

10th anniversary year

# Socialist Appeal

The Marxist voice of the labour movement

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# NO

to Bush & Blair's war

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**Diplomacy  
 prepares  
 the way for war**



**Risking their lives for  
 £21,000  
 Support the Firefighters!**

The deadline for articles for issue 106 is October 20th



# War on Iraq: Catch 22

The Bush Administration is hell bent on war with Iraq. The American President has already approved military preparations drafted by commander General Tommy Franks. 'It is a formal proposal but there are more refinements to be done,' stated a senior administration official.

In other words, plans are well in hand to slaughter tens of thousands of innocent men, women and children and reduce Iraq to rubble. American and British warplanes have routinely bombed Iraqi installations and infrastructure. Agreement has been made for Britain's special forces to join with their US counterparts to prepare the ground for the occupation of Iraq. If the United Nations cannot be persuaded to back US war plans, then Bush will go it alone, supported by his lapdog, Tony Blair. Blair in turn has stated he is prepared to "pay the blood price" needed to preserve Britain's relationship with George Bush.

This is no war over 'weapons of mass destruction' or the so-called Iraqi threat to the United States. This was exposed by the dossier issued by 'Labour Against The War', which highlights a catalogue of myths and decades of hypocrisy over Britain and America's dealings with Iraq.

American imperialism simply wants a pretext for war. They will use the weapon inspectors - as in the past - as a ploy. Iraq possesses the world's second largest known oil reserves. In reality, Bush - who is backed by the powerful oil interests of the United States - wants to conquer Iraq to get his hands on the oil. 'This conflict is about oil. It is being waged for oil, by politicians installed in Washington by the rich and powerful oil industry,' states Paul Routledge in the Daily Mirror. Also, the USA, as the most powerful imperialist country in the world, wishes to demonstrate to the masses of the Third World that it alone is master. If they dare rise up, they too will

feel the bloody wrath of US imperialism.

In the 1980s, the major imperialist powers - especially the United States - supported Saddam, supplying him with 'weapons of mass destruction' and cash in his war with Iran. But that was fine. Saddam was the 'friend' of the west. The fact that a million people perished in that war was of no consequence. 'When Iraq used mustard agents and sarin against the Iranians in the 80s, the US and UK blocked specific condemnation of the attacks by the UN Security Council. When the UN issued a weaker statement, it was opposed by the US and Britain abstained,' states the 'Labour Against the War' dossier. It goes on to state that the US turned a blind eye to the use of chemical weapons and helped Iraq with helicopters and missile parts.

George Bush is not interested in the plight of the Iraqi people or the Kurds. They are simply small change in the game of power politics. When Madeleine Albright was asked about the 500,000 Iraqi children who had died from sanctions, she said, 'it was a price worth paying.' When the Iraqi regime killed thousands of Kurds in chemical attacks, including 5,000 people at Halabja in 1988, the US stepped up its support for Saddam. Ten days after condemning the massacres, the British Department of Trade and Industry agreed £400 million worth of trade credits with

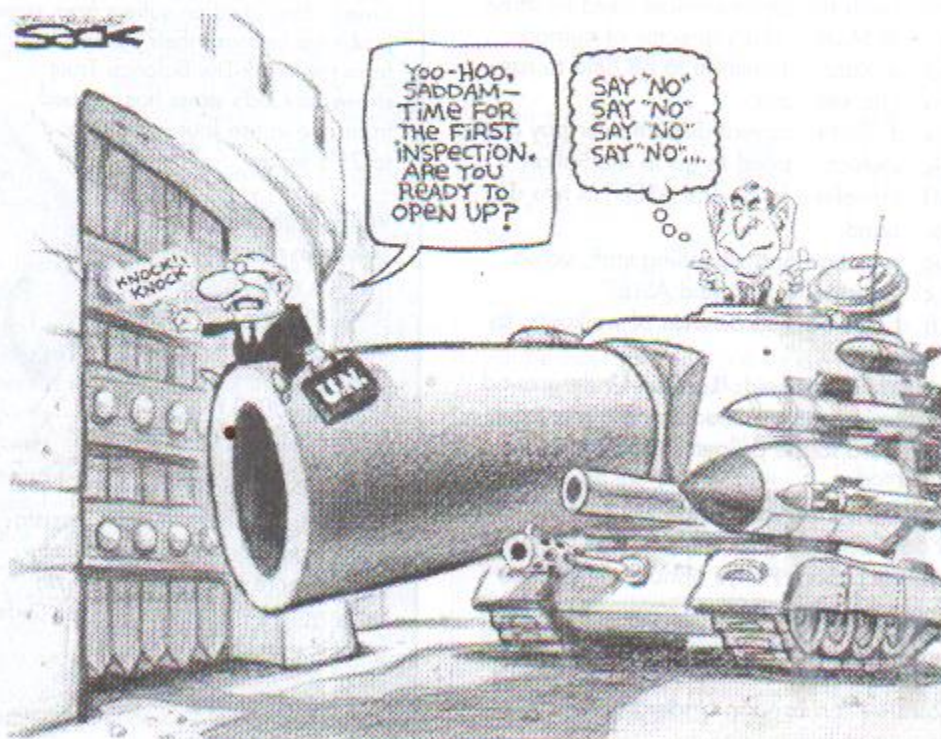
Iraq.

The regime of Saddam Hussein has long been a brutal regime, even when it was supported by the west. However, the task of removing Saddam is the task of the Iraqi people themselves. This is not the job of US imperialism, which would only be interested in setting up a pliable American stooge regime, as in Afghanistan. For them, it is all about access to Iraq's precious oil reserves. The Americans want a poodle in Baghdad even more than in London.

If this was supposed to be a war to uphold the decisions of the dis-United Nations, then why has the US not invaded Israel which has illegally occupied the Palestinian area for more than 30 years? The reason is Israel, unlike Iraq, is a close ally of the United States in the Middle East. The United Nations, as Bush cynically revealed, either backs the strongest powers or it is impotent.

Millions throughout the Middle East oppose Bush's imperialist plans. An invasion of Iraq will set the region on fire. Even in Britain, opinion polls show that something like 70% of the population are opposed to war. Millions of youth and trade unionists are actively against this imperialist aggression.

Socialist Appeal and Youth for International Socialism are not only campaigning against this war, we are fighting to end the system that produces wars - capitalism. We appeal to you to join us in this struggle for a new world not ruled by giant multinational corporations, but in the hands of ordinary working people. Only a socialist future can put an end to the threat of war, imperialist aggression, ecological disaster, poverty and squalor. There is no other road. □







## Tube Unions say enough is enough

In the coming weeks and months, London Underground is facing an unprecedented eight official disputes from rail unions, RMT and ASLEF. Rail unions have staged a joint 24-hour walkout on September 24 and again on October 1 in a bitter dispute over pay.

Members of the RMT are demanding a 5.7 per cent increase in pay and a 35-hour week, but have only been offered an increase of three per cent. This was rejected and the union has decided on a series of one-day strikes to further their just claim. ASLEF is also pursuing a wage claim. Management has imposed a 3% rise on workers in breach of negotiating procedures.

As expected, senior Tube managers have accused the unions of going "strike ballot crazy" with threats to services used by three million customers a day. Bob Mason, LUL's director of human resources, said the company "cannot continue to be held to ransom by the rail unions, year in, year out".

An RMT spokesman said: "In the current dispute over pay and conditions it was the unions which wanted to go to mediation - but LU refused." The RMT is involved in six and ASLEF in two disputes with London Underground.

RMT members, including station and signalling staff, voted earlier by 4-1 in favour of industrial action and ASLEF announced that drivers had also backed a series of walkouts, by 669 votes to 434.

ASLEF general secretary Mick Rix said: "London Underground managers have attempted to impose an unacceptable pay offer on our members without regard to the proper conduct of industrial relations."

The strikes will cause massive disruption and will cost the economy £60 million a day, according to analysts. The October walkout will coincide with the Labour Party's annual conference in Blackpool, heaping more problems on the Government's relations with the unions.

RMT general secretary Bob Crow said the blame for the pay dispute lay "fairly and squarely" on London Underground. □

## Caparo Merchant Bar: Pensions Strike Victory

IN THE FIRST EVER PENSIONS strike of its kind (as reported last issue) steelworkers in Scunthorpe have won an historic victory.

On the eve of strike action being stepped up Caparo boss, Labour peer Lord Paul, settled the dispute by agreeing to retain the original Final Salary pension scheme. It has originally been proposed to replace this with a stakeholder scheme based on stock market performance, which could have left retiring workers up to 70% worse off than they would have been under the old set-up.

The action started on June 18th with an overtime ban and soon developed into a series of one-day strikes, attracting national media attention. Union senior shop steward Alan Pashley said that employees aged 50 and over would now be better off. Scheme members would have their contributions cut from 6 to 5 percent but would also have to pay increased NI contributions of between 0.25 and 0.75 percent. He also said that the strike had left a bitter taste with members having lost around £1,300 each in lost wages. Asked if he and his members would do the same again the response was "definitely."

The strike has had a big effect on other steelworkers with the union (ISTC) warning the main steel employer in the UK, Corus, that the unions will take strike action if there is any threat to their own Final Salary pension scheme.

The Camparo steelworkers by their militant actions have given a lead to other employees facing similar pension cutbacks. On a firm response by workers can defeat this scam from being sneaked through elsewhere in industry by bosses looking to ensure that they rip workers off both at work and afterwards. □

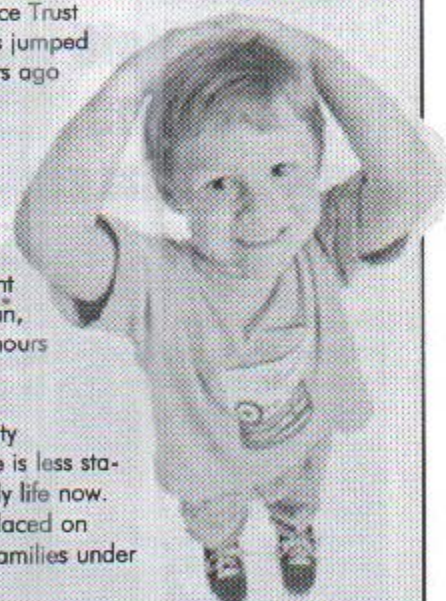
by John Miles Todd,  
Scunthorpe

## Stressed out kids

One in four children suffers from stress-related mental health problems because their parents work too hard. This figure from the Work-Life Balance Trust shows that kid's stress has jumped from one in five four years ago to 25% today.

With a sixth of workers putting in more than 60 hours a week, many children feel their home life has deteriorated. President of the trust, Shirley Conran, said: "The long working hours culture is mass bullying."

Peter Wilson, of the charity YoungMinds, said: "There is less stability and security in family life now. There's more emphasis placed on employment which puts families under greater stress." □

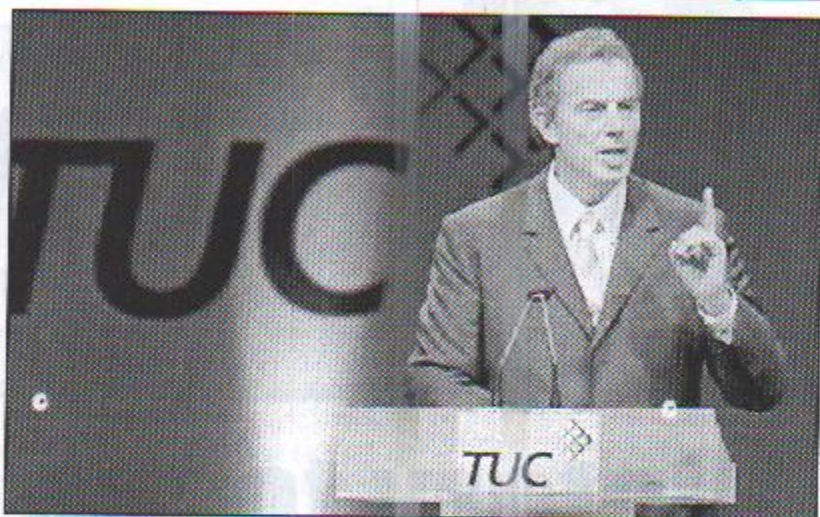




# Blackpool gloom for Blair?

For the last few years Labour has been holding its annual conference anywhere but Blackpool. The reason? Too working class, too Old Labour.

by Steve Jones



Unfortunately for Mr Blair and his spindoc-tor pals, this years conference is set to be rather reminiscent of the past in more ways than just the location. Like the TUC (also held this year in Blackpool) the feeling is very much of business deferred. Last year the conference, held in Brighton, was waylaid by the drummed up hysteria over the events of September 11th. We were told by party officials that we were all too stunned to have a conference and that therefore it would only last a few days with minimal business being taken, just mournful speeches and controlled sessions. The feeling of the delegates was actually very much against this and for a full conference but no-one was given the choice.

In truth this curtailing of annual conference was more than convenient for the leadership. They had been steeling themselves for a hammering first at the TUC then at the Labour conference itself, especially on public services. However the problems for them have not gone away, indeed this year they have increased.

First there is the issue of the coming war with Iraq. Whereas Mr Blair seems quite happy to be riding along with Mr Bush, wearing his deputy badge, the string of resolutions opposing military action tell a different story so far as the party is concerned. There will be a strong mood amongst delegates not to accept the Blair/Bush line on this.

There will also be consider-

able concern expressed over the issue of PFI and the privatisation of public services. A number of unions have already intimated that they will be clubbing together to move composites attacking PFI, calling for a halt to all proposed PFI projects. The statement of the Chancellor Mr Brown that these projects 'must go through' suggests that the leadership will fight this. Delegates should not be surprised by this. The Blairites are absolutely wedded to the concept that private is best - for them there is no alternative. Pensions will also prove to be a hot issue with Amicus moving a resolution against the eroding of the Final Salary pension schemes by employers looking to save money at workers expense.

Now in the past, the leadership could rest easy knowing that when push came to shove everything would blow over at the conference itself. Delegates would be bamboozled by the party machine, using full time officials and the like to nobble them on the sidelines. Union leaders would talk loud and then announce that they were withdrawing their resolutions on the basis of so-called last minute deals that would then disappear from view after the conference had finished. On top of this, any contentious debates would involve the chair calling as many leadership loyalists as could be found without any attempt at enabling a fair and balanced debate to take place. Not surprisingly this led to a tendency for the conference hall to always be half-

empty as delegates, bored witless, went off in search of real political discussion at the fringe events or, failing that, just a quiet drink somewhere. At one point a few years ago, exhibitors were being pushed into delegates seats in order to make the hall seem full for the benefit of the TV cameras.

However this set-up could not prevail forever. Each year opposition has grown and now the leadership can rely neither on the rank and file delegates or on the usually trustworthy trade union leaders. They have seen the sand shifting beneath their very feet in recent times and are in no position to do anything which might undermine their own situation. So it looks likely that there will be some tricky votes for Mr Blair to take in this year.

## Little enthusiasm

Even if Blair is able to pull a fast one and avoid any embarrassing votes against him, all the signs are there - both beneath and increasingly on the surface - that opposition is growing inside the movement, early stages though it is. This will be most visible, in the short term in the form of splits and rows at the tops of the party and in the ranks of the PLP, starting with the debate over Iraq. At present the party is at a low ebb in terms of activity and membership, with many showing little enthusiasm to campaign for a government they feel has let them down. Thousands of party members have allowed their member-

ships to lapse, demoralised with the way things have gone. Only the low standing of the Tory party has prevented a thrashing at the polls and even so Labour has lost many councils and councillors. Now is the time for the rank and file to fight back. The current stirrings will soon turn into outright revolt and fresh layers of new members will come into the party to add to this process. Those socialists who have left looking for a better alternative need to stop wasting their time and get back on the pitch and get stuck in. Unions serious about launching a fight against the right-wing position of the Labour government need to start mobilising now and getting their members into the party, not as passive card carriers but organised to struggle for socialist ideas and a change of course. The call must be: reclaim the party. This drive needs to be matched by a strong line of support from the Left inside the party and especially those in the PLP.

The tendency over recent years for the parliamentary Left in particular to act like invisible men and women in the face of the march of Blairism must stop. In the final analysis what is required is for the ideas and programme of Marxism to be heard and felt ever stronger both in the unions and in the party. The immediate task is to win ever more activists and rank and file members of the Labour movement over to these ideas so that the position of the right wing can be successfully challenged. □





## Victory to the firefighters

The planned national industrial action by the firefighters is the first for 25 years. It coincides with an increasing radicalisation in the union movement, which is a culmination of years of bitterness and resentment built up by the attacks on the wages

and conditions of workers in general, and in the public sector in particular. The FBU is playing a leading role in the struggle for better wages in the public sector.

by Kris Lawrie

**O**n September 2nd protesting firefighters descended upon Westminster, in an action timed to coincide with pay discussions between the Fire Brigades Union (FBU), and the local employers committee in the National Joint Council. There were 5000 firefighters present, that is 10% of the total workforce. Leaders from other unions were there as a mark of solidarity. In Scotland the local brigades staged a work to rule, only answering emergency calls.

The firefighters are calling for an increase of 40% which would bring wages up to the figure of £30,000 a year, for firefighters and control room staff, who receive only 92% of a firefighters wage. They are also demanding that the same proportional increase be given to part-time (retained) staff, who are currently paid only a £36.40 a week retaining fee, and then a much lower hourly rate than their colleagues, this in spite of the fact that they must be on call 120 hours a week.

Socialist Appeal totally supports the firefighters in their action. Over the last period they have been pushed into action by successive governments who want public services on the cheap and have put

thumbscrews on the firefighters along with other public sector staff.

The last national strike of firefighters was in 1977; it forced the employers to link their wages to those of a skilled manual worker, which gave them a relatively good settlement. However, over the years they have fallen behind, and they now earn 20% below the national average, while the average wage has increased by an average 384% since 1979, this sector has increased by only 300%. And what a scandal it is that these people who risk their lives every day are paid £21,000 (the same as the manager in your local McDonalds) after years of training and experience.

It just shows how much the government values their contribution. If there was a terrorist attack in Britain tomorrow the politicians would cry their crocodile tears, and praise the service of those who risked their lives, but they would cry out even louder when the firefighters (as they have in the USA) asked for wages to match the sacrifice they had made. The British public already know of the sacrifice these workers make that is why they overwhelmingly support the firefighters. This support would extend to industrial action by

both ASLEF and the RMT who have said if the firefighters strike they will close the London Underground for the safety of the workers and the passengers. The channel tunnel will have to close, the FA have said that football matches will be called off, and who knows what else! This just shows that nothing can function safely without the firefighters. The government's 900 Green Goddess tenders poised to crawl across Britain in the event of a strike are a dangerous joke. They have a top speed of 35mph, and they are made of wood!

### Wages

Firefighters' wages have fallen to such a low rate that some of those with young families are now forced to claim housing benefit, and working families tax credit just to make ends meet. At the beginning of the 21st century in a rich country, this is the situation that skilled workers find themselves in. It was reported in the press that out of 56 firefighters based in Brentwood, only 4 live in the local area, and some of those who travel in, live 90 miles away. This is not the exception, especially in the South East public servants, and other low paid workers are being priced out of the housing market.

At the same time as wages have been falling the nature of the job has changed. They still have the dangerous job of entering burning buildings and risking their own lives pulling out survivors, but now also have to deal with all sorts of situations, from chemical spillages to cliff top rescues, car accidents to severe flooding. This requires not only an enormous technical knowledge, and ability to use a wide range of specialized equipment; fire fighters have to be paramedics, counsellors, and rock climbers all rolled into one. These tasks, often called 'Special Services', make up 25% of the workload. If they had a certificate for all the things they are qualified to do they would be paid a fortune in industry.

At the same time as the increase in specialization the workload has shot up, during the period from 1981-99, there has been a 80% increase in the number of callouts, this has been paralleled by a 6% increase in staffing levels. In addition to this, there has been a massive jump in government imposed paperwork and bureaucracy, for which no extra allocation has been made in the budget. And in spite of what you might expect if you had been listening to ministers,



the governments 'Best Value' initiative, has not improved the funding situation; the service is facing a shortfall of £156m, or 10% for 2001/02.

The watchword for the Blair government at the moment is 'modernisation'. The FBU has always supported the modernisation of the fire service because it is in the interests of their members and the public who they serve. What worker would oppose modernisation, which will make the job easier, safer and at the end of the day improve the quality of the product? However 'modernisation' is one of these words, which the politicians love because it has more than one meaning: there are two types of modernisation. As Andy Gilchrist has said: 'For the employers, modernisation means more flexibility, more cost-cutting, more half-baked schemes such as firefighters being trained as paramedics to avoid the costs of a properly funded ambulance service.'

The drive towards modernisation has had the effect of placing greater workload and stress on the minds and shoulders of the workers, most firefighters suffer back problems within a few years of joining as a result of the heavy lifting they have to do in the course of duty.

So firefighters are doing very difficult, life threatening jobs, they have seen the job become more specialised, heavier workloads, and greater levels of personal injury and stress over the last 20 years. Are they not then worth £30,000 a year?

The union has gone through the official negotiating procedure with the employers, at the first meeting of the National Joint Council (NJC) the local employers seemed sympathetic to the fire fighters, they promised a suitable pay increase. The firefighters thought they might get the pay rise they needed without having to take action, however the early promises of the employers gave way to nothing. The employers quickly reneged on their earlier promises, and refused to make any offer in subsequent meetings. The

employers suggested setting up an independent enquiry on wages, and linking any increase with 'modernisation' and changes in working practise in the fire service. The FBU rejected this, because it is the remit of the NJC, not an 'independent' committee with limited knowledge on how the service works, to determine how the service should be run, the union demanded a good rise and offered to take joint action with the local employers in order to force the government to grant the demands.

### No progress

Meeting has followed meeting but with no progress - the employers have not been prepared to negotiate, they have been mucking about and stalling for months. The union decided to recall conference for an emergency meeting immediately after the TUC in order to discuss the situation, and take a ballot for strike action. The employers hurriedly tabled an offer of 4%, just to cover their backs; they cannot have expected this to cut any ice, after all what is 4% of not a lot?

The anger felt by members was intensified in the run up to the emergency conference, and a week before the TUC conference began, as it emerged from the local employers that just a few months earlier the government had blocked a proposed offer of a 15% rise planned for the meeting of the employers and the union on July 2nd. Despite their claims that they did not want to get involved, the government had been active behind the scenes in derailing a proposal from the employers for a substantial rise, which would have taken the firefighters up to £25,000 a year. While this falls short of what the firefighters want and deserve, it would have strengthened their negotiating position, and made it clear that the employers were willing to negotiate. It is clear that the employers were frightened by the prospect of a national strike so they were going to make the offer to try to head off action. However the government has its head in the

clouds, it is out of touch, and not willing to negotiate, they do not want a reasonable settlement. Blair has even said that a 40% claim would cause "terrible damage" to the economy, and has made plain that he is willing to risk a national strike, rather than pay workers what they deserve. It is a shame these politicians do not have the same concerns about the economy when awarding themselves huge pay rises (basic MPs salary is £55,000+), or accept donations from Enron!

The mood at the special emergency conference on September 12th was electric, all 250 delegates mandated from their branches (voting on behalf of 51,849) voted unanimously in favour of strike action. At the end of the conference the delegates jumped to their feet and cheered.

Throughout the conference members launched scathing attacks on the government, who have the money to spend on weapons, and war but not on wages to improve the living standards of those who do the real job of running society. To Blair's accusation that the firefighters were irresponsible in threatening to undermine the economy through their actions, Andy Gilchrist pointed out that the adventures of Tony Blair with the Americans in Afghanistan and the Middle East were costing Britain far more and were more likely to cause economic catastrophe. The cost of the firefighters claim has been put at £250million (or if you believe the governments figure £450m), either way this pales into insignificance if you look at the £20bn spent on inflicting misery in Afghanistan, or the £4.5bn the treasury says it will cost to even begin killing workers in Iraq. This explodes the myth that Britain cannot afford decent wages for workers in the public sector; every other advanced country in Europe pays higher wages for public sector workers. When you consider for a minute that the total fire service budget is £1.53bn, and that fire damage alone causes £6.1bn damage each year, there is a case for massive investment in the fire service to



improve efficiency still further, which would in effect be free.

The FBU has negotiated with the employers, but at the end of the day the employers are not prepared to pay what the members want, and deserve. The firefighters are not going to be ignored or have their interests trampled over. The Labour government does not want to pay a reasonable increase to the firefighters for fear that it will open the floodgates to similar claims by other public sector workers. Well why should they not put in these claims. The Tories offered nothing but attacks on the public sector and now Labour under the Blairites offer the same. The government condemns the fire fighters as they condemn all strike action. Nick Raynsford, the local government minister has said it "would be an unnecessary and deeply damaging dispute that could put peoples lives at risk." But what hypocrisy from the government who have risked the lives of millions by consistently underfunding the fire service, by allowing the scandal of the private railways to continue.

Now they refuse to pay workers what they have earned. They are like little children who think the world is so unfair, and do not see that they have brought the situation on themselves. Now they are talking of ruling a strike in the fire service illegal, but all their manoeuvres will only add fire to the flames. The firefighters will fight for what they deserve. They will be backed by workers across the country. □

**For £30k now!  
Victory to the  
firefighters!**



# Merthyr bus drivers strike

**T**oday 2 dozen pickets 'vocally greeted' management scabs sent in from other bus depots to drive local buses to break the one day strike over pay at Merthyr Tydfil Stagecoach Bus company.

Pickets were placed on the bus depot and Merthyr Tydfil's bus station in an attempt to stop the scabs. The mood of the strikers was defiant at the rejection of a 3% pay offer, despite an over the top police presence.

The strike over pay by members of the TGWU and GMBATU, comes after years of eroding away conditions of service and pay, particularly after deregulation in 1986.

Bus drivers in Merthyr Tydfil earn lower rates than in other parts of the UK. At present, they earn £5.38/ hour, which

is less than Merthyr's bus cleaners hourly rate of £5.40!

The unions are demanding at least 5%. At the same time, Stagecoach drivers in Caerphilly have voted on a overtime ban, and this strike comes on the back of strikes by workers at the Stagecoach depot in the Rhymney valley.

This action is being taken against a background of strikes in the area over the summer months, the most significant being the solid one day strike in Merthyr Tydfil of council workers employed by the County Borough. Further industrial action is expected locally in the fire service and FE college. □

by Sion Corn

# Toffs and Tories dominate countryside march

**T**hey came in their thousands to Liverpool Street station, dressed in designer rural-style clothing, most waving their season tickets at the bemused ticket inspectors. Such was the irony of the so-called march for Liberty and Livelihood organised by the Countryside Alliance (CA) in London. These people would no doubt be travelling back into London the very next day - only this time dressed in suits - to start work in the big City institutions, hard at work in support of finance capital destroying the very jobs of country workers they claimed to represent. The march was massive but then given the finance behind it so it should have been. Using the Institute of Directors offices as a base over a million pounds was spent getting people there. The loudest voices were those of the forces of reaction. The Tories and the Toffs were there in numbers. The public schools were closed so that the young masters could attend - imagine what would have been said if the schools of striking workers were shut so that families could attend a demonstration against factory closures, for example. Despite the propaganda from the CA the main issue on the march was not rural job losses or the decline in public services in the countryside but fox-hunting. This issue is seen by these people as being a symbol of the rights of privilege, of the wealthy and big landowners - the very people who have done so much to impoverish the rural workforce and reduce their conditions. Needless to say the most vocal supporters behind the scenes against outlawing foxhunting and in favour of the march has been the Royal family - one of the biggest landowners in Britain. Since when have they ever worried about job losses when it hit miners or steelworkers. We are now told that Prince Charles has said he will leave the country if fox hunting is abolished - offer accepted! Action needs to be taken to reverse the damage done by big business and the landed aristocracy, starting with the nationalisation of the big monopolies, including the supermarket chains who do so much to bully small farmers, alongside the taking over of the big landed estates so that the land can be used for the benefit of all - town and country - not just the ermine clad few. □



Ted Grant and Jimmy Deane

## JIMMY DEANE APPEAL

We are paying tribute to comrade Jimmy Deane, who passed away on 21st August, by launching a memorial fund. This will be

used to fund a suitable project to honour Jimmy's contribution to the Trotskyist movement and to further the cause he promoted all his life.

Please made all donations payable to the 'Jimmy Deane Memorial Fund', and send to the Jimmy Deane Memorial Fund, c/o Socialist Appeal, PO Box 2626, London N1 7SQ. Donations can also be made online through the 'In Defence of Marxism' website. All donations will be gratefully acknowledged.





# News round

## Tory Doom and Gloom?

In truth we all knew this but now it is official - Tory governments are more likely to drive you to suicide. Data produced by the University of Bristol show that when the Tories are in power more people become unduly depressed and want to end it all. Suicide rates went down during the period of 1905 to 1921 when the Tories were out of office (in part because millions were being killed anyway during 1914-18) but shot up during the 1920s and the Baldwin Tory government, reaching its height during the Great Depression (obviously). This was under the National Government, but that was a Tory government in all but name. The rate went down again during the later 1930s and into the first half of the 1940s - again masked by the slaughter of a world war which

kind of made suicide redundant. Oddly enough the rate then shot up again during the boom years of the 1950s and the 13 years of Tory misrule - despite Macmillan and his "never had it so good." The rate fell again as Harold Wilson came to office but during the 1970s, as the Callaghan Labour government started to enact Tory policies, it went up again. This continued under the vicious Thatcher government and only dropped a bit when Thatcher was booted out of office - presumably that cheered a few people up! The University report explains these rates thus: "When people feel more socially connected... they are less likely to contemplate this individual act (of suicide)." In other words as capitalism runs riot people lose hope. The cure? A quick dose of socialism! ☐

## A tale of two hotels

Abbey National staff from their HQ were recently shipped out to meetings in two hotels. Those who arrived at the really plush hotel were told that their jobs were safe for now but those who arrived at the not so good hotel were told that they were going to get their cards pronto. This bizarre treatment is evidently the start of a job cutting programme as the recession in the finance sector cuts in. But this is by no means the most brutal means adopted by nifty bosses to lay people off. It is not uncommon for people to be met at the door as they arrive for work and told they are being made redundant and be back out on the street in less than 5 minutes - presumably to stop disgruntled workers from taking revenge. According to a recent report in the Times, one boss was said to have carried out his sacking programme by setting off the fire alarm and then refusing to let people back into the building after the all-clear was given. Contrast this with the treatment bosses themselves receive if they lose their jobs - generally the rule is that the worse you have done and the more you have lost, the more payoffs you get when the axe falls. Millions have been paid out to duffer executives as reward for failure. Fairness at work? we think not. ☐

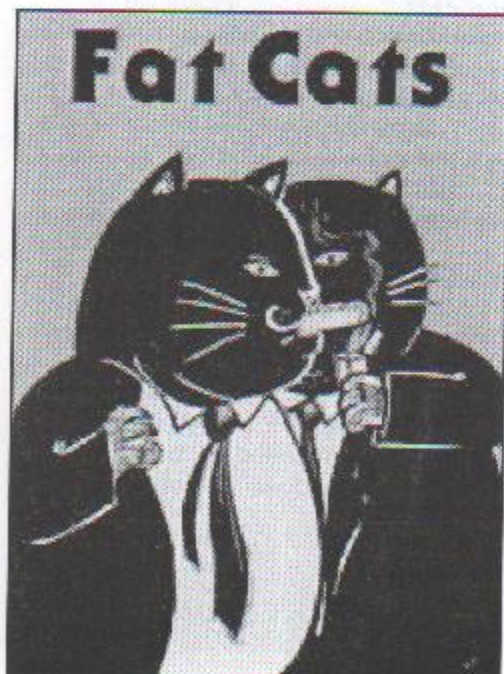
**MEDIA BOSS** Rupert Murdoch awarded himself a £1 million pay rise taking his total income for the past year to £5.9 million. His sons took home a further £3 million between them. The company lost £4 billion last year. ☐

organiser for the trades council said: "Until we start to jail those responsible companies will continue to put profit before the health and safety of their workers". ☐

**THE INSTITUTE OF EMPLOYMENT RIGHTS** has launched a new book making out the case for a complete overhaul of Britain's employment laws. It backs the scrapping of the anti-trade union laws and their replacement with a charter of workers rights including the right to take solidarity action. The book is available from the IER at [www.ier.org.uk](http://www.ier.org.uk) ☐

**BATTERSEA AND WANDSWORTH TUC** launched its campaign for a law to jail corporate killers earlier this month at a packed public meeting.

Speakers from the GMB, TGWU, NUJ and RMT joined campaigning comedian Mark Thomas in showing how company cut-backs in health and safety and training were behind workplace deaths. Trade unionists told how threats to health and safety reps, casualisation and profit-mongering had led to the deaths of hundreds of workers with few fines and no jail sentences for the managers responsible. Earlier in the day members of the trades council picketed Balfour Beatty demanding a new law which would make it easier to jail the corporate killers. Launching the report Geoff Martin, lead

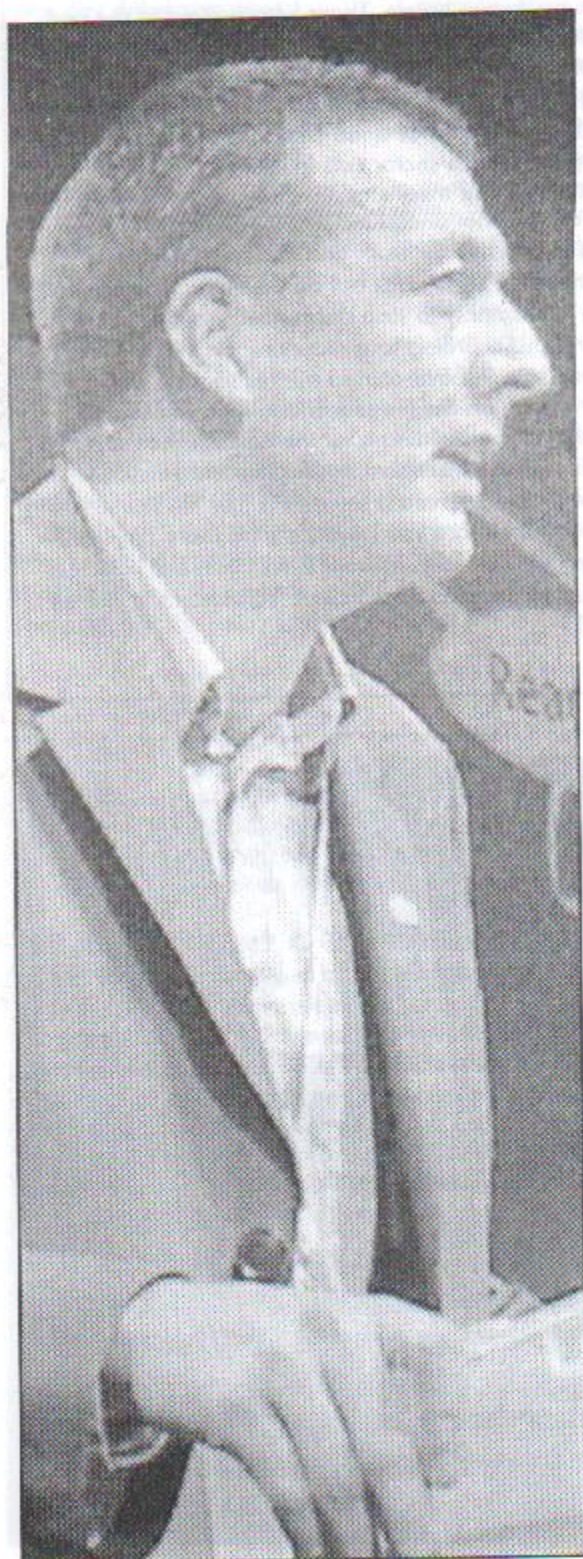




# Interview with Jeremy Dear

## Newly elected to TUC general council

Jeremy Dear was one of several left union leaders to be elected on to the TUC General Council. *Socialist Appeal* spoke to him at the recent TUC Conference.



This year's TUC Congress appeared to signal a new mood. Is that your impression?

Very much so. There is definitely a greater confidence and more people prepared to stand up against privatisation, the threatened war on Iraq, low pay and so on. The motions passed on employment rights and public services are very positive. A few years ago the concept of the repeal of the anti-trade union laws or renationalisation of the railways were being defeated. Today they are being unanimously passed. Where before there was talk of partnership at every stage this year many spoke out against partnership and for a fighting trade union movement. And it wasn't just the motions but the whole mood was transformed. There was a real feeling amongst most delegates that we are entering a new period. Many unions have seen rising membership and an increase in activity. We've seen victorious disputes over pay, privatisation, and now pensions. Unions won back recognition in over 500 workplaces in the past year. That breeds confidence and a determination not to accept low pay, long hours, poor conditions and phony partnership arrangements.

**There was also clear evidence of a new left emerging.**

That's right. In the Section C (Unions with less than 100,000 members) elections for the General Council at least five of those clearly identified as being on the left were elected, including Mick Rix, Andy Gilchrist and Paul Mackney. Add to that Mark Serwotka, Derek Simpson, Billy Hayes and others and it is clear the new mood in individual unions is also being reflected now in the TUC General Council. On the floor of conference and in the fringe meetings it is clear there is an emergence of a new left to replace the failed old ideas of the likes of Ken Jackson and others.

There was some debate on the fringes of the conference about the relationship between trade unions and the Labour Party. How do you see this question?

I think it was Tony Benn who said there were too many socialist parties and not enough socialists. He's right. It is vital at this stage that people don't abandon the Labour Party but instead join, become active and organise to reclaim it for the values we believe in. The struggle going on in the unions will be reflected at a certain stage in the Labour Party too. When big business donates to the Labour Party it expects something in return. Our movement should be demanding more for the money it donates and building its influence at every level of the party. It's no good standing on the sidelines - it's time to get in there and battle for our ideas.

**What were the key debates at the TUC?**

The debate on Iraq was clearly very important and it was clear from speaker after speaker that the trade union movement was very sceptical of claims from the US that this would be a war for justice and against the development of weapons of mass destruction. Speakers pointed to US backing for Saddam in the past, to US claims that they would effect a regime change with or without UN backing and of the enthusiastic support from US oil giants for the policy of regime change. We were also proud to be able to offer support for the firefighters in their struggle for improved pay. It was a common slogan that if there is money for a war in Iraq then there is money to pay the firefighters. Pledges of solidarity action from RMT and Aslef members and others showed the movement is determined to win this particular battle. □



# Join Youth for International Socialism! Come to our Marxist school!

**Y**outh for International Socialism (YFIS) was established three years ago and has many groups throughout the world from as far afield as the United States, Pakistan and Australia.

We are fighting to establish a worldwide socialist youth organisation that can act as a beacon to youth internationally in the struggle against the injustices of capitalism. We involve students and young workers in the opposition to imperialist war. American and British imperialism are attempting to prepare the ground to invade Iraq and establish a puppet regime. Saddam is no friend of the oppressed masses, but it is the sole task of the Iraqi people to deal with him. We give our solidarity to those in Iraq fighting imperialism and for a socialist federation of the Middle East.

YFIS sees the need to educate the youth not only in struggle, but also in the ideas needed to change society. For that reason, YFIS is holding a national weekend school on 26-27 October in London. It will be a weekend of discussion and debate on social-

ism and war. What do we mean by imperialism? Can the United Nations solve our problems? Can there be a world without wars? Have your say on what YFIS should be doing to oppose the war and to build support for international socialism.

Come along and bring your friends! For more information and to book a place contact YFIS at [espe@newyouth.com](mailto:espe@newyouth.com)



## Join YFIS

I want to join Youth For International Socialism

I want more information about Youth For International Socialism's activities

Name.....

Address.....

Tel.....

E-mail.....

Return to: YFIS, PO Box 2626, London N1 7SQ



Hello good friends,

I am writing to tell you my complete support for YFIS and Socialist Appeal, after a most thorough search of all "socialist" and "communist" groups in Britain. As a young student I knew it would be hard for me to support the movement, but despite this, unlike other organisations, the YFIS has always been there to provide help for me and to help me improve myself and to set my foundations of being a complete Marxist.

For one, it has helped me to mature as a socialist, as at first I believed all would be solved by smashing windows on mayday, but through reading the programme of the YFIS and its Marxist teachings, I have been able to develop my ideas into more reasonable and more real ideology.

Being in the north, I thought that nothing happened up here, there were no demos etc, but YFIS has provided me with dates and events which I can participate in, and also in fact CREATE opportunities for others to take a stand. This I believe is the most important step I have undertook, to be able to see myself as a Marxist by belief and not just by name.

The most useful point of the YFIS website is the ongoing news reports written by informed activists armed with the ideas of Marxism, providing an in-depth analysis in breaking news and news from ALL around the world which go unparalleled against all other mainstream media, and also much more useful than other sectarian "socialist" groups.

I'd like to thank YFIS for all the hard work it puts in for its members, and all socialists alike, and to keep on improving to break our chains.

Semeno Arshakovich,  
Cheshire, NW England  
**WORKERS OF THE WORLD UNITE!**



# PFI

by Mick Brooks

**W**hat is the Private Finance Initiative? It started life in the dying years of the Tory government as a crazy scam (like rail privatisation) from one of their think tanks - with the aim of nicking all the remaining public assets that weren't actually nailed to the floor. It has been enthusiastically embraced by Labour apparatchiks to show us their 'new' Labour credentials. By the time of the next election £40 billion in public projects will be being done the PFI way.

## Free money?

Originally PFI was floated as a way of getting round Treasury limits on government borrowing. Private Finance Initiative, as a description of what happens, is actually a complete lie. It suggests that private business generously helps the rest of us out by giving us money. PFI doesn't save us a penny - as before we pay for public services, and under PFI we pay plenty.

What used to happen was this: if we decided we needed a new hospital, we paid contractors to build it and it then became a public asset. We owned it. We then paid workers to run the public service. Under PFI we pay a consortium to build a hospital - and they own it. We pay them more money - and they employ the workers to provide the health care.

What's the point of this? It is argued that private com-

panies can borrow from the financial markets. But it's us who pay the interest when we pay them to run the hospital. The public sector could always borrow the money - if the Treasury would let it.

What does PFI do for capitalism? Capitalism was incapable of providing universal health care. People you are looking after are always sick, but not always rich. That's why the NHS had to be set up. But now health care - and many other services formerly provided by the public sector, and still paid for by us the taxpayers - has become a zone of capital accumulation, a business sector for making millions - and millionaires.

Under PFI the government says we won't let you borrow the money to provide publicly owned assets - you'll have to rent. It is a scam to get round artificial restrictions on public sector borrowing - the debt is 'off balance sheet'. Only a fool would go and borrow from the loansharks so they could say they had paid off the banks. A loan is a loan in the real world whether an arm of government or a private consortium borrows to build a hospital.

## Private borrowing is dearer

But there is one important disadvantage to going private. It costs more. Lending money is analysed by financial economists as a trade off between risk and return. If you are lending to a fly-by-night outfit which might well do a runner

with your money you are likely to charge a higher rate of interest. The government is not a fly-by-night outfit. It never defaults. There is no risk, therefore there is no risk-premium. Lending to the state is safe, so the state can insist on a lower interest rate on its loans. If the public sector borrowed directly this would save us £50 million for every £1 billion of PFI contracts.

And we don't have to go to big business. Gordon Brown has got money coming out of his ears. The Chancellor still demands we borrow and pay back for a generation for assets we'll never own.

So if we don't need to borrow, why call in the private sector? The justification is in the Thatcherite mantra, 'public sector bad, private sector good.' Capitalism, we are told, unleashes extraordinary dynamism and buccaneering entrepreneurialism unknown to the dull folk who work in the public sector doing non 'wealth-creating' jobs such as teaching, firefighting or nursing. This theory radiates thinly-disguised contempt for those who choose to work serving the public in preference to amassing fortunes. Private is more efficient! Private provision cuts costs! We look in detail at this argument later - but basically it's just not true.

## There is no alternative!

'For the time being remember PFI is 'the only show in town'.

Alan Milburn told health service administrators, 'It's PFI or bust.' What this means is NHS Trust managers have been told that they can have a project financed by PFI, or they will not have it at all. They have to fiddle the figures with a 'public sector comparator' to show public provision is dearer if the scheme is to go ahead. So they do. The deputy controller and auditor general of the National Audit Office, Jeremy Colman, has said that some of these calculations are 'pseudo-scientific mumbo jumbo' while others are 'utter rubbish'. It's official, then. Who are we to disagree with him?

## Why is capitalism supposed to be efficient?

Because of competition between capitalists. They all try to cut costs and the weakest go to the wall. That's the theory. But it doesn't work in the case of PFI. The PFI process effectively awards a monopoly position to the contractor. There is no incentive to cut costs - and every motive and opportunity to milk the public sector - as we shall see.

The firms who tender for the PFI projects are few in number. Balfour Beatty (responsible for rail replacement at Hatfield) is one. Jarvis, who were in charge of track maintenance at Potters Bar is another, while Arthur Andersen are always on hand to offer their expertise in fiddles. Usually a combination



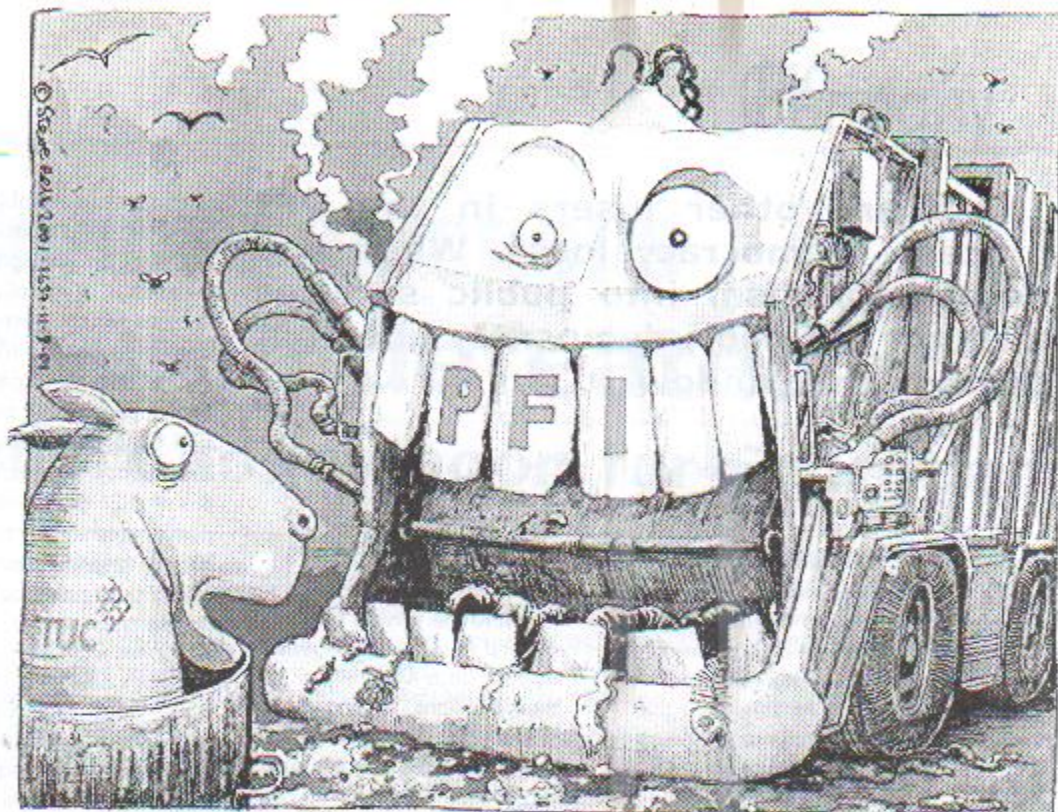
of this select band forms a consortium and puts in a bid. You might think the public sector body accepts the lowest bid and they get on with the work. Not a bit of it.

### The bidding process - they cheat, we pay

The consortium selected becomes a 'preferred bidder', and the real negotiations begin. While the private sector firm cuts all their quoted prices to become preferred bidder, as soon as they've got their foot in the door, it's a licence to print money. Building companies reckon on a margin of 4%, but for PFI the markup is 10%. That's just for starters. Costs are ruthlessly padded.

Once they have acquired the preferred bidder status, all the time and effort that would be lost in unravelling the contract is hanging over the head of the public sector body that wants the work done. So the consortium is in a strong position to renegotiate. For renegotiate, read 'black-mail'. The ICL/Fujitsu deal to computerise magistrates' court records spiralled from £183 million in 1998 to £319 million in 1999. The courts are still in chaos.

What happens to the private sector when it screws up our services? Not much. Andersen Consulting (yes, them again) made a complete mess of the computerisation of National Insurance records, causing a good deal of grief to hundreds of thousands of claimants and pensioners. These were the people that took the



real 'risk'. The bill came to £53 million. Since the Contributions Agency files are linked to the Inland Revenue, the tax man also lost untold billions as 5.2 million personal records went AWOL. Dawn Primarolo, the Treasury Minister, only got Andersen to pay £4.1 million 'for fear of jeopardising future relationships'. It seems that companies with a proven record of expensive failure will still be in the frame for another go at PFI in the future.

### The risk-lovers

Another argument in favour of PFI is that the private sector is prepared to take more risk. According to this legend most of us are 'risk averse' - that is, we don't like betting all the time, even if the bet is fair. We prefer to know exactly where we stand. Public services exist on the basis that we know they will always be there. An obvious example is the air traffic control system - it doesn't bear thinking about what would happen without it. So when NATS was privatised last year, the new owners should have taken over all the risk. But they knew the government couldn't let them go belly up. So when things got hairy, they came back for a handout. They got it. Seven months after privatisation they've already got their hands in our pockets!

Fortunately, we are told, human genes are seeded with a

minority of risk-loving people. These are the entrepreneurs. They are responsible for all innovation. To them all blessings should flow. That's not how it looks from where we stand. The only risk-loving people out there are the taxpayers. We just love picking up other people's gambling debts and paying them. And when entrepreneurs win the jackpot - why that's a reward for all the risk they've taken.

### Refinancing

Proof positive that we don't share the risk with big business is the phenomenon known as 'refinancing'. Having landed a PFI contract, the consortium goes to the banks to cash in their winnings. We pay them more to borrow because financial markets might regard what they're doing as a bit risky, since they're supposed to be out there in the dog-eat-dog world of capitalist competition. But the consortium explains to the bank that's not so. Society is always going to need a hospital in Dartford (or whatever). If their deal falls through the government will have to 'nationalise' the losses. It's as safe as houses. So they renegotiate the loan on a lower rate of interest to make allowance for the bank's risk being covered - by us, the taxpayers. The consortium then trows the windfall.

Another argument why we are told we have to bring in the

private sector is because they have the expertise'. What expertise did Balfour Beatty show at Hatfield? They were not replacing cracked rails fast enough. That was definitely one factor in the fatal train crash there. The fact is they didn't know what they were doing. They had no history of track maintenance before rail privatisation. No private company did. The only way they developed any expertise was by hiring sacked railway maintenance workers from British Rail on worse terms and conditions and picking their brains. The firms in charge of track maintenance do indeed strive to cut costs. But it's not to compete with their rivals. They don't have any - they're a monopoly. It's to increase their profits, overwhelmingly at the expense of the wages bill. The News of the World reported that Carillion subsidiary GT Rail Maintenance sent out this memo after Hatfield, "We are currently being inundated with defects of this kind... however it is not practical or cost-effective to cut all of them out of the track immediately when some of them can afford to wait until they are re-tested." It's the passengers who are taking the risk here, not the private contractors!

Even loyal new Labour MPs are getting fed up of PFI. David Taylor, MP for North West Leicestershire and an accountant, declared in the House of Commons, "Every penny raised for PFI schools, hospitals and



## There are other losers in the PFI process. Democracy loses. When you bring capitalism into public services through the door, democracy goes out through the window

prisons ... is paid for by the public purse, plus interest, plus profits...PFI does not lever in private finance. It merely allows private shareholders to dip their large ladles into an increasing stream of tax revenue." He went on to denounce 'the seedy accountancy massage parlours' that try to make the deals look like value for money. Arthur Andersen, the accountants last seen enthusiastically shredding evidence at Enron headquarters are masters of the black art of PFI finance.

There are other costs involved in PFI. Advocates of PFI say the private sector is more efficient. How can a firm pay shareholders dividends and still provide a cheaper service than publicly-owned non-profit provision? As the reader knows, they don't - they lie to get their hands on our money. It's not as if you can increase productivity as easily as in manufacturing by bringing in a new machine. Many of the activities dealt with in PFI projects, such as nursing and prison warden, are labour intensive and 'no-tech'.

### TUPE

That gives us a clue as to how private firms strive to be 'more efficient'. They aim to cut costs. Since the services they provide are labour intensive, they aim to cut labour costs. Many of the costs of PFI, like the debts they run up, are 'off-balance sheet'. The real costs are born by the workforce.

One of the few areas where research has shown cost savings for PFI is for private prisons. Here the entire 'saving' is because of wage-cutting. Prison officers on

£20,000 a year are sacked and replaced by privately employed workers on less than £14,000.

When workers are transferred to the private sector, the first thing the capitalists try is to do a Maxwell on their pensions. Tearing up seniority, holiday entitlements and just cutting pay are also top of their agenda. The government, no doubt, would regard robbing the workers as an 'efficiency saving'. There are rules (the Transfer of Undertakings [Protection of Earnings] Regulations - known as TUPE) which try to provide a minimum of protection for workers forcibly transferred into the private sector. There is an argument at this very moment as to how extensive they should be. Obviously the TUC should campaign for the TUPE rules to be as full as possible. But workers cannot just rely on the law to protect them from the employers' offensive.

The reason is - there is no other conceivable way a private company can save money in a typical no-tech service such as the prison service unless they cut workers' wages and benefits, or the number of workers on the payroll, or both.

There are other losers in the PFI process. Democracy loses. When you bring capitalism into public services through the door, democracy goes out through the window. Take the London underground. During negotiations earlier this year, it was proposed that Transport for London (responsible to Ken Livingstone, and the nearest thing to a democratic and accountable body in the London underground PFI scheme) should have some

control over timetables. The consortia were apoplectic. "It impinges on our rights of ownership," they spluttered. In other words seven million Londoners can go to hell.

PFI puts other pressures on the democratic process. £14 billion of contracts have already been signed. Over the next 26 years we have guaranteed to pay them £96 billion. Mouth-watering! Those payments come first. It's like a mortgage - it doesn't matter what else you need. It's deducted at source. And it doesn't matter which party you vote for in the next 26 years either - that money is already committed to passing out of our hands. The present government is mortgaging our future to PFI.

The institutions hardest hit by PFI are the local councils, which are already up against it. They are the first to feel the extra pressure. It's called the affordability gap. Haringey council has a fixed education budget. If it's inflated by payments to the PFI privateers, as it is, then they have to cut teachers. There's nothing else for it. Current spending has to be chopped in the interests of profit.

### Show us the money

Where are the savings? One figure is continually quoted by Tony Blair, a saving of 17% for PFI compared with conventional publicly funded projects from a study by Arthur Andersen. What is the socialist response?

● Arthur Andersen are a bunch of crooks. The Enron affair shows they have their hands in the till up to their elbows.

● Arthur Andersen makes pots of money out of PFI. They have a vested interest in showing it's a good deal.

● According to their survey 60% of the 'efficiency savings' are from 'risk transfer' to the private sector. The survey is based on a selective review of PFI projects,

designed to prove what they've been paid to prove.

● Within the group of projects they analyse a single large scheme, which is responsible for 80% of the 'risk transfer' savings. This scheme was the computerisation of the Contributions Agency. As we showed earlier, no risk was transferred. We carried the can as usual.

● The bad guys responsible for the Contributions Agency fiasco were Andersen Consulting... a branch of Arthur Andersen.

### I rest my case.

Public investment is currently at its lowest level for fifty years, despite the budget surpluses. This scandalous state of affairs is partly because departments are being bullied and browbeaten by the Treasury into going down the PFI road, instead of just getting on with renovating the infrastructure.

The Treasury has some barmy rules on spending, rules that are unique to Britain. If the Greater London Authority borrows to upgrade the underground, this looks bad on the books. If a private institution borrows the same money for the same purpose, that's OK. This is potty! Regional airports and other bodies can go on to the capital markets and borrow because they're not considered an arm of government. But elected bodies like the GLA and Mayor of London can't borrow a penny - even if we vote to let them, which is what we did when Londoners voted for Livingstone and against PFI. Other countries have a different measure of public debt, which treats all public bodies and quasi-public bodies - the GLA and Bournemouth airport - as substantially the same. The Treasury is doing an Arthur Andersen on the public finances.

Fight PFI all the way. Don't let big business steal your future. ☐



# German elections

## Right wing defeated -

### But only a short honeymoon for Schröder

by Hans-Gerd Öfinger

**E**dmund Stoiber, a leading reactionary Christian Democratic leader and Bavarian prime minister was defeated in the recent German elections - though by a narrow margin. It was the most interesting and thrilling election night ever in German "post war" history as it took hours until there was certainty on all TV channels that Schröder's coalition of Social Democrats and Greens could secure enough seats to continue for another parliamentary term. Whereas many TV journalists had speculated for hours that there could be a hung parliament or even a narrow right wing majority, in the end Schröder had a small but decisive majority of 306 seats against 295 for the traditional bourgeois parties (Christian Democrats and Liberals), with the east German PDS (ex CP) being reduced to merely two seats.

There was a sigh of relief on the part of many SPD activists, trade unionists and youth in general up and down the country given the fact that Stoiber - darling of big business and other reactionary institutions in the country - had failed to win a majority. Up until August almost everybody in the country would have expected Stoiber to win the election and the SPD to get a hammering, and many party and union activists were reluctant to do anything in the campaign. Like in many other European countries, four years under Schröder had given rise to enormous disillusionment on the part of the rank and file. Whereas Stoiber and the Christian Democrats had been leading in the opinion polls

since February and there were reports of some rats in the Berlin ministerial bureaucracy leaving the sinking ship and joining the Christian Democrats, there was a drastic swing back to the Social Democrats and Schröder only in the last weeks of the election campaign. The threat of a Stoiber takeover mobilised workers and youth around the SPD (and to an extent the Greens) to make sure Stoiber would not get in.

Stoiber's strategy was to deplore the high level of unemployment in Germany (four million officially) and the bad prospects for the economy (on the brink of recession), put the blame on Schröder and present himself as someone who could run the economy better and do something about unemployment. Unlike his political father Franz Josef Strauss who had stood for chancellor and lost in the 1980 election campaign, Stoiber tried to present himself as everybody's darling and avoid polarisation and clear statements at any cost. But the political tide began to turn in August as Schröder and his vice chancellor and foreign minister Fischer (Green party leader)

suddenly declared that under their leadership Germany would not take part in any military campaign against Iraq. This statement came out of the blue but corresponded with the overwhelming mood in the country - especially in the East - and embarrassed the warmongers in Stoiber's camp, forcing even opportunist Mr Stoiber to declare that under his leadership they would not be any support for unilateral US military action either. The flood disaster in East Germany in August brought environmental issues back onto the agenda and tended to back the position of the Greens and their environmentalist image. When it became clear that there was an increasing likelihood of a re-election of the Schröder government, the Christian Democrats panicked in the last week prior to the election. They tried to trigger off a racist/anti-immigrant campaign and targeted Schröder's minister of justice who was alleged to have said that like Hitler, George W. Bush also waged wars to divert the attention away from home politics!

The narrow victory of the SPD at the end of a neck-and-neck race is not really a reason to celebrate. Many workers and youth voted for the SPD, grind-

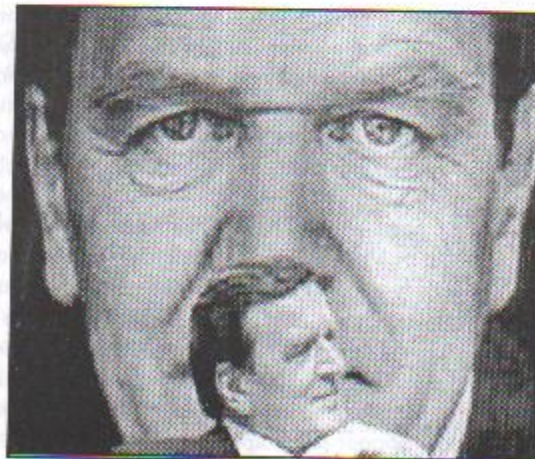
ing their teeth, to stop Stoiber and give Schröder a second (and possibly final) chance. The union leaders (though formally neutral) had also urged their members to prevent a Stoiber victory, rightly arguing

that Stoiber would turn the clock back on important issues such as labour legislation and union rights. But like in Britain with Blair's second government, the union leaders will be forced to exert pressure upon the government to change course before long.

With a predominantly tame and "pale" parliamentary party of the SPD, and the Greens presenting themselves as a 'modern' and 'progressive' liberal pro-bourgeois party, the honeymoon for the second Schröder government will be very short. Against the background of a severe economic crisis and pessimism on the part of the bourgeois irrespective of whoever happens to be in government, all sorts of conflicts will come up, and major disappointment and anger on the part of workers and youth will be on the order of the day. There is no room to manoeuvre for a policy which tries to serve big business interests and appease the working class at the same time. The experience of 1999 shows how quickly election victories can be thrown away; it was only the corruption scandal around ex-chancellor Kohl and his CDU party that saved Schröder at the time.

Having defeated Stoiber, workers, youth, party and trade union activists should not lean back and wait and see, but actively intervene and put pressure upon the government to carry out real socialist policies. And Schröder will have to prove now that his opposition to George W.'s war against Iraq was not only an election campaign show.

This is an edited version of an article which appears at [www.marxist.com](http://www.marxist.com)







by Michael Roberts

## Capitalist recession and Iraq

*"The 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 decline and economic depression since the 1930s. But 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". This column, Socialist Appeal January 2002*

The mood of optimism about the world economy that rose up during the summer months has now dissipated. The talk among many pundits in New York, or *The Economist* magazine in London, is that there is a real risk of the US slipping back into an economic recession, taking the rest of the world with it.

Only the official spokesmen of the Bush administration, Alan Greenspan and the Federal Reserve, and of course, all those investment banks in Wall Street who have a vested interest in spinning optimism, continue to argue that the US economy will start growing at 3-4% a year, unemployment will come down and the post-Saddam world will be a better place.

Typical of the official comments is that of Chicago Fed President Michael Moskow. He admitted that: "the road to recovery is turning out to be bumpy," but noted that "once we have worked our way through the current rough patch, the long-term prospects for the US economy appear to be good."

Well, it's been a year since the attack on the Twin Towers, the symbol of American financial and economic might. And other commentators on the world economy are much less sanguine. "For the first time since WWII, the world is in the grips of a synchronized global economic downturn," writes Dr. Kurt Richebocher. "We are looking for financial turmoil in the US of a gravity without precedence in the whole postwar period."

*The Economist* magazine comments: "The entire world economy seems to be cooling off. Everywhere, economists are revising their targets downward. America, Europe and Japan are still growing...but barely. European GDP rose at only 1.4% annual rate in the 2nd quarter. The Japanese economy grew faster than the U.S. - but neither gave cause for celebration. Japan is still in deflation. Wages fell 5.6% in the second quarter.

### Prices

In America, prices are still rising, but not by much. And prices in the business sector are actually falling for the first time since WWII...down 0.6% in the second quarter. Before the end of 2003," adds *The Economist*, "the rich world's three biggest economies - America's, Japan's and Germany's - could all have negative inflation rates."

Stephen Roach, the chief economist at Morgan Stanley bank disagrees with the optimistic forecasts of his colleagues at his bank. "There's a sinking feeling in the global economy again," he says. "Country after country, region after region, growth risks now appear to be tipping back to the

downside. America's double-dip scare of earlier this summer has quickly gone global...All this leaves the world economy exceedingly vulnerable. The global growth engine is sputtering again, and no new source of growth seems likely to immediately fill the void."

And all the latest data show that the only thing sustaining US economic growth has been auto sales, housing, and the hope that Fed Chairman Alan Greenspan will cut interest rates further and revitalise an ailing economy. But auto sales now seem to have peaked, mortgage delinquencies and foreclosures have hit a new record and US house prices are down 5.4% in the last two months. The great housing bubble looks to be bursting.

The key to judging whether world capitalism is going to stay in an economic recession that destroys investment and jobs and lowers the living standards of the majority is the prospect for profit. Capitalism is a system where producers (privately-owned companies) invest, employ and produce only if it is profitable.

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 drive prices down, which in turn push profits down even more. The boom turns to slump.

And the evidence in the US and Europe is clear. The great New Economy of information technology turned out to perform in the exactly the same way as the Old Economy of capitalism. Since 1997, each extra piece of investment in equipment and labour has been producing less profit. By 2001, absolute profits in the productive areas of the US economy fell sharply. Sure, profits were still made in selling consumer goods and services. But there was no profit in making anything. Manufacturing investment and production slumped and so did jobs.

### Profit carnage

This was the cause of the downturn in 2001. 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. And nothing has changed in 2002.

In the end, all questions about the US economy boil down to one: whether or not business investment will return with sufficient vigour. But for that to happen, it needs both a luring profit outlook and accommodating financial markets. Neither is in sight. Despite cutting 1.5m American jobs in the last 18 months, US corporations have managed to raise absolute profits by just 1.4% since the huge slump in earnings in 2001.

So capital spending by corporate America remains dead in the water. Bank lending to industry has ground to a halt.

And as I've argued before in this column, never before in its history have stock markets been more

important to the success of capitalism. In the stock market boom of the 1990s, capitalist corporations made their profits not so much from making things or even providing services, but more from investing in other companies and hoping their share prices rise.

Of course, this is impossible indefinitely. And 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.

And stock markets have been falling as a trend since March 2000. Last month, European stock markets fell back to levels not seen since 1997 and US share prices are not far behind.

And once stock prices plummeted all the skeletons in the corporate cupboards of companies like Bush's Enron, Cheney's Halliburton Oil, Tyco and World Com as well as France's Vivendi and Germany's MobilCom fell out. The sheer greed of the super-rich executives of these fraudulent and bankrupt companies has enraged the average American, who has lost his or her job at the company or lost a great part of their retirement income from a pension fund that invested in these companies - or both.

The latest grotesque story is that of Jack Welch, the former CEO of GE, one of America's biggest companies and the most successful. Mr Welch's retirement package has gob-smacked everybody. Not only does he take away 22m GE shares, still worth \$600m, despite falling share prices.

According to the Wall Street Journal, GE continues to pick up the tab for items like, 'autos and electronics at several residences; many costs of a GE-owned apartment in Manhattan, from flowers to faxes to food; tickets to sporting and cultural events; and services such as country club fees, security



and financial planning.' The monthly value of just the GE-owned apartment on Central Park West is roughly \$80,000, according to Welch's estranged wife. He also has the use of a private jet to fly anywhere in the world at the expense of GE shareholders and employees. It is in this environment that Bush prepares for his war against Iraq.

The US economy is in trouble. The world capitalist economy is too. That means that Bush's chances of being re-elected president in two years time look grim. And after all, that's what presidents do the job for - to get reelected!

### Restore popularity

A quick victory over Saddam will restore his popularity just as it did for Thatcher with the Falklands war. Or at least, that is what he hopes. In addition, getting control of Iraq's oil supplies will allow US capitalism to keep prices down and rely less on the unreliable and corrupt House of Saud in Saudi Arabia. And then, perhaps, the US and Israeli ruling class can impose some sort of 'peace settlement' on the Palestinians. Those are the real objectives of the war.

What are economic implications? Already the huge rise in government 'defence' spending has helped prop up the stuttering US economy, but at the

expense of reducing available funds for investing in productive sectors of the economy. The best scenario for Bush and world capitalism would be a quick victory in Iraq, with US troops in place with relatively small casualties and a new regime backing the US. World stock markets are still pricing in this 'good scenario'.

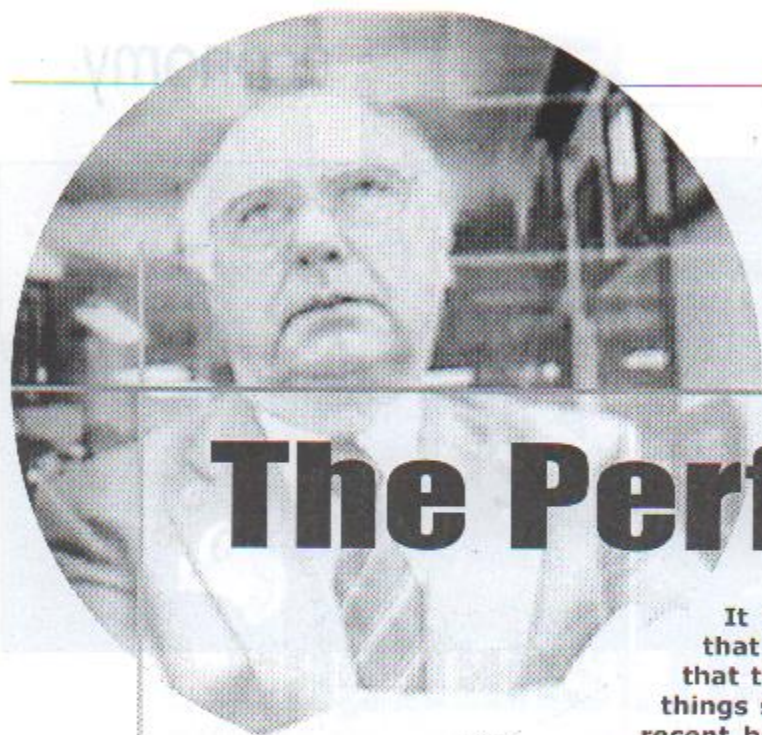
But even if this were to happen, it would do little to turn the world economy round. It might briefly improve 'confidence' but it won't get businesses out of debt and it won't create jobs. And if the Iraqi people should start to object to a puppet regime being imposed in Baghdad, the situation in Iraq could become much messier than it is in Afghanistan now, with no stable regime, no solution to poverty and no economic recovery.

And it could be much worse. The war may not go as planned. US forces could be bogged down in a long campaign against guerrilla forces and may have to stay a very long time (at huge cost) to 'stabilise' Iraq.

Then oil prices would rocket, stock markets would melt down and the world economic recession would speedily arrive.

Bush's Iraqi adventure is no way out for world capitalism at best, and it could be the tipping point for a world economic depression at worst. □





# The Perfect Storm

**It was the German philosopher Hegel who explained that everything was in a process of constant flux, and that the gradual accumulation of changes taking place in things sooner or later would lead to a qualitative leap. The recent breakthrough of militancy in the British trade union movement is a confirmation of this dialectical viewpoint.**

**By Rob Sewell**

**W**hat is taking place in the trade unions, although predicted by Socialist Appeal, has taken many people by surprise. One despairing supporter of Sir Ken Jackson compared it aptly to the film, *The Perfect Storm*: 'There is a certain amount of rain and a certain amount of wind, but it is coming together in a way that no one meant or could have foresee.'

Without doubt, industrial unrest is on the increase. Strikes are at their highest level for thirteen years and the trend is upwards. The recent council workers' strike involving over one million people was the largest strike by women workers ever seen in this country. Fire fighters have voted unanimously at their recall conference to ballot for strike action over a 40% rise in pay! If this takes place, it will be the first national strike in 25 years. Rail and tube workers, who have their own disputes, have threatened to refuse to work on grounds of safety if there is no fire cover. The general public, according to a recent *Guardian/ICM* poll, appear to sympathise with them. A recent poll indicated that 48% of employers believe they will face a strike

ballot over the next 12 months. The days of workplace "servitude" seem finally to be coming to an end.

Compared to the militancy of the 1970s, industrial struggle for the best part of 20 years has been on a downward curve. This was especially the case after the defeat of the miners' strike in 1985. If the miners couldn't win, beaten back to work after 12 months on strike, how could other weaker sections win? That became the feeling of a great deal of trade union activists, many of whom became demoralised and dropped by the wayside. A layer of "lefts" even went over to the right wing bureaucracy and embraced business unionism.

## Far to the right

Over the last 20 years the pendulum has swung very far to the right. The period was largely dominated by Thatcherism, which was sustained by the boom of the 1980s. The Tories introduced a whole swathe of anti-trade union legislation intended to cripple the movement, and further tilt the balance of forces towards the bosses. Coupled with mass unemployment, the unions were

on the retreat. Today only 19% of private sector workers are in unions.

Many workers attempted to solve their problems within the confines of capitalism, through overtime working, second jobs, and other means. The mass Labour and trade union organisations emptied out, allowing the trade union machine to rise further above the membership. The increased pressure of capitalism on the trade union tops propelled them further to the right and the acceptance of "new realism" and "social partnership". The same process - but on a far greater scale - took place after the defeat of the 1926 General Strike and the adoption of Mondism by the trade union leaders. Walter Citrine, then General Secretary of the TUC, told the unions to aim for "an effective relationship [with the bosses], which will ensure greater stability and harmony in industry." Today, the same tune is sung by John Monks.

With the closures of manufacturing industry during the 1980s, trade union membership declined and the number of strikes fell to historic lows. The voice of militancy in the trade unions was largely drowned out.

"Sweet-heart deals" became the fashion for the right wing, as the employers engaged in an all-out offensive against the working class. Terms and conditions were torn up in one industry after another as "flexibility" of labour was brought in. Short-term temporary contracts, part-time working, self-employment, casual working, privatisation and the rest of it, was introduced. The employers ruled the roost. They squeezed every ounce of profit from the increased exploitation of the working class, paying out huge dividends and dishing out 'fat cat' salaries to the top directors. In contrast, overwork and stress amongst British workers levels reached historic highs. This, in turn, gave rise to colossal resentment, discontent and anger on the shop floor. Compared to their European counterparts, British workers worked longer hours, with fewer holidays and fewer rights. Britain was rapidly becoming the sweatshop of Europe.

The trade union leaders looked to the Labour Government to solve their problems. They deliberately held back the groundswell of anger of the rank and file with promises of a new Labour Government and the



threat from the anti-union laws. In the name of "unity and discipline", the union leaders have been forced by Blair to put up with an awful lot. They bit their tongues during the 1997 election campaign when Blair boasted to the Daily Mail that, under Labour, 'Britain will remain with the most restrictive trade union laws anywhere in the western world.' They suffered in silence as the Blair government adopted positions on workplace consultation and recognition so pro-business that even the director general of the Confederation of British Industry considered them "craven". They swallowed the mantra of "fairness not favours" without getting either. However, when Blair came to power in 1997 he carried on largely from where the Tories left off. CCT was replaced by "Best Value" and PFI was adopted from the Tories.

While there were some reforms in regards to a minimum wage and employment rights they clearly did not go far enough in satisfying the aspirations of ordinary workers. Labour's second term fared even worse, with promises of "reform" of public services - the introduction of private sector disciplines into the public sector. But enough is enough! Key unions have come out against PFI and the attack on the public sector. The new reality is that it pays to be anti-Blair. The GMB's campaign against private sector involvement in public services has allowed it to recruit 44,000 new public sector members, the largest increase in 16 years. This led Peter Hain, the 'soft' left minister, to attack the GMB by calling for an audit of its campaign expenditure. He can scarcely have been aware that for an outlay of £250,000 the union has already recouped £4.4m in new membership subscriptions.



The rising frustration and discontent in the workplaces could not be held back any longer, as one section after another has taken industrial action. The ground is also beginning to shift under the leaders of the trade unions, and so they are forced to become far more critical - for fear of losing their positions. The rank-and-file chickens were coming home to roost. The constant squeezing of British workers is reaching its limits.

However, Blair, who represents a pro-capitalist tendency within the Labour Party, is determined to side with the employers and continue with his big business policies. He is like King Canute, holding back the class struggle. 'The government cannot cave in to public sector wage pressure, whether or not this enjoys popular support,' says Blair's old friend and creator of New Labour, Peter Mandelson. 'It is unimaginable to me that an administration led by Tony Blair would tolerate the unions telling an elected government what it should do.' Ministers also had to face down unions over demands for fresh employment rights, and their resistance to public sector reform, he warns. 'The future strength of the Labour-union link depends on the unions acting on a shared understanding that they cannot abuse their place within Labour's constitution by using their votes to coerce the government or manipulate its policies,' states Mandy.

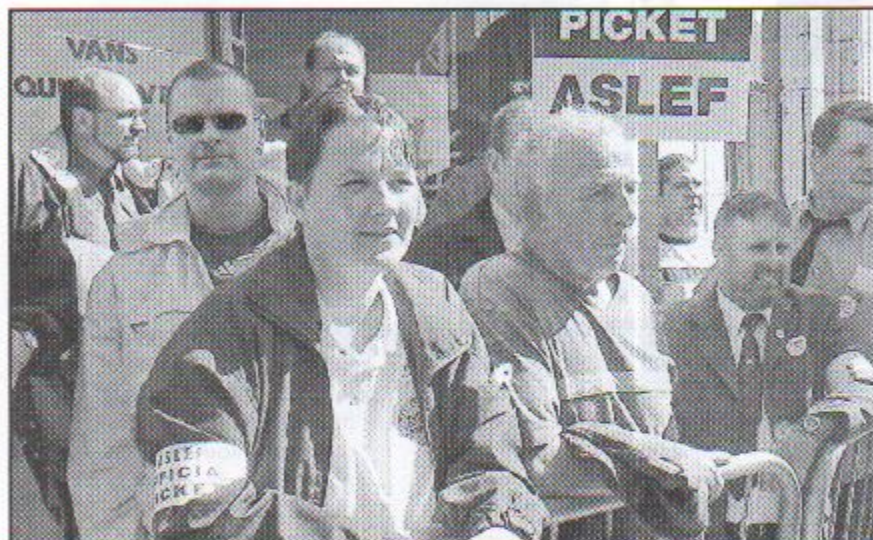
But his trumpeting has no effect. In one trade union election after another the tide had begun to turn. In one union after another, more radical officials ousted right wing supporters of Tony Blair. Even those candidates usually identified as Blairites, such as Jack Dromey of the Transport and General

Workers Union, have been busy repositioning themselves as critics of the government. Incidentally, the reason for this spate of union elections was partly the anti-union laws introduced by Thatcher in 1984, and maintained by Blair, which forces all trade unions to conduct secret leadership ballots every five years. This was supposed 'to return the unions to their members', keep out the 'militants' and ensure the election of 'moderate' right wingers - helped along by support from the capitalist press. But this has now backfired.

Until recently, this trend to the left was confined to smaller or medium-sized unions. Mick Rix was elected General Secretary of the train drivers' union ASLEF, Bob Crow in the rail union RMT, Andy Gilchrist in the Fire Brigades Union, Mark Serwatka in the civil service union PCS, Jeremy Dear in the journalists' union, Billy Hayes in the Communications Union, and Paul Mackney of the college lecturers' union Natfhe. Now this has started to affect the major unions, where left-leaning Tony Woodley was elected with ease as the assistant General Secretary of the TGWU. Next year he is likely to stand for the General Secretary's position. However, the biggest upset for the government came with the defeat of Blair's pet union leader Sir Ken Jackson of the engineering workers' union AEEU Amicus by left winger Derek Simpson.

The vote against Jackson represented an earthquake size 10 on the Richter scale! By all accounts, Jackson couldn't lose! 'When Sir Ken decided to stand for re-election, defeat was seen as to be as likely as Saddam losing Baghdad Central', stated Patrick Winter in The Guardian. The AEEU has been at the very heart of the right wing in the trade unions and Labour Party





for more than two decades. The right wing took over the engineering union in 1977-8 with the election of Terry Duffy, then Gavin Laird and Bill Jordan. They went so far to the right in their business unionism that they were threatened with expulsion from the TUC in the mid-1980s for taking money from the Tory government.

In 1992, the amalgamation of the AEEU with the rightwing electricians' union, the EEPTU, saw the rightwing grip entrenched. Under Les Cannon and Frank Chapple, the electricians' union had been under extreme rightwing domination since the early 1960s, after the Communist Party leadership had been thrown out for ballot rigging. Cannon and Chapple were ex-CPers and used their old methods to purge the union and trample on internal democracy. They became a notorious company union, scabbing on fellow trade unionists in the Wapping print dispute, and elsewhere. The EEPTU was actually expelled from the TUC over its shameful role in 'sweet heart deals' and its conflict with other unions. Together with the AEEU, it spearheaded the witchhunt against Militant supporters in the Labour Party and was instrumental in the rightwing take-over of the party. Their eventual amalgamation with the AEEU created a new extreme rightwing block with-

in the TUC. In effect, the EEPTU took over the AEEU, and gutted its internal democracy, abolishing the election of officials, abolishing and amalgamating branches, and creating a police regime within the union. This led many activists to despair, and led the left around *Flashlight* to mistakenly give up the struggle to transform the union and split away to form the EPIU. This adventure failed to get off the ground and was swallowed up by the TGWU. Of course, such impotence served to further strengthen the grip of the right wing.

### Stay and fight

Only the Marxist tendency, which was later to become *Socialist Appeal*, argued against this course of action. It was necessary to stay and fight, understanding that events would at a certain stage undermine the domination of the rightwing and propel the left to the forefront. This was subsequently confirmed with the election of Derek Simpson.

These events demonstrate how even the most right-wing and bureaucratic of unions can shift to the left on the basis of changed conditions and a new mood in the rank and file. This is a complete answer to the impatient ultra-lefts and sectarians on the fringes of the labour movement who wrote-off these

unions in the past - as they write-off the Labour Party today. They are incapable of thinking dialectically and are totally mesmerised by the power of the apparatus. The molecular changes in the minds of the mass of workers have produced a qualitative change in the situation, and the domination of the right wing.

While others, including those on the left, were taken totally by surprise, supporters of *Socialist Appeal* within the AEEU, who could see the groundswell against Jackson, had confidently predicted what was going to happen. These supporters played a leading role in securing the election defeat of 'no strike' Jackson and the victory of Derek Simpson.

With 176,000 manufacturing jobs lost in the three months leading up to the AEEU election alone, engineering pay stagnating and the dreams of 'social partnership' failing to deliver for the workforce, AEEU members rebelled against the union regime. Quantity had changed into quality, to quote old Hegel. And this is not the end of the matter. Far from it! Within the next 12 months or so, elections will have to be held for the Executive Committee of the union, which is currently controlled by the right wing. The broad left organised within the AEEU *Gazette*, if the work is done seriously, could sweep out the old right wing and win a majority.

Already things are beginning to move fast. When Simpson was elected the employers were very worried that this might put in jeopardy the 'sweet-heart deals' made under Jackson. The loss of Sir Ken Jackson as the leader of Britain's biggest private sector union Amicus AEEU may have been a blow for Tony Blair, but employers are wondering how much

symbolic significance it holds for them, too", states the organ of British finance capital, the *Financial Times*.

"More than any other union leader in the country, Sir Ken represented the 'partnership' approach to industrial relations that has dominated union thinking since the mid-1990s. Writing in the human resources magazine at the start of this year, he said, partnership with employers was 'a preferred way of industrial life. Partnership will promote mutual help, respect and deliver better work from people because they feel valued.'" (6th August 2002)

### "Sweet-heart deals"

Jackson's so-called "social partnership" was nothing more than out-and-out class collaboration with the bosses. "Sweet-heart deals" were signed with a string of companies, including LG Phillips, the electronics plant in South Wales and the Western Mail newspaper. In all about 30 no-strike deals were signed by Ken Jackson involving more than 30,000 workers. Union activists and ordinary members loathed these deals, which were regarded correctly as an employers' charter.

With Jackson's defeat, alarm bells were ringing in Downing Street and in the boardrooms of big business. Jackson had turned the AEEU into an agent for Blairism within the trade unions. Now that was in tatters. Despite the election, right wing union officials rushed to publicly reassure bosses that 'partnership' was here to stay. However, the newly-elected General Secretary Simpson dropped a bombshell by announcing that all 'sweet-heart deals' would be up for review and if found incompatible with members' interests would be scrapped. Within weeks, the key no-strike deal at the Japanese carmaker Honda, involving 4,000 workers, was ditched.



"The scrapping of the peace agreement", comments *The Times*, "is expected to spread to other large Japanese car companies in the UK and many other employers, and herald an era of tougher employment relations in industry."

British trade unionism has entered a new turbulent phase. The setback of the rightwing has altered the balance of forces within the Labour movement. The group of newly elected left General Secretaries can become the focal point of a left opposition within the TUC, as was evident from the recent annual Congress.

After the hard-hitting debate at the TUC on employment rights and the repeal of the anti-union laws came the debate on war against Iraq. This set the Congress alight with an anti-war amendment from the rail union TSSA to the "soft" resolution from the TGWU. This also served to galvanise opposition to the pro-United Nations stance of the General Council. The debate became a battle ground between the new left and old right. A stream of left general secretaries - Crow, Rix, Hayes, Dear, Serwatka and others - challenged the Blair/Bush hypocrisy and strenuously opposed the war. All were met with thunderous applause, which reflected the mood of the Congress.

When the vote was taken, the president of the TUC was forced to concede - to rapturous applause - that the TSSA amendment was passed. However, not to be out done, the rightwing announced a card vote. With the TGWU, GMB and AEEU Amicus votes being cast against, the amendment was declared lost by a million votes. Even then, nearly 2.4 million trade unionists, or about 40% of the movement, voted to adopt a position of outright opposition to any US attacks.

The fact that the AEEU Amicus cast its block vote against the anti-war amend-

ment was decisive. Their delegation was chosen by their right-wing dominated executive meeting, which has not faced election for over two years. If they had cast nearly a million votes with the rest of the left, then the amendment would have been carried by a majority of a million.

### Real mood

However, this lag at the top of the unions is only temporary. It will tend to catch up with the real mood within the rank and file. In some cases, it will catch up with a bang. The shift to the left in the AEEU can be decisive in breaking the back of decades of right wing domination in the labour movement, and open up a new stormy chapter for organised labour.

This year's elections for the General Council of the TUC also saw a significant step forward for the left. Newly elected were Andy Gilchrist (FBU), Billy Hayes (CWU), Derek Simpson (AEEU Amicus) and Jeremy Dear (NUJ). Mick Rix (ASLEF) retained his seat and the left are likely to be joined by Mark Serwatka, as soon as the PCS rightwing are forced to accept inevitable defeat. The same is true for left-winger Bob Crow (RMT) who narrowly missed election this time around.

In reality, this new mood in the TUC is one step removed from the bitter and angry mood in the workplaces. However, mounting pressure from below will force the TUC into opposition to the Blair government. Big battles are on the order of the day, not least starting with the fire fighters' dispute. This impor-

tant battle has the potential to draw other sections into struggle and poses a major challenge to the pro-big business stance of the Blair government.

Next year there will be the election of a new general secretary of the Transport and General Workers Union. The likely election of a left winger will serve to tilt the balance further to the left in the trade unions. Under pressure, the new left will serve to feed the growing opposition within the labour movement. At a later stage this process will inevitably be reflected in the Labour Party, opening up a new chapter in the transformation of the British labour movement. Those who dismiss such a prospect as far fetched, are generally the ones that ruled out a defeat for Ken Jackson or Barry Reamsbottom.

John Edmonds declared that



New Labour is dead, only they don't realise it. The writing is on the wall for

the Blairites. The key to the transformation of the Labour Party has always been the trade unions. It was the likes of Jackson who kept the Blairites in power. As their position is undermined and new left leaders take their place, as night follows day, there will be major repercussions in the Labour Party. As the crisis of capitalism increasingly reveals itself, more and more workers will be forced into action, reinforcing this general shift to the left.

The revival of the British working class is taking place before our eyes. The pendulum is swinging back towards the left. In the historic struggles that lie ahead, workers will come to see the need not only to elect left leaders, but to directly participate in the mass organisations - industrial and political - to reshape them into organs of militant struggle and social change. The British working class has always traditionally been slow to move, but once on the move, they are an invincible force. Armed with a socialist programme, the ranks of the labour movement will play their full part in the transformation of society and the building of a new socialist future free from exploitation. □





## IISS Report on Iraq:

# Why let the facts spoil a good story?

"The first casualty of war is always the truth." The report by the International Institute for Strategic Studies (IISS) is a most striking proof of this old saying.

By Fred Weston

The report was presented to the world as the most comprehensive investigation into Iraq's acquisition of nuclear, chemical and biological weaponry, and their possible means of delivery. It is being presented by the war party in Washington and Tony Blair as conclusive 'proof' that Saddam Hussein is just 'months away' from launching a nuclear bomb. In fact, the report shows precisely the opposite.

Published with a fanfare of trumpets just days before September 11, and in one of the most critical periods in the debate over Iraq, the IISS report was timed to attract maximum publicity and affect public opinion. It was compiled in eight weeks, starting in June and is based on reports of Unscm, the UN weapons inspectors (who have not been in Iraq since 1998), consultations with 'experts' on what may have happened since then, and newspaper cuttings.

### What is the IISS?

Although the report has been presented to public opinion as the work of impartial experts, this is far from the case. The IISS was set up in 1958 at the height of the Cold War, and has very strong links to the gov-

ernment and the establishment. When it moved its headquarters to Arundel House from Covent Garden, Lady Thatcher and Lord Robertson of Port Ellen, (the NATO secretary general), were on the guest list. This already gives us a pretty good idea of its political leanings.

The document was presented in dramatic style: "War, sanctions and inspections have reversed and retarded, but not eliminated Iraq's nuclear, biological and chemical weapons and long-range missile capacity, nor removed Baghdad's enduring interest in developing these capacities," said Dr John Chipman. "Wait, and the threat will grow. Strike, and the threat may be used."

Who is Dr Chipman? He is the Institute's director and is a former NATO fellow. The editor of the report, Dr Gary Samore, formerly worked at the US State Department during the Clinton administration. How is the Institute funded? The organisation insists it is independent and does not receive any general government funding. However, it does get funding 'for the organisation of meetings and for research from government departments'. According to the IISS website, its income, comes from 'a range of internation-

al bodies and foundations', individual and corporate membership, and its publications.

The institute spent £8m refitting Arundel House, the former townhouse of the dukes of Norfolk, of which £1m was given by Conrad Black's Hollinger Group, which owns the right-wing Conservative Daily Telegraph. Other donations came from the Taiwanese Foreign Ministry (£350,000) and the Japanese government (£130,000). The British Foreign Office contributed a further £100,000. So much for "independence"!

### Propaganda

This is not an impartial and scientific study. It is clearly a piece of propaganda designed to justify war against Iraq at all costs. But careful examination of the text shows that its findings do not support the conclusions. An article by Kim Sengupta in *The Independent* points out that the report shows that "in fact, Iraq is far weaker in weapons of mass destruction and every other military field than it was in 1991 before the Gulf War." And that "the realistic chances of acquiring, let alone delivering, a nuclear weapon without 'substantial' outside help, is years away."

On nuclear weapons the report finds that, following the tripling of oil prices after the 1973 Arab-Israeli war and the increase in oil revenues, Iraq embarked on an ambitious nuclear programme. However, attacks by Israeli warplanes destroyed al-Tuwaiha Nuclear Research Centre near Baghdad, setting back the programme considerably.

The Iraqi programme went underground and, by 1990, had reached a stage when it could produce two nuclear weapons a year, and - had it not been for the Gulf War - 'Iraq could have accumulated a nuclear stockpile of a dozen or more weapons by the end of the decade.' Again according to the report: "Gulf War strikes devastated Iraq's overt and covert nuclear facilities. All of the major facilities, including all safeguarded research reactors and most laboratories, were damaged or destroyed."

After Iraq's defeat in 1991 there were years of weapons inspections, which only ended in 1998, it seems that Iraq attempted to hide its nuclear programme by destroying some of the evidence. The 'nuclear potential was not completely eliminated...the scientific and technical expertise of Iraq's nuclear programme



survived.'

Since 1998, the report states: 'Baghdad retains a strong interest in developing nuclear weapons but it seems unlikely Iraq has produced, or is close to producing, nuclear weapons from indigenously produced nuclear material.'

The report concludes that: 'Iraq could produce nuclear weapons on a fairly short notice if it was somehow able to acquire sufficient nuclear material from a foreign source but there is no evidence it has done so...Iraq could divert in-country radioisotopes or obtain material from foreign sources for a radiological weapon. But how such a weapon could be delivered, and its effectiveness, remain open to question.'

In other words, there is absolutely no evidence that Iraq has the capability of manufacturing nuclear weapons, still less to deliver them!

#### Biological and chemical weapons

On biological weapons, the report says that at the time of the Gulf War, Iraq had filled munitions with biological weapons and deployed them. Individual commanders were given permission to use them 'if Baghdad was threatened or if there was the threat of a nuclear attack by the Allies. The coalition countries were not aware of this until 1995.'

During the years of weapon inspection, Unscorn found traces of biological weapons agents on the containers of destroyed al-Hussein missile warheads and R-400 bombs, but could not verify the numbers. There was no verification of Iraqi claims the programme was terminated in 1991. Since 1998, the report claims: 'Iraq possesses an industrial capability and knowledge base to produce agents quickly and in volume if desired. Aside from conventional military munitions, delivery of biological weapons by individuals or small groups acting as commandos or terrorists remains a plausible threat that is very difficult to defend against.'

Since no attempt is made to

prove that Iraq has any intention of carrying out such operations, this is pure speculation. The report continues: 'Iraqi biological munitions could spread terror and provoke a strong political response but are unlikely to cause mass casualties, unless Iraq has made substantial advances in delivery technology.'

In other words there is absolutely no proof that Iraq possesses such weapons in the first place (the report only speaks of a potential), and even if it does, it has no means of effectively delivering them. We should note, in passing that even during the Gulf War, the Iraqis only considered using biological weapons in self-defence (in case of an attack on Baghdad or if the Americans attacked with nuclear weapons), and in fact, never used them.

Finally, on chemical weapons the report says that from 1982 to 1988, Iraq constructed industrial-scale chemical weapons facilities, and stockpiled raw material. 'It produced effective (if primitive) chemical munitions in the form of aerial bombs, artillery shells and rockets.'

During the Gulf War, Iraq 'apparently mobilized its chemical forces, filling al-Hussein missile warheads, R-400 aerial bombs, and other munitions. But then it adds that: 'During the years of inspection, "it is unlikely that Iraq produced substantial new quantities of agents or munitions between 1991 and 1998.'

The report concludes: 'Although Iraq's current chemical capabilities are reduced from

their high point in 1990 before the Gulf War, it is probably able to mobilise a limited capability for use in battle against civilian targets.'

So there we have it. The report concludes that, far from increasing its capabilities, Iraq's current chemical capabilities are less than what they were in 1990 before the Gulf War. They are now only 'probably' able to mobilise a 'limited capability for use in battle against civilian targets.'

#### "ifs" and "buts"

Even the authors of this cooked-up report feel embarrassed at having to publish such barefaced propaganda. They feel obliged to qualify their words and hedge their statements around with 'ifs' and 'buts'. Nevertheless, the report concludes: 'Iraq's current chemical capability probably comprises hundreds of tonnes of agents (presumably a mixture of mustard and nerve agent, most likely sarin and cyclosarin) and perhaps a few thousand munitions.'

Probably, every one of these 'statistics' has been invented at the State Department, most likely with the connivance of some of the ex-'inspectors', who perhaps have very good imaginations. But not a single shred of hard evidence or proof.

On Iraq's supply of ballistic missiles, crucial to the ability to deliver this dreaded (though imaginary) arsenal, the report recalls that an al-Hussein missile strike against a US military facility caused the greatest number of US casualties in one incident,

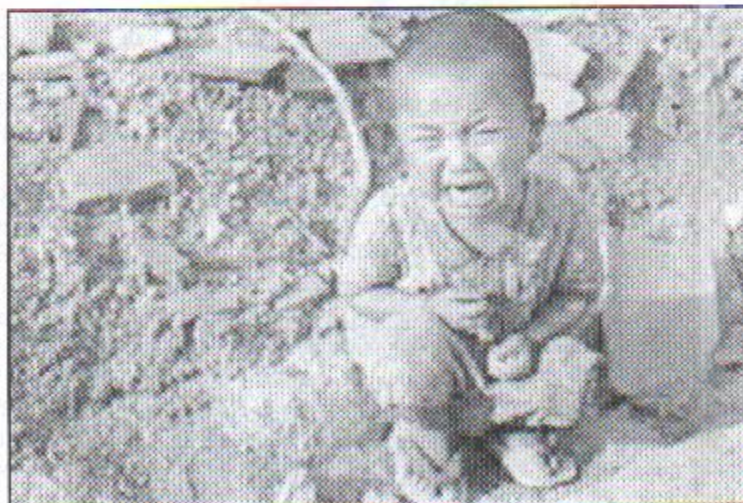
and that the mobility of the launchers meant that no operational missiles were destroyed during the war.

That is very true, but it refers to a situation that existed ten years ago. Since then Iraq has suffered a serious military defeat, followed by ten years of a brutal economic blockade and until 1998 a regime of inspection so rigorous that not even a flea could escape its attention, let alone a ballistic missile. During the years of inspection, the report admits: 'Unscorn made considerable progress in verifying Iraqi declarations of its destruction campaign but questions still remained about a small amount of imported and indigenously produced missiles, warheads, missile propellant, and engine components.'

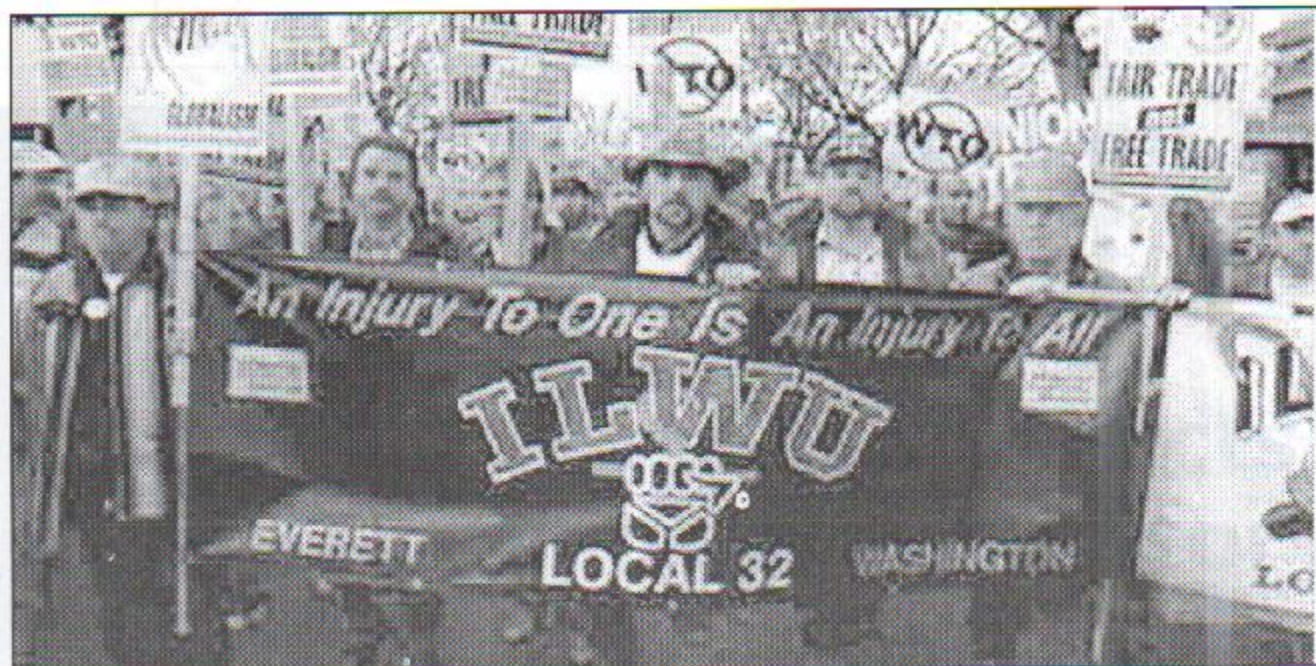
Not only does the report fail to prove that Iraq really does possess weapons of mass destruction, but it also produces not a shred of evidence that Baghdad has ever intended to use them, if they do in fact exist. By contrast, the vast chemical, biological and nuclear arsenal held by the United States - by far the biggest in the world - is not hypothetical but real, and has indeed been used.

This fact is well known to the inhabitants of Hiroshima and Nagasaki whose cities were destroyed by American atom bombs in 1945, although Japan was trying to surrender at the time. And the people of Vietnam have had personal experience of the effects of chemicals that rained down from US bombers in huge quantities. All this is perfectly justified, you see, since these particular weapons of mass destruction (real, not hypothetical) are in 'our' hands not 'theirs'.

In the murky history of international diplomacy there have been many fraudulent documents, engineered to blacken the name of one country or another and so to justify armed aggression. But for sloppiness, lack of rigor and barefaced audacity, this one is a very strong contender for first prize. □







# Bush's Threat to ILWU - Defend the Right to Strike!

by David May

**A**s contract talks are underway between the Pacific Maritime Association and the International Longshore and Warehouse Union, a Bush Administration task force has said that if the longshore workers strike, troops of the National Guard will be sent to occupy the ports, and members of the Navy will be used to load and unload ships. But this threat has only made the workers of the ILWU more determined to fight. In the name of the "War on Terror" Bush is attempting to destroy the most fundamental gain of the Labor Movement - the right to strike.

The contract negotiations between the PMA, the association of dock and shipping owners, and the ILWU, which represents nearly 100% of workers at every port on the West Coast, takes place every three years. The ILWU has bargained as a single unit on the Pacific coast since its creation in the 1934 General Maritime Strike, although there hasn't been a strike of any sort since 1971. At the time of the 1971 strike the primary issue was the effects of technological changes that came along with the introduction of containerization. Containerization, which not only allowed freight ships to carry more cargo that could be unloaded at a faster pace, eliminated nearly 90,000 longshore jobs,

making it much more profitable to import goods from overseas. Countless industrial jobs were also lost over three decades due to the introduction of containerization. Then, as always under capitalism, new technology that could lighten the labor of the workers, allowing more time for recreation, education, etc., is used instead to throw scores into unemployment.

After 1971, the newer, more skilled jobs were totally unionized. Now even more technology is being used on the docks, mainly in the sphere of computerization. But once again, instead of using the new technology to make work easier for the longshoremen, the PMA is trying to use it to eliminate even more jobs from the waterfront as well as attempting to make the remaining jobs non-union. The PMA is, in short, attempting to destroy the ILWU.

The PMA's demands for the new contract are intentionally designed to be rejected by the ILWU. But something else has completely eclipsed what otherwise would be a run-of-the-mill contract dispute - threatened military intervention by the state. Several months ago the PMA, along with major corporations who rely on cheap imports from Asia including Home Depot, the Gap and Mattell, formed a coalition that petitioned

President Bush for assistance. The Bush Administration readily came to their aid and formed a task force that includes Secretary of Defense Rumsfeld, Homeland Security director Ridge, and Secretary of Labor Chao. After meeting with the PMA and several corporations this task force contacted ILWU president James Spinosa and informed him that unless the union was prepared to accept the PMA's demands, the government was prepared to occupy the West Coast ports with troops of the National Guard. In addition, the ports' machinery and warehouses would then become operated by sailors of the US Navy. It has also become public that if the Bush Administration should decide not to use the military to break the strike, then either the Taft-Hartley Act may be invoked, forcing the workers to return to work for 80 days, or that the ILWU may be put under the Railway Labor Act. The RLA, which was established by Truman in the 1950s, covers only employees of America's railways, and allows direct state intervention in possible strikes and also allows the state to impose contracts upon the workers.

The state's reason for intervening? The ILWU was notified that any strike on the West Coast would be an act of sabotage during wartime, i.e. the so-called



and open-ended "War on Terror." Apparently workers are terrorists! This will be an awakening jolt to the American working class who now have had the true face of Bush's war shown to them.

The ILWU immediately publicized the Administration's threat. Instead of cowering before the threat, the ILWU as well as the AFL-CIO has marched out in force to meet the challenge. The AFL-CIO has set up its own task force to deal with the conflict and enlist the support of unions nationwide. Solidarity resolutions have already (as of August-17) come from almost every central labor council in California, and several in Oregon and Washington state. Support has also been promised from the Teamsters union. August 12th saw AFL-CIO rallies numbering in the thousands all along the Pacific coast, with the largest being in Long Beach (3,500,) Seattle (2,000) and Los Angeles (1,500.) Although the AFL-CIO has as yet to officially counterpose the threat of military intervention with the threat of a general strike, at the very least a general longshore strike is almost guaranteed, and even a general strike cannot be ruled out.

The frustrations from attacks on democratic rights, the recession, the corporate and government scandals, and now the possible expansion of the "War on Terror" to the labor movement has reached a boiling point on the West Coast waterfront. The ILWU and AFL-CIO are prepared to fight. "President Bush, if you close down the ports, we will close down San Pedro and we will close down Long Beach! If you take on the ILWU, you take on all of the American labor movement! If you want to challenge us, let's get it on!" stated LA County Federation of Labor member Miguel Contreras, chairman of the Long Beach, CA rally. At the Oakland, CA, rally Chuck Mack, speaking on behalf of the Teamsters, said "There is going to be economic justice for the members of the ILWU, or there is going to be one hell of a strike that'll involve the entire labor movement." Trotsky once commented that when the American workers enter into a struggle they would not be con-

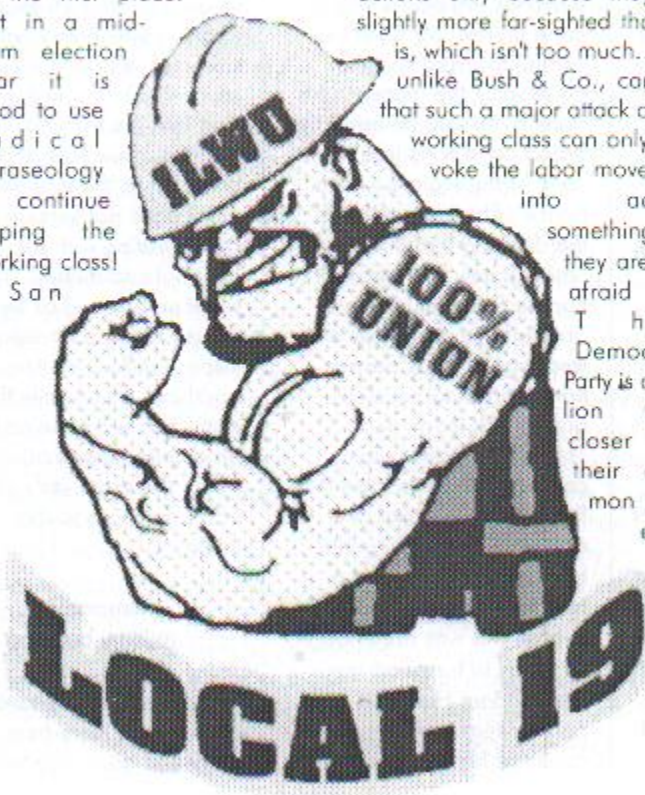
tent unless a few heads were cracked. The West Coast workers are certainly in that kind of mood! The trade unions have at stake their most basic right, the strike, and National Guard or not, they are refusing to back down.

### Support

Surprisingly enough, the Democratic Party has also voiced its support to the ILWU. The mayors and city councils of Los Angeles, Seattle, San Francisco, Oakland and Tacoma have pledged 'support' to the union. Senate Majority Leader Daschle (D-SD,) congress members Ron Wyden (D-OR,) David Wu (D-OR,) Barbara Boxer (D-CA,) Grace Napolitano (D-CA) and Nancy Pelosi (D-CA) have also pledged even more 'support.' Daschle has pledged the support of Democrats nationwide, promising "We will be with you until the last day to see that you get what you deserve." But what does the party of NAFTA, the Vietnam War and Welfare Reform really think the working class deserves? Where was the Democratic Party during the PATCO strike of 1980? Have the Democrats undergone some miraculous transformation? Hardly. These very Democrats rallied 100% behind GW Bush's War on Terror in the first place.

But in a mid-term election year it is good to use radical phraseology to continue duping the working class!

San



Francisco Mayor Willie Brown throws some light on the real situation: 'the collective bargaining process is the appropriate method by which labor disputes are to be resolved. It is in place. It should stay in place.' He continued to say that the federal government 'certainly should not do so (intervene) by using the National Guard or any group of federal troops to replace legitimate workers.' Mayor Brown conveniently failed to mention that it is routine during the 'appropriate method' of collective bargaining to have strikers locked-out, subjected to video recording and wire tapping by police, and are often simply fired or replaced by scabs. He also objected to the intervention of federal troops - what about by private security goons, state troops and the police?

### Bargaining process

Mayor Brown, as well as the rest of the Democratic Party, are not supporting the ILWU and the AFL-CIO but are instead supporting the collective bargaining process. They see the current arrangement as being the best method with which to pursue the interests of the capitalist class, their real constituency. They are objecting to President Bush's actions only because they are slightly more far-sighted than he is, which isn't too much. They, unlike Bush & Co., can see that such a major attack on the working class can only provoke the labor movement into action, something that they are very afraid of. The Democratic Party is a million times closer in their common interests

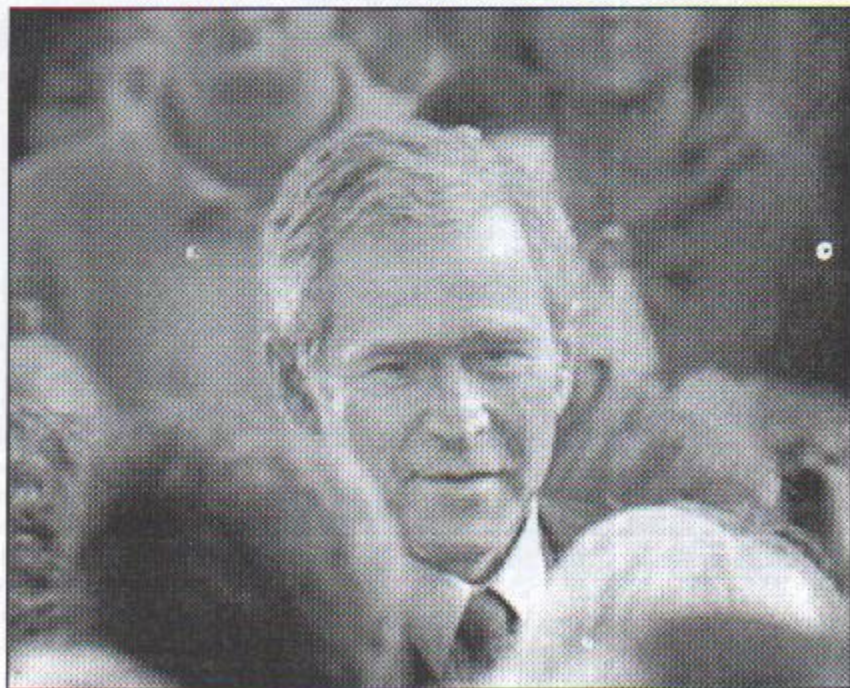
to the Republicans than to the workers of the AFL-CIO that they are purporting to support. Any strike of the ILWU, or even more importantly any general strike, will be doomed from the outset if the Democratic Party has any role in it. The US Labor Movement may have to learn a harsh lesson on the real nature of the Democratic Party

The giant that is the US working class has largely been in hibernation for decades. When the post-war boom ended in the mid 70s and living standards and wages began to drop, the only action the AFL-CIO took was no action at all. When then-President Reagan broke up the air traffic controllers unionized in PATCO in 1980, the trade unions limited themselves to complaining to the state. But now, in 2002, due to mounting pressure from below, the AFL-CIO is finally prepared to fight back. When pressure inside of a container builds up over a long period, the inevitable explosion will only increase in its magnitude. The struggle of the ILWU and the AFL-CIO on the West Coast waterfront may be its opening burst. Once the process begins, it will expend its energy - "War on Terror" or not. If what is going on in the southern half of the Western hemisphere is any indication, there are big movements of the working class in the United States on the horizon.

What is at stake for all working people in the United States is their most fundamental right - the Right to Strike. The American working class not only has a strong democratic tradition, but a rich heritage of labor struggles as well. Countless workers over several generations have not only fought for their right to have their unions, but have died for these rights as well. Now in the aftermath of 9/11 the US working class is once again under attack, and the bosses and their unelected representative, Bush, have no other objective than the destruction of the Labor Movement. The West Coast workers have already shown that they will not allow Bush and the PMA to have their way. The rest of the country has to stand up and support them. □



"The law is like a spider's web: the small are caught, and the great tear it up."  
*Solon of Athens*



## Diplomacy prepares the way for war

by Alan Woods

**O**n September 16th, Iraq offered to allow UN weapons inspectors back without conditions. The world breathed a sigh of relief. Maybe war was off the agenda after all! Unfortunately, this reaction was premature. War is not further off than before but far nearer. The preparations for war are acquiring a more feverish and urgent character by the day.

### The fraud of "inspection"

George Bush's speech to the UN General Assembly on September 12th was calculated to give the impression that the USA was prepared to give multilateral diplomacy one last chance. In reality it was a cunningly worded ultimatum. The US president challenged the UN to enforce compliance with the many resolutions on Iraq it has passed since the Gulf war in 1991. According to Mr Bush's estimates (we assume he can count), Saddam Hussein has defied 16 of these. He painted in

lurid colours the alleged attempts of Iraq to build or maintain an arsenal of chemical, biological and perhaps nuclear weapons, and the risk that these might find their way into the hands of terrorists.

As if to demonstrate that the issue of the return of weapons inspectors was a mere pretext, Mr Bush was careful to avoid specific mention of the matter in his speech. Instead he listed five broad conditions Iraq must meet 'if the regime wishes peace'. These started with the demand that it must 'immediately and unconditionally forswear, disclose, and remove or destroy all weapons of mass destruction, long-range missiles, and all related material.' This is a sufficiently long catalogue to guarantee that Baghdad falls down over one point or another, thus furnishing a pretext for a military offensive. 'But just in case this was not enough, he threw in for good measure Saddam Hussein's support for terrorism, his persecution of his own people,

and his failure to account for all those missing since the Gulf war in 1991.

If inspectors are ever sent back into Iraq, it will be only for the purpose of provocation. The term 'intrusive inspection' means just what it says. The inspectors will be used to provoke the Iraqis into conflicts that will justify Washington's conclusion that 'Iraq is not being serious'. On the first occasion that the Iraqis collide with the inspectors, Bush will proclaim to the four winds that Iraq is not serious about collaborating with the 'international community'. This will then be used as the excuse to swap intrusive inspection for intensive bombing. Meanwhile the inspectors will have passed on detailed information about the exact state of Iraq's defences to the invaders.

### Remorseless military build-up

Preparations for an attack against Iraq have been gathering pace remorseless-

ly. Last week an 'exercise' was announced which would involve the move in November of 600 officers from the US army's central command from Florida to Qatar, in the Gulf. A huge military command centre has been built under the cover of security in the Gulf for the purpose of organizing America's war against Iraq.

On September 16th Donald Rumsfeld, the Secretary of Defence, announced that, for the past month, American fighter planes had been attacking air command and communications facilities as well as anti-aircraft defences in Iraq. A new runway has been built in Qatar for America's heaviest bombers and cargo aircraft. Negotiations are also in process between America and Britain about basing some American B52 bombers on the British island of Diego Garcia, in the Indian Ocean, within easier striking range of Iraq.

Last week President George Bush sent a draft



resolution to Congress, asking it to conclude that Iraq is in 'material and unacceptable breach of its international obligations'. The real purpose of the resolution was to authorise the president "to use all means that he determines to be appropriate, including force" to enforce United Nations resolutions allegedly not implemented by Iraq. All this indicates the inevitability of air strikes against Iraq in the near future.

Nor are the preparations confined to the air. General Tommy Franks has already placed a plan before Donald Rumsfeld, with details of targets, units etc. They are contemplating a ferocious air bombardment followed rapidly by an attack by armoured divisions on the ground. A giant tent city has been erected in Qatar capable of housing up to 3,300 service personnel. This implies that US military action on the ground may come far sooner than most people expect.

### Diplomatic smoke screen

While preparing for unilateral military action, the Bush administration, with an eye to manipulating world public opinion, is also pressing for a new UN resolution, which will state that Iraq is in material breach of international law, and implicitly threaten force. The aim of all these manoeuvres is not to prevent war, as some people foolishly imagine, but only to provide a "legal" smokescreen to cover the nakedness of the US aggression against Iraq.

The Iraqis vainly attempted to regain the diplomatic initiative in a speech delivered to the UN on September 19th by his foreign minister, Naji Sabri, which was widely seen as a direct message from Saddam Hussein. The speech accused Mr Bush of "utmost distortions", and declared Iraq "clear of all nuclear, chemical and biological weapons". But these words

merely called forth a cynical smile from the US delegates. Indeed cynicism is the name of the game. The idea that the USA's actions will be determined by votes in the UN is just plain stupid. What settles important questions between states is not speeches and resolutions but force or the threat of force. "If you want to keep the peace," Bush said on September 19th, "you've got to have the authorisation to use force."

At least for the time being, the 14 other members of the UN Security Council still insist on the narrow issue of weapons inspection. They are like a scrupulous neighbour observing a burglar who is ready to break into a house next door. The worthy neighbour does not mind the burglar breaking in but advises him, for the sake of good manners, to ring the doorbell first. Once the burglar has completed this courtesy and been refused admission, the conscientious neighbour will then be quite prepared to see the door kicked in and, if necessary the house burned down with all the inhabitants inside. After all, it is not his house, and maybe he will get the chance to pick some nice little items out of the wreckage...

This is the usual morality of diplomacy, where all that matters is "good form". Unfortunately, diplomatic skills do not feature highly in the accomplishments of George W. Bush and the American imperialists. They are in a hurry to reveal the mailed fist that lies within the velvet glove. They speak and act like the hoodlums and Mafiosi who are the main characters in so many Hollywood movies.

This was most strikingly revealed recently, when the Americans, with astonishing crudity, warned the French, Russians and anyone else who failed to show enthusiastic support for the invasion of Iraq that they would not be allowed

to participate in the lucrative oil business and contracts after the war and 'regime change'. Here we have the essence of the whole affair. It is the voice of the robber who is already sharing out the loot even before attacking his victim. Here we have the crude reality of American imperialism as banditry on a global scale.

### Blair's pernicious role

For a supposed enthusiast of democracy, Tony Blair has shown a remarkable lack of enthusiasm for democratic procedures. The Mother of Parliaments was recalled to debate the question of Iraq - but only belatedly and after many protests. Even then no vote was allowed on the question of Britain's participation in a war. The reason is clear: Blair did not believe he would get a majority. An attempt was made to get a vote in the House before going to war. But this was ruled out of order. According to the rules of the game, in a supposedly democratic country, war can be launched on the basis of the so-called "royal prerogative" - theoretically on the proposal of the Queen, but in practice by the decision of the prime minister. No vote will be allowed in the House of Commons. Instead the decision will be made in the Prime Minister's office.

In his speech, Blair warned that the military threat from Saddam Hussein was 'serious and growing'. Sooner or later his weapons would threaten the peace of the world. Blair's aim was, of course, peace and disarmament! In this he received the firm backing of the Tory leader, but the opposition of his own supporters, fifty of whom found a way of expressing their opposition to the Blair line.

"I am in no doubt that the threat is serious and current", he stated. And to support his claims he quoted unspecified

intelligence reports, the details and sources of which remain secret. That Mr. Blair is in no doubt about anything that comes from his boss in the White House comes as no surprise. However, his personal convictions cannot hide the fact that the allegations in the document are entirely unsubstantiated. There was no real attempt to prove any of these allegations. In fact, there is nothing new in the dossier - nothing that differs substantially from what was contained in the report of the IISS only a week earlier.

Not only is there almost nothing in this report that was not already in the report of the IISS, but the sources of whatever 'information' there is cannot be made public because it is derived from intelligence sources. Blair acknowledged that people would find fault with the unspecified intelligence sources used in the dossier. This statement is an admission that the dossier is fatally flawed and is an invention of the security services. The purpose of this report was not to shed light on the situation but to whip up a mood in favour of military action. Thus, Blair told the House that the policy of containment, embargo and inspection was not working. One asks oneself what is the point of all the fuss about inspection, if it has already been shown to be useless. The conclusion is clear. The USA will attack Iraq, and Britain will support shameful act of aggression unconditionally. That is all we need to know.

### Blatant hypocrisy

The insolence and hypocrisy of the imperialists knows no limits. While noisily demanding that Iraq must carry out to the letter every existing UN resolution (and a few that do not exist), Washington turns a blind eye to the flagrant disregard of UN decisions on the part of Israel. This is a cause of general



indignation throughout the Arab world. Aware of the need of some kind of gesture to calm Arab nerves, Blair has been pushing the Americans for a new initiative on Palestine. The favourite proposal is a conference on the Palestinian question. This would be ideal from the standpoint of imperialism, since it means precisely nothing. Even so, Blair's pleading has met with no results. The reason is obvious. The USA needs Israel's support in its conflict with Iraq, and Tel Aviv is implacably opposed to any concessions on the Palestinian question.

The argument that Iraq presents a military threat to the USA is so palpably false that other lines of attack are necessary to soften up public opinion. The main method is to assert repeatedly that Saddam Hussein is a ruthless dictator who represses, tortures and kills his own people. That is quite true but it is hardly new. Hussein is a vicious tyrant whom no real socialist would support. But the fact is that the very people in Britain and the USA who now denounce the crimes of Saddam Hussein were the ones who actively backed, armed and financed him in the past. Recently a retired British army officer asked why it was that the British government had sent him and other officers to Baghdad to train Iraqi troops to fight Iran in the past and now pretends to be scandalized by crimes about which they were fully informed twenty years ago.

The fact that Saddam Hussein is a dictator, a tyrant and a murderer did not prevent the USA from arming him for a bloody war against Iran in which a million people lost their lives. It did not prevent Britain and the USA from selling arms to him long after it was known that he had used appalling chemical weapons on the Iraqi Kurds. Nor did it prevent Donald Rumsfeld from visiting Baghdad and praising the regime of Saddam Hussein in 1984.

Particularly disgusting is the use that is being made of the bombing of Kurdish villages with chemical weapons in the 1980s. This was undoubtedly a ghastly crime. But it was a crime that was well known to London and Washington at the time. They remained silent, despite the detailed reports of these horrors that appeared in the press. They must therefore be regarded as accomplices in these crimes in the most literal sense of

the word. The British, for instance, continued to sell military hardware to Iraq even after these atrocities were known. Thus, for these ladies and gentlemen to protest now about crimes that they knew about long ago stinks of hypocrisy. It is perhaps superfluous to add that the British were bombing Kurdish villages in Iraq in the 1920s - long before Saddam Hussein was ever heard of. How ironical that they should now pose as the 'friends of the Kurds'!

### Imperialism and the Kurdish question

Recently Washington took the unprecedented step of receiving the two main Iraqi Kurdish leaders, Masoud Barzani and Jalal Talabani, with full honours. The intention is therefore quite clear: to use the Iraqi Kurds in the same way that they used the northern Alliance in Afghanistan, as cannon-fodder to take on America's enemy on the ground and thus spare the US army the painful necessity of doing the fighting. But in the first place the Kurds are no match for the Iraqi army, and in the second, by stirring up Kurdish nationalism, the USA is creating new and explosive contradictions in the region.

Having aroused the Kurds with the promise of satisfying their national aspirations, the Americans will not find it easy to fob them off with something less than a state. On the other hand, any suggestion of an independent Kurdish state would be anathema to Turkey, America's second most important ally in the region after Israel. The ailing Turkish Prime Minister Ecevit has already made this quite clear.

Marxists stand firmly for the defence of the right of the Kurdish people to a homeland of their own. But this can only be achieved by revolutionary means, and in the framework of a struggle for the overthrow of



capitalism and the formation of a socialist federation of the Middle East. However, for the imperialists the right of self-determination is just so much small change in their cynical calculations. The idea that the Kurds could get self-determination on the basis of American bayonets is false and reactionary through and through.

By placing themselves at the disposal of Washington, the Kurdish leaders do not further the interests of their people but quite the opposite. Bush does not intend to give the Kurds their national rights, but only to use them as cannon fodder. Much more important for America is the friendship of Turkey, the bitterest foe of the Kurdish people, and the principal ally of the USA in the region. Washington knows very well that America needs the Turkish bases at Divarbakir and especially Incerlik, which has been used by the American and British air forces to enforce the so-called no fly zone in northern Iraq.

• Recently the rival Kurdish groups of Barzani and Talabani reached an agreement after years of infighting. Sensing that they will get backing and arms from the USA, they are euphoric. But euphoria is a bad councillor in such a serious situation. In an interview in the German newspaper Die Zeit, Barzani stated that the North of Iraq would become the graveyard of any Turkish soldiers who tried to intervene there. The effect of these words in Ankara can be imagined. Ecevit replied with a furious declaration to the effect that Turkey would never





allow the setting up of a Kurdish state, and the unfortunate Barzani had to retreat.

This little incident shows the real state of affairs. US imperialism has no intention of satisfying the national aspirations of either the Kurds or Palestinians (the latest demagoguery about a Palestinian state is meant to keep the Arab regimes quiet while Iraq is pulverized). We do not know what secret deals are being done in Washington, but that such deals exist is beyond any doubt. The bandits are dividing the living body of Iraq even before that country has been defeated. Not only are Russia and France threatened with exclusion from Iraqi oil, but Turkey is almost certainly being offered possession of the Kirkuk and Mosul oilfields in northern Iraq as the price of collaboration. But these oilfields are inside an area that the Kurds regard as their own. How does an independent Kurdish state fit in with these plans? The answer is that it does not.

#### On the verge of the abyss

Diplomacy plays no independent role in history, but is always

the handmaiden of war. The present flurry of diplomatic activity in and around the UN is only the prelude to a war that is now virtually inevitable. Baghdad has repeatedly denied it possesses weapons of mass destruction. It has offered to allow inspectors back. But all this is to no avail. For every step back the Iraqis take, Bush will demand ten more. To entertain any illusions on this score would be naïve in the extreme.

There is no question of America dropping its declared aim of 'regime change' in Iraq. After trumpeting this goal so loudly and for so long, to abandon it would be politically impossible for the Bush administration. With mid-term elections approaching, George W. is playing the war card as a means of securing his grip on power (or so he thinks). And the enthusiasm of his vice president is even more soundly based. Dick Cheney is a crook in the most literal sense of the word. He has accumulated hundreds of millions of dollars through corporate malfeasance and faces not only loss of office but possible criminal charges. Only by banging the war drums loud-

er than anyone else can he drown out the cries for him to be put on trial.

The above reasons, of course, by no means exhaust the list of America's motivations for waging war on Iraq. Quite apart from the personal motives of Bush and Cheney, there is the question of America's new role as world policeman. The fall of the USSR, as we have explained many times, has meant that the USA enjoys a complete domination in a way that is unprecedented in world history. It now wishes to claim the right to intervene anywhere, waging war, bullying and forcing supposedly sovereign states to do what it wants.

#### Warning

The outcome of an invasion of Iraq is as yet uncertain. Many military experts in the West is warning the Americans that the conflict in Iraq may be far more difficult, prolonged and costly than they anticipate. This is the opinion of an increasing number of former officers with experience of the Gulf war.

It is possible that Iraqi resistance will be more determined than the Pentagon expects. It is quite possible that, in one form or another, the conflict can drag on for months or even years. However, this cannot be taken for granted. After the long years of war and suffering, the Iraqi people must be on the verge of exhaustion. The nature of the regime is also not such that it can easily call upon the people to make sacrifices in a bitter and unequal struggle. These are contradictory tendencies, the strength of which it is impossible to judge from a distance.

An American adventure in

Iraq poses a grave risk. Saddam Hussein will do almost everything to maintain himself in power. Defeat would mean almost certain death for Saddam Hussein and the ruling circle in Baghdad. While it is clear that the propaganda in the West systematically exaggerates the amount of 'weapons of mass destruction' in his hands and the threat posed by them, it is equally clear that he must possess a certain amount of deadly weapons and the missiles to deliver them at least to Israel and other neighbouring countries. If he was faced with the prospect of imminent defeat and death, it seems likely that he would be prepared to use these weapons. The consequences for the peoples of the region are terrible. But this does not concern George W. Bush and his friends in the slightest.

A war against Iraq would be an imperialist war of aggression and plunder. The British Labour movement must oppose it with every means at its disposal. In the end, even if the imperialists succeed in ousting Saddam Hussein and imposing an Iraqi puppet, nothing would be solved. The shock waves from such an earthquake would expand outwards, creating new instability everywhere. Over a period, the way will be prepared for revolutionary developments in the whole of the Middle East and on a world scale. George W. Bush will set in motion a chain reaction that will leap from one country to another. The final results will not be to his liking. □

London, 25th September, 2002.



## Build for Socialism

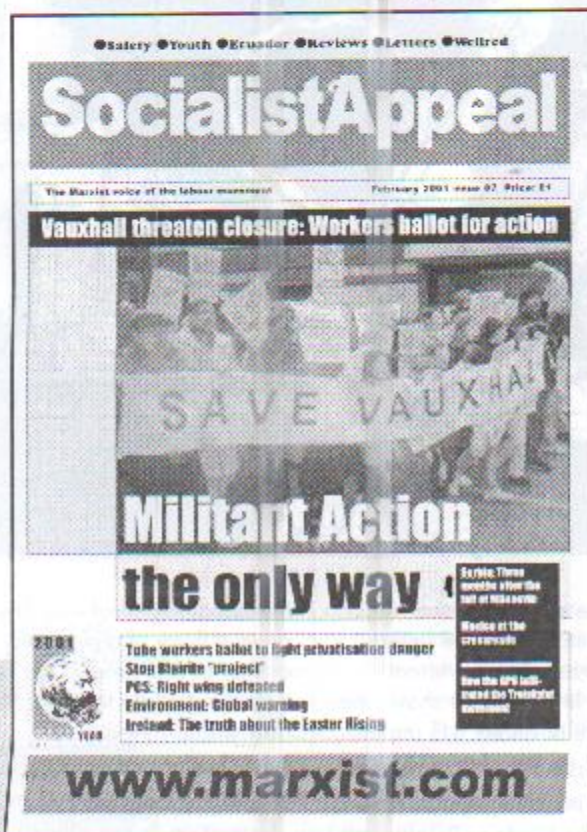
**A**warm welcome to all new readers of Socialist Appeal this month, in particular those of you on the Anti-War demo, at the Labour Party conference or students buying a copy from our stalls at the university freshers events. We hope you will find the news and analysis contained within these pages of value to you. However our intention is not just to inform and analyse but also to point a way forward. This is the role of Marxism - a role which we defend. Many have tried to write off Marxism as being outdated or redundant yet how else can the problems besetting the world be explained and resolved? Does anyone see any solutions at all coming from the camp of capitalism? They have none. Even when confronted, at the Earth Summit a few weeks ago, with the bare facts of the damage being inflicted on the planet and its peoples, they could come up with no solution only platitudes. So much for dynamic capitalism! In truth the only valid solution to the problems of war, poverty, exploitation and environmental crisis is socialism. That will not be given to us - the bosses and their political servants have too much to lose - it must be fought for.

This is the task we have

set ourselves. You can help in a number of ways. Why not become a subscriber to Socialist Appeal? Complete the form in the journal and send it off now to ensure a regular copy each month. This helps us and it helps you. You could also take a bulk order to sell yourself each month - it does not have to be many copies. Contact us now to sort something out. Remember it is people like you who sell as well as buy Socialist Appeal. We are also appealing for donations to help us keep going and expand. We have launched an appeal for £3000 to be raised by the end of Autumn. It can be got if everyone chips in. For example over a hundred pounds were raised through various means at the recent Burston School Strike event. With a few weeks gone into the drive for the £3000 we have nearly £500 but we cannot slacken on this. Please send what you can to us at PO Box 2626, London, N1 7SQ. Thank you in advance. ☐

Steve Jones

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## History of British Trotskyism

by Ted Grant

Special Introductory Offer!  
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This book is a unique contribution to the history of British Trotskyism. Ted Grant joined the Trotskyist Left Opposition in South Africa in the late 1920s. He emigrated to Britain in late 1934 and joined the Trotskyists in the Independent Labour Party and subsequently the Labour Party.

During the war, Grant became the chief theoretician of the Workers' International League, and later the Revolutionary Communist Party. The historic events of the period are fully covered, including the author's personal recollections, and his role in events.

The book begins with the debate on Trotskyism in the British Communist Party in 1924 and ends with the break-up of the Revolutionary Communist Party in 1949 and the beginning of more than thirty years of work within the Labour Party.

Ted Grant was the founder and political leader of the "Militant Tendency", which haunted the Labour leadership, and was eventually expelled along with the Militant editorial board in 1983. A postscript by Rob Sewell, who was the national organiser for the Militant throughout the 1980s, brings this unique history up to date.

Ted Grant is the longest surviving Trotskyist of any prominence alive today. His contribution has served to preserve the unbroken thread of genuine Trotskyism. This book is a first-hand account of the life of a Trotskyist pioneer, and will be indispensable to students of political history, and above all, an inspiration to all those seeking to change the world.

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# noticeboard

## October 2002

### Education for Socialists

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## Socialist Appeal Stands for:

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

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

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

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

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

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

✚ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and high-

er education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.

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

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

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

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

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

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





# Socialist Appeal

Marxist voice of the labour movement

## Risking their lives for £21,000 Support the Firefighters!

**B**ritain's firefighters have had enough. They are frustrated and angry. And this anger could easily spill over into the first national firefighters' pay strike for 25 years. Over 50,000 fire fighters are in the process of balloting for action.

While the employers have offered a miserly 4%, or 40p an hour before tax, the firefighters are looking for a decent wage to live on. The union has demanded a 40% rise to put qualified firefighters on a minimum of £30,000 a year. At present they are paid £21,531 after four years' training and experience.

They also work long and anti-social hours for no extra money. A typical shift pattern involves working 42 hours a week, much of it at nights and weekends. Unlike other emergency services, firefighters are not paid overtime unless they are actually tackling a blaze when their shift ends. They have to wait 15 years before they receive an increment worth a miserable £20 a week.

With soaring property prices and relatively meagre wages, firefighters cannot afford to live where they work. The levels of pay are insufficient to buy a house in the city, especially in the South East.

FBU general secretary Andy Gilchrist says it is a common problem which is making it tough to fill vacancies in some areas.

"There are firefighters sleeping on fire station floors in some regions even though this is not officially allowed. Many more are forced to do second jobs to make ends meet." The government is getting a first-class service while paying third-class wages.

"If I had a fiver for every time I've heard politicians thanking firefighters for their bravery and professionalism I could

retire tomorrow. But praise on the scene of major disasters does not pay the mortgage," says Andy.

The root of the problem lies with the pay formula agreed after the nine-week strike in 1977. This linked firefighters' pay to that of manual workers. However, the number of manual workers' jobs has fallen dramatically since then and wages have risen slower than in other sectors. If it had been linked to average earnings, they would be earning £100 a week more.

In 1978, MPs were paid £6,697 plus allowances while firefighters were earning £4,606. The politicians have awarded themselves 700% since then, taking their present salary to £55,118. By contrast, firefighters' pay has gone up 365% to £21,531.

If firefighters' earnings had kept pace with that of MPs they would now be picking up £36,848 - £6,484 more than they are asking for.

Everyone recognises the dangerous and essential work they do, day in and day out. In a recent Mori poll, 71% backed their pay claim, with some 47% backing use of strike action.

The government should be providing the money to allow the firefighters' claim to be realised in full. Instead of preparing to meet a firefighters' strike with the ill-equipped armed forces and antiquated "Green Goddesses", they should pay these workers what they deserve.

The government say they can't afford it. However, when it comes to war in Iraq, they always find the money. Our firefighters are more important than foreign adventures.

Pay the firefighters in full NOW!

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*Youth for International Socialism*