

Inside: TUC '95,
What's left of the
welfare state,
European Union:
fact or fantasy,
Australia,
Bosnian crisis,
Pakistan interview

socialist appeal

The Marxist voice of the labour movement



**Minimum
wage: no
retreat**

Issue 34 September 1995 price: one pound

Blair: the discontent grows

"Labour's economic goal is virtually identical to the current Tory administration's - the highest possible level of growth consistent with low and stable inflation.... The City might grumble, but it is in the business of making money and there is nothing in Labour's proposals to date to seriously hinder that." (Investors Chronicle, 18th August 1995)

This satisfying view of the Labour leadership from a capitalist investment journal shows how far the party has drifted to the right. Rather than seeing Blair as a threat, big business

Labour policy closer to the Tory's. That is why Lord McAlpine, former Tory treasurer, stated "I don't think you could put a razor blade between Tony Blair and John Major." Tony Blair has gone so far as to raise the virtues of Margaret Thatcher. He has attempted to distance the party from its trade union base. He has attempted to ingratiate himself with trade union-busting Murdoch and his business empire by speaking at his big business forum in Australia.

Smuggled

All these Tory policies are smuggled in the guise of 'modernisation'. It is in reality a blatant attempt to change the Labour Party into a capitalist party. That is why the socialist aspirations of the party as embodied in Clause Four had to be abandoned. It was incompatible with the need to promote the 'dynamic market economy' of capitalism. The capitalist shadows within the Labour party are desperate to carry through their 'counter revolution' to a conclusion. A new group, misnamed Progress, has been formed by Derek Drapper, chief parliamentary lieutenant to Peter Mandelson, to bolster Blair and push forward the changes. This 'party within a party' has its own headquarters and supporters, including a number of shadow cabinet members. The rightwing *Labour Coordinating Committee* have also launched a standing commission—to be called New Labour-New Party—to promote a further shift to the right in the party. This dramatic shift to the right by Blair and company has caused growing discontent within the ranks of the Labour Party. This has been reflected in the outspoken criticisms that have surfaced over the summer amongst sections who have been traditionally on the right-wing and uncon-

ditionally supported the leadership. "Despite Tony Blair's stated desire in the Clause Four debate to renew our core principles", wrote Richard Burden MP in the New Statesman, "Labour is drifting towards becoming a US-style party - a ruthlessly effective electoral machine as a vehicle for those who want to go into politics rather than a radical party with a definable ideological base." Among others, Roy Hattersley has also added his concerns over the direction of the party!

This reflects a deep-seated mood of unease and opposition to the current drift of the party. Policy making is increasingly being taken out of the hands of elected bodies and concentrated into Blair's 'kitchen cabinet', an unelected 'inner sanctum' of rightwing careerists. Peter Mandelson is seen as the man behind the scenes, pulling the strings, and instigating a stream of policy changes that the party membership only hear about from the papers and TV. As Burden correctly observed: "Power is increasingly centralised on the leader's office, with immense pressure on everyone else to fall into line in the interests of unity and not jeopardising electoral chances.... I thought that kind of approach to political leadership went out of fashion when the Berlin Wall came down."

Unaccountable

This message was reinforced by Max Madden MP who spoke of a group of "unelected and unaccountable and in some cases unknown people with very limited links to the Labour Party." Many of these shadowy figures are from the old SDP who have infiltrated the party in search of a career under a Blair government. They have nothing in common with the aspirations of the working class or the Labour movement generally. It is this conspiracy that is causing a backlash in the party. Even the *Financial Times*, the organ

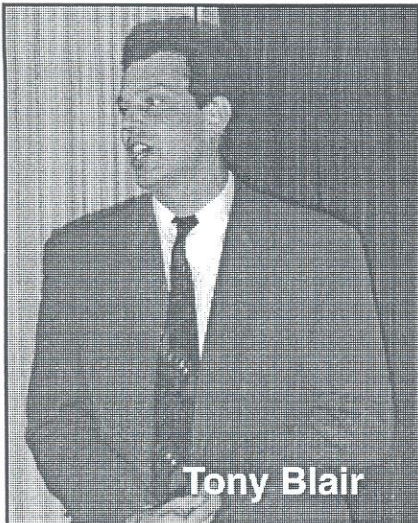
of finance capital, realising the dangers commented that "there is visible irritation with Mr. Blair's habit of overturning in his speeches previously agreed policy...." And urges him not to "underestimate the internal opposition."

Discontent has already surfaced in relation to the leadership's attempt to water down its commitments on a minimum wage and full employment. That has produced a rash of resolutions to the party conference against any backsliding.

Tremendous pressure will develop under a future Labour government for it to carry out measures in the interests of the working class. After more than 16 years of Toryism the rank and file will be demanding action. On the other hand, big business will be pressing Blair to cut 'wasteful' public expenditure and hold down wages to increase the profitability of British capitalism. This will give rise to turmoil in the party and the trade unions. That is another reason why the right wing wants to break the links with the trade unions.

Massive

Events will have a massive impact in the working class and on the labour movement. It was the experience of 1974-79 and the counter-reforms of the Callaghan government that resulted in the radicalisation of the rank and file, resulting in a dramatic shift to the left in the Labour party. The rightwing policies of a Blair Labour government, on the basis of a new economic crisis, will produce a similar development. A backlash will inevitably develop against those who argue for capitalism in the ranks of the Labour movement. The present symptoms of unrest are a foretaste of the process that will unfold. At the moment, it is relatively muted. These hair-line divisions will open up into a massive chasm in which the struggle for genuine socialist policies will reach titanic proportions. Only by breaking with capitalism, on the basis of taking over the commanding heights of the economy, can the aspirations of working people for decent jobs, a living wage and a better life be fulfilled.



Tony Blair

is reconciled to a right-wing Labour government. After all, the leadership has jettisoned all left policies and has adopted orthodox Tory economic policy. Typifying the new trend, Brown, the shadow Labour chancellor, has come out for 'sound' finance and tight control over public expenditure. "The control of inflation through a tough macro-economic framework is more important than the Tories have said", said Brown at the recent *Mais Lecture*. Other revised policies on education, with the leadership's new found support for league tables and opt-outed schools, law and order, the NHS 'reforms', etc., have drawn

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Socialist Appeal
PO Box 2626
London N1 6DU
Tel 0171 251 1094
Fax 0171 251 1095

Editor: Alan Woods
Business manager:
Steve Jones

Sheffield libraries victory

Eight weeks after walking out, over a decision by Sheffield City Council to introduce local pay bargaining for weekend working, 350 library strikers returned to work justifiably claiming a victory.

The strike was a model for member-lead disputes. On the second day of the dispute so many members turned up to the UNISON branch office that people were spilling out of the meeting room into the corridor. That level of activity never diminished.

Within the space of a fortnight members who had never spoken in public before were touring the country speaking at union meetings, rallies and conferences. Leaflets were produced, mailed and handed to the public. Picket rotas, finance committees and publicity teams were organised as workplace hierarchies melted into workers democracy.

Every document from management, every sheet of union correspondence relating to the dispute and every drafted and proposed agreement went to the twice weekly members meeting. Every issue was debated in an atmosphere conducive to an open and frank exchange of views.

Support

Throughout the strikers received massive support. Over £70,000 was donated by trade unionists and the public. Over 20,000 signatures of support for the strikers were presented to the council. Strikers were invited to meetings as far afield as Aberdeen and the south coast. Messages of support were received via the internet as the dispute went global. A third of the Labour ward and constituency Parties in

Sheffield and a number from around the country passed resolutions in support of the strikers showing quite clearly that at the grassroots there is still massive support for the traditional values of the Party. At the end of the dispute Library workers have returned stronger than before. Six members have put their names forward to become shop stewards, others have become safety reps. Many have joined the Labour Party in order to bring Councillors to account and help reverse the drift to the right in the Party which, at Labour Group level, mirrors the Blairite "New Labour" project.

The solidarity, determination and clarity of purpose shown by the strikers had an impact on the national union. Leading figures in the union, including Rodney Bickerstaffe, gave clear and public support and regional officers, under pressure from the membership, kept solidly to the task of securing the retention of enhanced payments.

This clearly demonstrates how, in periods when the membership are moving to the left, the leadership can be forced into taking a left position and, especially under a future Labour government, will find themselves having to

take a stance against attacks on the working class.

The final nail was put in the Council's coffin when Leisure workers voted by 65% to take strike action over the same issue and in direct support of the Library strikers. The Council gave into the union demands just 3 days before six of the city's key leisure centres would have been brought to a standstill.

During 1995 unofficial action and successful ballot results have already forced the Council to backtrack on proposals to downgrade staff in Building Control, make architects redundant in Design and Building Services and cut pay in Libraries and Leisure. Further action is planned if the proposal to close Community Libraries and a specialist library in the Department of Employment and Economic Development goes ahead.

Lessons

Lessons have to be learnt from this struggle—the most important being that when workers are prepared to take a stand they can win. We can also see that workers have drawn the conclusion that they need to get involved in the Labour Party to change its makeup for the better and ensure that its elected representatives are prepared to fight for the interests of the working class, hand in hand with the union movement. The opportunity to do this will increase in UNISON from January 1996 when individual members can affiliate through the APF and play a key role at all levels in the Party. It is vital that the experience of the library strike is now taken into the wider political arena.

Ken Pickering (UNISON)



Six months in prison awaiting deportation!

Release Raghbir Singh

- We are expecting more than 1000 protesters to take to the streets of Willenhall in the West Midlands next month to back the call for the release of jailed NUJ member Raghbir Singh.

- Raghbir has now been in prison for over six months awaiting deportation despite the fact that he has never been charged with any crime or tried in any court. Home Secretary Michael Howard claims Raghbir is a threat to "national security" but has admitted that he does not have enough evidence to take him to court—so he intends to deport him instead!

- But we are giving Howard no peace. Three demonstrations have already been held in Birmingham together with a lobby of the Home Office. Now Birmingham NUJ has called for a massive mobilisation for October 14 to step up the pressure for Raghbir's release.

- The campaign has already notched up some successes along the way. In July, following the last demonstration, Raghbir was transferred to a prison in Kent as a punishment but was returned to Birmingham after representations from the NUJ and Labour MP David Winnick—and after campaigners threatened a mass demonstration outside the prison in Rochester!
- But when he was returned to Winson Green in Birmingham, the prison authorities

vindictively placed him in solitary confinement in a cell with no fresh air, no opening window, in which they left the light on 24 hours a day, gave him food which did not accord with his dietary beliefs, refused him permission to go to the canteen and to the Sikh services held in spirit and generally tried to break his spirit. Raghbir began to suffer from sleep deprivation because of the constant light which human rights groups confirmed to us is a common form of torture.

However, the prison authorities did not reckon on the campaign of support we have built up. Within one hour of us finding out what the situation was, the faxes started rolling into the prison governors office. Over 75 Labour MPs and MEPs, 7 trade union general secretaries and dozens of local trade unionists besieged the prison's fax machine.

Miraculously when we spoke to the prison governor the following day most of the demands we had put forward had been met—Raghbir had been moved to another wing, a Punjabi speaking liaison officer had been appointed, he had his own light switch, his diet had been sorted out and so on. Of course we were told all this was in hand before we launched our campaign! Despite this success Raghbir is still in prison. He still faces the prospect of deportation. He told me during a prison visit that he is certain that if he is

deported to India he will be killed. speaking to his wife and children the pain they are going through is obvious. Raghbir is not the only one in this situation. during the course of this campaign we have built links with dozens of others facing deportation under Britain's racist asylum laws. We have made it very clear we are not just campaigning for Raghbir's release but also for the scrapping of these laws. We have been able to show that these racist laws are inherent in a system where poverty, homelessness and unemployment are rife. This is a matter of life and death. We appeal to everybody to join us on October 14, to write protesting to their MP and the Home Office, to get in touch with us for leaflets about the campaign, model letters etc. and to get union branches/LPs and so on to back this fight for justice.

Jeremy Dear
Secretary Birmingham
NUJ and NEC member

photo: Roy Peters



WHAT'S ON

Saturday 2 September 1pm
ISTC Fair rights for workers March and Rally,
Sheerness, Kent

11 - 15 September
TUC congress Brighton

12 September 7.45pm
Pakistan Trade Union
Defence Campaign
TUC fringe meeting
Caxton Arms, North
Gdns., Brighton

Saturday 30 September
Defend Education demo
London

1 - 6 October
Labour Party conference
Brighton

Sunday 1 October 7.30pm
Labour Party Conference
Socialist Appeal Readers
Meeting Caxton Arms,
North Gdns., Brighton

Saturday 14 October
March for Justice
Release Raghbir
Willenhall, W.Midlands

21 October London
UNISON Public services
demonstration

TUC Anti-racism demo
Manchester Saturday 28
October

NEWS

RMT London underground strike

Stand firm

The main issues at stake for station staff in this dispute are the return of the paid meal breaks and a significant rise in pay rates.

It seems Dickensian to be fighting for a meal break for staff but now, in 1995, station staff on LUL are only allowed a 30 minute break per day which must be taken on the station. London Underground management have said that they will guarantee an undisturbed meal relief and allow staff to leave the station during their break. This sounds great until you hear how they intend to achieve this. Management say that to assist in covering meal breaks, staff will work "flexibly." This effectively ties all staff to their line with staff never knowing where they are going to be working from one shift to the next. Staff at Embankment, for instance, could work anywhere from Plaistow to Earls Court. On top of this, Management want suitably trained reserve control

inspectors to work as station supervisors and other grades to assist coverage. This makes the RCI's job more flexible and puts extra strain and stress on an already high stress job. Management also want to extend the use of part time staff throughout the industry. They want to put station assistants in operation rooms instead of supervisors which is downgrading the job and putting passengers at risk. All this 'productivity' is in return for a two year deal on a 3% increase in pay and a 40 hour week. (I was doing a 38 hour week three years ago before the company plan). The RMT has no choice but to take a stand against these attacks. The role played by the TSSA leadership has been scandalous. The London Underground branch of the TSSA passed a proposition to their EC demanding to be balloted but the executive showed its contempt for its membership by ignoring them. TSSA members all over the underground

refused to cross the picket lines. Those that did cross were bitter at their EC's refusal to back the RMT action. On the east end of the District Line, 99% of TSSA members were determined not to come to work, but the night before the strike, TSSA officials were phoning them at home telling them that they could be disciplined if they did not come in. ASLEF's leadership have also played into the hands of Management, allowing them to split the workforce by calling off their action again. At that late stage it would have made more sense to let their members vote with their feet with the proposals put forward so far. There is nothing for train operators in this deal except to accept that their jobs and working conditions will be decimated by the introduction of part time train operators. ASLEF members should clearly reject the deal as it does nothing to give them job security.

The strike itself was a great success with 90% of RMT members on strike. Stations were kept open by illegally using untrained managers and admin staff. Many stations were left unstaffed, putting passengers at great risk. Stations should close if the staffing levels fall below the set level. During the strike of 25.8.95, those levels were seldom reached and many stations stayed open illegally. Managers were working 22 hour shifts to keep stations and signal cabins open putting train passengers and staff at risk of serious injury if they fell asleep on the job. The scandalous actions of the leaders of TSSA and ASLEF which have served to sabotage the unity of railworkers underlines the need to build genuine fighting unions. On that basis we could move to establish one union on the railways that could take on the employers in a united fashion. At present, this dispute can only escalate. Our next action should also be solidly supported on stations and trains and as long as we stand firm we can win a great victory for rail workers and start the fight back for better pay and conditions.

Rick Grogan
Secretary London Transport
District Council Station Grades
Committee

"ASLEF leadership frightened of their own shadows"

At one time a British Rail train driver was a secure and relatively well paid job. This has all changed. For a number of years BR drivers have been receiving below inflation pay increases. Rest day working and overtime has become common in order to earn a decent wage.

Every year ASLEF submit a pay claim for a 'substantial' pay increase and accept a pitance. At this years conference a motion was passed demanding that before any pay offer is accepted the membership should be consulted. The mood to fight for a decent wage increase has been building up. Pressure on the leadership forced them to organise a series of one day strikes, which were solidly supported by the membership even though only 60% voted for strike action. At every opportunity the ASLEF leadership were compromisary, apologetic and tried to avoid industrial action at all costs. After

reaching a deal they called off the strikes while the membership voted on the proposals: a 3% pay increase (again under inflation), endorsement of the principle of restructuring ie. massive productivity, agree in effect a self financing 37 hour week by 1997 (by more flexible scheduling). No executive recommendation was put but it was quite clear that they wanted the members to accept. Despite the leadership doing all in their power to dampen down expectation a narrow majority of 54% rejected the deal. Within hours of the ballot result a new deal with BR was reached that brought forward the 37 hour week to August '96, but still to be self financing. The executive agreed without consulting the members. On London Underground the management only offered 2.75%. ASLEF members rejected the offer and voted 3 to 1 in favour of industrial action. LUL management, desperate to avoid a strike, offered 3% and,

because of the wording of the ASLEF ballot papers, slapped an injunction to prevent any strike action. ASLEF then called another ballot resulting in a similar vote for strike action. The strength of feeling for strike action brought management back to the negotiating table with an unacceptable offer of a 37 hour week with strings. They then offered a 37.5 hour week by August '96 but, in return, wanted part time drivers, a survey to determine how many over 55s wanted reduced hours with a reduction in pay and this offer to be taken into account in next years pay negotiations. The ASLEF leadership called off their strike action, recommending the deal to its members. Rightly the RMT rejected the offer and continued with their strike. A ballot of ASLEF members is likely to reject the deal, flying in the face of the leadership. ASLEF members are furious over the actions of their leaders, some to the point of resigning from ASLEF to join the RMT. The ASLEF leadership are frightened of their own shadow. We are one of the most powerful unions yet the leadership are in a time warp - harping on about the miners strike being defeated but unable to grasp that you cannot stockpile trains! Never has the phrase "lions led by lambs" been so true.

Steve Tree (ASLEF)

Postal workers struggle continues

- The ballot result in favour of taking strike action is a testament to the strength of the branches campaign and the determination of the membership, especially when you consider that the managements proposals for changes in working patterns would initially mainly affect just 70 people.

- Management's proposals included the introduction of Sunday night working plus a cut in working hours for part time staff which would amount to a 25% cut in pay. In addition there was an attempt to bring in Tuesday to Saturday working and a later finishing time for night shifts of 7.18 am instead of 6.30 am.
- The branch made it clear from the outset that it would

not be willing to compromise on these measures. The unions negotiators were able to wrest some important concessions from management, keeping the 5 day working pattern and dropping the later finishing time, but the branch would still not accept the cut in part time hours, or Sunday night working, so the agreement was rejected.

As a result of the resolute position of the branch, the negotiators were able to secure a guarantee not to cut part time hours.

Unfortunately, our negotiators conceded everything else.

As one member commented *"He is a good negotiator but obviously he only finished one half of the course - he only learned to say yes"*.

The branch rejected the new offer, however the negotiator

went to the EC to plead his case that no further concessions were possible. The EC backed the branch position - 11 votes to 6. A date was set for a 24 hour strike, and the rigmarole of giving management 7 days notice was complied with. The strike was due to start at midnight Thursday 10th August, but days before the action was to take place, we heard that the negotiator had called an emergency EC meeting to withdraw support from the strike. Apparently he had met management again and was convinced that no further progress was possible. It is very noticeable that no branch members were involved in these negotiations. Several Left members of the EC were unable to attend this hurriedly con-

vened meeting, and therefore the vote was tied. According to the unions rules this meant that support was withdrawn. A new branch meeting took place on Sunday August 13th, and rejected the negotiators proposals by 132 votes to 49. So the strike is back on, with backing of the EC. Because of the Tories anti TU laws, a new ballot will have to be held, more than 28 days having passed since the last one. These laws are enough of an obstacle to taking action without our full time officials providing new hurdles to jump over. Sunday's meeting could have resulted in a series of attacks on these officials which would have detracted from the fight against management. But although feelings were running high, the members stuck to the issues involved. On the basis of the concessions all ready won and the determination of the members we are confident of a 'yes' vote in the new ballot, and a victory over management.

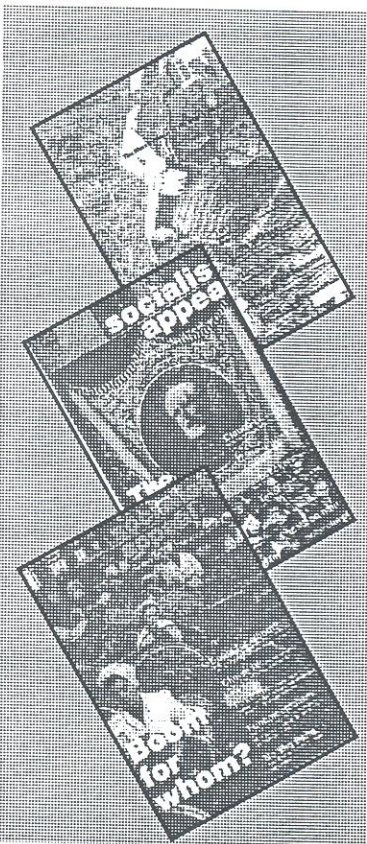
a Cardiff postal worker

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STUDENTS FACE INCREASED POVERTY

More and more university and college students are dropping out of courses as a result of the series of grant cuts enforced by the Tory government. Last year student grants were cut by 10%, this year they face another 10% cut, followed by the same in 1996.

This is only the latest in a history of attacks on state education over the past 16 years of Conservative rule. Grants are being gradually phased out, and replaced by the grossly unfair student loans system. This, along with the creeping privatisation of education by measures such as "Local Management of Schools" (LMS), which brought about Grant Maintained status, mean that increasingly education is becoming a privilege not a right.

The present policies of the Blair led Labour Party offer no real solution for students. The recent policy U-Turn regarding Grant Maintained schools represents the leadership's refusal to stand up for the working class, and their constant pandering to the traditional Tory voter and the Murdoch media. This became apparent at the 1995 Young Labour Conference, where the Blairites defeated a resolution calling for the restructuring of student funding, by abolishing the loans system and reinstating grants to their pre-1993 level. Instead they argued that a future Labour government should "investigate" the loans system to make it "fairer". This is a clear cop out by the leadership, who fail to understand the desperate financial situation faced by most students, and the effects of the Tory massacre of education. The NUS adopt a similar position, although the union's policy calls for the restoration of full

grants, their President Jim Murphy was quoted as saying he "adopts the Social Justice report in its entirety", even though this report advocates the abolition of grants and their replacement with loans.

The union called a special conference to discuss the question of funding. Even though this was held in the middle of the exam period, meaning that many delegates couldn't attend, the leadership was defeated in its attempt to abolish its commitment to free education, as a result of the pressure exerted by the rank and file membership, who also passed motions calling for mass demonstrations and rent strikes to heighten the struggle. Murphy now states that he is "unwilling" to implement these measures, however he must be forced to comply with the democratic decisions of the conference, and if he doesn't, be replaced by a leader who is willing to stand up for the members.

The cuts in grants mean that students have to rely on other sources of finance. More students have to take term time jobs to fund their education, NUS Vice President (Welfare), Ian Moss, commented that "*students are spending more time working in bars and restaurants than they are in libraries or lecture theatres*" (Independent 24/3/95). The Association of University Teachers agreed that this is having a negative effect on their academic work, due to both a lack of time and exhaustion.

Already two thirds of students rely on their parents for their funding, increasing numbers return to their parents' homes to study locally, in order to avoid the rising rent costs in University accommodation, which are increasing above the rate of inflation. A recent survey

by NUS discovered that 68% of students face "*severe financial crisis*", and that 25% consider the only solution to be leaving college.

The number who choose this route to escape poverty is rapidly increasing (25% between 1994 and 1995), and has prompted calls from the Committee of Vice Chancellors and Principals (CVCP) for the government to scrap the loans scheme which leaves students with debts often in excess of £8,000 on graduation. The CVCP predicts that the situation will worsen, as more become ineligible for grants, and mature students struggle to support their families. This report proved interesting reading for the Department of Education, who in a report in 1993 said they found "*no evidence of student hardship*"!

Increasing amounts of money are being spent by universities on advertising to attract conferences, and perks for management, such as the £600,000 golden handshake given to the Vice Chancellor of Huddersfield

University. The student loans company itself was seen as behaving corruptly, its chief executive was sacked after an investigation indicated that he had lied to the board, and spent public money on whiskey (£350 in two months), cigars, and Dire Straits tickets!

Students are far from complacent about the cuts. An NUS demo last year attracted 30,000, angered by the prospect of further poverty and declining social conditions. Large layers of students and education workers are actively involved in fighting the government, this despite the bankruptcy of their leaders both in Labour Students and NUS. The leadership of the youth must coordinate the struggle to defeat the government, such initiatives were taken by the Students Unions in France and Spain, both succeeded in defeating the governments, in Spain the Union mobilised 100,000 in demonstrations, and 2 million on strike to combat attacks on students rights by the government.

Pressure must be put on labour movement leaders from inside the party, students must join in solidarity with workers in calling for the restoration of grants to the real levels of 1979, the abolition of the loans system, and to bring a Labour government to power on a Socialist programme, beginning the transition to a Socialist society.

**Scott Whelan
Newcastle Young
Labour**



Barbara Humphries looks at Blairs claims to represent something new and asks the question...

How new is "New Labour"

Despite the claims of Tony Blair that he represents New Labour, in fact many of the ideas he stands for have been seen before in the history of the labour movement. Take for instance his vision of a (classless) community.

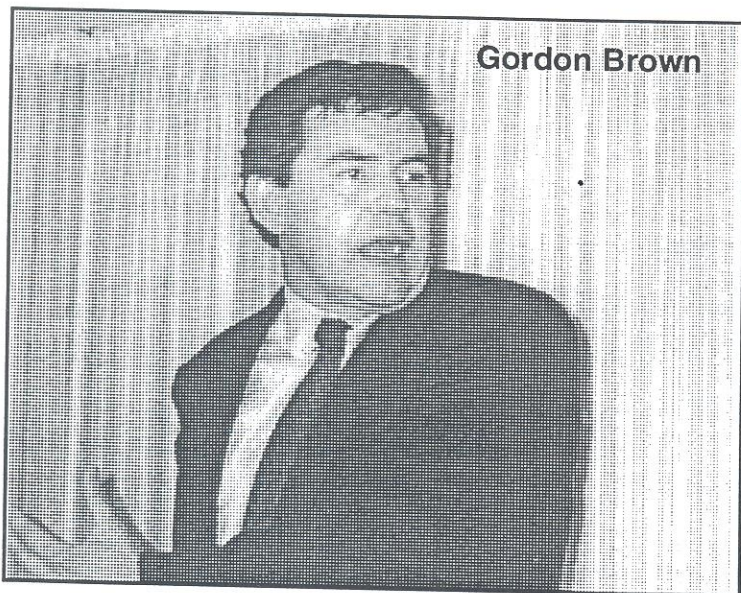
Community values are to replace the rabid individualism and materialism generated by 15 years of Tory governments. This ideal has an appeal to middle class as well as working class voters.

"underclass" were regarded as dispensable.

But what are the material roots of these ideas?

"Middle England" has come over to Labour not because of altruism but because of the crisis of jobs and housing which in the 1990s has started to hit the middle class. The pot of gold is no longer over the rainbow and the 'feel good factor' has gone away. This is because capitalism is no longer capable of guaranteeing the good life on a long term

Gordon Brown



It is partly a reaction against the loathsome "yuppie" culture of the 1980s where money was everything and people, especially the sick, unemployed, elderly and the

basis. This was a lesson learnt by industrial workers and local authority manual workers in the 1980s. White collar workers thought "it will never happen to me" and

many continued voting Tory. Now they long for the peace and security of the 'job for life' culture where the welfare state could be relied upon to provide in times of need. So the appeal of a return to this golden age when people "looked after each other" is one that Blair is building upon.

The idea of 'community' was also present in the formative years of the labour and socialist movement at the beginning of the 19th century, both in this country and abroad. It was a reaction against laissez-faire capitalism tooth and claw. In England the labour movement endorsed Tory radicals such as Oastler and Fielden who led campaigns for shorter working hours in the factories. The demand for the ten hour day was supported by workers but the Tory radicals had their own political agenda which was a deeply paternalistic society where everyone would know "their station in life" and it was the duty of the rich to look after the poor.

Laissez-faire

They wanted an end to laissez-faire and a return to the regulation of pre-industrial times where prices and wages were fixed. French socialists like Louis Blanc also had the vision of "communaute" in his plan "Organisation et travail" where government sponsored workshops would replace capitalist employers. These ideas were utopian even in the early 19th century the clock could not be turned back. But the labour movement drew upon these ideas, both of the utopian socialists and the Tory radicals to eventually develop a political strategy which would challenge modern capitalism, that of scientific socialism, based on class politics. The alternative to laissez-faire capitalism was not a classless community but the organised labour movement creating a society based on common ownership. This meant challenging the owners of large scale private property, including the Tory radicals. So where does that leave us today? The embracing of

abstract ideas such as community and equality as alternatives to socialism is a step backwards for the labour movement. In some respects it has very reactionary overtones as Tories such as Major himself pick up on the concept of community values as a smoke-screen under which to proceed further with the dismantling of the welfare state. Care in the community often means support by family (usually female members of it) substituting for crumbling social services and health facilities.

Voluntarism is fashionable because it costs the tax payer nothing, but for millions of carers it costs them their lives as they do not even get respite care for sick or disabled relatives.

The pre-welfare state system existed when there was a much more extensive extended family and when the majority of married women were not in paid employment. This is no longer the case. The extended family living together in one street or one town has disappeared because of the labour and housing market and the majority of women are breadwinners. The support networks are no longer there and what there is depends on good will.

Communities

People do not live in small village communities but in large cities with a variety of cultures. Attempts to criticise this have very strong racist and nationalist implications. Also a balance has to be drawn. Inevitably there will be a backlash against the individualism of the 1980s. But we have to look forward not back. The rights of the individual to self-fulfillment should be supported by socialists. This includes freeing women from domestic drudgery. A real community has to be built on the material conditions of the present day, not some golden age from the past. It cannot be built on the basis of class divisions and massive inequality. It has to be on the basis of common ownership.

Fifty years after the 1945 Labour government implemented the Beveridge Report and began the creation of the modern welfare state, Mick Brooks looks at...

What's left of welfare

Fifty years ago Labour was swept to power in an electoral landslide in large part because of their promise to implement the Beveridge Report and set up the modern welfare state. Fifty years later the welfare state looks distinctly frayed at the edges after sixteen years of Tory cuts and penny pinching.

The Beveridge report set out to tackle five "giant" problems: ignorance with universal education, disease with the National Health service, squalor with decent housing, poverty with the social security system and idleness with full employment.

Nevertheless, labour movement activists should take note that Borrie is likely to be the basis for Labour's programme on social issues.

The Report starts well: "Nearly two thirds of people live in households where income is less than the average, and one in three children now grows up in poverty.

One in five men of working age are not in employment, more than one million people are long-term unemployed and earnings inequality is greater than at any time since 1886.

One in five 21 year olds has basic problems with basic maths and one in seven

fourth largest industry; the number of drug addicts has gone up 14 fold since 1973; and racially motivated violence is estimated to have risen faster than almost all other forms of crime over the last decade."

Truly this 'State of the Nation' report is an indictment of Tory Britain. It is certainly time for hard thinking on a programme for social issues. But what has changed since Beveridge's time?

The economic background

Borrie admits "we cannot have social justice without a decent measure of economic success. Social benefits have to be paid for, and the economy will not sustain limitless transfers from a diminishing section of society to an increasing class of the destitute..."

Beveridge counted on more or less steady and full employment; today we face mass structural unemployment and underemployment."

To pay for decent social services the economy must perform to the peak of its ability and that means that all our workers should be at their work contributing to the production of the nation's wealth. And capitalism can't do that. "Keynes had not solved the problem of production after all," admits the Report.

The central weakness of the Social Justice Commission report, and that of the Labour leaders, is that they see mass unemployment as the 'way of the world' and tries to tailor social welfare provision to the require-

ments of a system that can't deliver the goods.

The Tory Agenda

The Tories recognise that mass unemployment is here to stay. They have abandoned any pretence that Keynesian reflationary economic policies work. They claim that economic success can only be achieved at the expense of social justice - giving the rich an 'incentive' will inevitably be at the expense of the poor. Their agenda has been clear cut. In the teeth of the crisis they wage class war in order to drive down wages and the social wage to line the pockets of their rich backers. And that inevitably means war on the welfare state and the poor.

"Between 1979 and 1991/92 the poorest 10% saw their real incomes fall by 17% from £74.00 to £61.00 a week, while the top 10% are 60% better off." As for tax cuts the "biggest gains have gone to the top 1% of the population - people with incomes of more than £120,000 a year-for who the cumulative gain from tax cuts since 1979 has been a staggering £75 billion."

Borrie goes on "We do not accept the common assertion that class is dead. Class matters - many of the statistics reinforce our conviction that is still the most important determinant of a child's life chances."

The Tory record is miserable as Borrie makes clear. Between 1979 and 1993 the British economy grew by only 1.7% a year-compared with 2% between 1974 and 1979. This record is described as an economic 'miracle' or 'renaissance' in Tory Party circles. Tory policies haven't worked to bring greater prosperity to all our people.

Markets

The Tory onslaught on the welfare state has been dressed up by radical right loony think tanks as the promotion of markets. Markets, we are told, allow different firms to compete. The lowest bidder gets the contract and that keeps costs down. Some people who walk into a sweetshop want the jelly-



Fifty years later these sentiments are as far away from achievement as ever.

Labour set up the Social Justice Commission under Gordon Borrie to look into welfare provision for the new millenium. Compared with the sweep of the original Beveridge report, the Borrie proposals are very much a damp squib. We shall see why later.

with basic reading and writing; Japanese and German students are twice as likely to achieve the equivalent of two A levels as an English student.

The poorest children in Britain are twice as likely to die from respiratory illness and four times as likely to be killed by a car as those from the top social class. Crime is now the UK's

beans, while others go for licorice allsorts. Why shouldn't we leave it all up to them how they spend their money on social provision as well, argue the Tory ayatollahs. and keep the 'Great Satan' of the state out of it? This leads to ridiculous arguments such as that the reason we didn't have a market provided health service before the NHS was because the poor preferred to spend their money on drink.

Enoch Powell praised the market as one great continuous election. People vote all the time for what they want with their money. What sort of economic democracy is this? How come the Duke of Westminster has millions more votes than the rest of us?

If the welfare state is to be defended and extended, then a clear understanding is needed of why markets - capitalism - will fail the working class.

If we rule out changing the system, as Borrie and the Labour leadership do, that produces mass unemployment and economic failure and we are left trying to make the same amount of money go a longer way. As the *Independent* headline that greeted the report tells it

"Social justice plans pay for themselves". Borrie offers us a better welfare state for free!

The Institute for Fiscal Studies reckons the extra benefits will cost £6.68 billion a year while the savings will be £6.42 billion. What is Labour so scared of? The top rate of tax is lower in Britain at 40% than in most of the more successful capitalist countries like France (57%), Germany (53%), Netherlands (60%) and Japan (50%). Why shouldn't we make our own rich pay a bit for a change?

The answer is economic globalisation.

The daily turnover on foreign exchange markets is \$1 trillion.

Twenty years ago 90% of currency flows were based on trade and only 10% on speculation; today the proportions have been reversed.

Deregulation of financial markets, the growth of international telecommunications and the creation of highly sophisticated computer software have not only encouraged aggressive speculation in new financial instruments but have effectively created an international market in government policies.

Deregulation means govern-

ments give up even trying to run the economy. Higher taxes on the rich and capital? - they'll just go somewhere else. A decent minimum wage, health and safety regulations, a protected environment? - they'll just pull the plug out on us. Best to tear up minimum wage, health and safety and environmental protection laws - at least that way we'll retain some sort of jobs. Globalisation means that capital can run riot. This is a convenient excuse for governments like the Tories, that want to do all these things anyway.

And Borrie agrees: *"Where taxes (and much else) are concerned Britain is no longer an island"*. So Labour can't pay for social justice in the obvious way by taxing the rich. But this was the traditional solution put forward by the Fabian socialist founders of the welfare state. Benefits should be flat rate and across the board. Why, ask the Tories, should the Duke of Westminster - probably the richest man in Britain - be entitled to a state pension? The alternative is means testing - targeting as the Tories prefer to call it. That means indignity and bureaucracy heaped on poor people. It means a low take-up of benefits. And it means that as workers get jobs or earn a little more they not only pay more tax but also start losing benefit as they cross the poverty threshold. They are caught in poverty traps and low pay traps - no better off as they earn more. The old answer was to tax the Duke of Westminster much more heavily so he pays for lots of other peoples pensions - but now apparently we can't do that any more - not if we accept capitalism anyway.

Approaches

The Social Justice Commission puts forward three approaches for the future. Deregulators' Britain is the Tory approach where the rich get richer and the poor get poorer. As we have seen, it failed even on its own terms. "Levellers" apparently want a kinder poorer Britain. But "Investors", (like Borrie) believe we can *"combine the ethics of community with the dynamics of a market economy."* (heard this before?). That is the the trick that Borrie



wants to turn.

The Tories would like to introduce the market into education. Markets mean that educational provision would depend upon the ability to pay. Several times since 1979 they have floated the issue of education vouchers which would allow parents to "choose" schools. Each time they have been knocked back. They have to contend with massive opposition to the principle of selection-which actually means giving up on a majority of our young peoples future. They should try to explain why no capitalist economy in the world has ever come up with a market-led education system. All have resorted to state provision. And a skilled and educated workforce is the most valuable resource of any society. Surely this is a biting indictment of market (Capitalist) failure. So the Tories have to proceed softly softly. They have given schools the incentive to opt out with so called Grant Maintained Status. If such schools are seen as successful in the league tables they will develop waiting lists and be in a position to select. So selection (rejected overwhelmingly by the electorate in the 1960s) is in by the back-door. The so-called 'good' schools evolve into the old grammar schools while the 'sink' locally maintained schools become secondary moderns. Separate schooling faithfully reflects the class division in society.

Where do the Labour leaders stand on all this? Well David Blunkett proposes to abolish Grant Maintained Schools by

calling them Foundation Schools instead. So that's all right then!

The Report is in favour of universal preschool education, on the catch 'em young principle.. They record an American survey which said *"every \$1 invested in nursery education produced a payoff of \$7-partly because of the savings on police, prisons, and probation services, partly because of the taxes paid by those former nursery schoolchildren when they become adult earners."* In this case there should be no discussion of *"how can we afford it?"*. The question is *"how can we not afford it?"*.

Irony

It is an irony of the market system that while British capitalism was fighting for its survival during the Second World War women workers were recognised as a valued resource. Child care facilities were provided as a necessity. As capitalist planning was abandoned after the War, and markets allowed to flourish, child care provision was abandoned. Women were seen as a reserve army of labour and were demobilised. The Social Justice Commission believes that while nursery education should be free, child care should be means tested. After all some people can already afford it. As we enter the third millennium, one of the fastest growing professions is the Victorian one of nannies. Middle class professional women pay out quite a large slice of their earnings for market provision of childcare

while most women just cant afford it. Why not free childcare and nursery education for all since it would pay for itself? It will only pay for itself if the female labour thus released could actually be used. And of course capitalism can't even provide a job for those presently available for work.

Borrie has imaginative plans for life long training and education, which is necessary for a modern society to keep up with rapid technological change. Correctly they denounce the Tories' appalling record on skills and training.

The problem once again is the market. Capitalists find it easier and cheaper to let other employers pay out for training. They hope to poach skilled workers from other firms. The trouble is everybody tries to poach skilled workers from other firms and nobody trains, there will be no skilled workers to poach. The solution Borrie puts forward is a training levy and setting minimum standards on firms. This is like a tea club at work. Everybody is charged for tea, sugar and milk and everybody can use the scheme. This is fine but are these skilled workers going to be able to use their skills? Under capitalism we could be training workers for the dole. The Tories have recognised the need for a massive expansion of further and higher education. They just don't want to pay for it, or rather they make students pay for it by freezing grants,

introducing loans and charging tuition fees. Often this attack on students - and our future - by turning to the market is justified in populist rhetoric. The Adam Smith Institute argues "it is unclear why young building workers should pay higher taxes so their contemporaries can spend three or four years with free subsistence at a university - and qualify for a better paid job in the process."

The ideal of course was that any building worker should have the opportunity of going all the way through the education system. Many educationalists see education as a way of changing society by giving working class kids a chance. Socialists see the way we're treated at school as a preparation for the way we'll be treated at work.

What about the Labour leadership? They accept that working class kids don't go to university in general. So why not charge in the form of student loans? Accepting capitalism means accepting its financial constraints!

Health

Again the right wing ideologues have got a clear cut programme - markets are best. But how is this supposed to work in the case of health care? Everybody knows that if someone is really ill for a long period of time treatment can cost literally millions of pounds. The Tory answer is that not many people get that ill, but it could happen to any of us. So we

should all get insurance!

The problem with voluntary health insurance is that the insurance companies only want to take on people who are going to live to be a hundred. But the people most likely to demand insurance are those most likely to need it. They will take the insurance companies to the cleaners. In the USA, where healthcare is provided by the market, one in seven are not insured. That means they do not get treated. The answer is for the state to impose health insurance or a National Health Service. All countries with universal provision have it despite, not because of, markets. There are other problems with the insurance market solution. Take fire insurance. To this day there are plaques on old buildings proclaiming 'Sun Alliance' or 'Norwich Union'. Each insurance company had its own fire brigade. The brigade was committed to put out fires in houses insured only with their company. But a fire could spread from an uninsured house (or one insured with the wrong company) and burn down Norwich Union houses as it blazed out of control. Communities in Victorian times run by respectable Liberal and Tory businessmen realised that this wouldn't do.

The same applies to public health. Plague is no respecter of social class. There have been huge health gains because of sanitation and immunisation programmes. Who would pay for a jab? Everybody wants everybody else to go first. Then you wouldn't need to pay since the disease would die out.

But it worked out mighty expensive leaving it all to the markets. Markets - capitalism - left to itself have never provided social facilities and they never will. As Tony Benn often says "The National Health Service is the most popular thing we (Labour) have ever done and the most popular?" It must stick in the craw of Tory politicians to reaffirm their commitment to a health service free at the point of use before each election. The NHS is as near a communist institution as you can get in a capitalist society, and probably the biggest single political conquest of the British working class. Such is

its popularity that the Tories have only been able to chip away at the edges.

Once again their solution is to introduce a pseudo market. Through the purchaser-provider split they try to build in supply and demand. The trouble was that the NHS was cheap without it. In Britain we spend 4% of our National Income on health. In free market USA they spend 11%. So much for market efficiency!

As a result of NHS Trust Status administration costs and managers are breeding like sex-mad rabbits.

So we know where the Tories are coming from and what they're up to. But where does Borrie stand? The Report produces devastating material showing how much higher infant mortality is among the lower income groups and how public health standards have declined with the rise in inequality under the Tories. But on the central issue of the organisation of the NHS the report is silent.

The welfare state

The Social Justice Commission was set up as an attempt to bring the Beveridge Report up to date. Beveridge "counted on full employment to pay for his programme." Borrie accepts mass unemployment as the way of the world. "Because the conditions that gave birth to the welfare state no longer exist, the post-war assumptions about the role of the welfare state must also change." Nonetheless Borrie upholds the central principle of the Beveridge Report - Social Insurance. Working people go through stages in their life cycle when they are well off and other stages when they are struggling. National Insurance acts like a piggy bank, saving up for times in our life that are likely to be hard otherwise. There should be a 'minimum income standard' and an end to the jungle of means-tested benefits such as Income Support and Family Credit. National Insurance should be extended to part-timers for unemployment and sickness benefit. What's wrong with means testing? First of all its humiliating and difficult to claim. Because of this there is a low takeup. "Family credit is not claimed by nearly two out of every five



people who should benefit from it. Likewise one fifth of those entitled to Income Support do not claim it-more than a million people." Borrie correctly notes that "Family Credit is not a handout to the poor-it is a subsidy to low-paying employers." Earlier we quoted the top rate of tax as 40%. Actually there are people in Britain who pay much more than that when they earn an extra pound. But they're not the rich, like the Duke of Westminster. They're the very poor. As soon as you get a job off the dole or a few extra hours you start paying tax and losing means tested benefits. This means that half a million of the poorest people are effectively paying marginal tax rates of 70% or even higher. Actually there are cases where you can find yourself worse off by earning an extra pound. The Tories talk about incentives but in essence "Income Support and Family Credit - both dependent upon a family means test - are preventing no-job families from becoming one-job families, and one-job families from becoming two-job families."

The Report shows that because of the poverty trap where you lose means tested benefits and start paying tax as you earn more a family with two children could be no better off on £10,000 a year than with no money coming in at all! So much for Tory incentives to work hard.

Pensions

The general approach of the report is that social insurance should be graduated so the more you pay in the more you get out. To take the case of pensions they do not propose just raising the basic state pension to a decent level for instance. They do recognise that it should be put up. Since the Tories have devalued it the state pension is now below Income Support Level. Pensioners are entitled to claim the extra though over half a million don't. So Borrie supports raising pensions to Income Support level, because it wouldn't cost very much. For a general improvement in the living standards of the elderly, though, the Commission relies on a universal second contributory pension. This could be an occupa-

tional scheme, a private pension plan or State earnings related pension (SERPS). What the Tories are up to is trying to drive workers through the threat of poverty in old age into Private Pension Plans. The point about Private Pension Plans is that there is absolutely no guarantee as to what your pension will be worth. In effect a big chunk of your wages are handed over to fund managers who throw darts at the shares page of the Financial Times or mess about with ouija boards to see where to put your money. In 1988 the Tories encouraged workers with tax breaks to contract out of SERPS and out of occupational schemes in favour of Personal Pension Plans. This was just plain crazy. Usually employers make a contribution to occupational schemes. No private scheme can compete with that. None the less various spivs - or financial advisors as they are known - mis-sold up to half a million pension transfers from 1988-1993. The best guess is that £450-500 million of peoples' money has gone missing. That doesn't mean that occupational schemes are as safe as houses. Ask the Maxwell pensioners. Maxwell made off with around £400 million of their money, aided and abetted by pension laws that at present allow employers virtually unlimited power to appoint and sack trustees and independent advisors to occupational schemes. The Mirror Group Funds' 'independent' advisor was Bishopsgate Investment Management, another arm of the Maxwell octopus. Borrie has no comment to make on these massive swindles. And the Report still proposes to entrust our money to the tender mercies of these people. National Insurance is a better deal. You would have to pay a private company £1,900 to get the equivalent of a state pension but a £1,600 contribution to National Insurance gives you unemployment and sickness insurance on top of the pension. The Tories want to hand over our money to their friends in the City to play around with. Securing a decent pension for all requires a fight with high finance. The Tories have always argued that capitalism can provide worker's housing needs. This

flies in the face of facts. In 1945 the slums were concentrated in the private rented sector.

Housing

Since the war private rented accommodation has been in decline - and a good thing too. Since private landlords could only offer squalor, local authorities began a mass programme of council house building. Unfortunately many did it on the cheap giving rise to the new generation of slums. In 1979 the Tories switched there support completely to home ownership as the way to solve housing need. They launched the "right to buy" scheme which enabled existing council tenants to buy their home at a large discount. They slashed subsidies to councils to make double sure that no council houses were built. Public house building collapsed from 100,000 in 1979 to just 30,000 in 1990. And despite the boom in house prices in the 1980s private housing has been unable to make up the shortfall. More and more people who bought their own home are finding they bought their own nightmare. In the 80s banks and building societies competed to throw money at potential borrowers, and because people were buying prices soared. Now we have the reverse, people are trying to sell as prices tumble. Now a million and a half owners who bought at the top of the housing boom have homes worth a whole lot less than when they took out the mortgage - negative equity. The Labour leadership support a minimum wage but refuse to name a figure. Statements in the report like "in today's conditions, a minimum hourly wage of up to £3.50 would have no adverse effect on overall employment" lead you to fear

the worst.

Without spelling it out they veer in the direction of the American system of workfare - forcing the jobless to work for benefits. For instance the Commission recommends extending the availability for work test to partners of people claiming unemployment benefit and to single parents of children over five. Everybody knows that the hordes of beggars on the streets of London and other big cities came when the Tories stopped benefit for 16 and 17 year olds. Kids who just didn't get on with their parents were driven out of home. Borrie will restore their benefits, but on a means tested basis-not as of right. Despite their general opposition to means testing the Commission is desperate to show the Tories and the capitalist class that its proposals are "cost-effective". Likewise their youth training grant would be means tested. They admit that "many people will have to rely on means tested income support and family credit for some time to come" -in fact for ever.

The welfare state was based on the desire to get rid of rotten housing, unemployment, preventable illness, and to give everybody a chance to develop their talents and have a basic decent standard of life. Is that too much to ask for? All the main party leaders agree that, under capitalism, it is. Yet Britain is enormously richer than in 1945 when labour inscribed upon its banner the need to get rid of Beveridge's five "giants." Capitalism will never slay them and no party that stands upon the basis of this system will be able to achieve these ideals. The only way to get social justice and decent social welfare provision is through socialism.



TUC '95

Fighting programme needed

- This government does not believe trades unions have a divine right to speak for workers, but should be voluntary organisations;
- workers must be free to decide whether or not to join them, and employers must be free to decide whether or not to deal with them." (Michael Portillo before leaving the Department of Employment)

- He could have added that this government doesn't believe in the right of unions to negotiate, to demonstrate, or to strike. In fact, the list of things this government doesn't believe in is never ending. There's the right to a job, the right to a home, to health care, to education, even the

Party were built to fight for. The Tories and their big business backers, believe in the right to manage, the right to hire and fire, the right to sponge a living from our labour. These rights are what differentiate the aspirations of two classes, the capitalists and the workers. The bosses organisations, the Tories, the CBI and the rest, faithfully reflect the needs and demands of the class they represent. Those leaders of our own movement who have fallen for the deception of unions as "voluntary" organisations, the so-called "modernisers" who want to drag the unions into the 1890s, should be locked in a room and forced to study the history of the movement they claim to lead.



right to hope for a better future. These are the rights that we believe in, the rights that the trade union movement and in turn the Labour

According to a recent survey reported on Newsnight, trade unions are more popular now than for decades. Many in the leadership believe this is

because they have abandoned militancy in favour of car insurance schemes and credit cards. The reality is that conditions in work, and declining living standards, are recreating the conditions which gave rise to trade unions in the first place. The idea of an individual solution to one's problems through overtime and increased graft, which gained ground during the boom of the 1980s, is being replaced by the need to unite to defend what little you've already got. There is an increasing realisation that "the good old days" are gone, and gone for good. Today the British economy is once again in a boom. No, don't laugh, it's true.

Industrial output is up, order books are full, and yet unemployment stands at over 4 million.

Instead of taking on more workers to meet their new orders, most firms are trying to squeeze every last drop out of their current workforce. This is what Marx described as increasing relative surplus value, working harder, producing more surplus value, from which the bosses derive their profits, relative to your wage. Low paid part time work proliferates, and the introduction of short term contracts adds to the general mood of insecurity.

Longer

For those in work, hours are getting longer. The 16.3 million people employed on a full time basis at the end of 1994 worked an average 44 hour week, and 28% of male full time employees worked more than 48 hours per week. Marx described this as an increase in absolute surplus value, the longer you work the more surplus value is produced.

Conditions are getting harder and the stress and strain of work is becoming almost intolerable, the average lunch break of white collar workers, for example, now lasts just 20 minutes. In 1993, 5 million working days are estimated to have been lost due to ill-health.

While company directors pay has rocketed, our pay is either frozen, or up by 1 or 2%. Even where wages have risen by a measly 4%, taking into account inflation,

rises in interest rates, and taxes, this is in reality a pay cut.

So how can the decline in trade union membership, a fall of 4.5 million since 1979, be explained. According to the Department of Employment this can be largely attributed to the destruction of Britain's manufacturing base, or to use their own more sterilised expression, "Over the period 1980-93 the trend in union membership levels generally reflects changes in employee levels in the production and construction industries." Take the destruction of over 250,000 jobs in coal mining for example, or the decimation of the steel industry.

Manufacturing

There are only 4.5 million workers employed in manufacturing in Britain today, the lowest figure for 100 years. It should also be remembered that the fall in membership is from an all-time high of over 13 million in 1979, and it is by no means a coincidence that that figure coincided with a period of increased militancy on the part of the unions.

Still today an impressive 33% of British workers are members of a union. Anti-union legislation, particularly the attack on the check-off system has had a certain effect on membership levels.

In many workplaces the bosses have heeded Portillo's advice and no longer deal with trade unions. Derecognition means that only 48% of members have their union recognised at work. The leadership themselves also bear a large responsibility for giving in to these laws without a fight, and for failing to offer the kind of lead which would inspire more workers to join. And yet statistics are deceptive. This fall in membership does not signify a fall in strength as many would have us believe. On the one hand the key sectors of the economy remain overwhelmingly unionised, with 88% of electricity workers, 81% of Rail workers, 68% of gas workers, and 67% of postal workers in their respective organisations.

At the same time where a fighting lead is given non-union members can be

drawn into the struggle and into the union itself. This is the experience of last years signalworker's dispute, when not only were new layers brought into the union, once they could see a point, but 1500 railworkers went one step further and joined the Labour Party. That is a taste of the future.

The response of the leaders to declining membership has been to organise a whole series of mergers, creating super unions like the 1.4 million strong UNISON. The creation of single unions across each industry is something which Marxists and union activists have long argued for, the division of workers in the same jobs into different unions divides our forces, but unfortunately those divisions still exist in UNISON, the AEEU and elsewhere as the tops of the unions fight over positions and careers. Merging already existing members into a single union in these cases is a step forward, but is not a replacement for a fighting lead which would build the union.

Decline

Inextricably linked to the decline in membership has been the fall in strike figures. The movement of the working class doesn't fall from the sky, it has a material basis. As Marx explained "social being determines consciousness." Marxists have always understood that workers don't take to the road of struggle on a whim. It involves a loss of pay, these days even putting your job on the line. Ordinary people go to work in order to earn enough money to look after their family, not to organise a revolution.

When their livelihoods are put in danger, when it becomes increasingly difficult to look after your family, you are forced to take action, and on the basis of that action you become aware of the need to participate in your union, in the Labour Party, and ultimately of the need to transform society.

Strike figures have declined each year since the defeat of the miners in 1985, which was a major blow. The failure of the TUC leadership to organise concrete action in support of the miners played a large part in that defeat. In those circumstances the prolongation of the boom in the economy naturally encouraged those in work to try to solve their problems within the limits of the system, through overtime working, etc.

The onset of the recession in

1990, coinciding with record levels of unemployment, and in the absence of a fighting lead from the tops of the movement, saw a further decline in strike figures, as workers increasingly feared for their jobs. In 1994 a record low of 280,000 days were lost through strike action, and one fifth of those are accounted for by the magnificent action of the signalworker's.

In addition the anti-union laws have now made it nigh on impossible to take legal strike action. The endless red-tape involved in organising a legal strike rules out any kind of spontaneous action, or at least brings you into direct confrontation with the machinery of the state.

Under these circumstances the role of leadership becomes doubly important. Instead of confronting these laws head-on, however, the union leaders have hidden behind the dangers of being taken to court.

The apparatus of the union is very important and not something to be thrown away lightly, it was after all built up over decades by the sacrifice of the members, but it exists to assist their struggle, at the end of the day the union is its members.

The outlook of the leadership has a material basis as well, of course. They have become increasingly divorced from the conditions of their members by their incomes and lifestyles.

They move in the same circles as the CBI, and this has a big effect on them. They see their role not as consistent fighters in the cause of the working class, but as a kind of mediation service in the class struggle. Their so-called "new realism" is neither new nor realistic, but is a mirror of the "modernisers" in the Labour Party who adopt the utopian view that it is possible to make capitalism work more fairly. In reality they are living in the past.

In todays new boom there has been a certain upturn in the number of strikes taking place. In March and April of this year for example there have been exactly double the number of days lost through strike action as in the same period in 1994. But moods cannot be judged purely by statistics, which belie the anger expressed by activists at this years conferences. A colossal bitterness and frustration is fermenting beneath the surface. This "molecular process of revolution", as Trotsky described it, is busily burrowing away, occasionally bursting forth

in an unofficial movement like those of the postal workers, the official actions of the signalworker's, and train drivers, important strikes by teachers, lecturers and library workers.

Action

The record vote by miners to take industrial action, perhaps most graphically underlines the changed situation 10 years after the defeat of 1985. It is a terrible mistake to exaggerate the movement of the working class, at the same time it is even worse to ignore those movements that do take place, or to underestimate the importance of changes such as the historic decision of the RCN to overturn its no-strike clause.

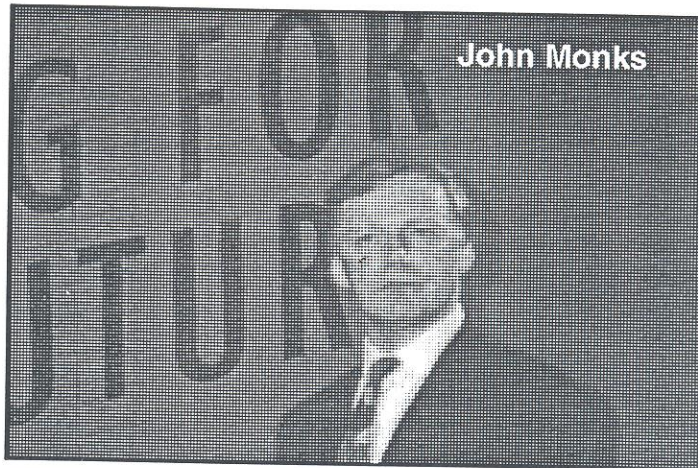
The position of nurses and healthworkers generally has become unbearable in the new, market-oriented NHS. A senior consultant working at a trust hospital recently wrote to The Guardian explaining that he had resigned after being told by management to give patients priority according to their post-codes.

The TUC should not only be giving its full support to these work-

on the contrary they are all the more reason to use the full force of the trade union movement, in the shape of the TUC, to defend workers taking action. Such action could not only guarantee the victory of the workers involved, but could sweep away the anti union legislation, and take this hated Tory government with it.

But given this mood of anger which exists, when will workers move? This is undoubtedly the most difficult question to answer with any certainty. As Leon Trotsky once wrote in relation to Britain, "it is a question of the struggle of living historical forces and not of an automatic accumulation of arithmetical quantities. And this alone makes impossible a passive prediction of the stages of the process and the timing of the denouement. A finger must be kept on the pulse of the British economy and politics and, while not omitting overall perspectives for a moment, one must attentively follow all the partial fluctuations, the flows and the ebbs, and determine their place in the process of the capitalist decline."

As any shop steward knows, it is



John Monks

ers in the action they take, such as the recent strike by operating theatre staff in Cardiff, or the ongoing dispute at London's UCH, but should be taking the lead, organising a national demonstration and a one-day national strike to defend the health service.

Similarly the wage freeze, and the introduction of CCT, has made the position of local authority workers and public sector employees generally intolerable. The introduction of "market testing" into the civil service has had the same effect. The TUC should be organising national action in their defence. Anti union laws are no excuse,

impossible to predict with certainty at what moment anger on the shopfloor will turn into a strike. However, we can predict with certainty that the inability of the capitalist system to solve one of our problems, in fact their need to further drive down our wages and conditions to maintain their profits, will increasingly force workers along the path of struggle. If the union leadership themselves act as a barrier to this action, unofficial disputes will take place, as we've seen on the Underground, and in the Post Office.

The postal workers have been forced time and again to take unofficial, illegal strike action.

Their own full time officials and National leadership have scandalously blocked their path at every turn. Time and again they have ordered their members back to work for fear of the all-powerful courts, threatening unofficial strikers with repudiation, even calling off official action in Cardiff a few weeks ago.

Similarly the ASLEF leaders ignored a ballot result by their members to turn down a management offer, and signed up to an almost identical agreement the very day the ballot result was announced, paving the way for privatisation.

Nevertheless, just the threat of further strikes forced BR to bring forward a two hour cut in the working week. This summers strikes had already cost BR over 20 million, and weren't making privatisation look too promising. In other words the union was in a very powerful position. But again instead of leading, Lew Adams and co. present themselves as some kind of impartial arbiters, acting more like ACAS than ASLEF.

If the TUC were to lift its little finger there could be a generalised movement which would result in the long awaited downfall of the Tories. Instead we are told to wait for a Labour government, and although a Labour victory is now odds on, the election may yet be 18 months away, and just one more day of the Tories is one day too much.

In the absence of any alternative, there is an increasing tendency to turn to the political front in search of a solution, fostering more and more expectations from a Labour government.

There is a word of warning here for the leaders of the Labour Party, the less they promise the more is expected. After 16 years of the Tories, trade unionists and party members have been willing to give up almost anything in order to secure a Labour victory. But the day after a Labour government is elected the celebrated "Wait for a Labour government" evaporates into thin air. Action will be demanded on unemployment, on low pay, on the health service and on abolishing the anti-union laws.

With so much hope vested in that Labour government, its programme will obviously be a central topic at this years TUC conference.

Delegates will be keen to reverse the recent backsliding on issues such as the abolition of CCT, and reversing the pri-

vatation of education and the NHS.

Full backing should be given to the T&G's demand that Labour immediately introduce a national minimum wage of £ 4.15 an hour. There has been a great deal of "flexibility" on this issue, suggesting that a minimum rate would differ in different regions and for different age groups. Activists should rally around the £4.15 figure which would mark a big step forward for millions of low paid workers and an important step in the direction of a real living wage for all.

Mass unemployment

Likewise, in response to mass unemployment, the TUC must demand that Labour's policy of Full Employment is translated into action. A massive programme of building houses, hospitals and schools should be launched, creating millions of jobs. and beginning to repair the destruction of our infrastructure wreaked by the Tories.

Acceptance of the EUs maximum 48 hour week would be a step backward for many workers. The introduction of a shorter working week of 32 hours, without loss of pay, on the other hand, could not only eradicate unemployment, but would also provide everyone with the time needed to fully participate in the running of industry.

In their rush to adopt the EUs social charter, the old idea of so-called "Workers participation" has been rescued from the rubbish bin. The experience of workers in the rest of Europe is that this entails the right to participate in handing out redundancy notices. We don't want to participate in the bosses mismanagement of the economy, we want to run it ourselves through the democratic participation of the whole of society.

No doubt the issue of nationalisation will be high up on the agenda of many delegates, especially after Blair and co. rushed through the abolition of Clause 4 before the union conferences could even discuss it. The TUC must demand the renationalisation of all the industries sold for a song by the Tories, only compensating the small shareholder, big business has already been compensated too much for the sale of our property.

Nationalisation should not simply be seen as a method of rescuing bankrupt industries, or a fairer way of running public utilities but as the basis for planning the

economy. With all the modern scientific advances in communications and computer technology, it is ludicrous that our economy is still dominated by the anarchy of the market. A socialist plan of production, with the key sectors of industry and the banks under democratic control and management by the working class, would enable us to develop an integrated energy policy, an integrated transport system, in short, to plan production in the interest of society rather than the lust for profit of the few. To believe the current system can in some way be tinkered with is not new realism but old utopianism.

In addition, the TUC must stand firm on the demand to abolish the anti union laws. The Labour leaders have unilaterally declared, ignoring conference policy, that they intend to keep them.

At this year's GMB conference, Tony Blair repeated his promise that there would be no return to "beer and sandwiches at No.10", no "special privileges", under the next Labour Government. In reply, John Edmonds announced that this, would also mean no return to his union trying to prevent its members taking strike action under Blair. Given his track record, there can be no doubt that he will try, but his most powerful aid, the promise of "sorting it out" at No.10, has been rudely snatched from under his nose. Socialist Appeal supporters will fight as hard as anyone to get Labour elected, but we don't want special privileges, we want Labour to represent us the way the Tories have represented their class for the last 16 years, and that requires the implementation of socialist policies.

Any failure to deliver will inevitably lead to explosions.

The turn to the political front, trying to solve problems through the election, will be followed by a turn back to the industrial front. This would see an increase in activity in the union branches, and in turn in the Labour Party. It is an incredible logic that leads the fringe elements to believe that, on the one hand, the working class can and will transform society, overcoming all obstacles, and yet at the same time these same workers will be incapable of transforming their own organisations, the trade unions and the Labour Party. According to their own survey as many as 20,000 trade unionists have joined the party at the reduced rate in the last year alone. At present the overwhelming majority of these treat their party card like their union card, tucked away in their back pocket and forgotten - until there is a threat of redundancies or a strike etc. At these times far greater numbers attend their union branch, and this will be repeated in Labour Party wards and GCs around the country if today's expectations of life under a Labour government are not fulfilled. The scene will be set for almighty battles which will transform the labour movement from top to bottom.

Confidence

Last month saw the 100th anniversary of the death of Frederick Engels who played a colossal role in the early years of the British labour movement, and we can only echo the confidence he had in that movement, when he wrote, "There is no power in the world which could for a day resist the British working class organised as a body."

Phil Mitchison

TUC 1995 Pakistan Trade Union Defence Campaign

Conference Fringe Meeting

Caxton Arms, North Gardens, Brighton
(near BR station)

Tuesday 12 October 7.45pm

speakers include: Imran Ali

All delegates and visitors welcome

- At the end of June, in the sunny climes of the super-rich marina of Cannes, the political leaders of European capitalism met to discuss their system's future.

- They made two important decisions. The first was to admit publicly that the dream of monetary union and a single European currency to replace the pound, the franc and German mark was not possible by 1997, the first date set by the Maastricht Treaty that they all signed back in 1992. And the second decision, which appeared to contradict the first, was that at their next summit in Spain, they would decide on the name of the single currency, thus committing themselves to idea yet again. The final decision on a single currency is supposed to come at the special Inter-Governmental Conference in Dublin in December 1996.
- The founding fathers of the move to 'ever closer union' (as the Treaty of Rome called it when setting up what used to be called the Common Market in 1957) believed that political and economic union of the nation states of Europe was essential if the old capitalist states of Germany, France, the UK and Italy were to stop centuries of fighting each other and to survive in a

global capitalist world dominated by mighty US imperialism, the then monstrous threat of "Communism" in the spectre of the Soviet Union, and later on the 'yellow peril' of emergent Japanese industrial capitalism. The spokesmen of European unity were Jean Monnet and Robert Schuman, French politicians who saw the setting-up of a tariff-free customs union in the 1950s as just the first step towards a single market for trade and investment, monetary union and single currency, and finally political union in a federal United States of Europe to rival that of America.

Was this aim a serious possibility or just the 'myths, fantasies and pageants' of few deranged minds, as that French nationalist, Charles de Gaulle called it. Well, in 1995 we do have a customs union in 15 European nations.

Market

More than that, there is even a semi-single market for the movement of goods and labour. That is a major achievement for European capitalism. It was made possible by three things. First, the catastrophe of the second world war plunged continental Europe to its knees in devastation, while finally finishing off the UK and France as global players in the world's capitalist power struggle. Necessity is the mother of invention (or to use Monnet's own words, "people only accept change when they faced with necessity and only recognise necessity when a crisis is upon them"). Europe had to stop fighting. In this objective they were helped by the Americans. Fearful of the spread of "communism" (or to be more accurate revolution in Europe), the Americans decided to bail out Europe's capitalists through its Marshall Plan. That ploughed in billions to finance the recovery in Europe. And finally and most important of all, the move to free trade in Europe and integration of industry and investment was made possible by the most sustained and unprecedented period of growth in the history of world capitalism. The US boomed, Japan boomed and Europe boomed, with growth rates averaging 5-6% a year every year for 25 years to 1973. That made it possible for the

Can big business unite Europe. Michael

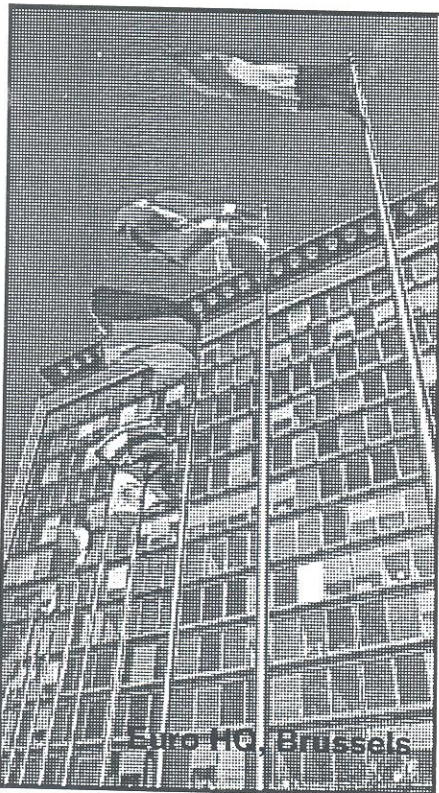
European Union

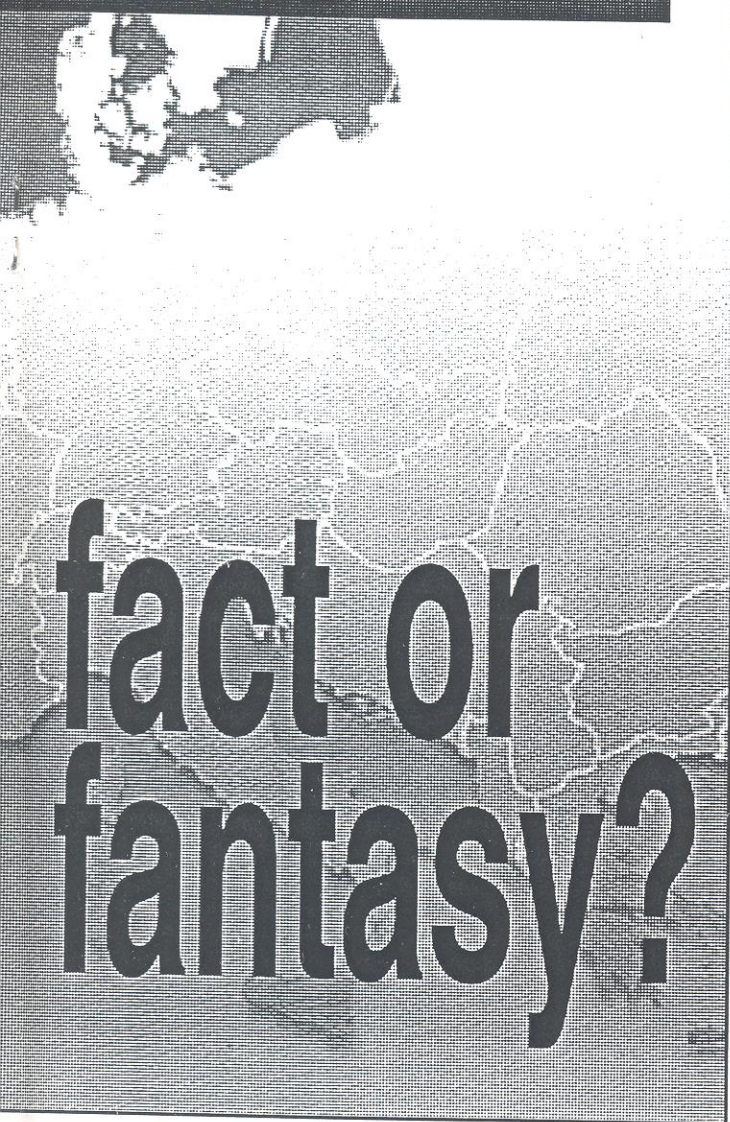
fighting thieves in Europe's kitchen to bury the chopper and share out the ever-growing mound of goodies. By 1973, Europe had established a customs union and now was embarking on the next step of the dream: integration of national markets and national monies. But the 1970s saw the end of the 'golden age' of capitalism. The world entered a period of booms and slumps (1974-75, 1980-82 and 1990-92). Each downturn drove up unemployment to levels that the succeeding upturn could not bring down; credit expanded to try and keep growth going, but that just forced up the national debt of each country to astronomical heights. As we look to the end of the millennium, Europe has an average unemployment rate of over 11% and that is likely to be higher by the year 2000. Growth has slowed to a trickle, while bud-

get deficits to pay for social security have rocketed. And debt in most countries is near to or above annual national output.

Differences

But more important, the differences between each capitalist nation in Europe which seemed progressively less important while there was growth and full employment for all, have now become ever-more difficult to iron out. Germany is the dominant European capitalist power: it has over one-third of all industrial production and 25% of trade. That position is reflected in its currency which gets ever stronger against the franc, the pound, the peseta and the lira. That makes the prospects for 'ever closer union' through fixing the value of currencies as in the European Exchange Rate Mechanism (ERM) ever more





fact or fantasy?

difficult. When the Berlin Wall fell, German capitalism decided (against the advice of its central bank, the Bundesbank) that it would swallow up East Germany. That meant promising to raise quickly and dramatically the living standards of the 'Ossies'. The German politicians switched 7% of GDP in the west to finance the integration of the east. And they raised interest rates and taxes to pay for it without letting inflation rip. That drove interest rates up throughout Europe because the ERM had fixed the value of exchange rates. To keep up the value of the pound or the franc against the mark, interest rates in Britain and France had to rise too. In effect, the whole of Europe was paying for German unification. The pain was too great to bear in the midst of the long recession of 1990-92. Eventually first the UK and Italy and then Spain, Portugal and others cracked. The UK and Italy left the ERM in humiliation in September 1992,

and in the following summer, the others were forced to devalue their currencies. The ERM fixed bands were sharply widened to the point where they no longer matter.

Crisis

What the ERM crisis showed was that the aim of European monetary union and 'ever closer union' in Europe leading to a United States of Europe on the base of a 'market economy' was proving to be a pipedream. Nevertheless, the politicians of Europe press on because they fear that without an integrated Europe they cannot survive as a major force in the world arena. Thus they signed the Maastricht Treaty immediately after the ERM debacle. The Maastricht Treaty committed the European nation states to achieving monetary union and one European currency to replace all others by 1997 at the earliest and by 1999 at the latest. The politicians realised

the problem of the wide differences in the economic health of each capitalist economy. Their solution was to impose draconian targets on each country to 'converge' so that monetary union would start with an 'even playing field'.

Germany set those targets. It contributes nearly 40% of the EU budget, it is the major power. France went along with the targets because it is desperate to control German power through a supra-national body like the EU. That is the logic of the so-called Franco-German axis. But the targets are ludicrous. They demand that by the end of 1996 (now 1998) all the EU members must have inflation rates and interest rates that are very close together; and that government budget deficits must be below 3% of national output and national debt must be below 60% of national output, and stay there forever. The reality was recognised by the Cannes summit. Only a handful of countries will achieve these targets by the end of 1996 (Germany, Luxembourg, Austria perhaps and the UK). Now the date is set for 1998. But even then, on any estimate, less than half of the 15 member states will achieve them. And that assumes that there is no economic recession before then. If there is, then unemployment will shoot up again and budget deficits and government debt will rocket.

Targets

Anyway, the attempt to achieve these targets is proving painful. It's painful for European capitalism because by cutting public spending and paying off debt, the markets for European manufacturers are reduced, and with high interest rates, European currencies in the ERM are very high, so pricing their exports out of world markets. And of course for small businesses and the working class of Europe it means bankruptcies and the destruction of the welfare state. So that means potential splits in political parties that try to support Maastricht (the Tories in Britain, the Gaullists in France, the Italian political morasse, and the Spanish socialists). But the final arbiter over monetary union will be Germany. The hidden reality is that the German capitalists have no intention of relinquishing their hegemony in Europe. That means that they do not want the bureaucracy of the European Commission or a bunch of Italian and French politicians telling them where they can

invest, or how much tax they should pay in order to help out the poorer countries of Europe. At present, the EU budget is 1.4% of Europe's GDP. To help solve the differences in Europe, the budget would have to be raised to 10% of GDP, and Germany would have to pay for that. So German capitalists would pay more to the EU in order that Spanish capitalists can improve their competitiveness over the Germans. No way! The Germans also fear that a single currency would mean devaluing their beloved mighty mark in favour of an ECU made up of bits of lira, francs and pesetas. That threatens inflation. They are not going to agree to monetary union unless all the Maastricht criteria are strictly adhered to, and yet France, Spain, Italy and the most of the rest cannot meet the targets unless they are 'relaxed'. It's a recipe for division.

EMU won't happen. Even before 1999, France may decide to cut and run, like Britain and Italy. If the French capitalists do not, they will have to join a monetary union dominated by Germany. Then they face the threat of competition by British, Spanish and Italian capitalists whose governments are devaluing their currencies to make them more competitive, and letting inflation rip to reduce their value of their debts. Of course that makes these devaluing countries third-rate economic powers, hardly better than some Third World countries, but it does not help the Germans sell goods in Europe. They will turn increasingly to exploiting the cheap labour of central Europe, sucking Czechoslovakia and Poland into their economic orbit (this time it will be an economic invasion rather than a military one). If there is a single currency in Europe, it will be the mark, and it will be used only in Germany, Austria, Holland, and central Europe in the year 2000.

Failure

The failure of EMU will mean the end of the dream of the United States of Capitalist Europe proposed by Monnet and Schumann back in 1947. The fighting and intrigues within Europe will reassert themselves. Germany may no longer want to pay for an EU where countries try to undercut them in world markets. That could mean the end of the single market. And another world recession at the end of the 1990s could bring a quick and painful death to European capitalist unity.

The menace of racism

With the recent celebrations of 50 years since the defeat of the Nazis still ringing in our ears, it is an opportune moment to take a look at Britain in 1995 and the racist activities of the far right and the consequences for Black and Asian people.

After the second World War, Britain experienced an unprecedented economic boom. World peace was sustained not without Britain's role as a global military policeman. With the forces' numbers swelled, including the drain on manpower through National Service, Britain's depleted workforce struggled to meet the production figures needed to take full advantage of the new boom in world trade in the late forties and early fifties. Virtually every school leaver in those halcyon days was guaranteed an apprenticeship or other meaningful training as the development of the productive forces gathered pace. The problem facing the Tory government of the 1950's was how to fill the menial, mainly unskilled posts of the service sector. Ironically, the Tory right championed the idea of immigration in order to solve the problem of worker famine. Workers in the commonwealth countries were heavily encouraged to come to Britain for a better life for themselves and their families.

Immigration

Not least prominent in this programme of immigration was a certain Enoch Powell, arch-racist and author of the notorious "rivers of blood" speech in the sixties.

However, as sure as Tuesday follows Monday, capitalism was unable to sustain this economic upswing and those immigrants who had been beckoned in this country by the Tories were soon to find themselves cast as scape-goats for the failings of the profit/investment, boom/slump merry go round.

By the mid 1970's the fascist National Front was able to boast nigh on 20,000 card-carrying members. Racist activities in Britain proliferated alarmingly. This, in the wake of Britain's demise as a world trade power and the consequent advent of large-scale unemployment and its concomitant social problems, served to underling the con-

nection between the inability of capitalism as a socioeconomic system to provide adequately for the needs of the working class and the emergence of reactionary, racist "solutions", including significant layers of the Tory party. The early eighties saw the waning of the National Front and the emergence of the British National Party under the fuhrership of veteran Nazi, John Tyndall. Almost a stroke, Tyndall's BNP jettisoned, at least ostensibly, open Nazi terrorist tactics and cultivated a "respectable" image in order to boost their electoral credentials. Despite the notional success of Derek Beackon in a council by-election on the Isle of Dogs in late 1993, this electioneering gambit has been an unmitigated disaster for the master race.

Military

The military wing of the BNP, Combat 18, decided that this tomfoolery was getting them nowhere and in the past 12 months has sought to concentrate its energies on uniting the various Nazi groups in Britain around a core programme of racist activity. The new umbrella organisation, the "National Socialist Alliance" comprises elements from the BNP, British Movements, the Third Positionists and a posse of other rabid fragments of the ultra-right. The NSA operates under the stewardship of C18 who also control the Nazi skin-head music circuit and have found a welcome market in protection and drug pedalling. Consequently, Britain in 1995 can be a terrifying place to live if you happen to be Black or Asian, particularly in the inner cities where the fascists exist in greater numbers. Incidents such as assault, verbal abuse, having excrement shoved through letter-boxes, racist graffiti, arson and even murder have become stark reality for Black and Asian people in contemporary Britain. The murder in 1993 of black schoolboy, Steven Lawrence marked a new low in the tactics of the Nazi thugs. Despite the massive increase in these types of sub-animal behaviour, Home Secretary and ostrich-in-chief, Michael Howard steadfastly refuses to introduce legislation specifying racist assault as a specific offence.

The problem of everyday racism is clearly more pervasive than some people imagine. Her majesty's own noble police force have, recently, on more than one occasion, had to pay compensation to Black and Asian officers who have experienced prolonged racial taunts and harassment from colleagues. Others have found the path to promotion blocked owing to the colour of their skin. This scenario has been echoed in the prison service. The Commissioner of the Metropolitan Police Force, Paul Condon, in his infinite wisdom, recently proclaimed that most present day criminals are black! In the sporting arena we have just witnessed an article in that most eminent of cricket publications "Wisden Monthly" in which a columnist claimed, to the disbelief of all serious cricket fans, that black players do not try as hard, when playing for England, as their white counterparts. Given this picture of Britain in the nineties it isn't too difficult to understand how ambivalent must those erstwhile inhabitants of the British Commonwealth feel towards their adopted country and their cynicism towards that great British institution, "fair play". As Marxists have consistently explained, racism and fascism are problems which arise out of the class division of society and as such require to be addressed on a class basis. The establishment of "anti-racist" or "anti-nazi" groups by the sects have proven to be little more than front organisations whose primary aim has been, in truth, to recruit to their own "party" ranks. This type of activity has represented a setback for people who genuinely wish to see the elimination of the racist evil.

Transformation

In order for the poison of Nazism and racism to be finally extinguished, the working class as a whole, ie. black and white workers together, must fight for the transformation of society from the divisive and repressive capitalist system which sets one worker against another, to a planned socialist economy where every man and woman is accepted as genuinely equal irrespective of colour or race.

**Steve Holmes
Blackpool**

Balkans carve up continues

by Rob
Sewell

- Coming on top of the Croat victory in Krajina, the NATO mass bombing of the Bosnian Serbs opens up a new diplomatic and military phase in the Balkans conflict.
- Despite protests from Moscow, the US imperialists have now seized the initiative and are attempting to impose their new peace plan on the Serbs.

- Willi Claus, Secretary General of NATO, has made it clear that the bombing raids are intended to force the Bosnian Serbs to the negotiating table. The old European lead policy suffered a massive setback with the loss of Srebrenica and Zepa and the humiliating seizure of peace-keepers after the earlier NATO bombing. Under US hege-

to mount further actions against the Bosnian Serbs. Under this pressure the Bosnian Serbs have been forced to reach an agreement allowing Milosovic to represent them. The Bosnian Serbs have already welcomed the US peace proposals, which divide Bosnia on a 51-49% basis—the bombing action of NATO is an attempt to seal that deal with force.

The Croat victory in Krajina marked a reversal of fortunes for President Franjo Tudjman, the Generalissimo of Croatia, whose declaration of Croatian independence four years ago led to war with Serbia and the seizure of one third of its territory. Again in 1993, Croatia was soundly defeated in its military quest to

advance surprised even its own military architects.

Conflict

The conflict broke out in former Yugoslavia in 1991 with the declaration of independence of Croatia and Slovenia. The break-up of Yugoslavia was directly related to the foreign policy of German imperialism and its "Drive to the East". To further its own strategic interests Germany pushed for Croatian independence and forced its European partners to recognise the Tudjman regime as a fait accompli. They were then followed by Slovenia and Bosnia. The break-up of Yugoslavia was a crime against the peoples of the Balkans, leading to tragic consequences and the uprooting of peoples that had lived along side one another peacefully for generations. Before the war, the whole of former Yugoslavia could have been described as a patchwork of different nationalities. "Communist Yugoslavia retained an extraordinarily diverse population", commented the Independent on Sunday. "Except for Slovenia, every republic abounded in minorities. In Bosnia-Herzegovina a census in 1991 estimated that 44% of the 4.4 million people were Muslims, 31% Serbs and 17% Croats. In Croatia, about 12% of the 4.6 million people were Serbs."

The bloody events of the last four years has completely altered the picture *beyond recognition.*

According to UN data, pre-war eastern Bosnia and southern Herzegovina had a population of 304,000 Serbs, 261,000 Muslims and 41,000 Croats. Now the region contains 450,000 Serbs, 4,000 Muslims and almost no Croats. Northern Bosnia had a pre-war population of 625,000 Serbs, 356,000 Muslims and 181,000 Croats. Today there are 719,000 Serbs, 37,000 Muslims and 30,000 Croats.

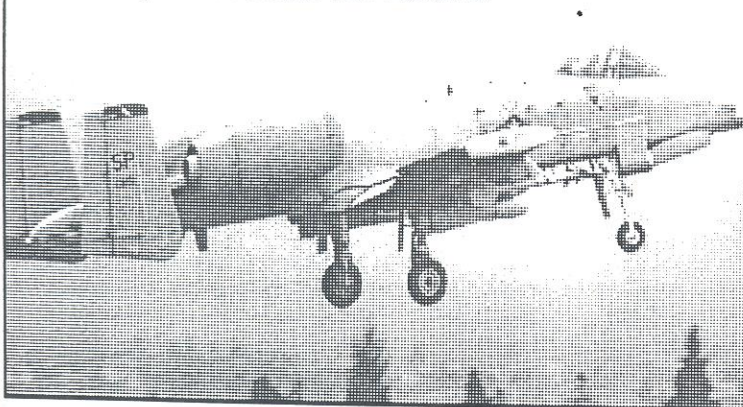
This is the product of breaking up Yugoslavia on ethnic lines, with the inevitable murderous conflict we have witnessed. It was therefore criminal to talk of "self determination" in this context, simply ignoring the terrible consequences of ethnic cleansing. Marxists have always supported bourgeois democratic demands—to the degree that they contain any progressive content. It is a falsehood, however, that we should support under all conditions the demand for the right of self-determination. How could the right of self-determination be supported in the Balkans—that will inevitably lead to all out war? To simply pose the question in the concrete is sufficient to realise the fallacy of such a proposition.

The stoking of the flames of nationalist poison over the years by Tudjman, Milosevic, Izetbegovic and the other bureaucrats in the separate republics assumed enormous proportions, especially after the death of Tito. Tudjman's attacks on the Serb minority in Croatia reinforced the nationalist rhetoric of Milosevic who was spoiling for war with Croatia and the creation of a Greater Serbia. The Serb minority within Croatia were terrified at the prospect of a reappearance of the wartime fascist Croat puppet regime, which was responsible for many atrocities. Milosevic rested on these fears to declare war on Croatia in defence of the Serb minority.

Success

Now Tudjman's success in seizing back Krajina is por-

US warplane heads for Bosnia



mony the UN peace-keepers have been withdrawn from vulnerable positions so that NATO forces can be used to deal a further military blow to the Serbs. The Croats and the Muslims have now been encouraged

divide up Bosnia. Now within three days, Zagreb seized all the key military and strategic points in Krajina much more quickly and with less Serb resistance than anyone anticipated. *The rapid Croatian*

trayed as "the greatest military victory in Croatian history". True to form, the United Nations forces were contemptuously brushed aside as tens of thousands of Krajinan Serbs were ethnically cleansed from the region. This follows the fall to the Serbs of two notionally UN protected safe areas in eastern Bosnia, which shows the complete impotency of the so-called United Nations. The UN, which is dominated by American imperialism, has been incapable of preventing war. This is due to the fact that its aim is not to defend peace, but the interests of its paymasters. The task of the UN is to "contain" the situation and stop the conflagration spreading. It is to this degree that that the imperialists are for 'peace'. Following on from Krajina, the same ghastly scenes of ethnic cleansing were repeated in Banja Luka in Northern Bosnia, but this time of Croats and Muslims at the hands of the Serbs. Given the ferocity of the Croat attack on Krajina, why was there a lack of resistance on behalf of the Serbs? Why did Serbia refuse to back them as would normally have been the case? To understand the truth it is necessary to brush aside the official pronouncements and diplomatic proclamations, and seek the material interests that underlie the actions of states and their international backers. Clearly, each of the 'peace-keeping' powers (United States, Russia, Germany, etc.) are pursuing their own initiatives for 'peace' as a means of reinforcing their own interests in the Balkans. The Russians, who traditionally back the Serbs, are pressing for sanctions to be lifted against Serbia. If they are maintained, Yeltsin is threatening to unilaterally lift sanctions to bolster Milosevic's position in Belgrade. At the same time the United States, backed by Germany, have secretly supplied arms and military advisers to Croatia, prompting Tudjman to attack Krajina. The Bosnians have turned their back on the EU initiative for peace and have become totally reliant on US imperialism. The Americans have cynically proclaimed the Croatian victory in Krajina as a "golden opportunity" for new peace talks.

The lack of resistance from Serbia over the rout in Krajina points to some kind of secret deal or tacit agreement between Tudjman and Milosevic about the long term carve-up of Bosnia. "The little resistance the Croatian Army encountered in its bid to retake Krajina", stated The Times, "seemed to testify to the alleged deal." In fact a secret deal was hatched between Milosevic and Tudjman as far back as 1991 to carve up Bosnia. This is not unique in the diplomatic manoeuvrings, especially on the Balkans. Here the art of lying and deceit to further the interests of one or other of the Balkan powers has reached new depths. It is, however, a mirror image of the diplomacy between the major imperialist powers at present. Milosevic is desperate to lift the economic sanctions against Serbia. It is possible that temporarily he has put on the back burner the idea of a "Greater Serbia", preferring to attain economic relief and a means of consolidating his present position. Once his position is secure, and the Bosnian Serbs are brought to heel, these plans will inevitably be revived.

Defeat

A defeat for the Krajina Serbs was also used to undermine the leaders of Bosnia's rebel Serb leaders, particularly Radovan Karadzic. Milosevic used rebel losses to the Croats in May to assert control over the Croatian Serb army and discredit defiant local leaders. He now seems to be trying to repeat the trick on Karadzic, with Mladic as his instrument. "Is he (Mladic) obeying orders from Mr. Milosevic for a capitulation of Krajina as a prelude to a Serb-Croat-Muslim settlement that will win the lifting of sanctions for Mr. Milosevic?" asks the Guardian. Karadzic has gone in the past two years from being a reliable puppet to a contender for the crown of Greater Serbia. Milosevic has conspired to bring the rebel Serb leadership to heel and has backed General Ratko Mladic in what amounts to a military coup against Karadzic. The latter moved to sack the general and declare himself commander-in-chief. In the power struggle the general staff has pledged its

loyalty to Mladic, who is regarded by Belgrade as more reliable in carrying out their interests. At present there is an uneasy stand off between the contenders with the UN bombing forcing Karadzic to look to mending his political fences with Belgrade.

Paddy Ashdown confirmed on the BBC that he watched Tudjman draw up a map carving up Bosnia between Croatia and Serbia on the back of a VE Day banquet menu in London. The map is seen as evidence of a secret deal between Serbia and Croatia to split Bosnia within ten years. The hypocrisy of the United States was nauseating in its

resolution calling for the unilateral lifting of sanctions on Serbia. As with Clinton, Yeltsin could veto the decision, but then open himself to charges of betraying Russia's foreign interests. For these powers it is not a question of the fate of the peoples of the Balkans, rather simply a question of spheres of influence.

The refugee crisis where 100,000 Serbs are fleeing into Serbia nevertheless threatens to upset the best laid plans of the Western powers. The announcement in Belgrade that 5% of refugees would be sent to the Albanian-dominated Kosovo region is creating enormous discontent and could provoke an uprising there and the



backing given to the Croats in its success in Krajina. Not a word of condemnation for its ethnic cleansings, but an action that opened up new possibilities for a negotiated peace! It is hoped by the Western Powers that Milosevic will combine with his General Mladic to impose Bosnian Serb acceptance of the US peace plan or something like it, giving the Muslim-Croat federation control of at least half of Bosnia's territory. The Serb seizure of Srebrenica and Zepa, has placed Gorazde on the negotiating table. According to the Economist, "Ironically, therefore, the fall of the enclaves might provide the opportunity for a new start. Despite Muslim resistance, this is the plan of the United States." "A de facto partition is inevitable", says the Financial Times. "It should be brought about as soon as possible by negotiation to avoid further bloodshed." Mirroring the decision of the US Congress to lift the arms embargo on Bosnia, the Russian Duma has passed a

drawing into the conflict of Albania, Turkey and Greece and the development of an all-out Balkans War. Such are the unknown quantities that the imperialists are desperate to avoid at all costs. Given the new balance of forces, even if they manage to patch up some kind of agreement between the parties, with a new repartition of Bosnia, it will not be long lasting. The situation of the Bosnian Muslims is just treated as "small change" by the players of the diplomatic game.

Subsumed

"The war is now about the Croats and the Serbs, with only a glancing reference to the Bosnian Muslims. Their case is now subsumed in the wider conflict", states The Observer (13th August). The nationalist ambitions of Tudjman and Milosevic for Greater Croatia and Greater Serbia will upset whatever arrangement can be patched up. Compromises are simply seen as steps towards the greater goal further along

down the road. "The idea of a multi-ethnic state is dead. What we are now talking about is the degrees of separation", states The Observer.

The present war is reactionary from all points of view, as were the Balkan wars of 1912-14. They were a struggle for land from neighbouring states, and served to drag Europe into a world war. The present conflict, however, is very small scale mostly being fought by militias and not regular armies.

The Western powers are desperate to avoid an all-out Balkan war involving Albania, Macedonia, Turkey, Greece and Bulgaria, which would have far reaching and devastating consequences.

Despite the so-called New World Order, the UN has been totally impotent to prevent the conflict in former-Yugoslavia. According to the Economist: "the outside world has not had sufficiently vital issues at stake in Bosnia to justify the expenditure of thousands of soldier's lives, which would certainly have been required by the imposition of a military 'solution'; and that the West's only real interest was the prevention of a wider war, in which outsiders, including Russia, America and Western Europe but also others, would most probably take differing sides." (22nd July)

Set-back

Despite the set-back for the workers' movement in the region over the past four years, the only alternative to the misery of war and bloodshed is the struggle for a Balkans Socialist Federation. This was the traditional position of pre-war First World War social democracy, but was abandoned for more 'practical' policies. We can have no trust in the UN or the NATO Bloc which represents the interests of the imperialist powers. The call for a Socialist Federation can be the focal point for class unity and offer a way out of the impasse. At the present time there is war weariness amongst the mass of people. Probably a majority in Croatia and Serbia are opposed to the war, but with the lack of an alternative they feel helpless, ground between the nationalist camps. They would respond to a clear independent class programme against the nationalist rhetoric of Milosevic, Izetbegovic and Tudjman. A bold internationalist programme can cut across the nationalist poison and open the way for a genuine solution for the peoples of the Balkans.

Trotsky on the Balkans

● The Balkan peninsula, which is approximately as big as Germany but has only about one third as many inhabitants (22 million), is divided between 6 independent states: Greece, Turkey, Romania, Bulgaria, Serbia and Montenegro, together with the Austro Hungarian provinces of Dalmatia, Bosnia, Herzegovina.

● In the 6 independent states, each of which has its own dynasty, army, currency, and customs system, live many nations and races, divided into separate fragments: Greeks, Turks, Romanians, Bulgars, Serbs, Albanians, Jews, Armenians, Gypsies... The

● frontiers between the dwarf states of the Balkan peninsula were drawn not in accordance with national conditions or national demands, but as a result of wars, diplomatic intrigues, and dynastic interests.

● The Great Powers—in the first place, Russia and Austria—have always had a direct interest in setting the Balkan peoples and states against each other and then, when they have weakened one another, subjecting them to their economic and political influence. The petty dynasties ruling in these "broken pieces" of the Balkan peninsula have served and continue to serve as levers for

● European diplomatic intrigues. And this entire mechanism, founded on violence and perfidy, constitutes a huge burden weighting upon the Balkan peoples, holding back their economic and cultural development. Thus, the Serbs are forcibly parti-

tioned between 5 states: they fall into one small "kingdom" and one tiny "principality" namely, Serbia and Montenegro, separated from each other by the Sanjak of Novybazar, which, though inhabited by Serbs, belongs to Turkey; many Serbs live in the Macedonian districts subject to Turkey: finally, a large proportion of the Serbs are included within the frontiers of Austria Hungary. A similar picture is offered by all the other Balkan nationalities.

This peninsula, richly endowed by nature, is senselessly split up into little bits; people and goods moving about in it constantly come up against the prickly hedges of state frontiers, and this cutting of nations and states into many strips renders impossible the formation of a single Balkan market, which could provide the basis for great development of Balkan industry and culture. On top of all this is the exhausting militarism that has come into being

in order to keep the Balkans divided, and which has given rise to the danger of wars fatal to the peninsula's economic progress—wars between Greece and Turkey, Turkey and Bulgaria, Romania

and Greece, Bulgaria and Serbia...

The only way out of the national and state chaos and the bloody confusion of Balkan life is the unity of all the peoples of the peninsula in a single economic and political entity on the basis of national autonomy of the constituent parts. Only within the framework of a single Balkan state can the Serbs of Macedonia, the Sanjak, Serbia and Montenegro be united into a single national-cultural community, enjoying at the same time the advantages of a Balkan common market. Only the united Balkan peoples can give a real rebuff to the shameless pretensions of Tsarism and European imperialism....

The historical guarantee of the independence of the Balkans and the freedom of Russia lies in the revolutionary collaboration of the workers of Petersburg and Warsaw and the workers of Belgrade and Sofia.

Leon Trotsky
August 1910



The federal election and beyond...

Where is Australia going?

• We are taking the opportunity in this issue of reprinting a major article recently published in the Australian Marxist journal "Socialist Appeal" Number 4/5 (1995) on the perspectives facing the Australian Labor government as the next federal general election approaches. As Tony Blair sees himself very much in the same light as Paul Keating, we feel that the lessons of the federal Labor government are of particular relevance to our readers. All references to Socialist Appeal in the article below refer to the Australian journal.

within the Coalition over the republic and other social issues where conservative ideas are clearly out of step with the mood of society, while at the same time continuing his balancing act between the conflicting interests of capital and labour, hoping to offer enough to neutralise dissatisfaction from both sides with his performance in office.

Approach

Will Labor succeed with this approach? Certainly the right wing course of the Labor government has been assisted by the onset of the recovery in the economy early in

1994, which allowed some of the heat to be taken out of the industrial and political situation. It was during this early stage in the upward phase of the economic cycle that the underlying weakness of Australian capitalism was at its most disguised. Booms and slumps are as much the normal condition for capitalism as breathing in and out is to the human body. In the words of the Russian Marxist Leon Trotsky, 'So long as capitalism is not overthrown...it will continue to live in cycles. Crisis and booms were inherent at its very birth; they will accompany it to its grave.'

It was just as inevitable that the recession of the early 1990's would give way to a recovery, as it is that the present upturn will lead to a new period of stagnation and crisis in the Australian economy.

The onset of the recovery allowed the federal government some breathing space during 1994. Coinciding with a profound crisis of identity within the Coalition, reflected in leadership failures of Hewson and Downer, Labor was able to ride high throughout the year. While on the one hand Keating was able to give the appearance of tackling unemployment with a much vaunted 'White Paper', on the other, big business was prepared to give Labor the benefit of the doubt over its debt reduction strategy on the critical question of the federal budget deficit. However as *Socialist Appeal* commented in a statement produced in December '94,

'Experience will show 1994 to have been the high point of the Keating Labor government's fortunes'. (*The Storm Clouds Gather, Australian Perspectives 1995*)

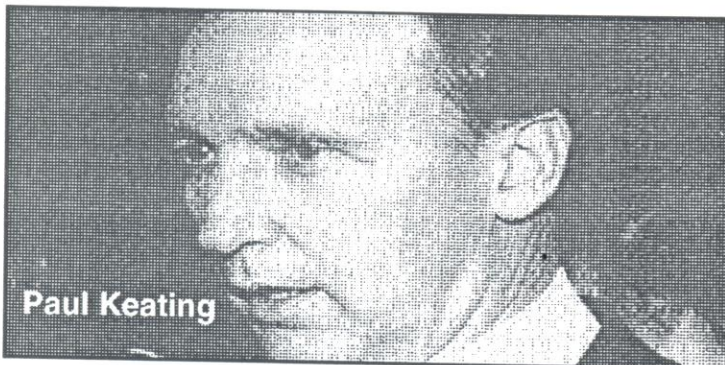
From the standpoint of Marxism, the end of the recession did not signify a restoration to health of Australian capitalism, still less did it vindicate the course of the Hawke and Keating Labor governments with their determination to work within the constraints of the present economic and social order.

In the very first issue of our journal, writing in March 1994, we were able to predict that the recovery would only result in the weakness of Australian capitalism being exposed for all to see, once the first flush of the upturn was over.

Flood

'The recovery will inevitably lead to a flood of imports as the manufacturing sector lacks the capacity to cope with the extra demand, and a blow out in the current account to \$24 billion by 1995'... This will force the government to raise interest rates'. (*Socialist Appeal No 1 Autumn '94*)

By late 1994 these words had already come true, with three interest rate rises and a blow out in the current account deficit to a record \$6.1 billion for the September quarter. The rises in interest rates exposed the unsustainable nature of the recovery. The failure on the part of big business to invest in new plant and machinery throughout the previous



Paul Keating

With the fanfare surrounding the push for a republic, the signing of the Accord Mark V111, amendments to the Unfair Dismissals legislation aimed at soothing business opposition, and the retirement of Brian Howe as Deputy Prime Minister, the Federal Labor government has clearly entered into election mode.

The government's selection of these particular issues is clearly no accident. Keating's strategy is aimed at exploiting the divisions

"...the end of the recession did not signify a restoration to health of Australian capitalism, still less did it vindicate the course of the Hawke and Keating Labor governments with their determination to work within the constraints of the present economic and social order."

period meant that the economy confronted the upturn in an even worse position than during the 1980's when the declining balance of trade led to an increase in the level of foreign debt from \$16.5 billion to \$240 billion.

A repeat of the 1980's would have spelt disaster for Australian capitalism, reducing if for ever to the status of a 'banana republic'. It was the fear of this scenario that drove the mouthpieces of capital in the media to ever more urgent demands directed at the government for the reduction of the federal budget deficit and for interest rate rises in order to rein in the current account deficit.

Failure to respond to this pressure would have led to a run on the AS, the threat of inflation, in turn even higher interest rates which would have meant political death for the federal government.

Devastating

However the rises in interest rates had a devastating effect on working class home owners who saw their meagre pay rises cancelled out by sharp increases in mortgage repayments. With the memory of the recession still fresh, and the experience of the late 1980's when interest rates spiralled out of control not yet forgotten, this section of the population deserted Labor with a 16% swing to the Coalition in the Canberra by-election of March 1995.

With the federal election approaching, the Keating Labor government resolved to make sure no further interest rate rises took place, balancing this with assurances to big business over the budget deficit. It was these considerations that determined the character of the May Budget, a budget whose main purpose was to improve the election prospects of the Labor government.

But aside of the betrayal of principle in selling off Quantas, the Commonwealth Bank and other public assets, the real victims of the May Budget were the unemployed, sacrificed on the altar of Keating's push for re-election.

For not only did the budget see the cancellation of many labour programmes outlined with great fanfare in the 'White Paper' the previous year, but the overall

impact of the government's efforts to slow down economic growth in response to the concerns of the financial markets over the trade deficit will leave unemployment remain above 8% for the foreseeable future. At the time of the 1994 White Paper 'Working Nation', in a special statement criticising the acceptance by the trade union movement as good coin the Labor government's claim to bring down unemployment to 5% by the year 2000, *Socialist Appeal* pointed out, 'The White Paper contains no strategy to reduce unemployment. Instead the target of 5% is to be reached purely as a result of growth in the economy. But is this figure reachable...?'

'This is clearly the impression Keating is trying to put across, predicting an average growth rate of 4.75% between now and the year 2,000 and claiming this as no more than was achieved during the 1980's boom.'

'In fact growth between 1983 and 1990 averaged only 3.7% and this took place against the background of 3.3% growth among all the industrialised nations. No-one is forecasting such levels for the world economy during the 1990's, the OECD predicts just 3.5% growth for this year and 2.9% for 1995...'

'The upswing of the 1990's is proving far weaker than its predecessor a decade ago. In the first year of that recovery the growth rate reached 8%, almost double the current level...'

The underlying weakness of Australian capitalism has been disguised during the first stages of the present recovery. Jobs have been created without investment by increasing production from existing capacity, and the rise of the A\$ has hidden the deterioration in the balance of trade.'

'But the apparent health of the economy is pure illusion. The blow out in the March current account deficit...and the slowdown in the rate of jobs growth give a truer picture of the real state of the economy.'

One of the functions of Marxism is to act as the memory of the working class. Twelve months before the 1995 Budget scuttled the promises made in the White Paper, no section of the labour movement outside the Marxist tendency around

Socialist Appeal was prepared to challenge the mistaken approach of the Keating Labor government and warn of the inevitable failure of the measures outlined in 'Working Nation'.

And again, in the commentaries surrounding the 1995 Federal Budget, no other section of the trade union movement or ALP has been prepared to speak out on behalf of the unemployed betrayed in the government's drive to appease the financial markets and ensure a smooth ride from the pro-capitalist media in its election build up.

Right wing

For 12 years the right wing course of the Hawke and Keating Labor governments has been premised on the idea that Australian capitalism needs to be restored to health before Labor can succeed in removing the evil mass unemployment and deliver improvements in living standards for working class people in this country.

On the basis of this argument, the trade union movement has accepted the wage restraint of the Accord, industry 'restructuring', and the introduction of enterprise bargaining at the expense of awards.

And now, after more than a

employment to the Australian working class.

Far from an average of 4.75% growth between 1994 and the year 2,000, it is now almost certain that this figure will not be reached even once beyond 1995!

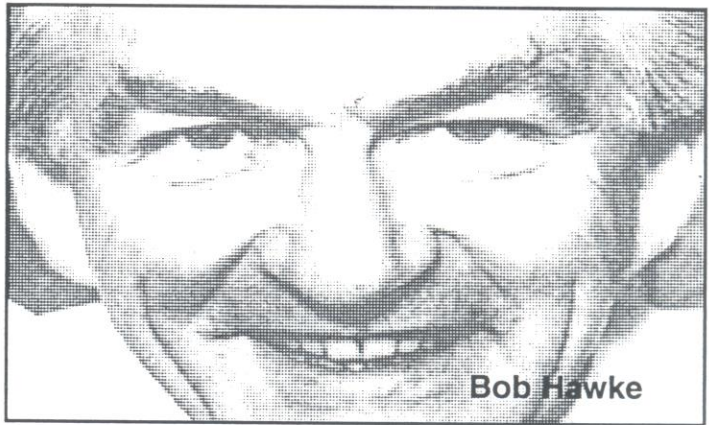
In the March 1995 national accounts, the rate of annual economic growth slowed to a mere 2.25%. The expected figure for 1995, which includes the 6.1% result of September 1994, has been reduced to just 3.75%. For 1996 the forecasts have been lowered to 3%.

The slowdown in the economy of the past few months has already made an impact of the jobless figures.

In May unemployment rose by 23,000 to 8.5%. The most optimistic commentators in the media expect the number of unemployed to remain static. Far more likely is that May's increase will become the norm by the end of the year.

The rises in interest rates have been felt most directly in the housing industry, which moves in a cycle one or two years ahead of the rest of the economy. Housing starts have dropped by 40% from their peak in 1994.

But the latest survey by the Australian Chamber of Commerce and Industry has



decade in which the average wage has risen by just 0.4%, unemployment remains stuck above 8% at the high point of an economic recovery with no prospect of falling to any real extent for years to come. Whatever the outcome of the forthcoming federal election, the verdict has been delivered in the failure of the Labor government, by confining its policies to the framework of capitalism, to sustain a rate of growth capable of restoring full

shown that the growing stagnation in the economy has spread to manufacturing, with the level of output beginning to fall in the March quarter, and slowing further in the last few months. For the first time since 1991, most of the companies surveyed expected to shed labour before the end of 1995. As we pointed out last December, '1994 will prove to have been the high point of the upturn, rather than the fore-runner of a new era of prosperity'. (The

Storm Clouds Gather p5)

The weakness of Australian capitalism expressed in the blow out of the current account deficit, combined with the reluctance of the government to raise interest rates further, has led to a sharp fall in the value of the A\$ which had risen steadily throughout 1994.

Between January and June

rope, steering between the demands of finance capital for the higher interest rates and a reduction in the current account deficit on the one hand, to be achieved by lowering the budget deficit and slowing down the economy, and on the other the need to win an election which will be determined by working class voters still reeling from

But none of the fundamental problems of Australian capitalism have been resolved. The present imbalance of trade can be maintained for ever, the underlying budget deficit once asset sales are removed remains around \$6 billion - record figure for this point in the economic cycle.

And if it is re-elected, the ability of the federal Labor government to deliver reforms, committed as it is to working with-in the constraints laid down by capitalism will be reduced to nil. Even in the high point of the recovery, such welcome measures as paid maternity leave have only been financed through asset sales.

Following the election Labor will have to contend with pressure from big business to slash spending further, unemployment stuck on 8% and even beginning to creep up, a weak A\$ caused by the current account deficit that will push up inflation in turn driving up interest rates, and overall a stagnant economy tottering on the brink of a new recession. Most of the underlying weakness of Australian capitalism, its lack of a viable manufacturing base and dependence on commodities for its export income, will remain.

Investment

Already the interest rate rises of 1993 have killed off the small increase in investment that came with the recovery. With the easing off of economic growth and surplus capacity reappearing in industry, the incentive to invest in new plant and machinery is melting away. In the first three months of 1995 business investment fell back 3%.

During the recession the level of investment slumped to a historic low, just 5% of the nation's output, not enough even to cover the cost of wear and tear on existing stock.

With the onset of the recovery this has risen to a certain extent, although far less than in the other industrialised countries. For example Australian capital spends just 0.71% of GDP on research and development, far behind the 1.66% spent in Germany, 1.8% in the USA, and 2.14% in Sweden. In fact the vast bulk of new investment over the last two years by Australian corporations has taken place overseas.

According to the Investment Monitor, quoted in the *Melbourne Age* on May 15th, 'From \$9.5 billion in March 1993, the value of foreign projects on the drawing board has swelled to \$61.6 billion in March 1995...'

'The value of projects under construction or committed has grown more slowly. Yet even that has more than trebled in two years, rising from \$5.5 billion to \$17.4 billion. By contrast, over the same two years the stock of projects committed or under way in Australia has grown by only \$8 billion to \$57 billion...'

'In the past two years, that is, projects outside Australia have accounted for 60% of the growth in capital spending committed by Australian firms on large projects and 70% of the growth in potential projects under investigation.'

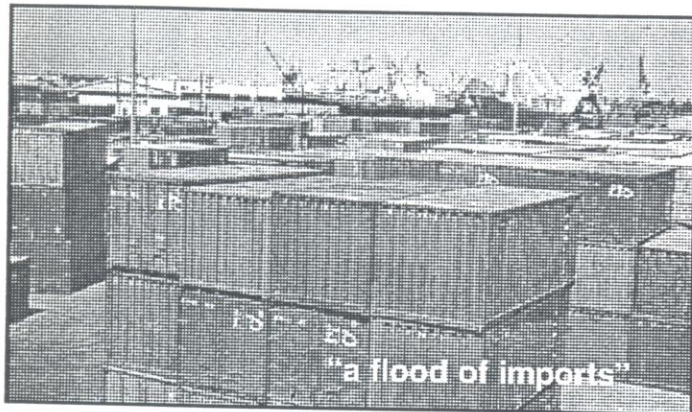
'Overseas projects now account for almost 25% of definite commitments, some compared with 10% two years ago. They also make up 42% of projects under investigation, a startling increase from just 8% in early 1993'.

The refusal of Australian capital to invest condemns the national economy to a bleak future, dependent on a commodity sector itself in decline - two thirds of the overseas projects are in mining - and with an increasingly unviable manufacturing base serving a dwindling home market.

For despite 9 years of 'industry plans', 'export enhancement schemes' and other bribes from the Labor government to encourage Australian manufacturing, and for all the talk of a tripling in manufactured exports over the last decade, in 1995 the balance of trade in manufactures has slumped to an astronomical \$35 billion in the red.

No other single statistic condemns as much the government's policy of relying on Australian capitalism to develop a viable manufacturing sector for the 21st century, apart from those cataloguing the human misery that this number involves when measured in the terms of unemployment, and declining living standards for working class people.

By their actions the few hundred executives and directors who control the decisive levers of the Australian economy have



1995 the A\$ fell 14% in the Trade Weighted Index. The TWI fell at the end of May to just 48.5, 0.8 of Keating's 'banana republic' comment in 1986.

Over the last five years the TWI has fallen by a massive 32%. As a result the cost of servicing Australia's foreign debt, which is largely counted in US\$, has risen by 14% since June 1994. The debt itself now stands at US\$152 billion, by far the highest proportion of out-put for any country in the industrialised world.

The dependency on inflows of foreign capital to service this debt and pay the rising import bill, has left Australian capital vulnerable to a run on the A\$ should the international money markets lose confidence in the economy.

Foreign debt

Alongside the highest rate of foreign debt Australia also boasts the largest current account deficit of any developed nation at 6% of GDP, with Canada a distant second at 3.3%.

The concern of the money markets lies in the fear that a Labor government might allow inflation to let rip thus destroying the value of foreign debts denominated in A\$. As a result international investors are demanding a 'margin of safety' in the form of higher interest rates for Australian bonds and loans. The government has therefore been forced to walk a tight

rope, steering between the demands of finance capital for the higher interest rates and a reduction in the current account deficit on the one hand, to be achieved by lowering the budget deficit and slowing down the economy, and on the other the need to win an election which will be determined by working class voters still reeling from

the mass unemployment that came with the last recession and the effects of rising mortgage payments on their living standards. In the May Budget the government employed the device of asset sales to perform this balancing act, able to do so by the capitulation of the Left inside the ALP and the trade unions. But the 'family silver' can only be sold off once, as the British Tories found out during the 1980's where despite a \$100 billion privatisation programme the government found itself with a budget deficit of \$110 billion at the low point of the recession in 1992.

Once the revenue from Qantas and the Commonwealth Bank is taken away from the government's income, big business will demand real cuts in spending on welfare programmes for beyond the \$700 million in the 1995 Budget.

Keating's May 'election' budget has therefore solved nothing. The sacrificing of the unemployed and the betrayal of Labor's commitment to public ownership will turn out to have been in vain.

Barring a run of the A\$ generated by the enormous current account deficit, interest rate rises may well be avoided in the short term. If the economy slows further then they may even fall in time for the government to call a spring election and scrape through.

lost any right to determine the economic future of the country. An incoming Labor government must take these top 100 corporations, and the major banks and financial institutions into public ownership, top allow for a planned direction to be democratically drawn up and implemented through workers control and management of industry. Only a socialist transformation of society along these lines offers any way out of the impasse capitalism has led the Australian economy into. However the current leadership of the Labor part has no intention of carrying put such a course. Instead it remains committed to working within the existing social and economic order.

Winning

As a result, if it succeeds in winning the election by a hare's breath, another term for the Keating Labor government will lead only to a further sharpening of the crisis within the economy and throughout society.

A Coalition victory will bring about no solution either. A victory for Howard will only shift the balance of political forces more in favour of capital, as a Liberal government interprets its election as a mandate to assault the trade unions and carry out policies in the interests of big business.

In the case of most general election campaigns it becomes a cliché that 'this is the most important election since the war', and often enough this does represent some truth.

However the forthcoming federal election stands out as one in which the result is probably the 'least important in living memory', so close do the two contenders stand on all the major issues at stake.

Even so, it still remains the case that the most favourable result for the working class people will be the re-election of the Labor government, despite the bankruptcy of the present right wing leadership.

For the ALP does not belong to Paul Keating. For all the government's efforts over the next three years to interpret its re-election as a mandate to continue on its present pro-capitalist policies, the failure of this course to deliver high living standards and a reduction in unemployment will inevitably force the trade unions and the ranks of the party into conflict

with the government.

This in turn will find its reflection in the shape of splits and divisions in the parliamentary caucus and even Cabinet itself.

After years of slumber and abject capitulation, the Left of the ALP will be forced to give some expression to this movement from below.

It is then that the revival of the Labor Movement as a vehicle capable of advancing the interests of working class people can begin in earnest.

With the emergence of a viable Left inside the ALP, workers will see for the first time some purpose in their own entry into political activity. An influx of working class militants into the party's structures will in turn further strengthen the Left and reduce the room for capitulation on the part of its leaders.

If the Coalition win the election, events will take a different course, but the outcome will be much the same.

A victory for the Liberals will not reflect a shift to the right within society. In fact the mood of ordinary working people lies significantly to the left of the Labor government although at present this finds no reflection inside the organised Labor Movement. Nevertheless this mood is reflected in the cautious tone adopted by Howard, in sharp contrast with Hewson during the period before the last federal contest, in his playing down of the industrial relations issue, and his appeal the 'Aussie battler' over the state of the economy.

A Coalition government, like that of Berlusconi or Chirac in Europe, would not be able to act from a position of strength. Any attempt to implement policies in favour of big business at the expense of the working class will meet fierce resistance and trigger a revival in Labor's fortunes and ultimately the return of the ALP to power.

However the ALP Right will not escape from a defeat at the hands of the Coalition unscathed. For not only will the past 12 years of right wing Labor rule be clearly seen to have ended in failure when measured in terms of living standards, unemployment and other issues of concern to working class people, but they will all have led directly to the onslaught of a Coalition government.

Once the inability of the Coalition to offer any way for-

ward leads to a revival in the fortunes of the ALP and its re-election, this will not mean a return to the present situation. The impasse in the economy will not allow for a repeat of the experience of the last 12 years. The ranks of the Labor Movement will demand a different course from a Labor government and under the pressure of this sentiment the Left will reassert itself and the Right forced to retreat.

The decisive factor determining the balance of forces inside the Labor Movement over the past two decades has been the unprecedented crisis inside the ranks of the mainstream left of the ALP and the unions. The grip of the Right over the ALP has not been founded on the success of its policies or the health of Australian capitalism, on which it rests. Instead it has been the weakness of capitalism that has exposed the bankruptcy of the traditional reformist approach of the Left.

Overthrow

Beginning with the overthrow of Whitlam, which was a direct result of the 1974/5 global recession that destroyed the government's finances, the Left has been pulled along by the Right because it had no response to the central argument of the Hawke and Keating leadership - that for a Labor government to deliver reforms to working class people it had first to restore the health of Australian capitalism, and that this required the medicine of 'economic rationalist' policies. The only real answer to this argument of the Right lies in the programme of a socialist transformation of society put forward by the Marxist wing of the Labour Movement.

By their refusal to adopt a socialist programme, the official Left have found themselves incapable of mounting any seri-

ous challenge to the Right throughout the life of the federal Labor government.

In the coming period a reawakening of industrial and political activity on the part of the working class in response to the economic impasse will revitalise the Left inside the movement.

However this will not be enough. Unless it is combined with a clear understanding of the nature of the crisis within society and of the case for a socialist transformation, this revival of the Left will still not succeed in displacing the Right. It is only the ideas of Marxism that can offer such an understanding, and it is only through the construction of Marxist tendency inside the Labour Movement that the Left will acquire the backbone with which to defeat the Right.

Even at this early stage, the recent example of the 'Take Them Back' campaign initiated by *Socialist Appeal* has shown how it is only the Marxists who are capable of seriously challenging the position of the Right within the party.

But at this point in time the voice of Marxism can manage only a faint whisper and a brief glimpse of the potential that lies in the future.

Alongside participation inside the movement in all its aspects, the industrial and political arenas, the student and youth fields, community based campaigns and so on, it is vital that the work of laying the foundations for a powerful Marxist tendency inside the Labour Movement strong enough to meet the challenges of the years ahead is begun.

And it is to this task that the publication of *Socialist Appeal* is dedicated.

(The Australian 'Socialist Appeal' can be contacted at PO Box 1763, Collingwood 3066, Australia)



US "justice" exposed...

On death row

The recent Channel 4 series of programmes around the question of Capital Punishment raised many questions about the way in which governments use the death penalty. One of those programmes dealt with the case of Mumia Abu-Jamal. Charged with the murder of Philadelphia Police Officer Daniel Faulkner, who was found shot in December 1981, and sentenced to death for that murder, Mumia Abu-Jamal's case has come to be seen as a symbol of the realities of so-called American justice.

The trial was a travesty. Blacks were removed from the jury, leaving a white majority on that body who clearly then met as a separate group. Mumia was not allowed to represent himself and was instead represented by an unprepared and unwilling state-appointed counsel. Key witnesses went missing or were pressured into giving false evidence. Evidence was hidden or distorted. Anomalies in the state's evidence included the fact that the fatal bullet was a .44 calibre yet the gun carried by Mumia Abu-Jamal was a .38 calibre pistol. Most of all it was obvious to all that the state wanted a guilty verdict come what may. The judge, Albert Sabo, has a reputation for being a 'hanging judge' and is also a former member of the Fraternal Order of Police (FOP) who have lead a campaign for Mr. Jamal's execution. At every stage the judge backed the prosecution. He never got a fair trial at all. Why does the state hate Mumia Abu-Jamal so? The answer lies in his long history of political involvement. In his youth he was an active member of the Black Panthers (a fact that the prosecution used to influence the Jury at every opportunity). Arrested at the age of 14 on a demo against racist George Wallace he was to become a target of the FBI's

Counter-Intelligence programme. From then on the state monitored his every move using spies, wiretaps and so on. He was considered to be a threat to 'national security' and at every stage the state looked for opportunities to frame him on one charge or another, as was the fate of many activists assuming that they did not die in one FBI shoot up or another. Some of these frame-up attempts verged on the farcical—in 1973 they tried to link him to the murder of the Governor of Bermuda despite the fact that he had never even been there! As an award winning journalist, radio reporter and constant thorn in the side of the state, it was inevitable that, even after his Black Panther days had passed into history, the system would still seek to bring him down. That opportunity came with the shooting of 1981.

Appeal

He was due to die at 10.00am on August 17 1995. However, on August 7 Judge Sabo was finally forced into granting an indefinite stay of execution so that Mumia appeal process could proceed without an execution date looming. The reason for that stay of execution was the tremendous international campaign against his execution involving labour organisations, black and community groups and celebrities such as Whoopi Goldberg. In Britain, the NUJ has granted Mumia honorary membership, as have similar unions in South Africa and Germany. The campaign was further fuelled by the publication of his book, "Live from death row". It was this campaign which brought Mumia's case into the public domain and raised the state's fear of what would happen if they allowed the execution to proceed. There has been a rapid increase in the use of the death penalty in the US as politicians

of both capitalist parties rush to prove their right wing credentials. They hope that by using the death penalty as a response to the growing deterioration of American society that they can deflect peoples fears over the increasing crime rates and general chaos within society. Over 3,000 people are now rotting in Death Rows throughout the USA awaiting execution by a variety of barbaric means such as the electric chair or the gas chamber. Civilised society is supposed to reject the use of the cruel and unusual punishment but what other description can be given to these killing machines. According to a recent interview with a former US executioner, now opposed to the death penalty, the witnesses to an execution in the gas chamber are now positioned so that they cannot see the faces of the condemned as they contort in their death agonies. Those who have watched the electric chair in use talk of horrific sights such as the bodies catching fire and eyeballs exploding out. Such acts seem more in tune with the middle ages rather than the end of the twentieth century. Even the so-called more humane method of execution, death by lethal injection, is nothing more than a sick parody of the gains of modern medicine which should be saving life not taking it. Most politicians now admit that the death penalty does not work as a deterrent (in fact, quite the reverse) and now see it just as the means by which 'society' can take 'revenge' on those who seem to threaten them. The right to appeal through the American legal system against death is now being limited by law and President Clinton has made the death penalty mandatory for an additional 60 federal offences. Of course most, if not all, of those in Death Row are poor and, particularly in the South, black. They are sentenced, as was Mumia Abu-Jamal, without

decent trials and the right to a fair defence. For the rich, who can afford expensive representation, the law looks far more kindly on them. Had O. J. Simpson been poor you can bet that his trial would not now be lasting months with the death penalty already waived as an option by the state! The whole penal system in America is designed to dehumanise and degrade.

Chain gangs

Apart from the increased use of the death penalty, we are seeing the return of 'chain gangs' and for the young offender—the so-called 'boot camps'. Experts, including those who run such camps, admit that they have no correcting affect whatsoever on those who endure these regimes but just leave them liable to be more mixed up than ever. Yet these are the sort of camps the Tories want over here! We should also note that the increased use of prisons etc. by the state does, of course, serve to act as a financial boost to the 'prison industry' which, in the US, has been subject to considerable privatisation and, therefore, a source of great profits for those involved. Some of these companies have already expressed an interest in tendering for prison contracts in Britain. Mumia Abu-Jamal's life has been spared for now but the fight must continue if he is to get anything like a fair trial. Mr. Jamal must not be allowed to join that long list of victims of American "justice" which stretches from the Haymarket Martyrs, passing Joe Hill, Sacco and Vanzetti and Ethel and Julius Rosenberg up to the present day. Messages of protest should be sent to Governor Tom Ridge, Room 225, Main Capitol Building, Harrisburg, PA 17120, USA. Messages of solidarity can be sent to Mumia Abu-Jamal, AM8335, SCI Greene, 1040 E. Roy Furman Highway, Waynesburg, PA 15370-8090, USA.

Steve Jones



Interview with Usman Baluch Sind President of the PNP

Years of revolution

Introduction by
Imran Ali
Interview by
Sue Norris

Introduction

1965 to 1972 was a period of revolution and counter-revolution in the history of Pakistan. There were revolutionary slogans heard all over the country. Socialist revolution was knocking at the door of Pakistan society. The revolution was lost due to the lack of a revolutionary party and the consciousness of the leadership remained far behind the movement. The PPP was formed on 30th November 1967 and within days it became the biggest political party in the history of Pakistan. The unjust division of capital created social contradictions between classes in society. 66% of industrial capital, 80% of banking, 97% of insurance were in the hands of just twenty families. The rest of the 34% of industrial capital was in the hands of international imperialist monopolies.

After the 1965 war with India, the economic slump increased. By 1968, workers, peasants, and lower middle classes were having to wait in long queues to buy their food. The movement of 1968 was preceded by the struggle of the railway workers. They were unable to work for two or three days a week because they had to stand in queues for food. The workers appealed to the government for special ration depots but were refused. Independent railway workers committees started to form because of retaliation by the government. Illegal printed leaflets were distributed and there was a total railway strike all over West Pakistan for two days. Not a single wheel moved during this time. The govern-

ment started persecuting the workers so as to defeat the strike. Workers in Hyderabad laid on the lines to stop traitors trying to run the trains. One worker was crushed under the wheels of a train and others were injured. The leadership of the strike was in the hands of young workers. The strike ended but the government had to accept many of the workers demands. The ruling class was taken aback by the strike. The workers were also shown what happens during a well organised strike—the courage and the class unity. This strike had political importance for the events that were coming. It showed that the workers were ready to fight, and indeed had to fight against the Ayub dictatorship.

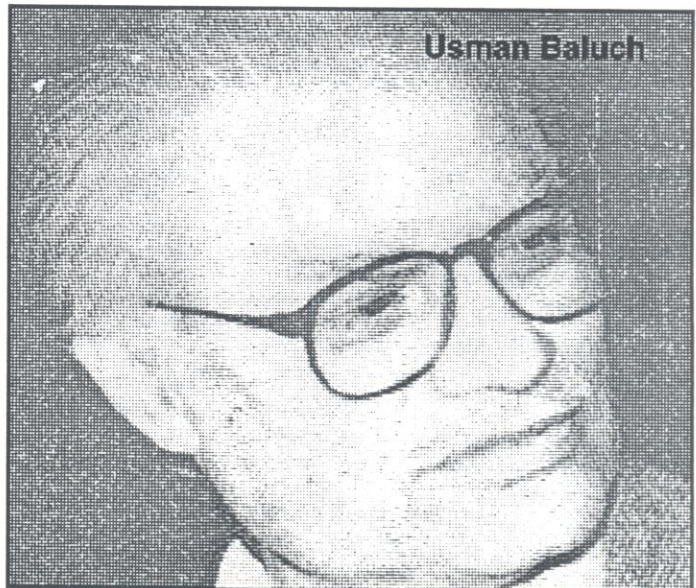
Socialist Appeal: Could you tell me about the revolution in Pakistan in 1968 - 69 and Bhutto's role?

Pakistan consists of many different nationalities. Between 1965 and 1969 there was a ferment. The workers were not fighting as Punjabi, Sindhi, Baluchi, or Pushtuns. The workers were very allergic towards the bureaucratic control of the Stalinist and Maoist Trade Union leaders. They did not align themselves with the Federation of Trade Unions. This was not just a movement in 1968 -69, it was a revolution. The movement was started by students, but the workers joined them on the streets opposing the government policies, adding their own political and economic activities against the exploiting classes. Through the intervention of the workers and a General strike it turned to Revolution. The Military dictatorship was staggering. The ruling class had no power to carry on their control over society. They were not able to stop the

growing revolution. We used to discuss the state intelligence, government measures, exploitation and the price spiral against low wages - all these discussions we used to have in isolation, in secret rooms and cells and this was used by Bhutto. On these issues Bhutto was with us. So every person, including myself - who did not join the PPP - were aligned with Bhutto. He was a charismatic leader. One thing was that all the leaders before Bhutto used to come to the public with their Western style shoes, keeping their distance. Bhutto threw Western dress aside, he had the shalwar and Qamiz when he visited the provinces, (the national dress of different provinces). And he came in the oriental manner, and he used to kiss the scarves of the donkey cart drivers and the horse cart drivers.

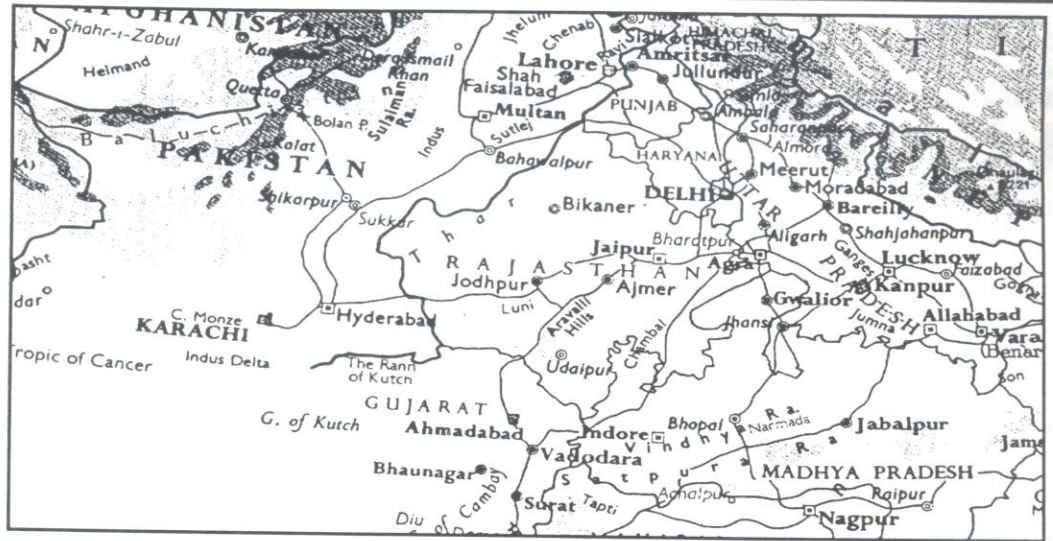
As I said, we were working against these things in our private meetings. Bhutto actually saved the ruling class at this time because they were broken down. They recognised that they were responsible for the

folly that they had committed in East Pakistan—that is Bangladesh—which was virtually reduced to a colony by the West Pakistan ruling class. The Pakistan army was demoralised by the severe defeat of the Indian army and the people of East Pakistan. There was a revolutionary mood amongst the workers and the general masses. There was also a revolutionary wave in different countries of the world that effected Pakistan. Bhutto was helped by the ruling class either in uniform or out of uniform to save themselves from that defeat. Pakistan was ripe for revolution. So the ruling class gave Bhutto a chance, I think, to shift the burden from them in a political manner. (Bhutto was the biggest landlord in Pakistan). They started challenging everybody. I will give you an example. The Air Marshal of Pakistan, Noor Khan, had said that there was a chance of challenging authority, challenging the status quo. In 1970 he said this. They all aligned with Bhutto, and Bhutto organised the workers, he gave them socialist slogans. The demonstrations were huge at that time. Once Bhutto had captured the imagination of these people he started giving anti-trade union laws that were not in the interest of labour. There was a Labour Plebiscite Conference in which I took part in 1969. The attitude of the ruling class to the workers was miserable; it was not according to what it should be. The productive forces of labour were not given respect in society, the country was breaking up.



Socialist Appeal: What was your role in the revolution?

In 1965 when I first started working in the construction industry, I had contacts with people who didn't speak my language, they spoke Pushto, Punjabi, and Urdu. We all gathered together and in the offices at the localities, and the residential areas, and the plant level; we used to discuss things and organise. In 1968 I was with the construction workers. The construction workers in those days were not paid on a monthly or fortnightly basis. There were no facilities for the them. There was a federal project in the west of Karachi. It was a big construction, a nuclear power station, which was undertaken with the help of Canada. In 1968 I started organising these workers. They did not have any helmets or safety goggles. It was 16 Km from the city and if it rained or there was no work, they were sent back by the management with no pay. So I took up these issues. The construction workers are very tough workers in Pakistan, they are experts in all trades - one is a welder in one construction company and he could be a carpenter in another company - so these are tough guys. They are mostly immigrant workers right from the North West Frontier, Baluchistan, and Punjab, very remote areas. There were 3000 workers. So I started organising them. There was no provision for forming a union because they were considered contract workers. (Note: during this time bosses could hire puppet labour leaders who would collect fictitious names to form a union. They would then go along to the Labour Bureau and register the union. You are not allowed to contest elections for leadership without a Certificate of Registration and therefore can't negotiate with employers!) We said to the Labour Bureau that we have formed this trade union. Whether you register us or not, our unity is still here. This compelled the government to issue a certificate to these workers and then only did we have all the facilities. I was the only person in the trade union to agitate for their demands, so there was a big demand for me. Everyone used to call me. Indeed that was in the period of the Military Police dictatorship of Yahya Khan.



I had links with workers of other industries because my father was also an industrial worker. I was able to listen to workers and their demands. We organised all these construction workers. There was another company and we had raised some demands there, agitating. I was called to give some suggestions. I had begun to attend their meetings and in my federation (there was Karachi gas company and the construction workers and some others I think). I had begun to attend the meeting and started negotiating with the management. Then I saw that there was another leader also there and I was astonished to see him - how come he is here?. (He was the boss hired Labour leader) The management said that he was also a Labour leader and they would only talk to him. There were some workers outside and they were just listening. The workers overheard all of this and they were very furious. They wanted to punish him, so I had to come out to make them understand that this is not a good way, and to let me talk to him. I told them he does not represent you. I don't know how, but some people started breaking the windows of the office. I came out and saw that the police force were there. And there was a row between the workers, the management, and the police and I was arrested. I was sent to jail. Within 10 days of the hearing of a special Military Court, I was sentenced to one year. They locked me in Karachi jail and then they sent me after three months to Central Punjab jail. This jail is known to be a very cruel jail, hardened criminals are locked up there.

Before this I had a meeting with Bhutto. Bhutto used to tell me that he is with the workers. I did not join the Peoples Party as such, but Bhutto was raising our demands - so I had to listen to him and we used to exchange ideas.

Socialist Appeal: What happened when you came out of jail?

When I came out I started organising the workers in the textile industry. We had very good links with the textile industry workers when I organised the construction workers. We discussed, at that time, how to show the government and the people that we could control the real productive forces. The white collar workers in the industries noticed that the machines were being disposed of. These machines were obsolete. In our country there is a book value. They work out how long a machine will last and then after that time they sell them. These are very underhand dealings. There was a lot of machinery in the textile industry that was to be given away like this. We discussed how we could take control of the industry and the production and then put these machines, which are listed as obsolete, to use. We took over these machines. We had the control of this unit, we had a Workers Council of 18 workers for control.

Four thousand workers worked in shifts. Not a single nail was pilfered. There was not a person who spoiled the chemicals or wool that was lying there. Nobody could come from outside. People who used to operate the machines undertook to repair the machines. We put

machines in order that were supposed to be obsolete. When we took control of the textile factory through the workers, we saw immediately the real face of the PPP leadership who became hostile to us. Then we realised the real inner face of that class which Bhutto stood for, using socialist slogans only to catch power. Bhutto first nationalised some industries, the banks and financial institutions and arrested some top bourgeois like Mr. Habib who was the owner of the biggest bank (Habib Bank Ltd.). Then he released them and starting privatising, giving excuses that the workers could not control them and they were losing money.

Millions of rupees were embezzled until they realised that fraud had been committed. The workers were made responsible for this. All this shows to the workers that the bourgeois loot the financial and industrial units. The workers in industry used to protect the industry. In the banking industry it was the Habib's and the top notch, the administration in alliance with the upper class people who rob the banks.

The nationalisation of industry under the capitalist system is not the solution to the problems of the workers. To cut across the trade union politics from the politics of the country is to undermine the working class movement. The trade unions are the revolutionary training institutions for workers. Industrial development can be achieved by running factories under the democratic control of the workers and through the eradication of the treacherous role of capital from society.

Chronology of events in Pakistan (1947 - 1988)

1947: Partition of colonial India into India and Pakistan (East & West).
1956: Proclaimed a republic.
1958: Parliamentary government ceases—replaced by martial law. General Ayub Khan appointed Martial Law Administrator.
1960: Ayub Khan becomes President through the "basic democracy" system that he has established.
1967: Massive railway strike. Pakistan People's Party formed. The majority of the founders mostly Stalinists or Maoists.
1968 - 1969: Revolutionary movement, situation of duel power prevails. Widespread disorder leads to Ayub Khan's resignation in
1969: General Yahya Khan replaces him and martial law is reimposed.
1970: First free elections held for an assembly which is to draw up a new constitution. For first time East Pakistanis to be allowed a majority in the assembly. (The majority of Pakistanis live in East Pakistan, but the military, political power and bureaucracy is mainly held in the West). Sheikh Mujibur Rahman's Awami League, standing for autonomy, sweeps to victory in East Pakistan while PPP win majority in the West. Yahya Khan tries to persuade Sheikh Mujib to form coalition government with the PPP but negotiations break down.
1971: Pakistan army sent into East Pakistan but is defeated by the 'Mukti Bahini', the guerrillas of the National Liberation struggle. Afterwards the 'socialist' leader of East Bengal, Bhashani, meets Mao in Peking and is instructed by him not to lead any protest movement against Ayub Khan. Indian and U.S. ruling classes are worried that the soviets created during the national liberation movement could again become a threat to

the existing system. Hence the Indian Army intervenes to crush the soviets and install a pro-capitalist regime under Sheikh Mujib. East Pakistan declares independence as the People's Republic of Bangladesh. Civil War breaks out. Indian support for Bangladesh grows and in December the Indian Army intervenes, forcing the Pakistani army to surrender. Yahya Khan resigns and Zulfikar Ali Bhutto, head of the PPP, becomes President of West Pakistan.
1972: Bhutto proposes a new constitution.
1973: Opposition parties of the right and left form United Democratic Front to demand amendments. These come into force and Bhutto becomes Prime Minister. Presidential rule is decreed after an outbreak of tribal fighting in Baluchistan. 1974: The government announce an end to army operations and an amnesty for political opponents, but fighting continues.
1975: Governor's rule imposed on Baluchistan. Violence increases in the North West Frontier, a result of the "Paktoonistan" separatist movement.
1976: PPP Cabinet takes office in Baluchistan.
1977: PNA (Pakistan National Alliance - formed from 9 parties - mainly Fundamentalists, right wing and Nationalist Parties) accuses the government of vote-rigging in the elections of the National and Provincial Assemblies. Martial law imposed in Karachi, Lahore and Hyderabad. The army deposes Bhutto in a bloodless coup—General Zia ul-haq becomes the chief Martial Law Administrator. Bhutto imprisoned for allegedly ordering the murder of father of former political opponent.
1978: Bhutto sentenced to death. Military

cabinet formed which includes civilian members of the PNA. Zia pledges to hold elections by October 1979. PPP repeatedly demand early elections in the hope of winning majority and releasing Bhutto.
1979: Bhutto hanged. PNA come out of the government. Local elections take place on a non-party basis following refusal of the PPP and PNA, the two largest parties, to take part. Martial law order no. 48 imposed which states that "all political parties with their groups, branches and factions... shall cease to exist."
1980: Afghan refugees begin to pour into Pakistan.
1981: Opposition Movement for Restoration of Democracy (MRD) formed calling for the return of parliamentary government. PIA airliner hijacked by PPP activists causing the movement to loose popularity. Several hundred opposition politicians arrested.
1983: Another mass movement against the dictatorship, which is held back by the betrayal of the leadership.
1985: Non-party elections held, amended constitution adopted. Martial law and the ban on political parties lifted.
1986: Agitation for free elections launched by Benazir Bhutto.
1988: Zia introduces Islamic legal code. There is a split within the army, Zia dismisses his hand picked government and dissolves assembly. Zia killed along with entire top brass of army and USA ambassador and military attache in a "mysterious" C-130 plane crash. Benazir Bhutto elected prime minister.

Compiled by Imran Ali & Sue Norris

Pakistan defence campaign

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Can Labour build the network

by Alastair Wilson

• With the publication of their document, "Communicating Britain's Future" during the summer, the Labour leadership has laid bare its policy on the much heralded "information superhighway."

• Emulating Al Gore and Bill Clinton's 1992 US Presidential campaign where the phrase "superhighway" was first coined, Tony Blair and shadow chancellor Gordon Brown have pushed the view that "new" Labour will herald a new information age, free and available to all. Unfortunately, the document exposes their claims to be little more than rhetoric.

"For all its photonic speed, this revolution has been a long time in coming. Its first prophets were not McLuhan, Minsky or Gerber, but... Karl Marx. Marx also speculated about the impact that global communication would have on the industrial economies. (Now that communism is safely dead, one can afford to note that Marx did make a number of acute observations about capitalism, particularly about the relation between economic evolution, science and technology.) In Das Kapital, the sage of the British Museum declares that the telegraph, steamships and railroads would accelerate the circulation of capital, thereby promoting the rapid growth of the industrial economies. "
(Scientific American: The Computer in the 21st Century, 1995)

Although claiming to understand the tremendous potential of the new technological developments around the convergence of computers, telecommunications and tele-

vision, the new document fails to bring forward a policy radical enough to properly develop and manage this "revolution." There is nothing new or radical in the policies - only a feeble hope that the "market" can be persuaded to bring the benefits of technological advance to the whole population. They hope to "persuade" companies to donate or sponsor more computer equipment for schools. It will try and "encourage" museums and galleries to apply to the Millennium Fund for money to establish a National

Interactive

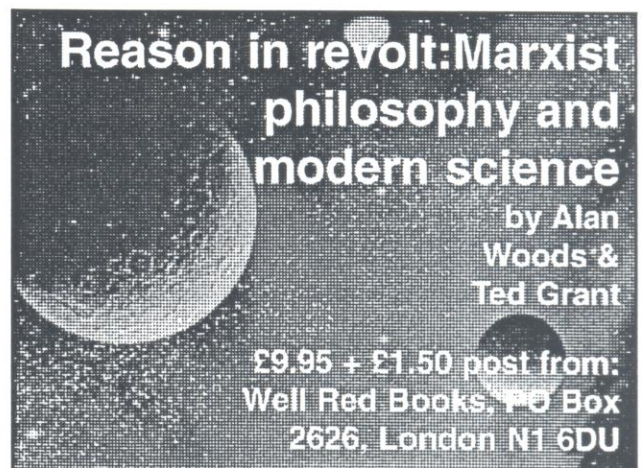
Interactive Archive that would put the contents of all major galleries and museums into a digitised form so that people can access them from their TV sets. Companies building the infrastructure of cables (network providers) will be "encouraged" to make their systems more accessible to the general public. Their only firm commitment is to "insist" that these network providers feed schools and libraries in the areas that they cover. And that's that! So much for the "information superhighway!" Labour's policy is based around the hope that they can encourage the mainly American cable companies to do the right thing. Only a couple of years ago Gordon Brown painted a glowing digital future under a Labour government where every home, school, public facility and work place would be networked - now the policy is to rely on encouragement, persuasion and hope. The cable companies, who had their licences granted in the 1980s, have failed miserably in the task of cabling Britain - is their one down your street? Not only that, but in the areas they have cabled they have not used the broad bandwidth fibre optic cable that would allow

the real potential of the network to be fully developed. The only real difference between Labour's "new" policy and that of the Tories is in their approach to BT. When the Tories issued the cable licenses in the 1980s they regulated against BT by banning them from providing television, films and other entertainment on their network. This was in order to give the cable companies, overwhelmingly US multinationals, a competitive edge before BT was allowed to enter the market. Although BT has said that it would cable the whole of the country with broad bandwidth optical fibre allowing a genuine interactive (two way) network to be created if they were allowed to provide television and film, the Tories have refused, preferring to let the Americans lay down miles of traditional wire and con the customer with promises of cheaper telephone services if you take their whole package. Labour's policy? Well they will let BT enter the market by the year 2002! So for possibly five or six years under a Labour government the cable companies will be "encouraged" to lay down miles of traditional wiring that is already obsolete. It's only purpose is not to create a genuine network but to sell advertising, film and TV

channels to customers. The cable companies claim there is no need for the broadband optical cable which can carry film and voice transmission in two directions at the same time because "there is no demand for services like voice-vision, interactive learning and electronic democracy." If Labour believes that broadband cabling is necessary, as Blair and Brown have said, then why "encourage" the cable companies to continue the insane policy of laying down wire. Of course, it is the rigours of the market that have decided!

Planned

If the network is to be of any value it must be planned nationally, not left in the hands of private cable companies operating on a regional basis. It must also be based on the broad band fibre optic cable laid down to every school, college, library, workplace and home, if it is to really meet up to its potential. The "market" will only develop the network for its own purpose of making a profit - that's why the network needs to be taken out of the hands of the "market." Labour should start with the renationalisation of BT under the control and management of the workers themselves, and the drawing up of a national plan that can really develop the full potential of the technological revolution that is taking place for the full benefit of the working class. This, linked with a socialist programme to bring into public ownership the big banks, financial institutions and monopolies, is the only way that the "information age" will not be just the preserve of the rich minority but available to all.



Reason in revolt: Marxist philosophy and modern science
by Alan Woods & Ted Grant
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Well Red Books, PO Box 2626, London N1 6DU

The Great British

Tradition

by Beatrice Windsor



The London Corresponding Society

The media and the Tories often complain about groups of activists plotting conspiracies "in smoked filled rooms". But the tendency of the labour movement to meet in pubs is actually a great tradition of the working class in Britain.

What can be described as the first true organisation of the industrial working class—the **London Corresponding Society**—was founded in a pub and its 10,000 members regularly met in local Ale Houses (every night in some cases!).

At the end of the 18th century, the country's pubs and coffee houses were filled with small groups of men, passionately discussing the issues of the day. Many were middle class in nature, looking to constitutional reform.

But the **London Corresponding Society**—founded in 1792 in the Bell Tavern, off the Strand—was exclusively made up of the new class; the proletariat. Its demands were simple—universal male suffrage, secret ballots and annual Parliaments.

However its discussions ranged across all social issues.

The LCS was divided into divisions of 30, with each division sending a delegate to an area General Committee. One of its members, the tailor Francis Place, described a typical meeting: "The chairman (each man was chairman in rotation) read some book... and the persons present were invited to make remarks thereon, as many chose did so, but without rising. Then another portion was read and a second invitation given. Then the remainder was read and a third invitation was given when those who had not before spoken were expected to say something. Then there was a general discussion."

But these "general discussions" alarmed the ruling class. The secretary of the LCS, Thomas Hardy, and several others were arrested and charged with treason, where the mandatory punishment was being hung, drawn and quartered. However, Hardy and his co-defendants were found not guilty and were carried from the court shoulder high by joyous mobs. The ruling class realised they had been premature to act against these radicals, with their mass support, during the worrying times for rulers everywhere—the whiff of revolution was still drifting across Europe from Paris.

However, nothing remains the same. The failure of the English masses to take up the revolutionary banner that had flown in America, France and Ireland prompted a counter revolution, culminating in Britain's declaration of war on France in 1793. Reaction swept the country, with 'Church and King Mobs' (the Black Hundreds of Georgian Britain) attacking LCS activists and ransacking their homes. There was a wave of 'patriotism' for the war and the English masses—as the poet G K Chesterton put it—"ought to keep themselves in chains."

Two Acts passed in 1795 and 1796 brought new repressive measures, chiefly aimed at the LCS. Discussions and lectures were banned, Ale Houses that were known to be used as meeting places were closed down, while "incitement of hatred of the Government" became a criminal offence!

The LCS were obliterated, to the extent that by 1799 the government were able to ban the LCS without fear of any backlash.

But the LCS had established a tradition that would pass onto a new, more radical grouping: the **Hamden Clubs**. These had established a revolutionary wing, and they were beginning to realise that discussions and debate have their place but more direct action was needed.

Next Month: *The Blanketeers*

Bourgeois of the month

Get rich quick?

So you want to be rich? Well, sorry to disappoint you but you are not going to make your millions by simply working hard—you have more chance of winning the lottery than becoming a millionaire by the sweat of your brow.

You see, it's a myth that the ruling class in this country got where they are today either through hard work, inventing something useful or through some exciting discovery. Most rich people in this country are rich because they were born rich. From time to time, the Sunday Times publishes a list of the top 500 rich people in the country (ie those who have a personal wealth of over £20 million). The largest group within that list are not entrepreneurs etc. but landowners. There are 137 of them listed, all owning vast amounts of shares, art treasures and huge tracts of land.

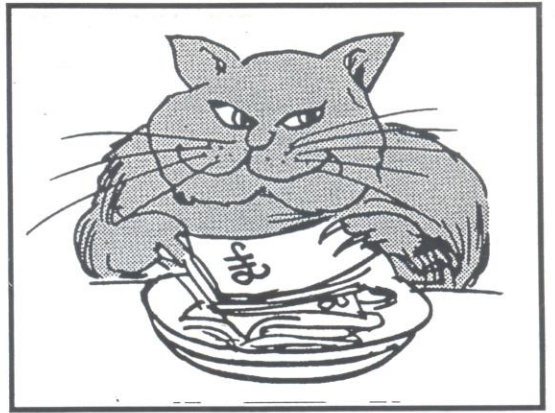
To name a few: the Earl of Seafield (100,000 acres of Banffshire, Scotland), earl of Slair (110,000 acres of Stranraer) Earl of Bathurst (13,000 acres of Shropshire and £10 million's worth of art treasures), Earl of Wemyss and March (40,000 acres of Scotland), Earl of Cawdor... and so it goes on, with similar huge swathes of land being owned by countless Viscounts, Dukes, Lords and Marquesses. They got the land of course by their forefathers grabbing it back in the middle ages, and then passing it on down the line. This continues up to the present day. For example, when Viscount Wimbourne pegged it, he passed his £30 million fortune on to his son, Ivor Mervyn Vigors Guest—not to mention his title which given his monica is probably just as well. Don't be surprised if you haven't heard of his father: this patriot spent nearly all his life in France as a tax exile.

And inheritance isn't all plain sailing. The main task of the old Duke of Malborough, owner of Blenheim Palace, was keeping the drug crazed hands of his son, the Marquess of Blandford, off the family pile.

So, unless your ancestors pinched the common land off the peasants back in the 1300's—and that you then backed the right side during the War of the Roses—you can forget about getting rich!

socialist appeal

The Marxist voice of the labour movement



Renationalise the public utilities

Britain has just gone through one the worst heatwaves since 1976. The media has been full of reports of water shortages and the need to cut back on usage. Unfortunately for the Tories this has resulted in a torrent of criticism over the performance of the privatised water companies.

The response of the government has been to pass the blame onto the user yet it is clear that it is the performance of the companies themselves that must shoulder this blame. They are acting as if the drought has lasted for 3 years not 3 months. Data produced on wastage of water shows that 826 million gallons of water are lost every day from leaking water company pipes—about 75% of the total lost. The government wishes to bring in metering to control water usage but meters would not cover these company pipes. Such wastage merely serves to indicate the lack of investment by the companies as against paying out huge dividends and pay increases to the management whilst cutting jobs amongst the workforce. Figures produced by the Labour Party show that investment by the water companies has fallen by £400 million, representing an investment cut-

back of 30% over 2 years. Prices have risen by 77% since privatisation. The cost of installing meters would be about £200 per household resulting in a total cost of nearly £5 billion with an administrative cost of £500 million. Water charges have already resulted in a clear tendency for low income families to save costs by taking less baths and showers, according to 'Save the Children'. The only winners of water privatisation (and all privatisation

have gone up by an average of 300%—the 'fat cats' are well and truly installed at the boardrooms of the water companies. The high profit figures for all the privatised companies has been achieved by cutting jobs, wages and conditions rather than by any real improvement in 'efficiency'. The outcome has been one of rising prices and a poorer service. Where new technology has resulted in improvements, this has occurred despite privatisation not because of it. The 'share-owning' democracy

electricity companies have all risen from their starting prices of 240p per share to between 481p (Seeboard) and 950p (SW electricity). Predators are now moving in to buy up these companies with further fears being expressed of job cuts as a result. Where privatisation does not hold out the promise of these profits then potential owners are not so keen. The privatisation of the railways fall into this boat. It is clear that most of the rail service cannot run at a profit and will have to be heavily subsidised just to break even. The attempt by the government to introduce an internal market structure into the railways has already underlined this. The Red Star parcel service has already suffered from this with a £70 million profit being turned into a £38 million loss as a result of increased internal charges. Red Star has now been sold off to a management buy-out team for £11. Labour should commit itself now to the renationalisation of all these privatised companies with compensation for shareholders on the basis of need only—and nothing for the corporate investors. It's time the fat cats were taken to the vets and put on a strict diet!

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for that matter) have been the owners and managers. Amazingly the water companies are set, yet again, for record profits—about £2 billion. This represents a predicted increase of 18%. Salaries for the directors

has been revealed as a sham with more shares in the hands of the corporate investors than ever before with the privatised companies being seen as a source of quick profits on the cheap. The share prices of the

Labour to power on a socialist programme