes,
 to lead us from this gnawing trench,
 but we are all the same:
 alcoholic, a little arthritic
 or idiotic, our flanks cut and punctured
 by the same spurs, our keen and vagrant
 spirits
 broken
 by the same cruel and demanding riders.

Or we read the tenderest of insights in Fred Voss's 'The Same Sun That Shined On Plato' of the worker who when reading the works of classical and other eminent writers within the factory context realizes that he reads and understands them more profoundly than when he had read them within the removed and sanitized 'halls of the universities'. Maxim Gorky's brilliant trilogy resonates as Voss says these books shine now:

Like they never shined before
 as men
 who never finished high school
 surround me
 and the same sun that shined on Plato
 pours through a high steel mill window
 and falls
 on me.

The poetry in "Red Lamp" is a testimony to the disenfranchisement and alienation felt daily by the working class and as such is also an expression of the struggles spurned on by the deep anger that underlies the manipulation and theft of human energy and potential. The poet Geoffrey Lennie, interviewed in issue eight, attests to this anger as he writes of the hypocrisy of the landlords who accumulate wealth, whilst unashamedly proclaiming their seeming charity for the worlds poor:

In wealthy street, a landlord
 On his knees devoutly bent
 Offers thanks to god above
 For his thirty two percent.
 And he prays for the hungry everywhere
 But mostly in Poverty Street
 Where - after his tenants have paid the rent
 They can't afford to eat.

But as Geoffrey Lennie says in his 'Solidarity':

In our hands is placed a power greater than their lies extolled
 Great enough to throw the traitors back into the masters' fold
 We'll unite with workers round the world to smash the bosses' hold
 Now the union sings the worker' song
 Solidarity forever.

And this is the strength of "Red Lamp": its sense of universal common interest is reflected both in the subject matter of the poetry as well as in the poets themselves. As a platform for the expression of daily experience it contributes towards raising awareness of the societal conditions that is the reality of us all. In understanding our conditions and realizing our potential we can effect change.

"Red lamp" is semi-annual at a modest and affordable £2. For subscription and/or contributions and submissions the editor Brad Evans can be contacted at:

61 Glenmere Close, Cherry Hinton, Cambridge, CB1 8EF, UK or 5 Kahana Court, Mountain Creek, Q.4557, Australia. "Red Lamp" is also on line at: http://www.goecities.com/red_lamp

The Afghan war and the plight of the Pakistani working class

Solidarity Appeal from the Pakistan Trade Union Defense Campaign

As the war rages on and imperialist aggression further devastates Afghanistan, Pakistan is engulfed by a new wave of uncertainty, turmoil and confusion. The initial outbursts of protest demonstrations against the bombing on the streets of Karachi, Islamabad, Quetta, Peshawar and some other cities seem to be at the moment dominated by the fundamentalists. But once the movement gains momentum and expands to larger sections of society all this will change. Meanwhile the outbreak of war and the accompanying hysteria will be used by the ruling classes of Pakistan to further intensify their attacks on the social and economic conditions of the workers, peasants and the downtrodden of this country. But it seems that the days of the Musharraf regime itself are numbered. But it will all be a very bloody conflagration. Very contradictory processes will take place with chaos and even civil war cannot be ruled out. However, a possibility which should not be ruled out is that of a workers upsurge with a revolutionary character.

The present Military dictatorship during its 2 years in office has carried out vicious attacks on the conditions of the workers in Pakistan. On the behest of the IMF, World Bank and other imperialist institutions massive redundancies have been carried out. The real wages have declined, working hours have increased and conditions of work have worsened. The price hike of petroleum products, electricity, gas, water and other basic utilities has added insult upon injury to an already impoverished working class.

These attacks by the present military dictatorship were carried out also because of a severe political indifference prevailing in society. This lull and despair was the direct result of the betrayal of "democratic regimes" and the populist leaders who had been voted into power by the people of Pakistan, and in which the people had high hopes. The dashing of these hopes has brought on enormous resentment towards

"politics. This was specially the case with Benazir Bhutto's leadership, who was brought into power by the oppressed but sided with the ruling classes, the state apparatus and imperialism. This led to demoralization in the ranks of the PPP (Pakistan Peoples Party) but also disillusionment amongst the working classes in society as a whole. The collapse of the left and their degeneration into Non-Governmental Organisations (mainly sponsored by imperialist institutions and regimes) has been another set back to the workers movement. These NGO's have been used to distance the working class from revolutionary causes and indoctrinate them with reformist ideas to make them accept capitalism and all that it brings with it. Hence all the donors of these NGO's have a clear vested interest in the money they pour into the coffers of the NGO bosses. This disease has specially affected the trade unions. A large number of trade union leaders have been bought off with lucrative offers from the NGOs. This led to their further corruption and compromises with the system which in its epoch of imperialist decay has to increasingly suck the blood and tears of the workers for its survival. The betrayal of these "liberal" trade union leaders on the question of downsizing, privatization and other anti working class issues has further accentuated the plight of workers and trade union activists.

The presence of Islamic fundamentalism in the trade union movement has also aggravated the misery of the workers. On one hand they have used the reformist policies of the former left trade union leaders, to push the unions onto adventurous acts. These lead to the destruction of several trade unions. At the same time they have increased physical violence, vandalism and blackmail in the trade unions. Several honest and genuine trade union leaders, like comrade Arif Shah were assassinated during the 1990's. The fundamentalist controlled trade unions are despotic and a curse for the workers of these factories and institutions. The situation of the trade

unions in Pakistan is so bad that only 2.5% to 3% of the work force is organized in the unions. The overall social conditions have further deteriorated in the last period. Poverty, unemployment and misery stalk the land. At the beginning of the 1990's 22% of the population was under the absolute poverty line. Now the figure is more than 40%. This fact is enough to expose the utter failure of the policies of reformism and the "individualistic" approach of the NGOs towards poverty alleviation. The NGOs spread rapidly during the 90s and some NGOs masquerade as political parties. This is the worst form of treachery and deceit against the working class. The growth rate in economy is lower than rate of population growth of about 2.6%. Health education and other fundamental rights have become a privilege for a very small section of society. Deprivation and want are rising rapidly. There is mass unemployment and further plans to cut about 900,000 jobs during this fiscal year ending June 2002 will bring devastation upon the working class families and youth. With the world capitalist recession looming over the horizon, there is no chance of improvement of the terrible conditions that exist in Pakistan. In fact they will worsen.

The regime will use this war hysteria to further implement the anti people policies that are necessary for the continuation of the capitalist system. But the effects of the war on the mood of the population cannot last forever. Sooner rather than later they will have to end. As the bodies start coming back from the front and the price of war has to be paid in the form of further attacks on workers' conditions, the mood will change radically. Working people will rise with a vengeance. At this juncture the most important historical task would be to provide this movement with a clear programme and perspective, a dedicated, honest and bold leadership and to save the workers struggle from the evils of opportunism and adventurism.

This is the main task to which the PTUDC has dedicated itself. The brief

background to this appeal is mainly to give our comrades in Europe and elsewhere an idea of the conditions in which the PTUDC is working at the moment.

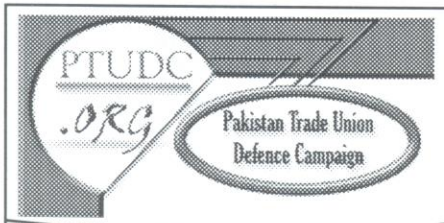
Apart from the long term plans and perspectives of the PTUDC, we are intervening in the day-to-day struggle of the workers. We have brought out posters, organized rallies and demonstrations against privatization, downsizing, restructuring, lay offs and other problems faced by the workers. There is a whole history of a continued and relentless struggle of the PTUDC against the attacks of the bosses, the repressive state apparatus and its imperialist bakers.

Now with the dark clouds of devastation and war looming large, the PTUDC has embarked upon a new campaign against war and fundamentalist terror. The PTUDC believes that the working class, when it moves is the only real force that can eliminate the menace of Islamic fundamentalism and defeat imperialist aggression.

Pakistan, unlike Afghanistan has a relatively large economy, industry, infrastructure and working class. Thus, the main source and basis of resistance against Islamic fundamentalism and its barbaric methods and aims is the working class. Its victory will only be assured when it overthrows the rotten capitalist system and frees itself from the yoke of imperialist exploitation.

The PTUDC campaign against war and terrorism is mainly to prepare, unite and organize the workers to defend their rights and defeat further attacks on their conditions, which the regime will perpetrate in the guise of "national interest", "defense of the country" and "sovereignty of Pakistan".

The campaign is also aimed at defying the propaganda of the bosses, explain the real nature of the war and expose the fact the Islamic fundamentalism and American imperialism are the two sides of the same coin-the preservation of capitalist exploitation and misery. ●



New web site

The Pakistan Trade Union Defence Campaign (PTUDC) have launched their own web site. The PTUDC has been campaigning for the defence of trade union rights in Pakistan for a number of years. Many leading trade union activists and trade union leaders have joined the campaign. They have all been involved in major trade union disputes under very difficult conditions. Pakistan is ruled by a military dictatorship. Now the situation has become even more complicated with the war against Afghanistan. The PTUDC

**The PTUDC has produced poster, with the main slogan:
Fanatic Terrorism And Imperialist Aggression CAN ONLY BE
DECISIVELY DEFEATED THROUGH A CLASS WAR.**

This poster is being fly-posted in 27 towns and cities across Pakistan. Public meetings and rallies by the PTUDC, are being organized on the following dates:

- 1. Lahore Wednesday 10th October.
- 2. Muzafferabad (Kashmir) Sunday 14th October.
- 3. Karachi Sunday 14th October.
- 4. Quetta Sunday 14th October.
- 5. Khuzdar (Baluchistan) Sunday 14th October.
- 6. Multan Sunday 14th October.
- 7. Rawalpindi\Islamabad Friday 19th October.
- 8. Sadiqabad Friday 19th October.
- 9. Rahimyar Khan Saturday 20th October.
- 10. Mirpur Mathelo Sunday 21st October
- 11. Hyderabad Sunday 21st October.
- 12. Jampur Sunday 21st October.
- 13. Peshawar Sunday 21st October.
- 14. Faisalabad Sunday 28th October.
- 15. Taxila Wah Sunday 28th October.
- 16. Kalat (Baluchistan) Sunday 28th October.
- 17. Jand Sunday 28th October.
- 18. Kasur Sunday 28th October.

Already three successful public meetings have been held on 26th, 29th and 30th September in Hyderabad, Thatta and Karachi Steel Mills.

These rallies are being held under the topic "Fundamentalist terror, Imperialist aggression and the role and struggle of the working class". These rallies will be attended by thousands of workers trade unionists, women, youth and students. There will be workers from all nationalities, religions, races and ethnic groups that reside in Pakistan. Some of the leading trade unionists, political activists, journalists and youth leaders will speak in these rallies. This is a country-wide determined effort to develop the consciousness and strengthen the working class so that it can rise and play a leading independent role to transform society-to end all wars and overthrow capitalism-a horror without an end.

has condemned terrorism, but is also actively campaigning against the war inside Pakistan itself. Thus they face the wrath of both the state authorities and the Islamic fundamentalists. The site provides articles, reports, analyses that can be downloaded and used in the labour movement internationally. **They need your help in their campaigning work. You can help by publicising their material and by going to <http://www.ptudc.org> to make a financial contribution to their campaigning work or send cheques (payable to PTUDC) to PTUDC, PO Box 6977 London, N1 3JN**

In these daunting times the PTUDC appeals to trade unionists, political activists and workers in general to come forward with solidarity to this campaign. We appeal to our comrades in Europe and around world to support us, in what ever may they can, when we are under so many kinds of attacks in this real war which is the class war. We believe in the motto that, "An injury to one is an injury to all". Let us prove to the fundamentalists, the imperialists, the bosses, the dictators, the civilian and military rulers, the capitalists and the oppressors that when the workers unite and move forward as a class then no force on earth can stop them. The victory of the working classes is the only guarantee to end the brutalities of fundamentalism and the atrocities of imperialism. We have to prove to the world that the workers of all lands can and will unite and emancipate the human race.

We have nothing to loose but our chains... We have a whole world to win.

Signed

- 1. Amin Bhatti, Heavy Engineering Workers Union and Chairperson PTUDC (Punjab)
- 2. Zafar Ejaz Malik, Railway workers Union and Gen. Secy. PTUDC (Punjab)
- 3. Mohammed Irshad, Water and Power workers union and organizer PTUDC (Rawalpindi)
- 4. Mohammed Rafique, Small industries workers union and organizer PTUDC (Peshawar)
- 5. Gulfranz Ahmed, Ordinance Workers Union and organizer PTUDC (Taxila Wah)
- 6. Azad Qadri, Telecommunications Workers Union and organizer PTUDC (Islamabad)
- 7. Javed Malik, Journalists Union and Organizer PTUDC (Kasur)
- 8. Asad Pataffi, Agricultural workers Union and Organizer PTUDC (Multan)
- 9. Azam Khan, Peasant Union and Organizer PTUDC (Jampur)
- 10. Ali Akber, Telecommunications Union and organizer PTUDC (Rahim Yar Khan)
- 11. Imtiaz Ahmed, Water and Power Workers Union and Organizer PTUDC (Sadiqabad)
- 12. Sarwar Abbasi, Fertilizer Workers Union and organizer PTUDC Northern Sindh (Ghotki)
- 13. Anwar Panwar, Water supply and Sanitation Workers Union and organizer PTUDC (Sindh)
- 14. Ghulam Rasool, Memon Transport Workers Union and organizer PTUDC (Hyderabad)
- 15. Anwar Uqaili, Cement Workers Union and organizer PTUDC (Thatta)
- 16. Pershotam Ram, Paramedical Workers Union and organizer PTUDC (Badin)
- 17. Mohammed Khan, Ahmadani Chairman PTUDC (Sindh)
- 18. Faqir Mohammed, Himayati Steel Mills Workers Union and organizer PTUDC (Karachi)
- 19. Nazar Mengal, President Postal Workers Union Baluchistan and chairman PTUDC (Baluchistan)
- 20. Ali Ahmed, Postal Workers Union and organizer PTUDC (Khuzdar)
- 21. Waheed Baluch, Paramedical Workers Union and organizer PTUDC (Kalat)
- 22. Hameed Khan, Secretary Civil Servant Workers Union and organizer PTUDC (Quetta)
- 23. Fazal Abbas Shah, Railway Mail Service Employees Union. Organizer PTUDC (Lahore)
- 24. Lala Mohammed Hanif, Central Secretary General
TeleCommunication Union. Member national organizing committee
PTUDC
- 25. Mohammed Arshad, National finance secretary Postal Workers
Union (Nope) Member Punjab committee PTUDC
- 26. Rana Abad Amhed, Press secretary Postal Workers Union (Nope)
member Punjab committee PTUDC
- 27. Saeed Inqalabi, Railway Workers Union Lahore.
- 28. Khadam Hussain Hajiyano, Para Medical Union Sindh and member
Sindh committee PTUDC
- 29. Naseer Balouch, Telecommunication Workers Union Baluchistan and
member Baluchistan committee PTUDC.
- 30. Iqbal Shad, Railway Mehnat Kash Union Multan and member Punjab
Committee PTUDC
- 31. Maqbol Ahmed, Port Workers Union Karachi member Karachi com
mittee PTUDC
- 32. Ayub Qurashi, Karachi Municipal Workers Union and member Sindh
committee PTUDC
- 33. Ayaz Hakro, Port Qasim Workers Union Karachi and member Sindh
committee PTUDC
- 34. Khaliq Ansari, Karachi port Workers Union and member Karachi
committee PTUDC
- 35. Pir Mohammed, Sindhi Power Generation Workers Union Sindh and
member Hyderabad committee, PTUDC

With Comradely greetings,
Khalid Bhatti,
National Organizer,
PTUDC, Pakistan



"The people of the abyss"

Jack London (Pluto Books 2001)

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Review by *Steve Jones*

Around 100 years ago, a young up and coming American author and socialist Jack London, soon to make his name with such novels as *Call of the Wild*, came to visit England. This was not unusual in itself even allowing for the huge distances involved. However what was different was his decision to spend six weeks in a place where no tourists ever went if they could possibly help it - the East End of London. Posing as an out-of-luck American sailor looking for a way home he was able to uniquely report on what he saw. The result of his visit was the book 'People Of The Abyss', now available again in a new edition published to mark the centenary of the author's visit.

This was a book he had not in fact originally ever intended to write but, as the new introduction to this edition explains, having already purchased a ticket to London, en route to a completely different commission which had then been cancelled, he decided to go anyway rather than waste the ticket. 1902 was the year of Edward VII's coronation so it seemed like a good idea to compile a report on the other London, on the poverty which existed hidden away from all the wealth being flaunted by a capital city convinced of its own power and importance.

On arriving in the city, Jack London made plans to carry out his mission of moving incognito through the East End in a way which would ensure that he would be able to observe without attracting attention as an outsider. Disguised in old worn clothes he became, as he saw it, one of the crowd, accepted as a fellow worker by all those he met.

In these pages we see the real face of the old East End. No laughing chimney sweeps or singing market traders here. Rather a succession of horror stories as Jack London encounters people who have literally been ground into the dirt. At one point he comes across a group of people who, having nowhere to sleep, are forced to 'carry the banner', a cockney term for walking the streets all night. If they try and find a doorstep or park bench to sleep on then the police brutally move them on without pity.

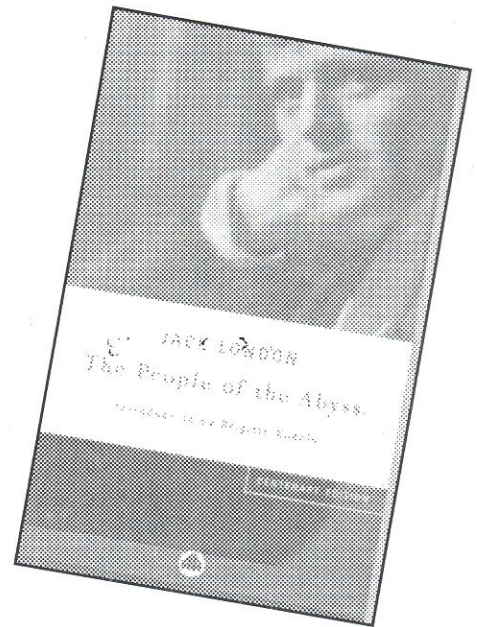
Indeed Jack London is scathing on the law in general, noting how they treated crimes against property with a far greater seriousness than crimes against the person. Beat a man up and you get a fine but

steal a few pears and it was prison. Even those who were so desperate that they were driven to try and commit suicide ended up on a criminal charge.

Mixing anecdotal evidence with a careful presentation of facts and figures, Jack London reveals a world which few outside of it knew even existed. A hundred years later what London shows us is still shocking, something not diminished by the relatively easy going style of the book which holds the attention well.

There are two problems with this book which the reader should be aware of. Firstly although he was a socialist, London also believed in the superiority of the 'white race' and regarded with horror the dangers, as he saw it, of racial mixing, describing the people of the East End as virtually a new, 'sub-human race.' Such views were not uncommon even amongst so-called 'enlightened' people of the time and although Jack London always avoided the hatred which marked so many other writings on this issue, the references to it in the book will grate with modern readers as the introduction correctly warns. The second problem is that Jack London attempts to recreate the style and tone of the average Eastenders' speech. This may well be accurate but comes across like something out of the Dick Van Dyke school of cockney and takes a bit of getting used to. However neither of these problems should distract from a serious appreciation of a book where the plus points well outnumber the minus ones.

The East End which Jack London walked through doesn't really exist anymore. The Blitz did for a fair bit of it, more went with the post war 'reconstruction' where tower blocks and new GLC estates rose up from the rubble promising a bright future which somehow never came. The recent redevelopment of Docklands has just about finished it off with its soulless skyscrapers and car parks covering over the corpse of the British Empire. Here and there you can still see a row of buildings, a street or single dwelling, which have somehow survived through all the changes to remind us of what Jack London would have seen a hundred years ago: the dark gloominess, the entrenched dirt and decay, the marks of poverty. Many of these buildings have kept their same use, as sweatshops or warehouses, or as tenement blocks hold-



ing more people than you would think humanly possible.

Most of the old East End families have also gone, the descendants of those Jack London met having shipped out to Essex and Kent or to the new towns which sprung up all nice and shiny after the war. They have been replaced by new migrants who have arrived and discovered that this is as far as they get to go. Today there still exists much that would be familiar to Jack London. Poverty, low pay, poor conditions, no future - these all remain firmly encamped in the East End. Even some of the old diseases remain. London must have wondered whether the 20th Century would hold any hope for the masses he encountered in his wanderings, it is a question which remains today for the 21st Century. Anyone who has read 'The Iron Heel' would do well to hunt down a copy of this book as well. ●

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Mugabe announces break with market policies

In a backlash against the austerity measures of the IMF and World Bank, Zimbabwean President Robert Mugabe has announced that the government will nationalise businesses and revert to a 'socialist' command economy. Businesses opposed to the recent imposition of price controls on staple foods should "pack up and go", he said. "We will, as the state, take over any businesses that close and reorganise them with the workers. After all, the assets belong to the people of this country. At last, that socialism we wanted can start again."

by Rob Sewell

Zimbabwe embraced free market capitalism ten years ago, a decade after independence. This plunged Zimbabwe into a deep crisis, resulting in big cuts in living standards. Inflation reached 70 per cent last month and is expected to reach 100 per cent by the end of the year. Mugabe accused Britain, the former colonial power, of sabotaging Zimbabwe's economy. Free trade, he said, had become a victim of "the British government interfering with our own system of importation of goods, going to suppliers and whispering to them to impose sanctions on us."

Mugabe has long accused white-owned businesses of acting politically by deliberately increasing their prices to foster popular discontent and help the opposition. Now the government, faced with mounting opposition from the workers, has been forced to introduce price controls on staple foods such as bread, maize, meat, cooking oil, sugar and milk.

Mugabe was adamant that western-backed reform, known as

the economic structural adjustment programme, "will be no more." He added "Enough is enough."

The Opposition and economists have attacked the decision to reintroduce price controls as a populist move designed to shore up support for Mugabe ahead of next year's crucial presidential elections. While this is largely true, Mugabe's actions also reflect a groundswell of discontent against the market economy and its dire consequences.

This shift by Mugabe against the IMF and World Bank is of profound symptomatic significance. While Mugabe has assumed a bonapartist role of balancing between different groups and interests, he is keen to maintain his support amongst the masses. He has moved from land distribution to threats of nationalisation and "workers' control" under the pressure of the crisis affecting Zimbabwe. This shift towards nationalisation and central planning if it takes place will be carried out in a bureaucratic fashion. Nevertheless, Mugabe could unleash in the process forces that could break the back of capitalism in Zimbabwe.

What is clear is that the coming world economic downswing will have a profound affect upon the third world, which has been throttled by imperialism, and faces devastation on a capitalist basis. The events in Zimbabwe and the threatened shift towards state planning are an indication of what will be unfolding in the next period. The pendulum is about to swing back from market policies to nationalisation and central planning. It will once again place the question of the socialist reconstruction of society on the agenda for millions of people not only in the developing world, but in the advanced industrial countries of the west. ●

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The wind was so strong that the rain was coming in off the sea horizontally, blasting all those who were standing outside the Brighton conference centre as delegates arrived for Labour's annual conference. Yet nothing could stop a small but hardy band of Socialist Appeal sellers from ensuring that every delegate had the chance to get their copy of the journal as they went in. At the Labour Party conference, on the anti-war demonstrations, at meetings, in the colleges and on the streets - activists have been out selling *Socialist Appeal* alongside the special pamphlets produced on the war. This is important. Workers and students are being pounded from all sides by the media campaign to whip up support for the bombing. Considering how keen they are to present themselves as defenders of democracy and free

speech, the press barons are strangely reticent to give space to opposing views in this matter. This is par for the course. The press is only free to those who own one. So the working class needs to look to their own forces to defend their corner.

During a period such as the one we are currently going through, there is a great need on the part of many people not only for information but also answers to questions. Not only what and why but also what can be done - is there a way forward?. The capitalist press cannot provide these answers because the system they support cannot do this. So an alternative is required - that is the task of *Socialist Appeal*. But to do this we need cash. The bosses press gets millions of pounds in support from their backers. But, in effect, you are our backers. Last month we received £235 and to

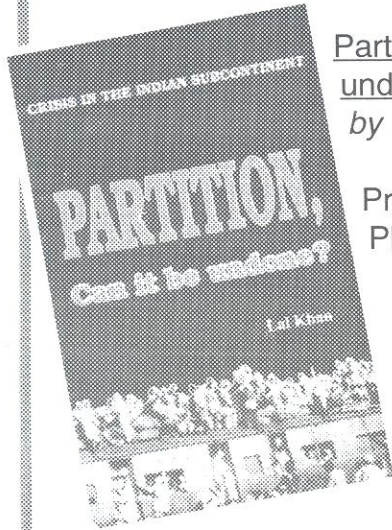
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Steve Jones

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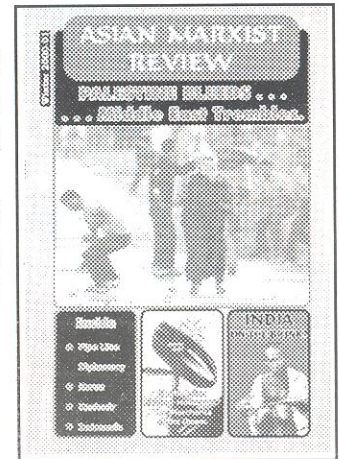


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