

# ~~WORKERS~~

# International

# ~~PRESS~~

Monthly magazine of the *Workers International to Rebuild the Fourth International*

## HOW MANY MORE ENRONS? **By The Editor**

ENRON corporation in its propaganda claimed that the "creative destruction" of the capitalist market is the path of progress. Now the company which claimed to be the seventh largest in the US has turned out to have been hiding massive debts illegally for several years and has gone bankrupt.

Its former shareholders have lost everything they invested in the company. Arthur Andersen, the firm of accountants who were meant to safeguard the public's investments in Enron, helped them to lie and cover up their malpractices. In 1997 gave the company special exemption from accounting law in order to protect its fraudulent practices. For the workers employed by the firm, their pension scheme and the savings they held in company stock and options have disappeared. Instead of a comfortable retirement, many middle-aged employees face American 'Workfare' and hand-outs at the charity mission.

All this damage was inflicted by the company, which claimed to be "the champions of the consumer". Supporters of Enron's founder Kenneth Lay say he "led a revolution in two of the nation's key industries, electricity and gas - a revolution which replaced government regulation with effectively operating free markets. Enron set up markets in which natural gas could be bought or sold...It created markets where none existed, and replaced monopoly with competition, reducing the need for regulation and thereby lowering the cost of energy for consumers and business", gushed Erwin Stelzer, director of the

department of regulatory studies at the Hudson Institute (quoted in the London "Guardian", 29 January 2002).

"Perhaps most importantly, Enron fought to allow customers and suppliers to strike whatever bargains they found mutually advantageous, rather than be required to buy and sell energy through the monopolies that control transmission facilities," Stelzer went on. But the capitalist market as such is not the source of profit and progress nor does it serve the satisfaction of need. (For more on this

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## AN URGENT £2,000 APPEAL FOR OUR NAMIBIAN COMRADES

**Hewat and Erica Beukes**, founder-members of the Workers Revolutionary Party of Namibia are well known throughout the country for their campaign to expose the torture, rape and killing of freedom fighters in SWAPO prison camps. Erica's brother was beaten to death in one of these camps.

This fight and their stand in defence of victimised trade unionists and homeless people have been carried out fearlessly and with little regard for their own well-being. For years their home has been a welcoming place for ex-detainees, poor people and trade unionists -- where they could find a helping hand, advice, food and shelter. Now Erica and Hewat are in dire need of our help.

About a year ago Erica was wrongfully dismissed. She took her case to the Industrial Tribunal, but it has been adjourned three times. In the meantime she has only had a couple of temporary jobs, and the same goes for Hewat, who is her advocate in this case. They are being victimised. The result is that their furniture has been siezed by the bailiffs, and now their house is to be taken from them and put up for auction. We urgently appeal for £2,000 to overcome Erica and Hewat's immediate problems, to save their home and to enable them to continue to fight this victimisation. Please send donations payable to:

**"Workers International press", PO Box 735, London, SW8 4ZS**

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# A New Year Resolution for Workers International Press

WE apologise to you, our readers for not announcing in advance that Workers International Press would come out this month in a new format. We are a little late telling you of our New Year Resolution.

For some time we have been considering what steps to take to overcome the problems which meant that, last year, there were some months when the paper was not published.

It is bad enough that our paper is only a monthly; it is intolerable and frustrating when, because of technical inadequacies and illness, we are forced to have an even longer time between issues.

For how can a revolutionary newspaper be an organiser if it does not come out regularly?

We are determined, not only to overcome the problems, but to go forward to improve Workers International Press.

As a first step, more members of our editorial team are learning typesetting skills, and this means producing the paper in a smaller (A4) size, but each month the paper will have upwards of eight pages.

Clearly the most important thing about any paper is its content, and we will continue to do our best to publish analytical, historical and review articles based on the Marxist world outlook. We welcome readers' letters, and we will publish reports of workers' struggles.

Our aim is to put all our political and organisational efforts into assisting the necessary reconstruction of the working class - its own world party for socialism.

*Therefore, in thanking you, our readers, for your patience, we also ask you to consider joining us in Workers International (to Rebuild the Fourth International).*

## NEW RUSSIAN LABOUR CODE FAVOURABLE TO EMPLOYERS

**THE new Russian labour code favourable to employers came into effect on Friday 2 February, replacing Soviet-era legislation.**

Independent trade unions, which see their role reduced and their right to strike limited by the new code, fought a long campaign to muster support against the bill.

The code makes it easier for companies to sack employees.

The country's rulers are extremely keen to remove protection that workers enjoy and get rid of restrictions on capitalist exploitation.

The legislation establishes a minimum wage, but since this is set at the official subsistence level of about \$55, it offers workers hardly any protection at all.

The independent federation of trade unions "Zashchita" along with some other trade union forces, like "Sotsprof" campaigned against the new code, as did social-

ists and also some of the fragmented successor organizations to the Communist Party.

Oleg Shein, a leader of "Zashchita" and a member of parliament from the Astrakhan region, pointed out that the new anti-union law more or less eliminates the right to strike.

He said the new code "favours employers, and the state, which is also an employer, has proved to be a lot harsher than any head of a private company."

The new code is to be reviewed in a year, and opponents are already planning to continue and develop the campaign against it.

They expect workers to react more sharply to the new laws once they affect the shop floor.

"This is a return to the 19th century," said Sergei Khramov of the Sotsprof union with 450,000 members.

"When people understand what the new code means, there will be spontaneous protests," he added.

Although many Russians are opposed to the effects of moves to restore capitalism completely in the former USSR, they do not yet see the possibility of an organized force to challenge them.

The Russian working class faces similar problems to workers everywhere.

Their class organizations are not yet adequate to parry the attacks on the part of the employers and bankers and the state (and supra-state) forces that represent them.

Building such organizations is precisely the task that must be undertaken, and the Russian workers and socialists who are doing so urgently need urgent support from and collaboration with those who are doing similar work elsewhere.

## ASTRAKHAN

### Thugs attack union and political activists

### PLEASE PROTEST

On 16 January 2002 Sergei Mantsurov, a member of the municipal parliament in Astrakhan and "Zashchita" union activist, as well as assistant to State Duma (parliament) member Oleg Shein, was badly beaten up by thugs believed to be working for the police.

Mantsurov, like other councillors opposing the right-wing policies of the local authorities, had been subjected to harassment before.

After protesting against the constant switching off of electric power in his town, he was seriously beaten by men who held two pistols to his temple.

**Send protests immediately to:**

**The State Office of Public Prosecutor of the Russian Federation:**

103793, RUSSIA, Moscow,  
Ul. B.Dmitrovka, 15a

**The Governor of Astrakhan Area**

414000, RUSSIA, Astrakhan,  
Ul. Sovietskaya, 15,  
Guzhvin Anatoly Petrovich  
Fax: (+7) -8512-229514

*(Thanks: to International Solidarity with the Workers of Russia -- ISWoR@aol.com)*

**"The Russian working class faces similar problems to workers everywhere. Their class organisations are not yet adequate to parry the attacks on the part of employers and bankers and the state (and supra-state) forces that represent them."**

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## HOW MANY MORE ENRONS?

see the article “Karl Marx is back” in this issue.) Indeed it embodies the robbery of the poor by the rich and the exploitation of the working class by the ruling class which is the basis of capitalist society. The people who ran Enron got a whole lot richer and many other people got a great deal poorer. One official, Andrew Fastow, made \$30 million (£21 million) for himself out of setting up the crooked deals which concealed Enron’s bankruptcy.

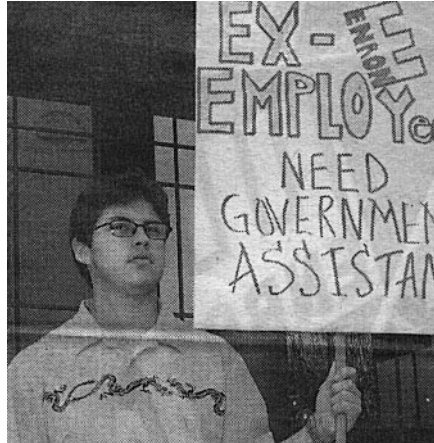
In any case, companies like Enron leave nothing to chance when it comes to “free” markets. The “champions of the poor and the oppressed” always made sure they had leverage over the politicians who decide energy policy, and that usually took the form of political donations.

Really free markets are a thing of the past. The epoch of imperialism is marked by the growth of powerful monopolies and also by the greater role of finance capital. On both of these counts the story of Enron does more to confirm Lenin’s views than those of nineteenth-century free traders like Gladstone. Kenneth Lay was a big donor to the Republican Party in the US. In one three-year period Enron gave them \$326 million. Lay gave George W. Bush \$1.2 million towards his election campaign. In return he got two of his men appointed to the federal energy regulatory commission, one as chair.

The former chair was told he could stay if he would support Lay’s policies. He refused and was booted off.

As long ago as 1988 George W. Bush phoned Argentina’s minister for public works, Rodolfo Terragno, to urge him to grant Enron the concession to build an oil pipeline from Argentina to Chile. The Alfonsín government rejected the application. However, under the subsequent government of an old family friend of the Bushes’, Peronist Carlos Menem, Enron was granted the concession to build the pipeline. The firm’s pliant accountants also used their good offices to introduce Enron representatives to New Labour British Prime Minister Tony Blair. Recently there was power supply crisis in California. The state had to buy power on the “spot” market. They are still looking for a \$9 billion (£6.3 billion) refund, the amount Enron overcharged them on such deals. No wonder the company loved open markets!

For all their exaggerated claims, Enron’s sheer parasitism was staggering. This was a company which above all made money by talking up the price of its shares. While people like Stelzer and others provided the hype, money flowed in. The disparity between the company’s tiny actual contribution to



*Enron employees were betrayed by the apostles of the “free market” and now need state welfare*

human society and its share valuation became huge.

Anyone who cast doubt on the validity of this huge empty edifice was bullied and foul-mouthed. Notoriously, Lay described one critical analyst as an “asshole”. Far from developing the productive forces, the “creative destruction” of Enron was hugely wasteful.

Initially, Lay borrowed a lot of money to finance the merger of two oil pipeline companies. The new company never actually made enough money to pay back the money borrowed for that.

Projects the company actually built proved to be inappropriate, like a power station in India whose output was too expensive for the local market.

Enron bought Wessex Water, a local water-supply company in England, but the company never generated the level of cash flow Enron needed.

Increasingly, the company sold off its tangible assets and tried its hand in the “weightless” economy. Enron brokered deals between gas suppliers and consumers and brokered “risk”, essentially insuring against bad weather and high heating bills for shopping malls and the like. A project for information “super-highway” failed to find the market it expected. Persistent rumours of involvement in human rights abuses by Enron and its subsidiaries follow the company like they haunt all energy companies with an involvement in “under-developed” gas and oil producer nations.

This is hardly surprising in view of the company ethos. The firm’s internal business was conducted with a regime of savage “performance management” supported by vicious culling of the unsuccessful. Perhaps this regime of commercial terror helped to maintain the appearance of success. It was only an appearance, and under it all was total bankruptcy. This is the regime that private management “experts” are trying to inflict on public services like health, education, transport and public administration all over the world. It is an aspect of the degradation of the quality of life

under capitalism.

It is justified by politicians such as Tony Blair by reference to the “efficient”, “cutting-edge” know-how of companies like Enron.

The big fear in capitalist circles is: Are there any more Enron’s out there? If a company that big can conceal a hole that big in its finances for so long, what are some of the other “success stories” up to?

These fears have led to renewed “turbulence” in stock markets, and this in turn, by battering down inflated share prices, may indeed drag down some more giants of the Nasdaq and the NYSE.

Carefully shutting the stable door after the horse has bolted, a whole spectrum of experts is now chattering about how Enron is a turning point.

Arthur Andersen has prudently hired a respected central banker, Paul Volker, to add his good countenance to the company’s reputation. They promise they will never, ever, do something like that again. Apparently at least ten government investigations into the Enron collapse are under way in the United States. If the attitude of vice president Cheney is anything to go by, they will do little to reveal the real corrupt links between business and politics.

Many figures with influence in the anti-capitalist, anti-globalisation movement are now saying that the days of regulation have come back. The pirate-capitalists have gone too far, say people like Madeleine Bunting in the London “Guardian”, their wings must be clipped. Workers International to Rebuild the Fourth International stands shoulder-to-shoulder with the activists who are drawn to the anti-capitalist movement because they are forced by their situation to fight against capitalism. We say to these comrades, take up every fight to curb the banks, multinationals and politicians who pillage the wealth of the world to fill their coffers, because every act of resistance strengthens and builds the movement.

But do not be persuaded that the capitalists are going to reform. Even before the dust settles on Enron, more privatisations are happening around the world, more brutal capitalist exploitation is being planned, and further bankruptcies are being prepared.

The kind of economy in which Enron flourished dictates the goal the movement must have. Private ownership of these massive combines must be abolished and they must be placed under the control of the workers who create their wealth.

To achieve that, the movement must have at its heart the world’s working class. And that working class must endow itself with a party that has these aims steadily and consciously in view.

# INTERNATIONAL DEBT CRISIS

**By Bronwen Handyside**

**FIFTY-TWO of the world's poorest countries owe an unpayable debt to the imperialist nations of over \$300 billion.**

Latin America owes \$365 billion to other countries and banks — 36 per cent of its Gross National Product, and sub-Saharan Africa owes \$140 billion — a staggering 83 per cent of its GNP.

This means (among other things) that each year African countries pay nine times more in debt repayments than they get in grants, and that when the UK Charity Comic Relief raised \$26 million in 1997, Africa paid it back in debt service in a little over a day. The continent spends four times as much on debt repayment as she does on health care.

The debt crisis has also helped bring about a situation where the income of the wealthiest 20 per cent of the world's population is 60 times greater than that of the poorest 20 per cent — 40 years ago, it was a mere 30 times larger.

The bulk of the loans were contracted by the indebted nations during the '60s and '70s. These debts are an integral part of the crisis of imperialism.

They particularly flourished after the currency crises of the late 1960s and early 1970s forced the US to sever the dollar's link to gold, and later the oil-producers pushed up oil prices. The 'petro-dollars' they earned were recycled to western banks who were eager to lend them to the developing world at low interest rates.

The money was handed over often to tyrants and dictators imposed by imperialist forces on the peoples they claimed to represent, and often in the knowledge that these criminals were simply using the money to line their own pockets. (Forty per cent of Nigeria's debt is the result of loans given to Nigeria's military dictators; handed over in the full knowledge that the cash would be siphoned off into British, Swiss and US banks.) These countries have found it increasingly difficult to repay these loans — as result of gross interference in their economies by the imperialist nations, including the forced production of single crops, and the robbery of large parts of their natural wealth. As we all know, the US and other governments are particularly partial to oil. Massive oil production in Nigeria, resulting in extensive environmental damage, provides a measly 27 US cents a day for each Nigerian. The rest goes to foreign oil companies. When these heavily indebted countries look as if they are about to renege on their repayments, because of the problems this would cause world economy (more precisely, the big business interests which profit from world economy), the World Bank and the International Monetary Fund will step in to offer new loans, under strict conditions, to reschedule or "restructure" the debts. The

conditions imposed are known as Structural Adjustment Programmes (SAPs).

The aim above all is to ensure the repayment of the loans — on the backs and out of the flesh of ordinary people (the ruling class, and foreign business interests, as recently in Argentina, will have stashed their capital elsewhere). The usual bank demands are that governments implementing SAPs have to:

- Spend less on health, education and social services
- Cut back on food subsidies — so costs of essential foodstuffs can rocket overnight
- Cut jobs and wages for workers in government industries and services.
- Encourage privatisation of public industries, including sale to foreign investors.

The imposition of SAPs, and the financial requirements of the World Bank and IMF throughout the world has led to huge movements of resistance — most recently in Argentina.

After a four-year campaign by the Jubilee 2000 Coalition, whose slogan was "cancel the debt", about \$18 billion (or a mere 5 per cent of the total) was declared to be cancelled, with a total of \$54 billion of cancella-

tion maintained Mobutu in power fully aware that he was pocketing large sums of money and were not willing to restrain him in any way." Late in the 1970s the World Bank seconded a senior German banker, Erwin Blumenthal, to monitor and manage the Bank of Zaire. In 1982 Blumenthal reported "There is no, I repeat, no chance on the horizon for Zaire's numerous creditors to get their money back . . . Mobutu and his government show no concern about the question of paying off loans and the public debt . . . there was, and still is, one sole obstacle that negates all prospect: the corruption of the team in power."

In the seven years following Blumenthal's explicit report, the IMF trebled its loans to Mobutu and the Central Bank. The year after the report, Mobutu was granted the largest loan made to an African government up to that point. Thus, as Kofi points out, western bankers supplied enormous loans in order to maintain Mobutu in power, and keep out pro-Lumumba forces.

The Jubilee 2000 campaign has carried on, as Jubilee Plus, now operating in conjunction with the New Economics Foundation. It is



**Anti-debt campaigners during a conference in Dakar, west Africa last year**

tion due to occur "over time".

In January 2001 Tanzania was among the first to see what cancellation of the debt really means. Coupled with the UK's agreement to drop its part of the debt was a requirement for Tanzania to purchase a BAE military air control system costing some billions.

Explo Nani Kofi, of the African Liberation Support Campaign, in ALISC's magazine "Kilombo" (Volume 4, Issue 1, December 2001) explains how the loans are made "on the basis of agreement between neo-colonial tyrants, who are puppets of the imperialist powers, and the imperialist powers themselves, without any involvement with the working people of the developing countries."

He refers to the history of the Democratic Republic of Congo, and how the imperialist powers arranged for the assassination of Patrice Lumumba. They imposed the brutal Mobutu, whose corruption was financed by international creditors. Kofi says "The CIA

continuing in its efforts to persuade the imperialist nations to operate in a more humane fashion — calling now for an "impartial" World court in which indebted nations can file for bankruptcy.

Explo Nani Kofi's article criticises the Jubilee 2000 slogan "drop the debt", as implicitly accepting the responsibility of ordinary people for repayment of the loans. He proposes the "IMF and World Bank wanted for Fraud" Campaign's "The debt is a fraud!" slogan as more accurately reflecting the true state of affairs. The only force which can act on that slogan, and overturn the system which decrees that the wealth of the world is tied up in the hands of the few, is the working class. Its interests lie with the oppressed millions of Africa and the rest of the world. Groups like Jubilee 2000 — like the War Crimes Tribunals set up by the imperialist powers — are too tied to that system to ever tackle the real roots of the problem.

# BALKAN RIGHTS ACTIVIST DEFENDS WAR TRIBUNAL

**JULIE WORNAN (member of Soutien aux Survivants de la Vallee de la Drina, Srebrenica - Paris) comments on the article by BRONWEN HANDYSIDE: "The War Crimes Tribunal is a travesty of justice" (WIP No. 34, January 2002)**

YOU say, "the imperialist nations who set up the Tribunal started with silent complicity in Milosevic's ethnic cleansing...".

No doubt about the complicity - but the Tribunal, set up as a sop to public opinion, soon took on a life of its own, Frankenstein-fashion if you like.

Its functioning has been remarkably independent.

It would be hard indeed to accuse Del

Ponte, or any of the judges, of collusion with ethnic cleansing!

You also say, "The very existence of the Tribunal usurps a fundamental sovereign right of peoples of the Balkans: the right to try criminals who have committed crimes in their own territory."

But can you seriously imagine a fair trial of Krstic, for example, in Republika Srpska territory? The victims, moreover, are now

scattered all over the world - many are refugees. And many are dead.

The criminals in question are being tried for Crimes against Humanity.

This is very important: genocide and the other massive-scale crimes are considered by international law as crimes against all Humanity.

Such international law implies a fundamental solidarity which is planet-wide, and precious.

If GW Bush and his friends prevail (they consider 50-year-old international law to be irrelevant today! - unless it supports US interests!) this will be a most terrible blow to humanity.

International law and its instruments need to be supported - and perfected - not rejected en bloc simply because they do not serve, primarily, class interests.

(And I would add that any justice system which did so, would not be justice.)

## STATEMENT FROM:

# The United Trade Union of Education Workers in Tierra del Fuego, ARGENTINA

THIS request is travelling throughout the world and we shall keep on sending it until all the mass media and the legislative and executive powers and spiritual guides of churches who watch for peace echo this calamity.

Please we need you to know what is happening in this country. This is a cry for help from Tierra del Fuego, the furthest south province of Argentina. We appeal to you to spread this information far and wide.

Through a provincial decree of the Province of Tierra del Fuego, land has been given away for the settlement of an American base which is to carry out "nuclear research for peaceful purposes" and which will be located in the city of Tolhuin in the central part of the island.

People coming from different sectors are trying to get together to get organised in order to prevent this, bearing in mind that this decree stems out of a national law of

1998 that mentions in the annexes that "underground nuclear explosion may take place with peaceful intention".

That is why we appeal to you - if we do know what the general concern of the people is today - that as far as possible this letter should be circulated and that mass media should know about it, for the situation in the province is grievous.

On 26 July the governor of the province, Carlos Manfredotti, signed decree no. 1369 which allows a base of the International System of Vigilance for the Prevention and Prohibition of Nuclear Tests and Explosions. It brings into play the national law 25 022 of 1998.

The decree allows members of this base to transit freely through the province if such were the need of the research. This information leaked out recently. Similar to what happens to most of the government's misdoings, this one was carried out in secret.

And yet decisions like this one affect not only the whole province but also the region. This becomes more evident if we take into account that the establishing of this base is being encouraged directly from the government of the USA.

A Treaty for the Total Ban of Nuclear Tests and Explosions has been taken up by the UNO. We, the American nations, know who is benefited and who is not in this case.

● In May, the American President announced that his administration would start building a "defensive shield", something that different governments (Germany,

China, Russia) have exposed as a dangerous step towards a new armament escalation.

● Similar bases have been settled in several Latin American countries: Ecuador, Dutch Antilles, and El Salvador is to follow soon.

● International organisations and even some governments - Venezuela, Cuba and Brazil - have exposed that Plan Colombia threatens to extend the militarisation - and the Colombian conflict - to the entire Latin America.

● The northern power is constantly pressing for the installation of the AFTA - Area of Free Trade for Americas - which for all practical purposes would be free transit for American interests and companies, trampling over constitutions, laws and American nations. We say:

● That all this responds to be warmongering delirium of the imperialist super-power: the United States of America, who uses national and provincial governments as their servants.

● That all this is the advanced-guard of the ill-fated AFTA.

● That because of our history, our dignity and our identity, we cannot condone the presence of this imperialist advance guard in Tierra del Fuego, and therefore we, the inhabitants of Tierra del Fuego demand the derogation of decree 1369/01 of governor Carlos Manfredotti.

**Elida Deheza (Secretary)**

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# “Karl Marx is back” By Bob Archer

A FRENCH economic expert last month confessed that “Karl Marx is back” Patrick Artus, chief of the economic studies department of the Caisse des depots et consignations, chose this title for an article he wrote.

In it, Artus notes that the United States saw a spectacular growth in productive capital between 1992 and 2000. However, he shows that in the course of 1996 and 1997 there was a significant change.

While the stock of productive capital continued to grow as a percentage of America’s total wealth, profits as a percentage of that wealth suddenly started to decline. Mr. Artus went on: “Once a certain stage in the process of accumulation has been reached, therefore, there is a fall in the return on capital and in its profitability”.

A journalist on “le Monde” newspaper (Laurent Mauduit, 15 January 2002) pointed out: “This could be said more simply in Marxist terms: Mr. Artus is admitting point blank that there is ‘a tendency for the rate of profit to fall’.”

Mr. Artus is telling no more than the truth. Company after company over the last four years has posted “profit warnings”, forecasts of much reduced profits which have led to falls in share prices.

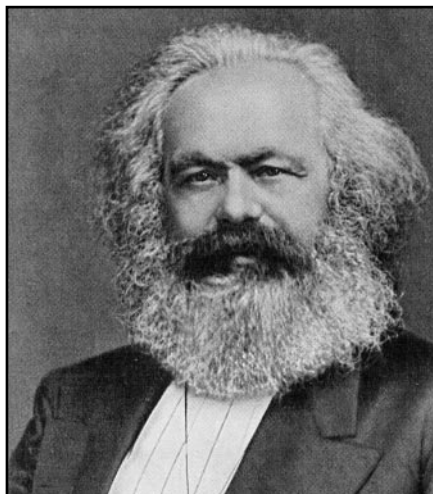
Some experts think that even when there is a “recovery” from the present slow-down in economic growth, it will be marked by very much reduced company profits. The implications of Mr. Artus’ confession are extremely significant. Many economists have shown that the 1970s were a turning point in world economy.

After the end of World War II there were almost three decades in which the rate of profit remained high. This enabled large groups of workers in Western Europe, North America and Japan to improve their living standards.

The boom was based on replacing the productive forces which had been destroyed in the course of the 1930s and World War II. It also relied upon the fact that the leaders of the Soviet Union could use their influence in the world-wide workers’ movement to prevent any serious threat to capitalism.

However, from 1970 onwards, the rate of profit came under considerable pressure. Indeed, capitalism could only recover from crises at both the beginning and the end of the 1980s because the collapse of Stalinism and the eventual end of the Soviet Union disorientated and dislocated the workers’ movement. Capitalism has been able to recover temporarily at each stage: it has never been able to overcome the basic contradictions in which it exists.

Of course, the paid champions of capitalism claim at each stage that Marx is out of date and that very clever management of the economy has enabled them to open up a bright new future. Some of them talk about a “new paradigm” and a “weightless econo-



Karl Marx my”, as if Marx was a dead dog and as if his ideas are out of date.

Modern exponents of capitalism and their representatives in the media, politics and the universities have pushed forward along several lines. They have done everything they can to “claw back” the gains workers made in the 1950s, 1960s and 1970s, to break up and weaken working-class organization and consciousness and to relegate the working class and Marxist ideas to the sidelines.

They have systematically done away with national legislation and international agreements which regulate the operation of capital. Some of this legislation tended to protect national industries and the workers in them. Some prevented blatant abuses of workers by capitalists. Some represented essential precautions against stock-market and banking crashes such as occurred in the 1930s.

They have enormously expanded the operations of finance capital. As the manufacturing sector shrank in capitalist centers like the US and Britain, the financial services sector grew in the same proportion. This represents an enormous growth in parasitism. Increasingly the main capitalist countries suck their wealth out of the rest of the world through the banking system, stock markets and the like.

A corollary of this is the search for ever-new sources of profit which leads to public services going into private hands. Such services are thus “commoditised” and their users and providers are taxed and exploited by the new owner. And this phase of the crisis of imperialism is marked by the predominance of the greatest capitalist power, the United States.

US imperialists believe in trade liberalization in the same way that British imperialists believed in free trade in the 19 century, because they are the strongest economy and free trade is to their advantage. Trade liberalization means that US industries can wipe out weaker foreign competitors and US firms can win bids to privatise public services. As usual, abstract “equality” means that the

stronger party wins. The people who are doing this claim that they are removing impediments to economic progress and creating ever-more “perfect” markets. It is just that the “impediments to progress” are things like trade union action to protect workers’ rights and community opposition to pollution and degradation.

Their idea of how “perfect” a market is has a lot to do with how much it is organized in a way to help bankers and accountants to grow rich at the expense of workers and small savers. And that of course is the real strength of Karl Marx’s work. Instead of taking for granted the structure of the capitalist market, he looked behind the appearance to the real social factors which constituted its basis. What he saw was a real antagonism within the commodity, the simplest cell of economic and social life.

Incidentally, many economists who are rightly critical of imperialist “progress” in recent years tend to ignore this aspect of Marx’s work. A good example is the economic historian Robert Brenner, who worked immensely hard to track various features of world economy since the end of World War II (cf. “The Economics of Global Turbulence” in “New Left Review” no. 229, May-June 1998). Brenner clearly demonstrates the consistent downward pressure on profit rates since the decade 1965-1975, and deploys a mass of statistics and information to illuminate the tendencies at work. Unfortunately he completely misunderstands Marx’s understanding of the tendency of the rate of profit to fall because he accepts at face value the categories of “market”, “labour” and “capital” as they appear in economic life. In Marx’s theory of the tendency of the rate of profit to fall, Brenner only sees a return to previous theories which postulated limits to capitalist growth. The English thinker Malthus, for example, predicted that population growth would outstrip society’s ability to feed and clothe all its members. In fact the population growth he witnessed in 18 and 19 century Britain was part of the biggest economic development the world had seen up until that point.

In the end, Brenner locates the source of the tendency of the rate of profit to fall in sharpening competition between groups of capitalists. Competition is part of the mechanism which expresses the tendency of the rate of profit to fall, but it is not the fundamental cause.

For Marx, a commodity can only be a commodity because it is a useful thing or service which incorporates the specific labour of particular labourers. On the other hand, the fact that it is a commodity which figures in exchange means it embodies a quantity of general human labour in the abstract.

Marx therefore distinguished between the

*continued on page 7*

### *"Karl Marx is back" continued*

use-value and the exchange value (or just "value") of a commodity.

He went on to trace how the value of one commodity can only be established in its relation to another commodity, the equivalent. The equivalent, in turn, can only do the job because it, too, has a use-value.

The value of the one is reflected in the use-value of the other.

The exchange of the two adds no value to either.

Rather the fact that each commodity has an exchange value, and what that exchange value is, is established in the exchange itself.

The value of each is determined by the socially necessary labour time involved in its production.

This, incidentally, is why the cleverest manipulation and restructuring of the market cannot add a cent's worth of value to a commodity, because an exchange is merely the way — the very necessary way — in which the existing value of a commodity is realised.

As capitalists are discovering at the moment, it can also reveal that a given commodity does not actually have any value. Modern economists are mainly trained to help capitalism to work or to explain why it is the best of all possible systems.

They take categories like "labour" and "capital" for granted as necessary "inputs"

into production. But "capital" and "labour" are not simply accounting terms which can be interchanged or substituted one for another. Capital is accumulated dead labour. The two are antagonistic opposites.

Marx traced the path from the antagonism within a single commodity between its use-value and its exchange value, through its need to relate to an equivalent.

He showed the development from that to the rise of a universal equivalent (money), demonstrating how the contradiction is expressed at each stage, and he thus laid bare the basis of the antagonism between labour and capital.

And Marx showed how the roots of the tendency of the rate of profit to fall lie within the dual character of the commodity:

**"The same change in productive power which increases the fruitfulness of labour, and, in consequence, the quantity of use-value produced by that labour, will diminish the total value of this quantity of use values, provided such change shorten the total labour-time necessary for their production."** (Marx, *Capital*, vol 1, Moscow, 1974).

"Le monde" is worried about Karl Marx because they know that, besides being a very attentive student of political economy, he was the co-author of the "Communist Manifesto" and the founder of the First International.

He did everything he could to enable the working class to organize itself for a revolution to put an end to capitalism and introduce a socialist society.

The writing of "Capital" was part of that work, because the kind of party the working class needs to organise in order to carry out the revolution devotes itself not only to economic and trade-union struggles, but also to political struggles and to a struggle on the theoretical front against the way members of bourgeois society spontaneously tend to view its operation.

There is hardly a corner of the globe in which the question of creating and building such a party does not have burning importance for workers and for all the masses who are in different ways exploited by imperialism.

For some time now a great deal has been done to eclipse all of Marx's work.

The capitalists rather hope it will all be forgotten. The facts mentioned by Mr. Artus are a wake-up call.

The job Marx started must be continued and successfully completed.

## **Further reading:**

*K. Marx: Capital.* For the material discussed in this article, see volume 1 parts one and two. *Tom Kemp: "Karl Marx's 'Capital' Today"*, New Park Publications, 1982.

## **Forgotten Hero -- The Life and Times of Edward Rushton**

**By BILL HUNTER**  
**Published by: LIVING  
HISTORY LIBRARY, 28**

**Canning Street, Liverpool, L8 7NP**  
**PRICE £6**

EDWARD RUSHTON (1756-1814) was "Liverpool's blind poet, revolutionary republican and anti-slavery fighter". Yet he remains "a forgotten hero". Bill Hunter first heard of him through a good friend, a delegate to the Liverpool Trades Council from the League of the Blind, who used to tell tales about his time at the blind school in the 1920s. The children still talked about the man who founded the school in 1791 - Edward Rushton.

In the introduction to the book, Bill says: "The more I found out about him, the more he fascinated me, and the more I saw him as a hero of his time. I discovered an amazing life: the life of a man who deserves an acknowledgement he has not received. He fought against slavery. He staunchly defended the French Revolution, and supported the uprising of the slaves of St. Domingo (Haiti), which won independence from the French. He made a stand for Irish freedom. He was a revolutionary republican and denounced the

oppression of the common people throughout the world. He was a passionate supporter of seamen and spoke up against the press gangs that kidnapped seamen off the street for the navy. Yet, despite this, he has become a forgotten hero." In his book Bill explains Rushton in the context of the times he lived in - the development of the industrial revolution with its particular impact on Liverpool through the building of canals and the increased use of the port - the poverty and exploitation of the workers and their revolt against this; like the Liverpool seamen's revolt of 1775. These were the times when the British Empire was being built, and Liverpool was a city "built on the slave trade". Rushton was an apprentice seafarer at the age of 11. He was blinded at the age of 18 or 19 after insisting on taking food and water to slaves who had been locked in the hold of the ship because they had a contagious eye disease.

Rushton, "the unwavering abolitionist", pays somebody to read to him. He takes an active part in campaigns to support the French Revolution (but not Napoleon) and to support the American Revolution (but writing a historic letter to George Washington criticising him for being the owner of slaves). Rushton was intensely concerned with Ireland, and he actively campaigned for parliamentary reform. But he is "forgotten" because of his uncompromising and combative approach, unlike the wealthy men, Rosco and Rathbone who became well-known for their stand on abolition of the slave trade, but remained friends of the slave

merchants. When George Washington returned his letter without answer, Rushton suggested to Thomas Paine, author of the "Rights of Man" that they jointly campaign against American slavery. "Paine was unsympathetic. Rushton concluded that Tom Paine cared valiantly for the freedom of the white man but not of the Negro.



Edward Rushton from a Mike Jones mural

After 30 years, Rushton discovers that an operation might restore sight in one eye. There was no anaesthetic in those days, and the surgeon usually tied the patient to the operating table. Rushton's refusal to be tied down is characteristic. The sight returns; he sees his wife and son for the first time.

In 120 pages, Bill Hunter has given us a concrete, vivid and enthralling account of Edward Rushton, his life and times, with plenty of historic pictures and a good number of Rushton's poems.

**Dot Gibson**

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**STATEMENT FROM:**

# **Irish Republican POWs, Portlaoise**

**ON Friday 23 November 2001, the Republican POWs in Portlaoise gaol staged a peaceful protest to highlight the ongoing denial of compassionate parole to political prisoners.**

Much of the subsequent media coverage of this protest was extremely inaccurate. The POWs, therefore, would like to take this opportunity to clarify the nature and sequence of the events that occurred in Portlaoise gaol over that weekend.

Tension had been building within the gaol over a number of years as a result of the Dublin government's repeated refusal to grant compassionate parole to Republican POWs - a traditional 48-hour release to allow the prisoners to visit sick or dying relatives.

An unofficial policy of discrimination was clearly in place, as this basic humanitarian right was freely available to other political and social prisoners across the country.

For over two years, the POWs attempted to resolve the issue through peaceful negotiations, but these attempts were frustrated by the Dept. of Justice's refusal to discuss the issue, or even to meet with the prisoners' appointed representative.

On Friday 23 November 2001, the situation in the prison came to a head.

One prisoner learned that his two year old son had been hospitalised, and immediately applied for a temporary release to visit the child.

The application was denied - a petty and vindictive decision, considering the man in question had less than eight weeks of his sentence left to serve.

The POWs decided to stage a peaceful protest to highlight the intolerable nature of the situation. That evening, they refused to return to their cells, informing the prison authorities that the protest would continue

till Monday morning. Volunteers were instructed that, in the event of a forcible attempt to return them to their cells, violence should only be used in response to violence from the prison officers, and then only in self-defence.

In their protest, the IRA POWs were joined by the INLA POWs from E3 landing, who staged a parallel protest in solidarity with the IRA demands.

Later that evening, the IRA O/C and adjutant met with a prison governor to discuss the situation in the gaol. The governor in question had been called from a social occasion, and it was immediately apparent to the IRA officers that he had been drinking. He informed the prisoners' leadership that all necessary means would be used to return the prisoners to their cells that night.

Barricades were immediately erected on the Republican landings to prevent an anticipated violent incursion. Several hours later however, after negotiations with other prison officials, the barricades were voluntarily removed as a gesture of the prisoners' peaceful intent.

On Saturday morning, the Republican landings of Portlaoise gaol were invaded by several hundred prison officers in body armor and carrying riot shields.

The INLA POWs had previously cut through the wire separating the landings, and now joined their IRA comrades on E2 below. Despite a spirited, non-violent defence of the landing, the protest was eventually broken up and the POWs forcibly returned one by one to their cells.

Throughout this process, extreme violence was repeatedly used by prison officers on isolated Volunteers. Men lying on the ground were kicked and stamped in the groin, others were beaten with shields, while in one case a riot officer stood with his boot on a man's

neck, screaming personal abuse at his victim.

A number of Volunteers were also seriously beaten after they had returned to their cells, and were being forcibly strip-searched

These incidents included several of a particularly perverse nature. In two cases, riot officers gripped and attempted to crush the testicles of naked men with their hands.

The Volunteers were then confined to their cells on 23 hour lock-up until Tuesday morning. As a further punishment Volunteers were informed that all contact with their families was to be forbidden for a period of two months.

During this period the men were to be prevented from receiving visits, writing letters or making 'phone calls. In addition, a restricted regime of lock-ups was to remain in place for the two months, while each man also lost two weeks remission.

Media reports alleging that the prisoner's sick child was a 'ruse', that prison officers were 'violently' assaulted etc., are demonstrably false.

The protest was peaceful throughout, and the prisoners' grievances all too genuine. The POWs would also like to make clear that, contrary to allegations from prison officials, no threats were issued against prison officers' families.

Despite the current conditions in Portlaoise gaol, morale among the imprisoned Volunteers is at an all-time high. We remain committed to achieving our aim of a just settlement on the issue of compassionate parole.

**The right of access to sick and dying relatives is not a privilege to be granted and withheld at whim, but a basic human right for all prisoners. Our protests will continue until it has been established as such.**

*December 2001*

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