

socialist appeal

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Capitalism: no stake for millions

So the 'Big Idea' is finally with us! After months of waiting, the soundbite to end all soundbites has been presented, albeit at a launch to a meeting of Singapore businessmen, no doubt all desperate to vote Labour.

Suddenly politicians of all parties are talking about the 'stakeholder economy' (in the Tories case, mainly because they haven't got anything else they particularly fancy talking about). But what does it actually mean? Down the years we have been subjected to a series of such user friendly phrases, from the *white heat of technology* (Harold Wilson), the *great society* (Lyndon B. Johnson) and so on. All these sayings, beloved of spin doctors, have one thing in common: they don't actually mean anything.

Tony Blair has talked about giving power to all and attacked the scandal by which millions are stuck in dead-end jobs at the expense of the privileged few. This is correct but where does it lead him? He says: "*The stakeholder economy is about making us one nation again*". But when have we ever been "*one nation*"? When the original "*one nation*" question was presented by the Tories in the last century and again after the second world war, what they meant was the dream of a working class happy to be exploited by the bosses as all their '*needs*' would be looked after thereby preventing horrid class conflicts. The trouble with this for them was that the crisis of society would always cut across this largesse resulting in the bosses having to look after number one at the expense of '*social cohesion*'.

Blair's '*vision*' of a classless society under capitalism, itself a contradiction in terms, can remain only a dream. Already we are seeing the reality of this in the various ways people are interpreting the '*stakeholder economy*'. Blair talks about it by saying: "*It is not about giving power to corporations or unions or interest groups. It is about giving power to you, the individual*".

Elsewhere he talks about "*empowering people*". But no one knows what this will actually mean—and judging by the messages being sent to the City, however, not much! Apparently all this '*empowering*' is to be done through a "*change of culture*", according to Labour City Spokesman Alistair Darling, by which benevolent capitalists will come to their senses, exorcised of the spirits of the Eighties, and adopt a more caring attitude. The key to all this will be an increase in—wait for it—employee share ownership. However, here the Tories are actually right when they state that this is the same as their policy of the shareholder economy. They claim that the number of individual shareholders has already increased under them from 3 million to 10 million. However, Labour should take note; the shareholder democracy does not exist. Peter Lilley may well be right when he says that "*nine out of ten employees in BT, British Gas and British Aerospace*" have shares in their company. But has that saved them from mass redundancies, cuts in pay and conditions of work and so on? No. The real power

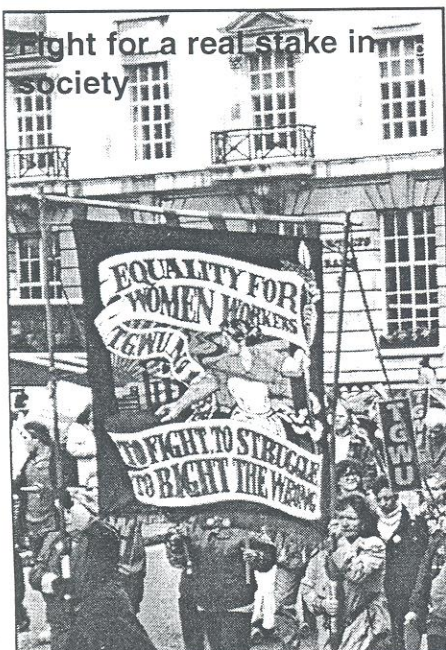
has remained, increasingly so in fact, in the hands of the few with the rest just holding pieces of paper. Owning a few shares does not represent a '*stake in society*'. The bosses are only too happy for us to have a stake in increasing productivity, have a hand in handing out redundancies, but no real power in how profits are used and how businesses are run. The belief that any reform can be achieved by '*consent*' is fundamentally flawed. Already the CBI and the City are demanding, and getting, assurances that none of this will be backed by legislation. Any real change that threatens the national interest ie. their interest, will be resisted.

Pressure

Yet union leaders, reflecting the pressure from below and the threat of the grater pressure to come, are putting a different line to that of the City. John Edmonds of the GMB has already stated that: "*People in Britain have fewer rights to information, they have less right to know what is going on in their company, they are more insecure at work and more easily sacked... some of those problems have to be put right by legislation*" (the *Guardian* 18/1/96). Here we see the genesis of the conflict to come. Big business will resist even the mild legislation implied here and the next Labour government will have to decide where they stand. Capitulation to capitalism will open up the doors to disaster.

We should be very clear. **The only way that people can have a real and meaningful stake in society is through the socialist transformation of society.** The struggle for a real "*stakeholder*" economy is the struggle for socialism. Labour needs to galvanise its support around a genuine socialist programme, nationalising the monopolies, banks and financial institutions under workers control and management as part of a socialist plan of production - this is the way to ensure a landslide victory at the forthcoming general election and the end of the Tories once and for all.

Editorial



Class society

This is unavoidable in a class society under capitalism. In his remarks, made at a meeting in Derby on Thursday January 18th, Blair continues by attacking the Tories for vacating "*the centre ground of British politics*". But when have the Tories ever occupied the centre ground and is there such a thing anyway? The nature of capitalist society is that you have two choices. Either you back the demands of capitalism, which will mean cuts in public welfare, lower wages, worse conditions at work, job insecurity etc. or you stand up to them, which means a struggle to change society itself.

Merseyside: the struggle continues

Merseyside fire fighters are still staging 24 hour walk-outs in protest at the attempt by the Labour controlled fire authority to make cuts which would involve the loss of 20 jobs, and reduce annual leave.

In response to the new contracts issued to FBU members by the fire authority following a 90 day notice period, the union is also pursuing its case through the courts. In addition FBU members from Merseyside are speaking at fire stations up and down the country to build national support for the dispute. The future of the dispute could hinge on plans to make massive cuts in jobs and stations in London - with the possibility of national action on the agenda. The FBU dispute poses in stark form the question being faced by Labour councils up and down the country - up until what point can they continue to implement Tory cuts? The cuts proposed by Merseyside Fire Authority would have an immediate and potentially disastrous effect on the people of Merseyside. Even the fire authority accepts that the shortfall in the budget required to maintain present levels of service is the fault of central government - and yet the authorities' Labour members still seem intent on making scapegoats of the FBU and its members. The dispute originally centred around a shortfall of £702,000 - and so far even the most conservative estimates place the cost of extra policing required during the dispute at around £640,000 (this figure does not include the costs of supplying and manning the Army 'Green Goddesses', which are being used to provide fire cover during strike periods.) As this dispute enters the New Year,



it is vital that trade unionists and Labour Party members, on Merseyside, and indeed throughout the country, place pressure on the Labour authorities to join with the FBU in condemning the real architects of this damaging dispute - Tory central government.

The 320 Merseyside dockers sacked over eighteen weeks ago by the Merseyside and Harbour Company (MDHC), are continuing their fight for reinstatement and an end to casualisation on the Mersey docks.

Local support for the sacked dockers remains strong, both within the labour movement and the wider local community, and this local support is being matched by pledges of solidarity from across the world. At a recent seminar held by the International Transport Workers Federation (ITF), delegates representing five million transport workers world wide, reiterated their support for the sacked men, and promised to seek industrial backing from their members in 40 countries. Kee Marges, the ITF leader is quoted as saying, "A resolution was unanimously adopted calling upon unions throughout the world to organise financial and moral support, and, where possible to organise industrial action, including boycotts in their respective

ports and countries, against any vessel known to be loading or discharging cargoes to and from the Port of Liverpool." Such a clear message of support, backed by financial donations from the ITF member unions, demonstrates the importance of this struggle, not only for the sacked dockers, but indeed for trade unionists throughout Britain and the world - as Kee Marges made clear, "The trade union movement in the UK has lost many battles. This needs to be won." One of the key aspects of the new contracts originally offered to the sacked workers by the MDHC, was the refusal by the company to recognise the TGWU, and also its insistence that casual labour was to become the norm; both of which were completely rejected by the sacked men. The struggle on the Mersey docks, illustrates the need for the trade union leaders to send a clear and unequivocal message to Britain's bosses - namely that casualisation, in the form of temporary contracts, increased "flexibility", etc., will be opposed by the trade union movement as a whole. In every section of industry casualisation is becoming not the exception but the rule; bringing with it job insecurity, low wages, and poor working conditions.

**Paul Ferguson
Merseyside**

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Pakistan Trade Union Rally Postponed

The rally planned for 13 February, in Conway Hall, London has regrettably been postponed due to visa difficulties for Shahida Jabeen, General Secretary of the PPP women's wing. We hope to have details of the rearranged trip in next months *Socialist Appeal*.

Anti-privatisation stance leads to election victories for Marxists in Sindh

The Fhatta cement factory has been at the centre of privatisation programme of the Benazir regime for the last two years. All attempts to privatise it have, however, been defied by the heroic resistance of the workers.

The capitalists have lost huge sums of money in bids to buy the factory. To break the resistance of the workers the bosses

"bought off" some of the union leaders, but there was a revolt from below and the leadership was forced to call new elections in the workers general assembly. Hence on 20th December 1995, the slate organised by Mohammed Khan Ahmadani, the editor of the Sindhi Marxist paper, *The Struggle*, won the election on the basis of an anti-privatisation and revolutionary programme. Similarly in the elections

of WAPDA (water and Power) Hyderabad zone, comrade Munir Salawat was elected as the general secretary of the union on a revolutionary programme. Both these elections were won against the ferocious attacks of the government, the bosses and the right wing. These victories show the new upturn in the class struggle in Sind and Pakistan.

Eisar Das

Coventry UNISON strike

Coventry City Council was brought to a standstill on December 14th when more than 5,000 staff joined a one day strike against the cuts.

Although trying to avoid compulsory redundancies, the Labour council are attempting to introduce a 'Pay vs jobs' package, attacking terms and conditions. These measures have included slashing 3 days leave for officers, and stopping sick pay for the first 2 days of sick leave. Talks between management and unions have continued throughout, and it was thought progress was being made. But without warning, the Council suddenly issued the new contractions—an action which

just aggravated the situation. Earlier, Unison members had been wound up by the intervention of regional GMB/APEX organiser Owen Granfield. In a letter leaked to the local paper, he criticised Unison's tactics as the "usual mix of fantasy and toytown Trotskyism." Granfield got his response on December 14th—not only was there solid support amongst Unison members but many other trade unionists refused to cross picket lines and even non-union members joined the strike. Now other Council trade unions—the TGWU (which covers most manual workers in Coventry) and UCATT—are balloting for strike action.

Nationally, Labour is in a leading position in local government. It controls well over 170 metropolitan and district councils, 18 county councils together with 34 unitary authorities in Scotland and Wales. It is usually the majority group in the many authorities where there is no overall control. Labour councils should stop trying to do the dirty work heaped upon them by the Tory government, and unite with local government trade unions for a national campaign—including industrial action—to restore the billions stolen from local government by the Tories.

A Coventry Unison member

Ford workers ballot for strike action

Since the submission of the Ford worker's pay claim last October, the company has failed to satisfy to our demands for higher pay, shorter hours and better pensions. In an offer of 4.75% in the first year and 4.5% in the second, with no movement on hours, the company is hoping to head off strike action without adequately responding to productivity increases of 85% over the last five years.

Workplace ballots to reject the deal last December produced results of 93% rejection of the pay offer at Dagenham and other Essex plants. Unfortunately at Swansea and Bridgend there were overwhelming votes to accept the offer and at Halewood stewards refused to conduct a ballot. This is a reflection of the lack of confidence of the workforce in those plants. In Wales investment is required to assure future jobs and in Halewood there have been layoffs over the last 18 months, sapping the confidence of the workforce. However in Dagenham the launch of the new Fiesta plus new investment in the engine plant, which has created jobs. This has given a mood of confidence with three months waiting lists in car show rooms

and Dagenham the only plant in Europe currently producing the new model. The feeling is that now is the time to take on the company. Engineering problems and labour shortages, which have caused the company to bus down 50 production workers from Halewood, has further increase confidence. This mood has been reflected in one day stoppages last December in Dagenham and amongst the truck fleet drivers last month. The management have noted the difference in mood between the plants and are waiting on the results of the postal ballots for strike action which are being held over the first two weeks of February. The result of the ballot will be announced on 20th February. The union side of the national negotiating committee have unanimously recommended rejection of the offer and a vote for strike action. This will hopefully be backed up by the national workforce. Vauxhall workers recently won a one hour reduction in the working week with no loss of pay and a 4% pay rise after limited industrial action. The lesson from this is clear: a firm stand now will lead to success.

Des Heemskerk
AEEU Ford
shop steward

CPSA: strike action grows

The recent knife attack at Bexleyheath Jobcentre which left two CPSA members seriously injured (and one man with a blade through his head!) received national media attention. But this incident came as no surprise to Employment Service (ES) workers, who have seen assaults at work rise from 244 in 1988 up to an estimated 3120 in 1995. The impact of the Jobseekers Allowance—which replaces Unemployment Benefit and Income Support later this year—is expected to lead to an even greater risk of assault as ES workers face the flak generated by the Tories' latest attack on the benefits system.

ES management plan to achieve "efficiency" savings of £58 million by the end of the financial year, adding further staff cuts on top of the already worsening conditions, leaving fewer work-

ers to cope with the increased pressures in the workplace. So how have ES workers been rewarded for all this? With an imposed pay settlement which leaves us 5% worse off than workers covered by the core civil service settlement and an average £500 a year worse off than Benefits Agency workers in clerical grades (£1,000 for junior executive grades). Even ES management's own figures show that their offer is 46% lower than that for the Employment Department.

After pay negotiations had failed to produce an acceptable settlement, CPSA members rejected the offer by a margin of 11 to 1. Management imposed their offer in September and then ran to the High Court for an injunction to prevent planned strike action from beginning on 12th October. After a re-ballot, which produced an increased majority for action, a national one-day strike held on 30th November launched a pro-

gramme of selected strikes affecting offices in every region. 1500 members in 40 offices have since been on indefinite strike, joined by a further three offices in December and another eleven in January.

Although ES management have tried to bribe workers from other offices to scab in workplaces closed by the action—with offers of up to an extra £500 per month—they haven't succeeded in finding enough scabs to keep the offices open. The selective action has resulted in many offices being closed completely and others only being able to open for a few hours each week just to issue girocheques. Management have tried to play down the impact of the strike but it is clearly having an effect. However it is vital that the action is maintained and escalated quickly for the campaign to succeed. Implementation of the Jobseekers Allowance, originally set for April, has already been

postponed until October and management are desperate to avoid any further delays. A second round of action involving all members begins on 31st January, with a series of 2-day regional strikes in three separate weeks. Members are currently being balloted for indefinite national action to begin in Mid-February if management fail to improve their offer. The success of the regional strikes is crucial to maintaining the moral of those already taking action and to build for the all-out strike in February. A victory for ES members would be a victory for all civil servants, leading the way for the 1996 negotiations scheduled to begin in April.

Jon Rubidge
Branch Secretary
CPSA ES West
Glamorgan & Dyfed
(In personal capacity)

New union broad left set up

The National Union of Civil & Public Services (NUCPS) and the Inland Revenue Staff Federation (IRSF) balloted their members in August/September 1995 on a merger. This was agreed by the membership, resulting in the formation of a new union called the PTC - Public Services, Tax and Commerce union - from January the 1st 1996.

With this in mind, the Broad Left (BL) steering committees had been meeting and discussing their respective positions and the possibility of merging into one BL group. This was more complicated than at first sight due to the fact that there was another left grouping within NUCPS called Unity. It has been agreed that as Unity do not feel able to join the BL at the present time, that both groups will cooperate electorally in forthcoming elections. However, most ex-IRSF BL supporters hope that the decisions taken at Liverpool will persuade Unity sup-

porters that they have nothing to fear from the BL and it is crucial to have one left group if we are to replace the current leadership, who now head 150,000 members. The inaugural meeting of the PTC BL was held in Liverpool on 2/12/95, the same day as a march and rally in support of the Liverpool dockworkers, which many comrades attended. A motion was carried at the meeting to give financial support to the dockworkers. Over 90 members attended the meeting, despite the agenda containing over 40 motions to be debated in 3 1/2 hours.

The meeting discussed creating policy in the PTC, via the Annual Delegate conference and Group Delegate conference in May 96. Motions passed include:

- (1) Seeking merger with the CPSA, for one civil service union.
- (2) Opposition to job losses.
- (3) Opposition to market testing and privatisation.

(4) Opposition to the introduction of new technology without the benefits being shared amongst the workers.

(5) Support for a shorter working week and increased leave.

(6) A national minimum wage of £6 per hour.

(7) Restoration of civil service wide pay claims.

(8) Drawing up a programme of industrial action to include work to rule, overtime ban, and paid selective action, to achieve our aims.

Supporters of the BL now need to take these issues to the branches, and make sure they are taken up at the first ADC and become PTC policy. The next step is to pressure the leadership into carrying them out, and to show the members that if they are not prepared to lead the BL is waiting to do so. The attacks on the civil service will not stop, particularly as the Tories try to cut the wages bill to give tax cuts in the run-up to the next election. It is imperative that 96 is a fighting back year, and that the PTC is seen as a fighting union.

Two *Socialist Appeal* supporters were elected to the National Revenue group BL committee, and 41 copies of *Socialist Appeal* were sold on the day.

PTC BL activists

The government's National Vocational Workshop will solve nothing...

Train in vain

In the early 80's, an official in the Department of Education said: "There has to be selection because we are beginning to create aspirations which society cannot match... We are in a period of considerable social change. There may be unrest, but we can cope with the Toxteths. But if we have a highly educated and idle population we may possibly anticipate more serious social conflict. People must be educated once more to know their place." ("Bending the rules—The Baker reform of education" Brian Simon).

The desire to use education to create an unthinking compliant workforce equipped with the skills to do the work on offer and nothing more is central to Tory thinking.

After nearly twenty years as a secondary school teacher, I recently started work as an adult education tutor. I expected to have to do a certain amount of

retraining and studied for the *City and Guilds Certificate in Teaching Basic Skills (Numeracy)*. This is a competence based qualification shortly to become an NVQ (National Vocational Qualification). What are NVQ's? Gilbert Jessup, the deputy director of the National Council for Vocational Qualification described NVQ's thus: "...Take a plumber. First you think of what a plumber needs to do, then you specify the functions and then you devise the training programme. No longer can second rate courses stand in for the real needs of employers. The important things we learn in life are not done in classrooms". That last sentence seems sensible to most people but note the sentence before—it is the interests of the employers which count here not the employees. NVQ's are available at many levels. They are available in many skills giving qualifications for many industries. The candidate has to show 'evidence of competence' in a number of units and to show

this competence they must fulfil all the criteria set. This process is not proper training but a highly bureaucratic method of making the candidate (usually an employee) mechanically prove 'competence' in the required areas. The certificate I have just completed involves 36 stated areas of competence! Comparing my course to normal teacher education there was very little on methodology and philosophy of education, no explanation or discussion of the problems encountered by the students who come to us for adult basic education. This is evidently 'surplus' to the requirements of the course. You are there to achieve what they want and nothing more.

NVQ's are totally based on work related skills with spending being limited to what is considered necessary by the employer. This means that it's cheap and restricts critical understanding of the tasks being taught. The training also allows workers to gain transferable qualifications in a

range of occupational groups. The idea is to allow workers to be able to compete in an increasingly insecure job market in which many changes of employer become inevitable. In other words, able to do many different jobs to the minimum standard required by bosses thereby saving on the cost of recruiting and training new staff as circumstances change.

Since these qualifications are linked to work experience this puts the control over who gets the necessary support into the hands of the employers. If your face doesn't fit (eg by being an active trade unionist) then you may find your chances of getting NVQ's being hindered.

This system is nothing more than the introduction of the 'market' into the area of adult education and training. Power will be totally in the hands of the employers. Education is increasingly being linked to the needs of the job market alone. Rather than adult education being the means by which people can develop themselves and their understanding and knowledge of the world, it will be just be another way of refining the job market to the needs of employers.

Ann Tanner
Cardiff

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Big business farm scandal

Although not previously thought of as a socialist issue, the massive use and abuse of animals in recent times can only be attributed to yet another failure of capitalism. For, in their continued quest for increased profits, it would seem that the capitalists will stoop to ever greater depths to maintain their competitive edge. Nowhere is this more evident than in the factory farms and research laboratories of the Western world.

It cannot be denied that man has for thousands of years used animals as a source of food. Likewise, history is littered with cases where both man and animal have been exploited for slavery and sport. However it is only recently that they have been viewed as no more than money making machines.

For many years now, the capitalists have succeeded in hiding the ugly scenes of factory farming, live exports and the fraud of animal based medical research. Like all other injustices of the capitalist world they have done their utmost to prevent such truths from being known. As 'civilised Westerners' we have been led to believe that all farm animals (prior to their day of slaughter) lived long and healthy lives, that laboratory animals are treated humanely, fully anaesthetised and (above all) are only used when no other methods of experimentation exist—nothing however could be further from the truth. While the recent live export cam-

paigns have done much to highlight the horrific misery involved in the transportation of live animals, the true callousness of the dairy industry goes much deeper. Contrary to common belief, dairy cows do not just produce endless supplies of milk naturally. They first have to be forced into pregnancy usually via artificial insemination. However, within only 1-2 days after the birth, the calf is taken away from its mother and fed an unnatural diet so as to prevent it from drinking too much of its mothers valuable milk. After this, the cow is milked 2 to 3 times a day for the next 10 months (typically being forced into a second pregnancy during the third month).

Machine

Treated as no more than a 'milk machine' and producing up to 10 times the amount of milk nature intended, it is perhaps unsurprising that each year an estimated 20% of dairy cows go lame, while a further 25% suffer infections such as mastitis (a painful inflammation of the udder). Pushed beyond their natural limits, their normal life span of 20 years is cut to about 5 due to disease (36%), poor yield (28%) or inability to calf (36%). With only 25% of calves required to replace the dairy herd, the industry has now reluctantly admitted that if it were not for live exports to continental veal crates most calves would have to be killed at birth. In short, they are the unwanted by-products of the dairy trade. What about other farm animals?

Approximately 90% of all Britain's 40 million egg laying hens are typically crammed 4 or 5 in cages measuring 50 x 45cm with up to 30,000 to a battery shed. Such close confinement often results in aggression, feather loss and sometimes cannibalism. While 2 million die in their cages annually, an estimated 33% of the survivors have broken bones before even reaching the slaughter house. Despite years of campaigning and lobbying of the Advertising Standards Authority, the capitalists involved in this cruel trade are allowed to continue to mislead the public by packaging their products under such titles as 'Farm Fresh', 'Country Eggs', etc. Unless the labelling specifically states 'Free Range' then you can almost guarantee that the poultry or eggs you are purchasing have come direct from a factory farm.

Genetic engineering now threatens to force these animals into overdrive. While many experiments have been aimed at simply increasing the leanness of the meat produced by cows, pigs, sheep etc., other avenues of genetic experimentation have included various attempts at producing featherless chickens and turkeys, changing the texture of sheep's wool, altering cows milk production (i.e. minimising fat content) and increasing birth rates.

Genetic engineering is also playing an increasingly dominant role in medical research—perhaps the most controversial issue being the possibility of using genetically altered pigs organs in human transplants. It has now been predicted that the first of such heart transplants is to take place as early as the end of 1996. To endorse their justification for such acts, the research organisations are keen to point out that heart disease is the biggest single killer in the western world. However, what they are not so keen to tell the public is that the large majority of all heart related conditions can be attributed to personal lifestyles. Some of the worlds leading heart

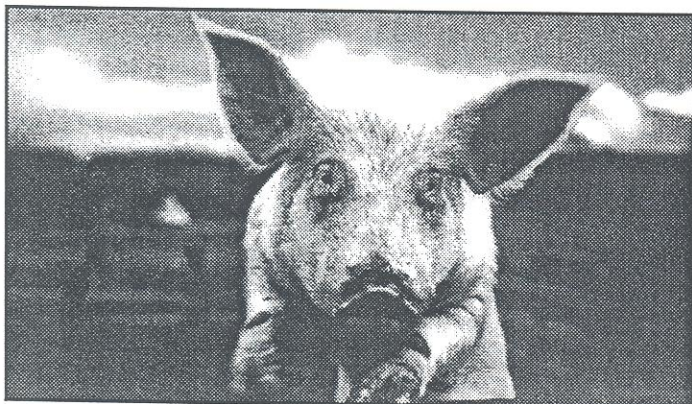
specialists have actually estimated that 90% of all heart disease may be totally preventable via increased health awareness, reduced intake of saturated fats, the use of stress relief techniques, not smoking etc. However, with the majority of research being carried out by private organisations, and an annual queue for heart transplants worth an estimated £10 billion in the UK alone, is it any surprise that only a small percentage of total medical expenditure is directed towards health education?

When looking at other forms of medical research involving animals, it is easy to find similar examples of corruption. Companies involved in drug development have for years misled the public into believing that animal testing is essential to ensure human safety. Yet, any honest doctor will confirm that the results of a substance tested on animals cannot give any guarantee of what will happen when that substance is given to humans. However, before a drug company may market a new formula, the law states that adequate 'safety testing' must be carried out before a license to sale may be granted. Animal testing thus provides drug companies with a reasonably cheap way of getting new products on the market. In addition, such tests can also provide an insurance policy against compensation payments should the new drug prove to have harmful side effects when used by people.

Profit

Drug companies, like all other companies in the capitalist world, exist to make a profit. Their interests lie in finding new markets in which to develop their business, producing new products whenever the right opportunities arise and convincing the general public to buy them whether they are needed or not. According to the *World Health Organisation* only about 200 of the drugs currently on sale throughout the world may be regarded as essential. At any one time there will, however, be anything up to 30,000 on the world market. In his book *'Betrayal of trust'*, Dr. Vernon Coleman lists 85 drugs that were taken off the market between 1961-1993 after causing catastrophic side effects in humans. All of these drugs had been tested on animals before being granted a marketing license.

Terry Payne
Southampton



One foot in the grave



contributing 64% of British GDP while manufacturing makes up just 22%, down from 30% in 1960, and 28% in 1972. Yet at least 20% of service industry output has manufacturing as its main customer, and, despite comprising only one-fifth of economic activity, manufacturing still represents over a third of all foreign earnings.

The Trade and Industry select committee claim that every 1% fall in exports of manufactured goods would require a 2.5% rise in the export of services to compensate. For Britain to achieve a balance of trade by the year 2000 on the basis of services would therefore require the complete absorption of the entire financial activity of New York and Tokyo. Yet Britain's share of world trade in services actually fell in the 1980s.

These same economic geniuses thought that British industry would be better placed to compete by driving down wages and replacing skilled workers with semi-skilled or even unskilled workers. The consequent destruction of education

Phil Mitchinson reports on the parlous state of British industry

We've had a boom now for three years, but do you feel any better off? Why is the British economy in such a mess? Can the destruction of British industry be blamed entirely on the Tory government?

Well it is certainly not our intention to defend them, their policies have been a Major contributor. During Thatcher's years in office alone, 25% of manufacturing industry was destroyed in an act of unprecedented industrial vandalism.

Since the end of the miners' strike in 1985, over 150 pits have been closed, leaving the South Wales valleys deserted ghost towns. In shipbuilding, steel, cars, Britain formerly led the world, yet today hardly leaves an imprint. Nor is it simply a case of replacing "old-fashioned" industry with new technology. After the takeover of ICL, Britain managed to fall from top of the pile in computer technology, all the way to the

bottom in just over a decade. But this decline began well before the 1980s, although the last decade has seen the process accelerate rapidly. In fact, the history of the last hundred years of British industry is one of mismanagement, a failure to invest, and a growing addiction to gambling on the stock exchange.

The Tories are therefore not the sole miscreants. Alongside them in the dock stand the bosses of British industry, the banks, and the stock exchange, all of whom represent the real criminal capitalism.

Back in 1900 Britain had one third of the total world trade in manufactured goods - half as large again as Germany and three times the size of the US. In 1950 the UK's share of the world market in manufactures was still 25.5%, Germany had just 7.3%, and Japan a mere 3.4%. Today, Japan's share has increased to 17.1%, Germany's to over 20% while Britain's share has declined to a sorry 8.4%. As the struggle over the world's markets has intensified, the British capitalists have more and more abandoned the fight, turning from production to speculation. Britain's share of world manufacturing output fell from 9.6% in 1960 to 5.8% in 1975. During the following two decades British manufacturing output has remained fairly static. In 1993, manufacturing out-

put was only 5% higher than in 1979, and no higher really than in 1974. Meanwhile Germany's has grown by 25%, France's by 27%, Italy's by 85% and Japan's by 119%.

Statistics of course can be interpreted many ways. According to last years figures, for example, Britain overtook Italy in terms of its GDP, that is, its total national output, for the

% Share of exports of manufactures

	1899	1929	1937	1950	1960	1970	1979
UK	33.2	22.9	21.3	25.5	16.5	10.8	9.7
France				9.9	9.6	8.7	10.5
Germany				7.3	19.3	19.8	29.8
Japan				3.4	6.9	11.7	13.6
US				27.3	21.6	18.5	15.9

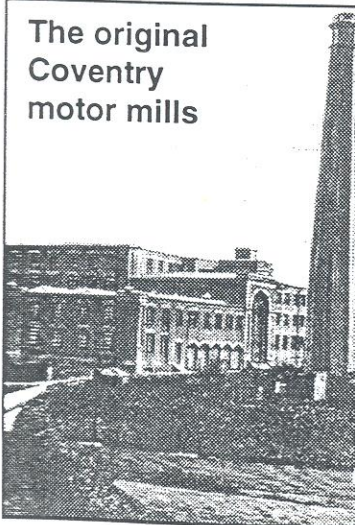
first time since 1986. But, in the words of Patrizio Bianchi of the Nomisma Research Institute in Bologna, this isn't much to boast about, after all, "it's not as if either of us were challenging for first place." In reality, this is more of a relegation battle, that is what we mean when we describe Britain as a second rate power in danger of becoming third rate.

The Tories, and in particular the bankers and financiers currently at the helm of British capitalism, thought that they could turn Britain into an international finance centre, a kind of service station on the information superhighway. However, service industries can only succeed if they have a manufacturing base to service. The service sector now accounts for around 2/3rds of our economic activity,

and training has led to the incredible situation where what industry remains is suffering from a shortage of skilled workers, while millions are unemployed.

If we looked just at the example of Germany it was not low wages, but investment in new machinery and modern technology which enabled the German economy to grow more strongly than Britain's in the last period. 64% of British workers have no vocational training, compared to 26% in Germany. In 1993 there were just 250,000 "apprentices," (mostly government "trainees") in Britain, in Germany there were more than two million. By 1989 German manufacturing had 30% more machinery per worker-hour than Britain. Today for the first time

The original Coventry motor mills



in a hundred years there are less than 5 million people employed in manufacturing industry in Britain. What happened to the *Workshop of the World*?

From the beginning of the industrial revolution, around 1780, Britain needed 58 years to double its real income per head; from 1839 America took 47 years to do the same; starting in 1885 Japan took 34 years; South Korea managed it in 11 years from 1966; more recently China has managed it in less than a decade. In each case lessons could be learned from other developed countries, machinery and skills could be acquired, whole stages of development could be skipped.

Development

This is what Marx described as the combined development of capitalism. In the case of China, they also enjoyed the enormous benefits of a centrally planned economy, far more could have been achieved had the economy not been dragging along the intolerable burden of bureaucratic mismanagement and corruption.

In 1750 today's "third world," principally the Indian sub-continent plus China, accounted for 73% of world manufacturing output, principally silks and spices. Even as late as 1830 their share was still around 60%. By 1913 it had slumped to just 8%, as China and India were left behind by the technological revolution in Europe. The share of today's richest 20 countries jumped from about 30% in 1830 to almost 80% by 1913. A year later the ferocious struggle over markets led to the First World War.

As the industry of each country grew, they began to fill their home market and were forced to seek new markets for their goods abroad. The progressive feature of capitalism was that it took the surplus produced by our labour, profit, and invested it in developing production. The problem, however, is that that surplus is produced by paying workers less in wages than the value their labour produces. Consequently the workers, who are also the consumers, cannot afford to buy back all the goods they produce, the surplus must be exported. That is where the phrase popularised at the turn of the century, Export or Die,

originated.

Between 1870 and 1913, Britain's share of world industrial production fell from 32% to 14%, while America's surged from 23% to 36%. British industry had already begun to fall behind. But this was more than an inevitable, relative decline as other nations industrialised. The development of international trade created new expanding markets for European goods, and there were substantial returns to be made on foreign investments. Britain at the turn of the century was running a trade surplus of 8 - 9% of national output. A large portion of this was invested, not in modernising British industry, but in bonds to finance foreign construction projects, railways and so on. By 1913 Britain's total foreign assets were equivalent to 180% of GDP.

This trend has continued to the present day. In 1987 total foreign assets amounted to 100 billion representing an enormous outflow of capital. In the year 1994-95 overseas investment totalled 19.5 billion. At the same time inward investment has rocketed. From far and wide, firms come to Britain to take advantage of our cheap labour! The pinnacles of British industry are being bought up, Jaguar by Ford, Rover - "above all it's a BMW." Remember Fred, the little bowler hatted chef in the Homepride advert, well he's just been sacked, along with 123 other workers in Cumbria, by new owners, the American firm Campbells. 25% of British manufacturing is now foreign owned, employing 16% of the workforce. But back to the plot. While the world market was expanding rapidly, Britain's slow inglorious decline was somewhat masked, because although it's slice of the cake was getting smaller the cake as a whole was growing rapidly. By 1975 Britain's share of the world market in industrial goods had fallen below 10%, and has remained in single figures ever since. How can this be explained?

A hundred years earlier, in 1875 Britain produced 46% of the world's pig iron and 36% of the world's steel. By the first world war this had already fallen to 14% for pig iron and 10% for steel. Over the same period Britain's share of world trade in iron and steel fell from 73% to

34%.

Yet Thomas Gilchrist's revolutionary method for producing steel was invented in Britain in the 1870s. The new technique swept through the steel producing world radically improving productivity, but was not introduced in Britain until the 1930s, because of the cost of retooling. The cost of not retooling turned out to be much higher. What about the other "dark satanic mills." Britain dominated world trade in cotton at the turn of the century, thanks largely to the raw materials available from the empire. The cost of maintaining that empire itself placed a heavy burden on the development of British industry. "If only the Chinese would wear longer shirt sleeves.." the mill owners dreamed. Instead they made their own, and drove British mills to the wall.

Britain's share of the cotton trade declined as follows :- 1882-84 - 82%; 1910-13 - 58%; 1926-28 - 39%; 1936-38 - 28%; 1950s - 12%; 1960s - less than 3%

In shipbuilding too, Britannia has long since ceased to rule the waves. Britain's share of world launchings fell from 28% in 1955, to 9% in 1965, to just 4% in 1975. In the last decade British shipbuilding has not been spared the catastrophic destruction wreaked on other sections of British industry. In the engineering sector in general, Vickers employed over 40,000 workers in 1970. After their merger with Rolls Royce in 1980 this figure declined to 30,000. By 1987 it was down to 15,000. In 1994 employment in engineering in Britain fell below 2 million.

In cars, British Leyland was

Britain's largest single employer and largest single exporter in 1968. BL employed 200,000 people and held one third of the UK car market in 1970. In his recent book *The State We're In*, Will Hutton makes an interesting comparison between the role of British banks at the time of BL's collapse, and the Japanese banks approach to Mazda when it faced bankruptcy. The scandal being that there was a closer cooperation in Japan between a private firm and the private banks than there was in Britain between a nationalised car manufacturer and a nationalised Bank of England.

Interestingly Hutton comments on the lack of changes in the operation of the Bank of England after its nationalisation in 1946. As with other nationalised industries it continued to act as any other capitalist firm. He fails, however, to put forward an alternative for running nationalised financial institutions on democratic lines, working alongside nationalised industry providing cheap credits for research and development, and investment in the creation of real wealth.

Speculation

Instead, the banks continued to concentrate on financial speculation. There is no room here to go into the separate development of industrial and finance capital, save to say that the domination of the financial institutions goes some way to explaining the decline of British industry. In other countries a closer cooperation, stemming from their later development, has led to less of a conflict of interest between the two. In



Britain this conflict provides the key to the inability of British industry to compete on the world market

According to the bosses, of course, the blame for this lies with our idleness, British industry became uncompetitive because of our failure to raise productivity. There is a grain of truth in this, but it is not our failure. British manufacturing productivity rose in the 1980s, but still lags 40% behind the US, 25% behind Japan and Germany, and 20% behind France. Why? Not because we don't work hard enough. The statistics tell us that the same output is being achieved with 2.5 million less workers. That adequately testifies to the increased work, stress, speed ups and so on that have characterised the last decade. However an economy based on cheap labour will not be able to beat one based on modern machinery and technology. The cumulative investment per worker between 1979-89 has been 25% less than in Japan, 50% less than in Germany and the US.

Productivity

Labour productivity (GDP per hour worked) grew more slowly between 1870 and 1984 in Britain than in Japan, Sweden, France, Italy, the Netherlands and the US. Multifactor productivity (a measure of the efficiency with which Labour and capital are combined for productive ends) grew more slowly here too. In plain English, despite the massive increase in sweat and strain of workers in industry, our increased productivity has been squandered by the bosses who

prefer to gamble away the profits produced by our labour, rather than investing them in updating British industry. From the highest productivity in 1870 British industry gradually declined to have one of the lowest by the 1970s, because of "the British disease" - the bosses' long term failure to invest.

In a survey of 203 factories carried out by IBM/LBS, 73% believed they matched the best in the world. The surveyors themselves rated only 2% as "world class." Howard Davies, then at the CBI, wrote, "Everywhere I go I hear people telling me how they have cut the workforce in a plant from 450 to 180, and yet still turn out 80% of what they turned out before. I don't find many telling me they are going to build a new factory to expand their newly efficient production."

At the end of 1994 49% of firms were working below capacity, a fall from 57% a year earlier. 24% of these firms believed their inadequate capacity would hinder future growth in output but did not intend to invest. Why? Another recent survey, carried out by the CBI, of 500 manufacturing companies, found that over 200 of them expected a rate of return on their investment to exceed 20%. Are Britain's bosses simply greedier than their rivals? Not even these short-sighted ladies and gentlemen pluck figures out of the air. On the one hand they are faced with a long term investment in the creation of real wealth, or the "easy money" of speculation. This looks even more inviting when you consider the cost of invest-

ing. The overall cost of capital in Japan is 14.7%, in the US 15.1%, in Germany 15.7% but in Britain it is 19.9%. Again we see a conflict of interest between industrial and finance capital. This in no way excuses the bosses of industry, however.

Profits

In the 1980's, although a section of workers saw their living standards rise, this was nothing compared with the increased profits of the capitalists. In 1994 profits reached a post war peak of 17%, while output had just recovered to the pre-recession level. The greedy parasites who control the flow of life-blood to British industry have not ploughed these extra profits back into industry, but squandered them in higher dividends to their shareholders, or "invested" them in purely speculative activity. Dividends have constantly increased in order to avoid hostile take-over bids, they doubled as a share of national output during the 1980s, and even continued to rise during the recession, while capital investment fell by 14% in real terms. In manufacturing during the 1980s investment rose by 2% per year, profits by 6%, and dividends by 12%. A good deal more was squandered on property speculation, or invested abroad. In the infamous words of former BL chairman Lord Stokes "I'm in this business to make money not cars."

Investment in Research and Development is a telling indicator of the failure of British bosses to maintain competitiveness. In 1967 Britain stood in second place in Research and Development investment, by the mid 80s this had fallen to sixth place, eighth if you remove military expenditure. Britain's share of world trade in research based industries fell from 12% to 8.5% between 1964 and 1984. In 1994 there were just 13 British companies in the top 200 spenders on research and development. So where has all the money gone - certainly not on our wages. It has rather been frittered in the gaming rooms of the stock exchange, reflecting the domination of finance capital over the needs of industry. There are 500 foreign banks in London, and 3,000 companies

quoted on the stock exchange. The daily turnover in stocks is worth £2.5 billion, very little of it reflecting the production of actual goods. Trade in government bonds amounts to 6 billion per day. On the derivatives exchanges, 3/4 million contracts are bought and sold daily. The financial sector's share of value added to the economy is 20%, four times what it is in the US. Yet they create nothing, they add nothing to the material wealth of society. Instead they waste huge sums which could be spent on productive ends. An *Economist* leader article published last year betrays the true feelings of these parasites towards industry, "figures published on January the 11th showing unexpected falls in both total industrial output and the narrower measure of output in the manufacturing sector in November compared with October were just the ticket." They were afraid the economy would grow too much! The current state of British industry then, after a hundred years of steady decay is a result of a continuing failure to invest. The separate development of industrial and finance capital, and the domination of the latter, have played a key role in this. The cost of maintaining an empire, and then later the cost of maintaining an over inflated position in the world, acted as an extra burden. On these counts the bosses of British industry and the banks stand convicted. The slow, inglorious decline of Britain's economy was given an almighty shove by Thatcher's monetarist policies, turning the recession of 1979-81 into a deep slump. High interest rates and a combination of monetarist measures led to a sudden fall in competitiveness by 20%. In 1982 alone there were 12,000 company liquidations. In 1983 Britain became a net importer of manufactured goods for the first time since the industrial revolution. When the Tories came to power, Britain still had a surplus in trade of manufactures of £5 billion. By 1985 this had become a deficit of £4 billion, by 1988, £14.4 billion. Between 1979-89, Britain's trade deficit deteriorated by £21 billion. British industry, already on short rations, was now being starved to death. Investment in

World's workshop? Thatcher signs up with Nissan



manufacturing fell by 36% just between 1979-81. Even in the Eighties boom, only in 1988-89 did manufacturing investment reach 1979 levels.

Between 1980-81 manufacturing production fell by 14%, national output, or GDP, fell cumulatively by 5%. As a result of this wholesale destruction, only three industrialised nations saw their manufacturing output grow more slowly than Britain in the 1980s.

Although between 1979-89 exports grew by 18.7%, imports rose by 56.5%. Even during the recession Britain ran a trade deficit, highlighting the dependence of Britain on the world market.

The boom from 1982-90 was not a return to the period of general upswing from 1948-73, but built on the sandy foundations of credit and arms expenditure. The domination of the financial institutions over industry, ensured that the extra profits made in the boom were not invested in retooling British industry, and its decay gathered pace.

Bleak

This paints a bleak picture of the British economy, yet the problems faced by British capitalism are far from unique. In fact in every country we see an original combination, in different proportions, of all the ingredients of crisis which afflict the world economy as a whole. Capitalism's wheezing corpse exhibits different symptoms in each country, but its dead hand extends everywhere. Within Europe, France's attempt to keep up with Germany, the 'Franc Fort' policy, has led to huge cuts in public spending and a social explosion, which has been postponed rather than resolved. The dream of a united capitalist Europe lies in tatters. Two thirds of the worlds trade now takes place over the Pacific rather than the Atlantic anyway. Yet in America workers living standards have fallen continuously for 20 years. Over the Pacific, Japan has been in a slump for four years.

Marx and Engels explained 150 years ago that the fundamental crisis of capitalism is that it constrains the forces of production, industry, agriculture and so on, within the narrow confines of private ownership and the nation state. Inevitably at a cer-

tain stage the productive forces come into conflict with these conditions. The capitalists, are only willing to invest in increasing production, if there is a market for their goods from which they can make a profit. The insoluble problem for the capitalists, however, is that since the workers are paid less than the value of what they produce, they cannot buy back all the goods in society. As a result, capitalism experiences periodic crises, slumps, in which production is cutback, factories closed, and the workers generally are made to pay for the system's crisis. There is apparently too much production, or these days too much capacity to produce, meanwhile, in "advanced" Britain, the homeless sleep rough in the streets while thousands of construction workers are unemployed. In other words over-capacity means the ability to produce not more than society's needs, but more than the capitalists can sell for a profit in the market-place.

And how do the capitalists get over these crises? *"On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented."* (The Manifesto of the Communist Party) Sound familiar?

This fundamental antagonism within the capitalist system was masked over the last 40 years or so by the long economic upswing from 1948 to 1973 and to an extent by the boom from 1982-90.

Capitalism depends for its success on profitable investment and markets. When world trade slows down and profit rates begin falling, capitalism enters an epoch of crisis. From 1948-73 both profitability and world trade rose as never before. The first simultaneous worldwide recession in 1974-5 ushered in a new period of instability, of booms and slumps. There have been two more recessions since, 1980-82 and 1990-92, and each of these recessions has been followed by a recovery in which trade, investment and production grew more slowly than before and unemployment remained higher.

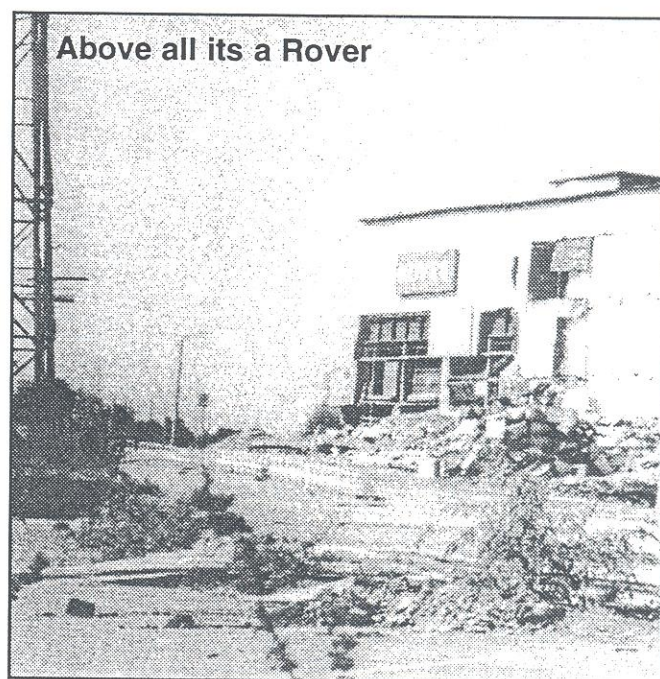
The recession of 1990-92 marked a qualitative change in the situation precisely because this expansion of world trade is reaching its limits. There is a desperate scramble for new markets, and *"the more thorough exploitation of the old ones."*

The whole world is breaking up into three gigantic trading blocs, the EC dominated by German capitalism, the USA along with Canada and Mexico dominating Central and Latin America, and Japan at the head of South-East Asia. The rise of protectionist tendencies between these blocs threatens to undermine the complex arrangement of world trade developed over the last 40 years.

Difficulties

As far as Britain is concerned, here the general difficulties of world capitalism are compounded by the UK's own particular weakness. Decades of under investment mean that the increased competition in the world market will affect Britain more than her rivals. Britain is even more vulnerable given the extent of her dependence on the world market. Around a third of British production is exported while still more is imported. In the chemical industry, for instance, Japan is dependent on its home market for 85% of its sales, Germany 40%, while ICI sell just 20% of their output in Britain. After the temporary respite of the post war boom we are now

back to Export or Die - the problem is export to where? The chimera of a new market in Russia, has turned into a political and economic nightmare. The mirage of the Chinese market on closer examination has turned out to be a major new competitor, now 11th in the world trade league table. In the absence of a new market, the struggle over the "old ones" will intensify. In Britain's case there is the added problem - Export what? We will be asked to pay for Britain's, rather capitalism's, weakness with further attacks on our living standards and working conditions. Capitalism, in developing industry and creating a world market, has laid the basis for an economy which utilises all the Earth's resources in the interests of humanity. But like Moses on the verge of the promised land, it can go no further, its task is complete. Both the profit motive of private ownership and the too narrow confines of the nation state, prevent the further development of production. As we approach a new century, it is time to remove the anarchy of the market from our economy, and replace it with the reason of scientific planning. The drawing up of a socialist plan of production, based on the nationalisation of the major industries and the banks, under democratic control and management by the working class, can lay the basis for an economy of superabundance.



Above all its a Rover

When the Labour Party moved left

Arthur Scargill's announcement of the formation of a new "socialist" Labour Party will disappoint the vast bulk of activists in the Labour and trade union movement. After seventeen years of vicious Tory attacks on living standards, jobs, welfare and union rights, there couldn't be a worse time to walk out of the party.

In Scargill's first document outlining his views he makes a lot of the history of the Labour Party, painting a rather rosy view of its "socialist" heritage. However, the whole history of the party is, in fact, an argument against Scargill's proposals. For most of its life the party has always been controlled by the right and dominated by the "parliamentarians." Only at certain times has the left come anywhere near to controlling the party. In 1981, Tony Benn received over 49% of the vote in the election for deputy leader. But this result was after a decade of heightened class struggle and the bitter experience of the 1974-79 Labour government and its attacks on the working class. As the eighties went on, a new right wing, under Neil Kinnock, was to develop. Blair has merely taken these developments to their logical conclusion.

It is quite clear that a Blair led Labour government will be a government of crisis. His whole programme and philosophy points in the direction of a government that will be forced

down the road of attacks on the working class and trade union movement. Inevitably, a collision will take place with the development of a new left wing. The so-called "Socialist Labour Party," by cutting itself off from these struggles within the party will be relegated to the sidelines. Even the *Guardian* recognises what is the most likely perspective, "The reality is that the left, even though weak, remains mostly committed as ever to remaining within the Labour Party. Mr. Scargill's revolutionary syndicalism is untypical, especially of the post-1968 left. This left expects to prosper not weaken under a Labour government, particularly if and when a Blair government embarks on policies which are strongly opposed within the unions. Experience, and some growing evidence, suggests that this could happen."

(*Guardian* editorial 15.1.96)
All historical experience points to the fallacies behind the Scargill position. In 1932 the ILP split from the official party with the support of thousands of workers, but within a few years, rather than challenge the official party, the official party was moving rapidly to the left and the ILP was reduced to a sect.

Classic

The 1929-31 Labour government was the classic government of crisis. Faced by the greatest slump in the history of capitalism, the Labour cabinet, under Ramsay MacDonald, cut

the dole from 17 shillings to 15 shillings a week and then agreed a further £56 million cuts in public expenditure.

When the banks demanded a further £12 million cuts, which would have meant another 10% cut in the dole, the cabinet split.

MacDonald went on to join the Tories and Liberals as leader of a "national government." In the ensuing election the Labour Party was reduced from 289 MPs to 52, including 5 ILPers, its vote slipping from 8.36 million to 6.6 million.

Given the political, economic and social situation the whole ILP was in flux. Its Easter 1932 conference stated that "the class struggle which is the dynamic force in social change is nearing its decisive moment... there is no time now for slow processes of gradual change. The imperative need is for socialism now." This provided a tremendous possibility

for the building of the forces of Marxism in Britain.

Unfortunately the reaction against the reformism of the Labour leadership pushed the ILP towards a sectarian position in regard to the Labour Party.

At the conference a debate took place over disaffiliation from the Labour Party, with a large section voting to give the party an ultimatum over its standing orders for the parliamentary party. This organisational issue - the independence of the five ILP MPs - served to disguise the real issues behind the split. At a special conference in July the decision was taken to disaffiliate.

Ironically the 1932 ILP split came at the very time, with the MacDonald debacle, when the left could have made tremendous gains in the party. Once the split took place - on the wrong issue at the wrong time according to Trotsky - the situation was compounded by the ILP's sectarianism. Rather than turn to the best workers who remained in the Labour Party, and the millions who looked to it, the ILP turned to the minuscule Communist Party. The ILP effectively cut itself off from the real developments taking place at that time.

Influence

Under the influence of the Communist Party, the ILP not only disaffiliated from the party, but also severed relations with the Cooperatives and demanded its members opt out of paying the trade union political levy. This meant complete abstention from the main current of the labour movement.



At the 1932 Labour Party conference the move to the left was self evident. A resolution, moved by Sir Charles Trevelyan demanded, "on assuming office definite socialist legislation must be immediately promulgated, and that the party shall stand or fall in the House of Commons on the principles in which it has faith. Let us lay down in some such resolution as this the unshakeable mandate that they are to introduce at once, before attempting remedial measures of any other kind, great socialist measures, or some general measure empowering them to nationalise the key industries of the country." Clement Attlee, seconded the motion saying, "The events of the last year have shown that no further progress can be made in seeking to get crumbs from the rich man's table."

In 1932 Harold Laski, a leading Labour theoretician, asked whether "evolutionary socialism had deceived itself in believing that it can establish itself by peaceful means within the ambit of the capitalist system." Another leading left, Stafford Cripps warned that "the ruling class will go to almost any length to defeat parliamentary actions if the issue is the direct continuance of their financial and political control." He advocated emergency powers for a Labour government to tackle the crisis. "If the Tories threatened to institute a military dictatorship," stated Cripps, "it would probably be better and more conducive to the general peace and welfare of the country for the socialist government to make itself temporarily into a dictatorship until matters could again be put to the test at the polls."

Pressure

Because of the pressure of the rank and file, the Labour leadership, the Labour leadership in its official programme had to move very far to the left. This was shown in the publication of the NEC document "For socialism and peace," in July 1934. It was probably the most left wing official document in Labour history. In relation to Banking, transport, water, coal, electricity, gas, agriculture, iron and steel, shipping, engineering, textiles, chemicals an

insurance the document argued for "nothing short of immediate public ownership and control."

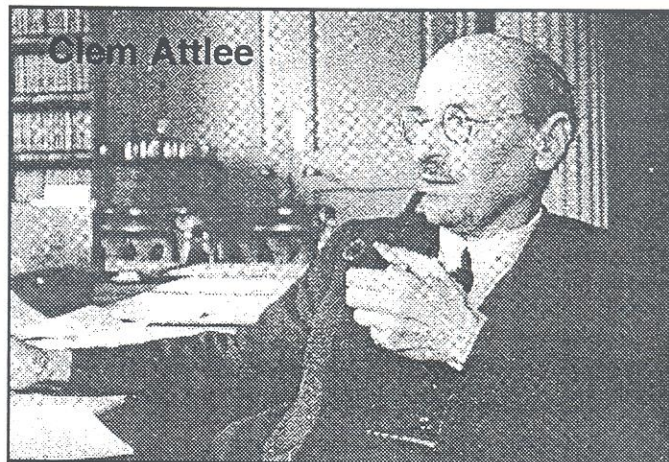
There was, of course, an enormous disparity between words and the real intentions of the leadership. However, it indicated the mood of radicalisation developing within the rank and file which the ILP was now ignoring. Their self-imposed exile was compounded when they even refused the party's offer of a joint campaign because it did not include the Communist Party. When the ILP finally did make a turn to the official party, as part of the CP initiated "unity campaign" it was on a programme well to the right of the official Labour leadership.

The Communist Party by 1935 had made a 180 degree turn from its earlier ultra-left position. Stalin was seeking an accommodation with the so-called "western democracies" and this meant a changed political line. No explicitly socialist demands were to be raised and unity with capitalist parties was envisaged. In Britain they initiated the "unity campaign" between the CP, the ILP and the Socialist League (the left of the official party).

The ILP, who in a confused way had rejected reformism and moved in the direction of revolutionary politics, ended up in the campaign which would result in a big setback for the left and the strengthening of Labour's right. As ILP leader Fenner Brockway described in later years, "Its (the unity campaign) result was the destruction of the Socialist League, the loss of influence of Cripps, Bevan, Strauss and the other lefts, the strengthening of the reactionary leaders, and the disillusionment of the rank and file."

While the official party had been pushed into adopting a programme of nationalising the commanding heights of the economy, the ILP was tied into a campaign which merely argued for the repeal of the 1927 Trade Disputes Act, higher pensions, opposition to the unemployment assistance board scales, and self determination for India.

The campaign was rejected out of hand by the Labour leader-



ship, who swiftly banned the Socialist League and threatened to expel anyone who appeared on a joint platform with the CP. The campaign was over in a matter of months, leaving behind a vastly weakened ILP and the wreckage of the only organised left in the Labour Party at that stage.

Sectarian mistakes have been made throughout the history of the British labour movement. As Lenin explained, "the movement pays for the opportunism of the leadership by ultra-left tendencies."

Organised labour

Despite the warnings of Marx and Engels, the early British Marxists in the Social Democratic Federation maintained a sectarian attitude to the organised labour movement. Although they participated in the founding of the Labour Party at the turn of the century they walked out within 12 months after failing to persuade the rank and file of the need for a socialist programme. Under the impact of the Russian revolution such a programme was adopted by the party and enshrined in Clause IV. In the meantime, the "Marxists" of the SDF have remained isolated on the outskirts of the movement for the last 90 years!

Socialists cannot establish their own sectarian preconditions for participation in the organisations of the working class. Marx and Engels explained this 150 years ago in the "Communist Manifesto." In other words socialists do not set themselves up in opposition to the working class and its organisations, but struggle

alongside the workers to transform them into genuine fighting organisations. In Britain this means the trade unions and the Labour Party.

We will not leave the Labour Party because of the right wing leadership any more than we will leave a trade union for the very same reason. Every historical example tells us this. In fact the experience of splits in the party have always ended as fiasco - from the ILP, to the shortlived Scottish Labour Party in the 1970s.

The election of a Blair Labour government will transform the whole situation in Britain.

Events will have a massive impact on 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, with a subsequent dramatic shift to the left in the Labour Party. The right wing policies of a Blair led government, on the basis of a new economic slowdown, will produce a similar development. The present symptoms of unrest are merely a foretaste of the processes that will unfold. The launch of a "Socialist Labour Party" will inevitably divert a small section of the best activists in the movement away from the historic struggles that will develop. The struggle against the right wing and the battle for socialist policies will reach titanic proportions in the coming period - the place for all socialists and Marxists is where that struggle will be at its fiercest, in the ranks of the Labour Party.

Alastair Wilson

Market economy, enterprise culture, stakeholders - whatever happened to capitalism? *Michael Roberts* investigates...

Capitalism: What's in a word?

In a TV interview a couple of weeks ago, one of the last remaining famous Keynesian economists, John Kenneth Galbraith, commented that the word "capitalism" has now become "politically incorrect" and been replaced by "market economy".

And it's true - the word has disappeared from the vocabulary of economists (let alone politicians including so-called socialist ones). Ever since Marxism popularised the word as a description of the economic and social system under which the vast majority of the world now live (although probably less than half lived under capitalism in 1848 when Marx and Engels first raised the concept in their *Communist Manifesto*), economists have been very reluctant to use the word. And it's worth saying that Marx him-

self did not use it much. He preferred the more magisterial noun "Capital" which seemed to suggest better what he intended to convey, namely a powerful force that was the opposite of "Labour".

But capitalism is a word that is part of the dialectical vocabulary of Marxism. When an economist or a politician uses the word capitalism, it immediately implies as opposed to "socialism". For Marx, capitalism was just the dominant social system operating. It had not always been there. Slavery or feudalism, or even primitive communism, existed before as dominant forms of social organisation. There was the presumption that capitalism would eventually be replaced by a new system, namely socialism. And that is the key reason why so many 'bourgeois' economists refused or were reluctant to use

the word. For them, it must not be assumed that there is anything practicable (or even theoretically possible) but the 'market economy', which has always been here and always will be. And there was another danger in using the word capitalism. When Marx referred to capital and labour he made it explicit that capitalism was system with conflicting forces. Central to that conflict was the exploitation by capital of the surplus product created by labour. Using the word capitalism meant accepting that the system was exploitive, something that mainstream bourgeois economic and political thinking denied over and over again. For them, we live under a 'market economy' where everything is exchanged at an agreed price, including labour and the fruits of labour.

Exploitation

Everything is voluntary in the transaction, nothing is forced and there is no exploitation. Indeed, under the market economy, there is no surplus at all. Workers get their wages for their labour time, owners of the companies they work in get their profits or dividends for the 'risk' they have taken in investing, and nothing is left over. Now some economists recognised that economies and societies are continually changing in the way they work and in their performance. These few were prepared to use the dreaded word capitalism, because it expressed the idea that the economy was dynamic not static. In other words, there was no perfect equilibrium where prices in the market moved to ensure that what was

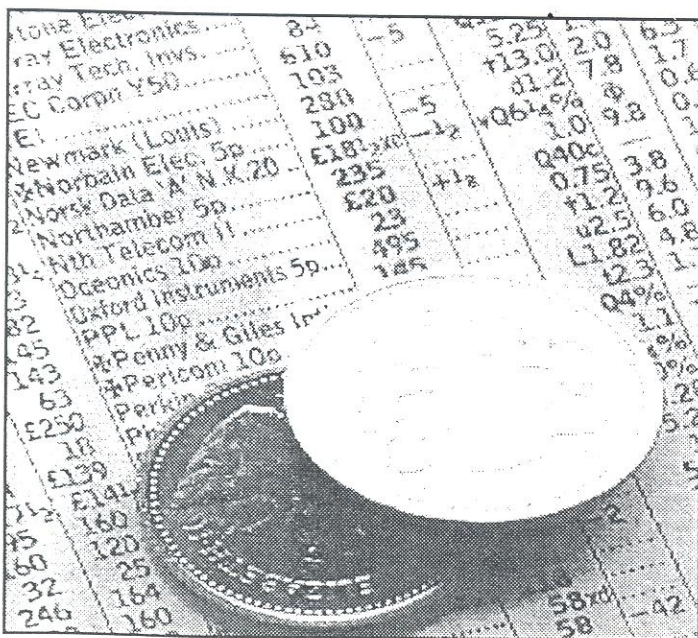
produced was sold at the most optimum value to ensure maximum production of all resources. These economists admitted that there were booms and slumps; that millions were out of work, not by choice but by force of circumstance, and for long periods of time; and that there were huge inequalities of income and wealth in the supposedly perfect 'market economy'.

Yet remember even in the 1930s when Keynes put forward his views among the top circles of politicians and bankers, he and his followers still represented a minority view. Most bankers held fast to the idea that the system was 'self-correcting'. If there was unemployment and waste, it was due to 'friction' in the perfect market economy, which was only temporary. Indeed, any attempt to interfere with the system by government as the Keynesians argued, would make matters worse.

The bankers were both right and wrong. They were wrong because the system was clearly unstable, wasteful and unfair (as the 1930s and now the 1990s graphically show). That was the reality of capitalism not the idealistic theory of the market. But the bankers were right as well. The attempts to 'guide' capitalism to better performance and to give it a 'human face' that Keynesians and reformist Labour and socialist leaders around the world enacted in the 1950s and 1960s were shown to have made things worse by the 1970s, when unemployment rose to new heights, at first accompanied by rocketing inflation and then by mountains of debt (1980s). The failure of capitalism led to the failure of Keynesianism.

Stalinism

But the market economy was saved by Stalinism. The collapse of that monstrous system that usurped the name of socialism and communism in 1989 led to triumph of the market economy. Now there is only one system, the market. Nothing else is possible and so nothing else can exist. That is why one of the gurus of capitalism FS Fukiyama, a former advisor to US president, published his book, *The End of History*, in which he argued that ideas of class struggle and of stages in human history were



shown to be false and archaic. The world was one dominated increasingly by 'liberal democracies', where the 'market economy' rules alongside the right to vote (once every four or five years), the right to free speech (within limits!), and the right to protest or organise (hmm!). The world would be one-dimensional, at least in its economic system, if not in politics where nations could continue to bump into each other for some time to come.

Thus the market economy rules, OK. Economists now refer (only occasionally) to what they consider is its opposite, the command economy. This is really a description of the distorted Stalinist view of a planned economy. Instead of the market through the price system producing and allocating resources by some 'invisible hand', the Stalinist system sent, by decree from the top, orders for the production of everything from steel ingots to pencil sharpeners. Naturally, such planning by bureaucratic decree could not survive indefinitely and was wildly wasteful of resources while it did. But it bears no resemblance to socialist planning, where the democratic process of discussion, consultation and direction starts from the bottom in drawing up planning for production and allocation. It's similar to, but more democratic than, what happens in every efficient large company in distributing its resources to departments and sectors. There's no market economy within a firm.

Retreat

Keynesians like JK Galbraith are still in total retreat. They protest that the 'market economy' is not perfect and badly needs modifying (reforming). But nobody listens to Keynesians any more, certainly not British Tories. They did to some extent in the 1960s when they allowed the word 'welfare state' to enter their vocabulary. But now capitalism and welfare state are both dirty words. The 'enterprise economy' is their password, meaning that the profits of workers' labour are spent on ever larger dividends to shareholders while investment slumps, even larger bonuses to managers while real wages stagnate or fall and workers fear for their jobs; and give rise to ever more scandals

and frauds that go unpunished in the courts when they cannot be hidden from public view; and an ever weaker economy - Britain was the second richest European nation in 1950, now it is the 11th.

In the 1930s the Democrat president Roosevelt took on people like JK Galbraith as advisers and Roosevelt trumpeted the idea of the "New Deal" for Americans out of work or in poverty in which capitalism would be tempered by the programmes of the federal government. But not today's Democrat president. Bill Clinton has dropped all his fine words about a national health system and other federal programmes that won him the 1992 election. Now he competes with the Republican Congress on who can come up with a better plan to cut state spending to the bone and end forever the deficit-financing so beloved of the Keynesians.

And of course we hear no talk of capitalism or the welfare state from the mouths of today's socialist and Labour leaders in Europe. The dear departed Francois Mitterrand presided over French governments that privatised and defrauded the resources of the state and allowed French capitalism to drive up unemployment to new post-war heights. In Spain, Felipe Gonzales won election after election in the 1980s so that he could propose cuts in state spending, the rule of the bankers over the Keynesians in monetary policy and labour laws to control the unions - and then of course there were the usual horrific scandals.

And you will never again (if you ever did) hear the words 'capitalism' or 'socialism' from Tony Blair. His New Labour is pledged to a 'stakeholder economy' not socialism. Apparently, this means further dismantling of what is left of social benefits so that people take more 'responsibility for their own lives'. It means introducing the forced saving schemes of the one-party dictatorship in Singapore. Above all, it means supporting the 'market economy' (or is it the 'enterprise economy?').

So what's to be done? Is it all hopeless? JK Galbraith thinks so. He recently wrote a book called *The Culture of Contentment* in which he argued that modern capitalist societies

are made up of three groups. The first is the well-off rich who don't need the welfare state, public transport or a public health service. They own the market economy and would prefer to pay nothing for it - so they want to cut the state and taxes. They vote for parties that say they will. The middle third are the average families with average incomes. They are over-taxed (as the rich avoid taxes) so they want lower taxes. But they also use public services unlike the rich (perhaps even more than the poor) so they want the state too. They are split in how they vote. The bottom third have little or nothing and depend on state handouts. But they are so marginalised from the rest of society that they don't vote. In the US less than 50% vote in elections. The result is that there is a built-in majority for the views of the rich one-third. So nothing can change.

Triumphant

But is that view really right? If you look at opinion polls throughout this triumphant period for the market economy, they show overwhelming majorities for maintaining and improving the welfare state, even for 'more socialism'. In the UK, the party that openly and clearly represents the 'market economy' has never got more than 43% of the vote, which means about 30% of the adult population. In Europe people voted socialist parties into power, not because

they had rejected socialism, but because people thought that at least they might defend what had already been won for the bottom two-thirds. The defeat of socialist parties is an expression of disillusionment, not enthusiasm for the market economy, as the recent upsurge of French workers to defend their welfare state shows.

If there was enthusiasm for the market, it was expressed in central and eastern Europe where the overthrow of Stalinism was accompanied by a dominant view that 'democracy' went hand in hand with the 'market economy'. The resulting catastrophic depression that hit the vast majority while a small minority reaped their ill-gotten gains has led to a swing away from the parties openly supporting the market and back to the former Communist parties, now reworded as Social Democrats. Unfortunately the new Communist leaders remain blindly committed to the market economy.

But there is not a 'culture of contentment'. The feel-good factor is missing across Europe and in Britain. Even in the US, there is talk of a worker backlash, after decades where real wages have been held constant while business profits have rocketed from the gains of the new technology industries. Talk of the 'market economy' will eventually give way again to the mention of 'capitalism', and that means the revival of another word, 'socialism.'



- The December events in
- France, followed by the
- upsurge of the strike
- movement in Belgium
- marks an important turn in
- the international situation.
- These events underline the
- fact that we are entering
- into an entirely new period
- on a world scale.

While it is impossible to predict in advance the exact time-scale of events, or accurately plot the inevitable ups and downs of the movement in different countries, it is clear that the world crisis of capitalism, after an unavoidable delay, is beginning to penetrate the consciousness of the masses in one country after another. The magnificent strike movement of the French workers, with its tremendous sweep and elan, was in the true tradition of that country. It was the biggest movement since 1968. Despite the fact that less than 10% of workers are organised in unions, and the union leaders did their best to split the movement up, calling strikes and demonstrations on different days, the response of the workers in the public sector was overwhelming. The terror of the French ruling class, haunted by the memory of 1968, was reflected in the hasty abandonment of Juppé's plan to restructure the railways, despite the fact

that the Right has a big majority in parliament. Moreover, the fears of the French bourgeoisie were shared by the ruling classes of the whole of Europe. The example of the French proletariat was immediately followed by the Belgian workers, with spontaneous strikes and demonstrations of the railway workers, which have been supported not only by other public sector employees, but by car workers from the private sector.

It is impossible to understand these events outside the context of the general crisis of world capitalism. The bourgeois economists are at a loss to explain the simultaneous slowdown of most of the main capitalist economies at the present time. The average rate of growth for the advanced capitalist economies over the last twelve months has been about 2.5%. Only the USA has achieved a higher rate of growth, but this also has experienced a slowdown in recent months, provoking fears that the boom may already be coming to an end.

Investment

In Japan, the GDP actually fell by 0.2% last year, despite the colossal investments pumped in by the state. In November 1995, Japan's industrial production increased 1.5%, but was only 0.5% higher than a year ago, while Germany's industrial production actually fell by 3.8% in the same 12 months. Everywhere, the level of unemployment remains stubbornly high. And everywhere the living standards of the workers are under attack. This in a period of "boom"! This is precisely the opposite of the situation that prevailed during the period of capitalist upswing that followed World War Two.

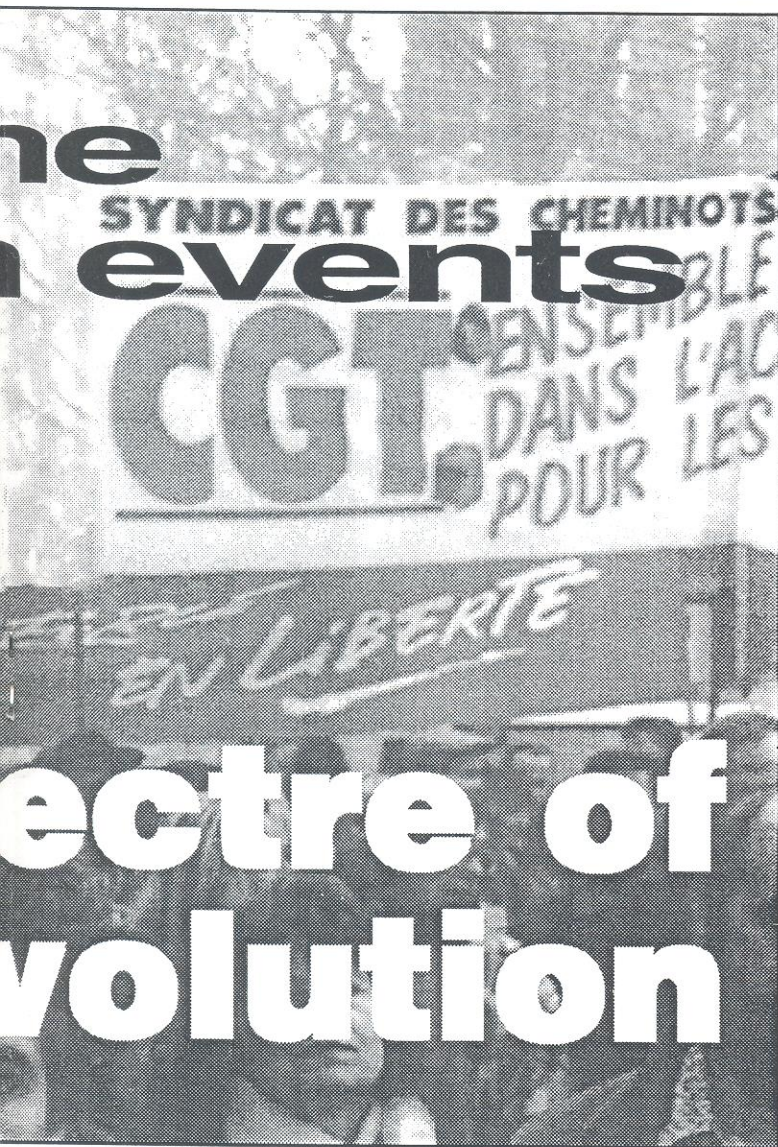
Within the general crisis of world capitalism, the specific crisis of European capitalism has assumed a particularly acute character. Trotsky long ago predicted that the centre of gravity of world civilisation would shift to the Pacific, and that the Mediterranean would become an unimportant lake. This prediction is well on the way of being fulfilled in the last decade of the twentieth century. The long drawn-out



decline of Europe is similar to the "inglorious decline" of the Spanish empire after the 16th century. The attempt to move towards European unity is a tacit admission that the lilliputian states of Europe cannot survive within their narrow national boundaries. After 1945, squeezed between mighty Stalinist Russia and the transatlantic colossus, they were forced to come together in a desperate attempt to overcome the limitations of the capitalist system outlined above. Thus, the European bourgeois themselves have realised the need to overcome the narrow limits of the nation state. But they are powerless to effect the unity of Europe. Only the working class can achieve this historic goal by overthrowing the rule of the banks and monopolies and establishing the Socialist United States of Europe, as a step in the direction of a Socialist World Federation.

Germany has emerged as the "strong man" of Europe. German imperialism has achieved by its economic might what it failed to do in two world wars – to "unite" Europe under German domination. The EU was originally conceived as a "condominion" between Germany and France for the joint domination of Europe. In practice, however, France is only a second-class partner struggling to keep up with its powerful neighbour. The attempt by the Gaullist Chirac to pose as the leader of a nuclear superpower (which anyway backfired) cannot conceal France's subordination to Germany. Beneath the surface show of "European unity" fundamental antagonisms remain and become ever more intense with the developing crisis of world capitalism. The dominant role of Germany in Europe is shown by its demand that all the





ectre of volution

other European powers accept its terms for monetary union. From a position of strength, Germany insists that all the others must adopt "sound finance," that is, a monetarist policy, with a maximum budget deficit of no more than 3% of GDP. This is still quite high, but imposes an intolerable strain on the weaker member states. The tone of German pronouncements has an increasingly insolent character. Finance minister Theo Waigel demands that EU member states must accept heavy fines, and even the threat of expulsion if they fail to meet the onerous obligations of joining a currency union. A single word from Waigel was sufficient to provoke a devaluation of the Italian lira and plunge European money markets into crisis a few months ago. The Bundesbank has assumed the role of the supreme arbiter of the European economy, raising or lowering its interest rates without the slightest concern for the pain caused to its "friends and allies," in the first place, France.

At the same time, German imperialism is busily expanding its sphere of influence to the East and South, creating de facto colonies and puppet states in Poland, the Czech Republic, Hungary and Croatia, to the chagrin of France and the weaker EU states like Italy and Spain, whose interests lie elsewhere—in the Mediterranean and North Africa. German pressure to expand the EU to its satellites in Eastern Europe is a direct threat to the Common Agricultural Policy in general and French agriculture in particular. German intrigues in the Balkans led directly to the breakup of Yugoslavia, but it was the British and French who were forced to foot the bill. Notwithstanding all the illusions, it is impossible to unite Europe on a capitalist basis. Four years ago, we said in advance that the Maastricht Treaty could not be implemented. At the time there were some doubts even among some comrades. Now it is clear even to the bourgeois that the goal of monetary union by

January 1999 will not be reached. How is it possible to unite economies that are pulling in different directions? Britain and Denmark have already opted out. Italy and Spain cannot meet the Maastricht criteria by 1999. Italy's hope of rejoining the EMS were rudely dashed when the lira was devalued yet again, not without a none-too-gentle nudge from German finance minister Waigel.

Strain

The strain of trying to keep up with the more powerful German economy, as expressed in the policy of the "franc fort" has already proved ruinous to French capitalism, and has been a contributory factor in exacerbating the social tensions in France. Even in Germany, doubts are beginning to grow about the wisdom of tying the German economy so closely to those of the weaker states. SPD leader Oskar Lafontaine has questioned the timetable of EMU. His remarks were gleefully received in London, but Lafontaine was only expressing out loud the doubts of a section of the German ruling class. Despite what they say in public, most of the European bourgeois believe that monetary union is out of the question. They have thus belatedly arrived at a conclusion drawn by ourselves a long time ago, when we predicted that France would enter a bloc with Italy and Britain against Germany. In the light of the French events, *Der Spiegel* paints the future in gloomy colours: "How long can he (Juppé) resist the pressure from the streets? (If France renounces the common currency, it might cause a flight towards the Deutschmark Through the Bundesbank, the Germans would then completely control the European economy. And Germany's neighbours, motivated by fear and jealousy, might then be tempted to set up an alliance against Germany." Despite its colossal power, German capitalism is a giant with feet of clay. Far from acting as the locomotive for economic growth in Europe, it has acted as a brake, forcing the others to maintain a high rate of interest, slowing down growth and keeping unemployment high. Here, as in all other spheres, despite all the demagogy about "solidarity", the German bourgeoisie puts its own interests first. But the German economy itself cannot escape the general crisis which afflicts world capitalism. The problems that arise from a stagnant economy

and high unemployment are having an effect on German society, where the old model of class peace and "Mittbestimmung" has broken down. Kohl lectures the German worker on the need to work harder, longer hours for less pay.

Germany will not escape the storm and stress of the coming period, which will be characterised by sudden and sharp changes in the psychology of the German workers. The accumulated effects of decades of full employment and high living standards will be burned out of the consciousness of the German workers, who have already shown their willingness to struggle in the strikes of the metalworkers and the struggles for the 35 hour week. There will be many surprises in store for the bourgeoisie in Germany. It will not be easy for them to attack the gains of the working class. Last year, they were forced to concede more than they wanted in the wage round. Now they believe they have reached their limit. Unemployment is rising, wages are stagnant. This is a "joyless recovery" that satisfies no-one. Meanwhile, the German employers are demanding wage cuts and counter-reforms. Thus, a storm is brewing also in Germany.

As a first symptom of a change in the situation, we have, on the one hand, the removal of Scarping as leader of the SPD and his replacement by Oskar Lafontaine, who, at least in words, presents a more "radical" image. On the other hand, the crisis of the Liberals of the FDP is an anticipation of the beginnings of a polarisation of German society. It is significant that the former "Communist Party" has made a big comeback in East Germany.

Elections

The PDS vote increased sharply in the elections in Berlin, where it got one third of the votes from the East. Lafontaine has proposed, in effect, a "Left Bloc" of the SPD, PDS and Greens. The bourgeois, who were not long ago rubbing their hands at the reelection of Kohl, now face the prospect of an early election and the real threat of the coming to power of a Lafontaine government in a situation of economic and social crisis and growing polarisation between the classes. In December, at the height of the French events, the American magazine *Newsweek* carried on its cover the headline "Europe—End of the Good Life?" and on

the inside pages published a photo of a French demonstrator throwing a stone, with the title "Not Without a Fight." From these few words it is clear that the bourgeois internationally have drawn the same conclusions from their class point of view as the Marxists.

Everywhere the bourgeois are attempting to reduce the public debt by ruthlessly slashing public spending and demolishing the welfare state.

Sweden, together with the rest of Scandinavia, is in the same position (with the partial exception of Norway, where North Sea oil has temporarily helped them). In Finland, unemployment officially stands at 17%—the highest in Europe after Spain.

Model

The crisis of Swedish capitalism inevitably means the crisis of reformism. The "Swedish model" has collapsed, and Sweden has entered the same process as the rest of Europe. The Swedish workers have powerful organisations in the trade unions and Social Democracy. Already the opposition of the working class to the counter-reforms of the Social Democratic government has found an echo inside the unions and, to some extent, within the Social Democracy. For the first time since the 1930s, there is the beginnings of an opposition. This tendency will inevitably grow in the next period.

The same is true of Denmark, where the struggle of the bus-workers against privatisation led to a general strike of 200,000. The brutality shown by the police in this dispute, where police dogs have been turned on the pickets, is unprecedented in recent times

and is a warning of things to come. The old, cosy relations between the classes is over. The ruling class is compelled to go onto the offensive to take back the gains of the past 50 years. The Danish workers showed their willingness to fight in the magnificent demonstration of half a million workers on May Day 1995, a remarkable result for a country of only five and a half million inhabitants. As in Sweden, we can already see at least the outline of a process of inner differentiation within the Labour Movement. The big battles in the future will be fought out inside the unions and the Social Democracy.

At the root of this situation is the fundamental change in the situation outlined above. As long as the advanced capitalist economies were growing at the rate of 5% per annum (more in the case of Japan), they could afford to give concessions to the working class. This was the objective basis for the blunting of the class struggle in the advanced capitalist countries for decades. It was the ground upon which a "social consensus" could temporarily be arrived at. This was the main reason for the strength of reformism and Stalinism (which degenerated into a new and even more repulsive variant of reformism long before the collapse of the Soviet Union) for a whole historical period. This, in turn, is the fundamental reason for the isolation of the genuine current of Marxism throughout this period, but now the situation is completely different. With growth rates of 2.5% (even less in the last few years) significant, long-lasting reforms are ruled out.

If this is the case in countries like

Germany, France and Sweden, it is still more true of the weaker capitalist states of Europe — Britain, Italy and Spain, not to mention Greece and Portugal. Italy, with a public debt of more than 100% of GDP, is in an impossible position.

Patronage

The old system of rule by the Christian Democracy, based on large measures of state capitalism, patronage, and concessions to the workers, has collapsed, creating a situation of enormous instability. Had the "Communist" Party been worthy of the name, the Italian workers could have taken power decades ago. But the unparalleled degeneration of the CP has meant that the mass of the petit bourgeoisie swung behind the bourgeois demagogue Berlusconi. However, the extremely volatile situation in Italy was shown by the fall of Berlusconi, and the crisis of the Dini administration. The Italian workers demonstrated their combativity in a wave of strikes and demonstrations, including a demonstration of one million in Rome. This is an anticipation of the future movements of the Italian proletariat, which will be on an even bigger scale than that of the French workers. Not for nothing was the Italian bourgeoisie particularly concerned about the movement in France. Time after time the Italian workers have demonstrated their will to fight, forcing the union leaders to give some sort of lead, although inevitably in the form of partial general strikes and demonstrations intended as a safety valve, not a serious attempt to overthrow capitalism. But despite all the disappointments and despair at the leadership, which led to the setting up of the COBAS movement in the past, the workers will return repeatedly to the struggle, and they will look to the mass organisations, in the first place the unions, when they do so. The fact that the COBAS ended up as a blind alley (which was inevitable under the circumstances) further reinforces this idea, which results from the fact that there is simply no alternative.

Inevitably at a certain stage, the movement of the workers will be expressed in opposition within the mass organisations, beginning in the unions. A left will begin to crystallise not only in the unions but in the PDS and the RC. In fact, in a confused way, the split-off of the RC from the

PDS was an early anticipation of this process, which will be repeated many times in the future. At a faster or slower pace, depending on events, analogous processes will occur in the SPs and CPs of every country in Europe, with the formation of left reformist, and even centrist currents.

Boom

A sluggish boom which does not lead to increased living standards is a recipe for class struggle, which is only just beginning. The process will be protracted, not only in Italy but in the whole of Europe. Nor will the movement proceed in a straight line. Great movements of the class will inevitably be followed by periods of relative quiescence; there will be victories, but also defeats, periods of tiredness, demoralisation, and even reaction. But, at bottom, the position of the bourgeoisie is hopeless. They have no alternative but to attack the living standards of the workers and the middle class. No long-term stability is possible on this basis. Every setback of the movement will only be the prelude to new struggles on an even higher plane.

The way in which the process will unfold was anticipated in Greece, where the composition of PASOK has been changed several times in the course of the last two decades, with a whole series of opposition tendencies springing up and splitting away, unfortunately prematurely and without a clear perspective. Now we see the same process repeated with Tsouvolas, who decided to split precisely when PASOK is in crisis, with a struggle between the extreme right wing tendency of Simitis and the party apparatus. The removal of the ailing Papandreu and the election of a new 'leader' will open up a new period of convulsions in PASOK. If Tsouvolas had not succumbed to impatience, he would now be well on the way to winning a commanding position in the party. By splitting away prematurely, at the wrong time and on the wrong issues, Tsouvolas will end up in a blind alley, particularly as he is not putting forward anything like a clear class position. This shows the fundamental difference between Marxism and confused left reformism. It is the dialectic of history that at this time the movement of the leaders of the mass organisations has been to the right. Most of the splits that have taken place in the last period have





been to the right. The long period of 40 years of capitalist upswing, the temporary, unsound boom of the 1980s, the collapse of Stalinism, and the unprecedented ideological offensive of the bourgeoisie have all had an effect. The right wing reformists like Gonzalez and Blair have completely accepted that capitalism (and national capitalism, at that) is the only possible system. All their perspectives (insofar as they have any) are based on the need to "compete successfully on the world market." This inevitably means that they will assume full responsibility for putting the weight of the crisis on the shoulders of the workers and the middle classes. This in turn will ultimately seal the fate of the right reformists. These self-styled "realists" will be swept aside by the tide of events.

Crisis

The crisis of reformism has also had an effect on the "Lefts." Without the anchor of a revolutionary perspective, they are thrown hither and thither by every wind that blows. The collapse of Stalinism has confused and demoralised them, since many of the left reformists were really fellow-travellers of the CPs, with no separate ideology of their own. Nevertheless, the collapse of the "Left" will only be a temporary phenomenon. The crisis of the reformist parties, especially when in government, will prepare the way for a swing to the left and the emergence of mass left reformist currents everywhere. It is the task of the Marxists to penetrate these currents and, by patient explanation and friendly criticism, win over the workers to a genuine Marxist programme.

For almost three generations, the main obstacle in the way of winning over the advanced workers to Marxism was the colossal authority of Stalinism. This was, without doubt, the most counter-revolutionary force on the planet. The Stalinists were responsible for the betrayal of the Spanish revolution, for the shipwreck of the revolutionary movements in Greece, Italy and France in the period 1943-8, and for the derailling of May 1968 in France. Now the situation has undergone a fundamental change. The collapse of the Soviet Union has set the seal on the national-reformist degeneration of the "Communist" parties, which has been going on for decades. Without the authority of Moscow, they have become purely reformist parties, not even paying lip-service to Marxism. The explosion of the class struggle in France is the clearest indication that the change in the situation is beginning to register in the consciousness of the workers. This movement comes at a time when the right has an overwhelming majority in parliament as well as the Presidency. Yet, ever since Balladur's victory, there have been wave after wave of struggles – Air France, the students, the fishermen, and, above all the impressive mobilisation of the public sector workers.

The French bourgeoisie faces an insoluble dilemma. On the one hand, they want to maintain the link with Germany and reach convergence under the Maasricht Treaty. But this means an all-out assault on the conditions and living standards of the working class. Balladur had already been forced to back down, haunted by the fear of another May 1968. But the traditional policy of the French bour-

geoisie is one of cynical deception – giving apparent concessions in order to prepare the ground for new attacks. Chirac won the election on the basis of demagogic promises to cut unemployment and increase living standards.

The real policy of the French ruling class was soon revealed in Juppé's vicious programme of cuts. They tried to push this through in one go, provoking the criticism of the Belgian bourgeois, that they should have carried it out bit by bit. But in the first place, the French bourgeois could not wait. Without an immediate onslaught on living standards, convergence is impossible. And January 1999 is only three short years away. In the second place, all the caution in the world did not save the Belgian ruling class from mass strikes and demonstrations last December which will be continued in 1996. The practical value of such well-meaning advice is thus open to some doubt! The stakes involved here are quite high. There is even the threat of the break-up of the EU as at present constituted. Indeed, they may even precipitate a breakup, if Germany and its satellites decide to go ahead without Britain, Italy and Spain. The anxiety not to be left out of the "central core" of Europe explains Chirac's determination to launch a savage attack on pensions, health and jobs, which triggered the biggest mass movement since 1968. The government initially tried to take a tough line. "The welfare reforms are a single package," Alain Lamassoure, the government's spokesman, said on November 28th, after four days of crippling public-transport strikes, "If any one of its elements is called into question, the whole package will collapse." Twelve days later, after the strike had spread to virtually the whole of the public sector. The broad sweep of the movement and the lightning speed with which it developed took the ruling class by surprise.

Strength

What was particularly notable was the strength of the movement outside Paris. Towns like Marseilles, where the right wing National Front got 20% of the vote, or Bordeaux, which elected Juppé, were in the vanguard of the movement. These fresh layers of the class showed tremendous militancy and inventiveness. In Bordeaux, the dustbin

collectors organised a special collection for the workers' area while the strike was still on, as an answer to the mayor's manoeuvre of hiring private contractors to clear up the rich neighbourhoods. The Electricity Supply workers of the EDF decided to offer free electricity to the organisations of unemployed and homeless people. Everywhere, the youth were in the forefront. The students actively participated, starting with the strike at Rouen university in October. The students instinctively understood the need to link up with the workers. More important still, a whole new layer of young workers aged between 25 and 35 has entered the unions. The presence of these layers on the demonstrations, bringing with them all their energy and creativity, transformed the mood of the older activists.

Youth

The reawakening of the youth was duly noted by the authorities. One article quotes the boss of the Paris Underground (RATP) as saying: "I can't understand why they still continue with the strike. The young workers in particular tended to have a romantic vision of this movement. Very few were socially aware before the strike and so not many were unionised. But every big demo gave them more and more strength." This is the final answer to those sceptics who argued that the new generation was somehow "less conscious" than the generation of '68. Once the class begins to move, the youth inevitably finds its proper place in the front line of struggle.

At its height, the movement assumed an impressive sweep, involving practically the whole public sector: railways, civil servants, education, dockers, Air France, banks and insurance companies, hospitals, job centres, were all involved. Even the police were affected, as in 1968. The main police union, the FASP, issued a communique, stating that "they want to use us as a wedge between the France of Labour and the France of Privilege." The traffic police distributed strike leaflets in place of parking tickets. In effect, the working class placed itself at the head of the nation. According to the opinion polls, on the first of December, 62% of the population backed the strikers, while only 8% were opposed and 65% "did not trust" the government. The latter's

attempt to organise counter-demonstrations of "transport users" were a dismal failure. Only 2,500 turned up for the first, and 500 for the second. The middle class demonstrated its sympathy for the strikers in many ways. On the 9th of December, *Le Monde* carried an article with the suggestive title "Indignant Educationalists Support Strike, Remembering a Certain Month of May" (i.e. of 1968). A woman lecturer, who considered herself "independent" commented: "I am a history lecturer, almost at the end of my career... Today history is on the march!" And she compared the movement to 1968 and 1936. Pierre Bourdieu, lecturer at the Collège de France held a meeting with 600 workers present to explain why the intellectuals supported the strike. Artists, writers and actors expressed their support. The Theatre Gerard-Phillippe in Saint-Denis carried the advertisement "This theatre is open to support the strikers." In Nanterre, the director of another theatre held a general meeting of actors and stage hands to discuss the situation, and every evening they handed out a leaflet to the audience entitled "The Dream of a better world." Such examples may be multiplied at will. Feeling their collective strength, and sensing the support of broad layers of the population, the strike acquired a tremendous impetus and confidence in itself. *Le Monde* (16th Dec.) reported

how can you call a halt?" This was the general feeling of the movement. Once they were on their feet, the workers wished to go to the end. In mass meetings in Marseilles, Avignon, Chambéry, Nimes and Paris, there were big majorities in favour of continuing the strike following Juppé's first offer. There was every possibility of taking the movement forward.

Colossal

The strike revealed the colossal power that lies in the hands of the working class. Even without the active participation of the private sector, the country was rapidly paralysed. The government of the "strong man" Chirac was swiftly brought to its knees. From the beginning, the workers understood the need to generalise the movement. The slogan "Tous Ensemble" (All Together!) was echoed in every demonstration. With proper leadership, it would have been a simple matter to call a general strike and bring down the government. Predictably, the union leaders did everything in their power to limit the movement, and prevent it from coalescing into a revolutionary general strike. No serious effort was made to extend the strike to the private sector. Ironically, *Force Ouvrière*, which was formed as a scab union as a result of a split in the CGT, was forced to put forward a "left" face in order to retain its base in the public sector. Its leader Marcel

right, and adopted an openly strike-breaking stance. This, in turn, has led to a ferment of discontent in the rank-and-file. Many CFDT workers openly defied the leaders, participating in demonstrations with CFDT stickers on their foreheads. The main leader of the CFDT, Nicole Notat, was actually kicked out of a demonstration by her own members. The sections of the CFDT involved in the strike disowned the general secretary and are demanding an extraordinary congress. Under these circumstances, the CGT is gaining ground. But it is clear that the December strike will have the effect of provoking a critical mood and internal struggles in the organisations of the French working class, especially the CFDT.

The Socialist Party leaders, typically, offered nothing to the strikers, except the lame advice to "wait for elections." If it was up to them, Juppé's reforms would now be on the statute book. But the workers ignored these so-called political leaders, and took matters into their own hands. Unlike the well-paid parliamentarians, the workers cannot wait. Despite this, the Socialist Party is advancing in the polls. At a certain stage, the working class will draw the conclusion that industrial action is not enough, and move onto the political plane.

The strike ended in a partial victory. The railway workers got big concessions — at least for the time being. But many activists felt, correctly, that they had been robbed of the complete victory that was within their grasp. Although the government was forced to retreat in a number of areas, in reality, the union leaders walked out of Juppé's "social summit" having won effectively nothing from that meeting except the fact that it had taken place and the promise of more meetings. The central welfare "reform"—including the transfer of overall responsibility for health and welfare spending from a union-chaired committee to parliament, and restriction on doctors and hospital budgets—remains in place.

The frustration and anger of the workers was reflected in the demand that they be paid for the days lost through strike action.

Pay

Even after the strikes had ended, the question of retrospective pay for the strikers has become a new bone of contention. Despite

the firm words of the government spokesman, Alain Lamassoure, in the early stages of the strikes—"The whole point about being on strike is that you do not get paid"—the problem has in fact been delegated to sector and regional management. The demand for back pay for the strikers shows both a high level of class consciousness and a willingness to continue the struggle. The bourgeois is thoroughly alarmed by this new development which threatens to destroy the fragile truce almost before the ink is dry. The pro-Chirac daily *Le Figaro* writes:

"Many of our readers are indignant about strikers getting paid, and they are right—in principle. But can France afford a new round of strikes? The answer is obviously not."

The French ruling class, terrified of the movement of the workers, is forced to grit its teeth and accept a temporary retreat with the aim of regrouping and preparing for a further attack in the future. In his New Year address to the nation Chirac adopted a conciliatory tone and called for more "consultation and dialogue." This was said to have been well received by the union leaders, including the more "militant" ones, who imagine they see a difference between the "reasonable" Chirac and the "hard-liner" Juppé. In reality, the imagined divisions between the President and his Prime Minister is a convenient division of labour, rather like the division between Clinton and the Republican Congress. There is no difference over substance, but, at most, differences over tactics and timing. Even if, as is likely, Chirac decides to dispense with Juppé altogether, it would make no fundamental difference. The behaviour of the bourgeois and its representatives is dictated by the profound crisis of French capitalism, which compels it to launch an all-out attack on the conquests of the working class. All other considerations are of an entirely secondary nature.

Although the strikes and demonstrations were called off over the Xmas period, the undercurrent of unrest remains. As the *Independent* on Sunday (7th Jan.) put it, with the transport running more or less as normal "it is easy to forget the scale of last year's unrest and the depth of the discontent it revealed. But the truce is no more than a truce, and the calm is deceptive". Some of the labour unrest has



that 60,000 francs had been donated to the strikers at the Gare d'Austerlitz alone, and quoted a woman striker as saying "When you see this, when you are applauded by passers-by during the demonstrations,

Blondel has adopted a radical stance in words, even raising the question of a general strike. This has caused an internal conflict in the FO. On the other hand, the CFDT, which had a radical position in 1968, has moved to the

persisted long after the main transport strikes ended. Marseilles' first buses for four weeks ran on Thursday 4th of January after police took over three of the city's bus depots, leading to violent clashes with the workers. Transport in the city was still only sporadic even after that. At the other end of the country, the postal sorting office in Caen is only just functioning again, after an on-off agreement over Christmas. One line of the Paris suburban rail network is still disrupted. What we have here is only the end of the first round. That is understood by workers and government alike. For the reasons outlined above, Chirac has no alternative but to continue to attack living standards. The present uneasy truce will not last. At a certain stage, new social explosions are inevitable.

Gains

The main gains are not to be measured by the concessions that have been won by the railway workers, which will inevitably be taken back when the balance of forces changes. It is a decisive shift in the consciousness of the workers and youth of France. Lenin used to say that, for the masses, "an ounce of practice is worth a ton of theory." In the space of only a few weeks, the situation has been transformed. This is what we mean by sharp and sudden changes in the situation. This can be seen even in things which may appear anecdotal, such as the singing of the *Internationale* on the demonstrations – something that in recent years was only done by the sects after the May Day demonstration was over. This detail shows that the French workers are in the process of rediscovering their traditions. This is a colossal gain! Nothing will remain the same after this. *Le Monde*, which followed the movement with particular interest, quoted a significant remark by a striker: "Whatever comes out of this, tomorrow will not be like yesterday. We will demand respect. If they mess us about, we'll occupy again!" (*Le Monde* 12-13th Dec.)

There could be no greater mistake than to underestimate the importance of these events, or to react in a routine manner to this situation. The French events mark a turning point in the international situation. It struck terror into the hearts, not only of the French bourgeoisie, but among

the ruling classes of the whole of Europe. The question "What is going on in France?" was being asked by every government. *Der Spiegel* stated that "Chancellor Kohl is watching the situation in Paris with considerable concern." In Bonn, for some time now, the question is being asked whether France has become "the sick man of Europe" (see *Le Monde*, 5/12/95). The Swedish *Svenska Dagbladet* was worried that the fate of Maasricht, and maybe Europe, was being played out "on the streets of France." The Italian bourgeois was particularly preoccupied with the events in France, because of the very fragile situation there. They have not forgotten that 1968 was the prelude to the social explosion in Italy the following year. In fact, there were strikes and student demonstrations in Italy at the same time. *La Stampa* published reports on France with a special logo based on the symbol of the French Revolution of 1789 – the "Marianne."

Foreign bourgeois commentators attempted to reassure themselves with the thought that this was a peculiar "French disease," the product of the national character, or the mistakes of the government in Paris. In a comment that combines provincial smugness and ignorance in equal measure, the *Svenska Dagbladet*, described it a "typically French nervous crisis, which will all be sorted out once the French get tired of ranting." The Italian press complained about the "harshness" and "brutality" of the Juppé programme. As if it were possible to cut public spending without such things! The Belgians were particularly worried, and with good reason, about the events in the neighbouring country. The Belgian case is important, because it explodes all the nonsense about the movement being the result of "French national peculiarities" and the subjective errors of Chirac-Juppé. Unlike them, the Belgian government had adopted a relatively cautious policy, which is something like the "death of a thousand cuts." They ceaselessly reminded the Belgian public of this fact which, according to this theory, ought to rule out the possibility of Belgium catching the "French disease." Unfortunately, the fact remains that the Belgian workers organised a general strike (the first since 1936) one year before the French. Secondly, the French strike had an immediate effect on the Belgian workers. There

were big demonstrations and strikes of the public sector in December which are set to continue in January.

We are thus dealing, not with a purely French phenomenon, as dull-witted and superficial observers try to assert, but with the beginnings of the European revolution. It is true that the movement in France has its specific features, which will not necessarily be repeated everywhere in the same way. Marxism does not at all deny the existence of national peculiarities, even in the workers' movement. In the case of France, there is a long tradition of spontaneous revolutionary movements. This is also true of the other "Latin" countries, whereas the tradition of the countries of Northern Europe is more one of proceeding through the official organisations. Such differences may affect the forms or the pace of the struggle, but not the fundamental questions. The same attacks against the workers' living standards will inevitably produce the same results.

It cannot be emphasised too strongly that the movement is only in its earliest stages. Marxists must always maintain a sober attitude to events. We have to see that, in and of themselves, even the stormiest strikes solve nothing. Even the biggest strike movement has its limitations, as we see in France at the present time. Beyond doubt, the movement in France had the potential to go much further. But that presupposes a leadership with a revolutionary perspective. Without such a perspective, it was inevitable that the movement would be called off. The task of the Marxists is precisely to explain to the

advanced workers the need for the socialist transformation of society as the only way out of the crisis. Our slogans, as Trotsky explained, must deal with the present situation, but must also point out what needs to be done.

Movements

Given the depth of the crisis, new movements will emerge unexpectedly, possibly in the coming months, certainly in the next few years. It is impossible to be precise about the timing, except to say that, in general, the process will be long and drawn-out. A rapid outcome is ruled out, for the reasons already given. These were the first stirrings of the French revolution. The workers have had a taste of their power. That is the principal gain. They will not be content to sit back and wait for the next elections, while their living standards are destroyed. They will move again and again both in France and in all the other countries in Europe. The determination of the ruling class to inflict a decisive defeat on the workers' organisations will create the conditions for new and bitter battles, which will radically transform the workers' outlook. Because of the general nature of the crisis, we are dealing here, for the first time in half a century, with a revolution on a European scale. The movement can pass from one country to another, as the Belgian strikes showed. The slogan of the Socialist United States of Europe now acquires an even greater relevance than before.

Ted Grant



French workers show the way

Jordi Martorell reports from Paris

The struggle of the French workers and students during October to December 1995 contains important lessons for workers. This movement, considered even by bourgeois commentators to be the biggest since May 1968, took place only a few months after the election of a right wing president and after right wing victories in both council and general elections.

The conclusion drawn by the bourgeois strategists had been that France was a right wing country and that therefore they had enough social support to carry out all kinds of attacks against the rights won by the working class. Previous right wing governments in France tried to stop any movement by giving concessions. But time has been running out for the French bourgeoisie to meet the condi-

tions of Maastrich. Feeling confident in its own force and thinking that the labour movement had been crushed for years to come, Juppé's government decided to push all the counter-reforms "needed" (from the point of view of the bosses), which would mean the end of an important section of the so-called Welfare State.

In relation to the deficit it was proposed to:

- increase the fees to stay in hospital.
- increase the years of work needed to retire in the public sector from 37.5 to 40
- to take in account the final ten years of earnings in calculating the amount of a pension, rather than just the final two months (which usually gives a higher figure).
- introduce a new tax (RDS) to cover the deficit in the Health Service system. The RDS would

tax everybody's incomes at 0.5% flat regardless of their income levels.

But the attack was not only against the health care system, at the same time there were announced plans to privatise the telecommunications, the Post Office, the gas and electricity services, the profitable parts of the railways, and so on. This was an attack against all the conditions won by the labour movement in struggle over the last 45 years. It was one thing for Chirac to win the election promising job creation, tax cuts, and so on, given the demoralisation and anger of the population. But when all these promises are then broken and replaced by a savage plan of cuts, then the labour movement will go out on the streets without hesitation.

Strike

The first to join the struggle were students at Rouen, who declared an all out strike from October 9th and in one of the daily General Assemblies (AGs) called for a national students strike and for the meeting of a National Co-ordination of Students to lead the struggle. They were very careful to organise the strike democratically because in previous movements the leadership of the UNEF and UNEF-ID (the two main student unions) had led struggles basing themselves on their own narrow interests and not those of the movement. The students rapidly reached the conclusion that theirs was not just a students movement and started to participate in the workers demonstrations and to send delegations to

the different sections on strike. On October 10th the unions called a one day strike of all public employees which had massive support and which represented a first indication of the movement to come. The government tried to divide the different unions by making small partial concessions. The CFDT general secretary, Nicole Notat, made a public statement against the strikes and in favour of some of the measures in Juppé's plan and as a result was expelled from one of the demos in Paris by angry members of her own union. The CFDT unions in the sectors on struggle disassociated themselves from these comments and stayed on strike right to the end.

Discontent

The enormous tide of accumulated discontent had revealed itself. The CGT leaders called a day of struggle for Thursday November 24th and those of Force Ouvrier (FO) called a different one for the following Tuesday. However the workers rejected the reasons for this division and demanded unity on the streets. On the demos of the 24th, at the "CGT's" day of action, there was a massive participation by workers under the FO banners, and the railway workers took advantage of the demands to go out on strike from the 24th to the 28th. In one go workers in struggle had put aside 50 years of union division and forced their leaders to march together on the 28th, for the first time since 1947. (In that year FO was founded as a right wing split from the CGT in order to weaken the Communist Party influence in the labour movement through the CGT.)

The railway workers, by joining the movement, became a focal point for the whole class. Every morning they met in AG (General Assembly) in every workplace in order to decide further action. The railway workers were not on strike to defend "narrow corporative privileges" as some bourgeois commentators had said. What kind of a privilege is retirement at 50 when, due to their work conditions, the life expectancy of a railway driver is only 58? They knew that they were not only fighting to maintain their retirement rights but to extend these same conditions to the private sector workers (who lost them in 1993). One of the most popular slogans at the demonstrations was: "the health service: we



have fought to win it, we will fight to keep it." It was not a question of maintaining "privileges" but of defending historic conquests. The workers of the tax collection department went to the demonstration with a big card-made cheque for 37.5 billion francs, the total amount owed by the employers to the health service. They also defended the right of retirement for everybody after 37.5 years of work and the 35 hour working week without loss of pay as a job-creation measure.

At this point there were strikes, either total or partial, of the railway workers, the bus and metro workers in Paris and other cities, the Post Office workers, the civil servants, the dockers in Marseille, the gas and electricity workers, the river transport workers, Air France workers, teachers and lecturers, students, bank and insurance company workers, health service workers, the miners, etc. Even the main police officers union, FASP, issued a statement saying that they would not be "a wedge between the France of the labour and the France of the privileges" and distributed leaflets instead of parking tickets. And it was not only these sections that were on strike, there was an overwhelming sympathy for the strikers amongst the population. On December 1st an opinion poll revealed that 62% of the population supported the strikes and only 8% were against, with 65% declaring that they did not trust the government. These figures were quite impressive if we take in account the fact the 10 million people living in Paris and its outskirts had been without any public transport for a week. The government tried to organise demonstrations of "consumers" against the strikes and gathered 2500 in Paris at the first one and only 500 at the second and final attempt. In some AGs the workers said the government should organise more of these demonstrations to increase the strikers' morale!

Demonstrations

There were demonstrations almost on a daily basis and in some cities outside Paris these were the biggest since May '68. New sections joined the movement every day and in the private sector there were partial strikes in order to attend the demos. The key to the situation was to spread the movement to the private sector. This was clearly understood by the railway

workers who sent delegations to different factories. On the weekend of December 10th the CGT and FO leaders issued a call to "generalise the strikes". At that point this call was a bit empty in that it didn't go much further than what was already happening on the streets and yet it was not enough to convince the workers in the private sector to go out on strike in a unified manner, despite some isolated initiatives. The fear of unemployment (at its highest point since the World War 2) was still an important factor paralysing them, but more important than that was the lack of a clear programme. The trade union leaders should have given a clear answer to the arguments of the government ("there is no money", "we need to make sacrifices",...). They should have demanded the retirement after 37.5 years of work for private sector workers, the 35 hour working week without loss of pay, the increase of the minimum wage, etc. Otherwise the movement could be portrayed as just being one of solidarity with the public sector workers. In addition they should have made a clear call on the question of a 24 hour or 48 hour general strike. Otherwise you are just left with conflicting calls, where some workers may even think: "well, let's wait until it is our turn" in this process of 'generalising' the strikes. In the private sector the risks of going out on strike were bigger, but without doubt the workers would have been prepared to support them if they saw a bold and decided leadership.

In this situation, the railway workers could not maintain on their own a movement that was already into a third week of strike action. On Monday December 11th, the government retreated in the face of all the railway workers demands. The government was trying to divide the movement by making concessions to its most militant section. But the AGs of the railway workers initially rejected the offer looking to see how the struggle developed.

The demonstrations on the 12th and 16th were really impressive and in some cities outside Paris they broke all records including the 1936 sit-in strike wave. To give two examples, in Marseille (a city where the National Front got 20% of the votes) there was 150,000 people on the streets, and in Bordeaux (where Juppé is mayor) 80,000. In Paris more



than 200,000 took to the streets on the 12th and on the 16th, 250,000 marched from 1.00 pm until 8.00 pm in a city without public transport. There was clearly more than 2 million on the streets, the figure Juppé had demanded to present his resignation.

But by the end of the week it became clear that the private sector was not joining the movement and the railway workers then accepted the government's offer. But it is important to see their mood in going back to work. They demanded that the company should pay full wages for the strike days and the situation was such that the company agreed to discuss the issue with the union and in the meantime not to deduct the money from December's wages.

Conclusion

The conclusion the railway workers drew out of this strike was that it is worth struggling, especially in a united way, but that they could not defeat Juppé's plan on their own, and therefore they had to temporarily suspend the strike action but not the movement. They know the government will try to apply the same measures again in the future and therefore they have to be prepared. One woman worker at the Lyon Station in Paris said it clearly: "from tomorrow I will start saving money for the next movement".

One of the weakest points in the strike had been the lack of political alternative given by the left wing parties. Just to give an example, the leaders of the Communist and Socialist Parties made a statement which did not call on people to attend the demonstration on December 16 in order "not to politicise the movement". Claudio, FO delegate at Paris-Nord railway repair

depot answered them: "the real politics are made by us. Politics is nothing else than the organisation of a fairer society for all the workers", and Patrick, CFTD member at the same depot added: "as if 2 million on the streets could be anything else but politics".

When the railway workers went back to work the movement progressively declined. The government and the unions started a series of social 'summits' that have led nowhere but which closes the first chapter of this struggle. It is not ruled out that the struggle will rise again as a general movement. What is certain is that the French bourgeoisie has got no other alternative but to try again to attack the rights of the working class in order to maintain its profits. In the past it could give some concessions to the workers in order to prevent struggles and at the same time maintain its profits. But we have entered a new historic epoch where this is no longer possible. This struggle has demonstrated that the working class, far from being dead (although it has been buried more than once by the bourgeois commentators) is alive and recovering its real traditions of struggle. A new layer of youth has entered the trade union movement out of this experience. The task for this new generation is the reviving of the traditions of the older layer of activists, to build a fighting leadership and transform its political organisations into fighting weapons. Armed with the programme of Marxism they will be able to undertake the only task which could solve the problems the workers are facing: the socialist transformation of society. In this process the struggle of the French workers will be an inspiration for the workers of Europe.

Russian elections - a defeat for capitalism

The December elections in Russia represented a body-blow to the supporters of capitalist restoration in Russia. The Communist Party got 22% of the votes in the constituencies where candidates were elected on the basis of party lists. It also did well in those which elected individuals ("single member constituencies"). Together with the Agrarians and other parties describing themselves as Communist, they received about one third of the vote.

Vladimir Zhirinovskiy's rabid nationalists saw their votes in the party-list elections halved from 22% in 1993 to 11% now, winning only one seat in the single-member constituencies. This indicates that a growing number of people have seen through his "populist" demagoguery and recognised the reactionary nature of the LDP. Alexander Lebed, the latest candidate for the role of the Russian Bonaparte, an avowed admirer of Pinochet, got only 4%, although he may get more in the Presidential election in July - if it takes place.

However, the most shattering defeat was reserved for those parties and politicians who openly espoused the cause of the "market economy" reform, which has led to a catastrophic collapse of production and living standards (see last month's *Socialist Appeal*). Claims of the government that the economy had improved rang hollow to millions of Russian workers who are owed two or three months' wages. At least one third of the population lives in poverty, which is officially defined as lacking the minimum of low quality foodstuffs needed to survive "over a certain period of time."

In the first 11 months of 1995, production fell by a further 4%. Real wages, supposed to have "stabilised" last year, fell by 15%. Unemployment doubled. As for the alleged "victory over inflation," the slower increase of prices is only the other side of the coin of the collapse of production. Even so, inflation still stands officially at 150%, which in any normal capitalist economy, would be seen as a disaster. The voters took their revenge by massively rejecting the pro-capitalist parties. "Russia's Choice," the inappropriately-named party of the extreme pro-market Yegor Gaidar, was wiped out. It got less than 5%, and Gaidar lost his seat in the parliament (Duma). Grigori Yavlinsky's Yabloko did better with 7%, but he has been demagogically attacking the government's reform programme for months. Most damaging of all for Yeltsin and the West was the humiliating result of the party of Prime Minister Viktor Chernomyrdin, "Our Home is Russia." This party, specifically set up to defend the government, with access to huge sums of money and unlimited access to the media, got less than 10%. When the final result was published, the CP and its allies were the largest group by far in the Duma, with 190 seats out of 450, followed by Zhirinovskiy with 51, and Yavlinsky with 45. "Our Home is Russia" has only 55 seats, a very weak base from which to campaign for the presidential election. These elections have solved nothing. Yeltsin's constitution concentrates most of the power in the hands of the president, who is supposed to come up for election in July. But Yeltsin knows that, as things stand, he would be slaughtered. One poll in late December gave

him just 6%. He may therefore be tempted to postpone, or even cancel the election. But it is not certain he could get away with this.

The imperialists reacted with horror to these results, which represent a massive vote of no confidence in "market reform," precisely when the West is pressing Yeltsin to hurry the programme through, in a desperate effort to make the process irreversible, regardless of the social consequences. They are not impressed by the "moderate" speeches of CP leader Gennady Zyuganov, but want to know what he will do if he comes to power:

"The Party" wrote The Economist on the 10th of December, "might still seek to rebuild the former Soviet Union ('voluntarily,' of course), reduce the presidency to a figurehead, put Boris Yeltsin on trial and renationalise swathes of Russian industry." The fact is that Zyuganov himself does not know what he is going to do. These ex-Stalinists have nothing in common with Marxism. They have no strategy for taking power, no ideas, no principles, and, of course, no

intention of appealing to the working class, except to vote for them. The so-called "Communist Party" is, in reality, only a new, even more repulsive, version of a reformist party. So why are the bourgeois worried?

Given the depth of the crisis in Russia, and the utterly corrupt and degenerate nature of Russian mafia-capitalism, the "market economy" has an extremely feeble and unstable character. Once in power, Zyuganov, who likes to be all things to all men, may be compelled to go further than he intends. The decisive element in this equation is the Russian working class, which is slowly beginning to recover from the recent traumas and draw conclusions. That is the real meaning of these elections. At this stage, they are looking to the electoral front to solve their problems. But the inevitable intrigues set in motion by the bourgeois and Yeltsin to stop the CP from coming to power can easily trigger a violent social explosion.

Zyuganov wants to avoid this, and is therefore suggesting that it might be better to support a "non-Communist" presidential candidate!

The election results entirely confirm the perspectives outlined in the last issue of this journal. The attempt to move in the direction of capitalism in Russia is in deep trouble. The final outcome can only be decided by the struggle of living class forces. Over half a century ago, Leon Trotsky predicted that a capitalist counter-revolution in Russia could only succeed on the basis of a civil war. This may yet prove to be correct. Russia has entered into a new period of storm and stress, the outcome of which will have a decisive effect on the history of the world.

Alan Woods



Northern Ireland

What's happened to the peace process?

At a trade union meeting on Northern Ireland held last December, David Adams of the Ulster Democratic Party—the political wing of the largest Loyalist paramilitary group, the UDA—was asked how long he thought the current peace talks would last. "Ten years," he replied.

His comments reflect the view of all the participants in the Northern Ireland peace process, from the SDLP to the British Government, from the IRA to the UVF, that somehow they can 'muddle along until something turns up'.

All workers welcome the ceasefire in Northern Ireland—it was the working class people of both communities that bore the brunt of the death and violence.

But peace cannot exist in a vacuum forever. Unless there is material change, the violence can return as the conditions that created it in the first place will remain.

As Northern Ireland enters its second year of the ceasefire, with nothing concrete on the table the process shows alarming signs of beginning to unravel. Cracks are beginning to appear in the discipline of the paramilitaries, as rank and file members—on both sides—fear a sell-out by their leaderships, and some at least are preparing for a return to violence.

There were two warning signs last year. Republicans were caught transporting a huge bomb across the border—they were members of the armed wing of 'Republican Sinn Fein', which (led by Ruairi O'Bradaigh) split from the Provisionals in 1986 over 'abstentionism', and is reportedly attracting disgruntled Provisionals.

Meanwhile, Lindsay Robb, an executive member of the Protestant Unionist Party (the political wing of the UVF) and

representative at the peace talks, was arrested in July after smuggling pistols and dum-dum bullets from Scotland to Belfast. The PUP now claim they are a 'socialist' party, but clearly they are still procuring the means with which to kill Catholics.

The province has now been rocked by a wave of 'punishment' shootings by the IRA, using the cover name of 'Direct Action Against Drugs'. The Provisionals sudden 'war on drugs and crime' will be met with cynicism by Northern Ireland workers who have suffered from the racketeering carried out by the IRA over the past 25 years. Indeed, the Sunday Times (7/1/96) reports that one drug dealer was forced to pay the IRA £5,000 to be allowed to carry on his dirty trade. It is also clear that some of the murders have nothing to do with drugs, but are the result of internal feuding which has marred the Republican movement throughout its history.

The biggest threat to peace, however, comes from the British Government. The defection of Emma Nicholson has brought to a head the question of John Major's diminishing majority in the House of Commons and emphasised the Tories' traditional reliance on the Ulster Unionists.

Despite the protestations of Ulster Unionist leader David Trimble that 'no deals have been struck with the government', only a week later Government sources were floating a slightly watered down version of Trimble's 'solution' for Northern Ireland—a new Assembly, which has been dubbed 'Stormont Mark II'. Although the indications are that the link between the Tories and the Unionists may not now survive the summer, Major is finding himself increasingly reliant on it in order to keep

his majority. Major's version sees an Assembly which is half the size, being a 45 seat negotiating body. This has already been rejected by the Irish Government and Sinn Fein. If Major persists with the Assembly plan to appease the Unionists, the so-called peace process will collapse around his ears.

The key to lasting peace in Ireland rests not with either the British, Irish or US governments, nor the paramilitaries, but with the workers.

At the same trade union meeting (organised by the NUJ at its national conference) that the UDP gave their 'ten year' perspective, labour activist Fergus Cooper of NIACRO made a telling point. He explained that the engine that drove the current peace process was the mass demonstrations by Northern Ireland trade unionists in the early 1990s. This saw 20,000 protesting at a ICTU demonstration in Belfast in 1992 with similar mass protests organised in the same year by Mid Ulster Trade Councils, two large demonstrations in the Ormeau Road district of Belfast, and strike action by 5,000 civil service trade unionists in 1994 following threats by Loyalist paramilitaries. It was these mass actions that concentrated the minds of the current 'proponents of peace'. The task now is for a debate amongst the Northern Ireland labour movement—linking up with their counterparts in southern Ireland and Britain—on the question of a class based intervention, drawing up a socialist solution for Northern Ireland, and the formation of an independent party of Labour, based on the trade unions, which could fight for these ideals.

Cain O'Mahoney

Reason in revolt

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By Alan Woods and Ted Grant

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The French Revolution

In the first of a two part article, *Mick Brooks* analyses the class forces behind the downfall of the monarchy and the creation of the Republic in eighteenth century France.

How society develops

History, as it is taught in the schools, is a depressing subject. A procession of kings and ministers strut the stage; they are the only people who count in changing things. It's not even considered worth mentioning, but these kings and ministers are fed and clothed by the labour of the vast majority of the people, who toil and die like beasts of burden. Is this the eternal lot of humanity? There seems no rhyme or reason to the million year history of humankind. Even in revolutions, where the masses actively intervene to change the course of history, it seems they only succeed in changing one set of rulers for another. Such was the case in the French revolution of 1789, which was the culmination of a process that developed over centuries and eventually transferred the decisive levers of economic and political power

from the hands of the old regime of feudal aristocrats to the modern capitalist class. But that is not the whole of the story. The French revolution was one of a series of bourgeois revolutions that changed the face of the earth.

French society before the revolution

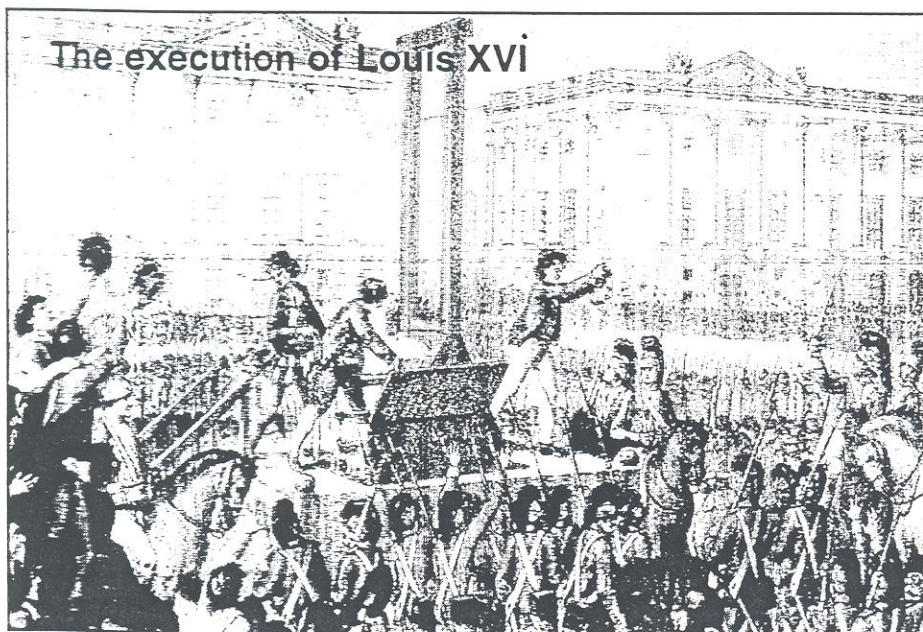
Capitalism was developing in France throughout the eighteenth century, despite the impediments of the monarchy and aristocracy. The creation of a world market after the discovery of America gave an enormous impetus to the development of trade and made fortunes for the merchants. Usurers too could make money hand over fist by lending out to the peasantry, the aristocracy and the monarchy as their requirements went up while their revenues remained relatively stable. Never

the less these money fortunes had not yet been applied to building up large scale industry. Most manufactured articles were still produced by small craftsmen, but merchants often 'put out' the work to them or lent them money to keep production going - and got a rub-off that way.

The vast majority of the population were still peasants. Crushed by taxes from the monarchy, tithes from the established church and feudal dues from the aristocracy, less than a third owned their own land. Even in most of these cases their dwarf plots could only keep a family at the most miserable subsistence level. Scattered and illiterate, they looked to the big towns for a lead.

Who were the Sans-culottes?

In the towns like Paris the most numerous section of the population of the population was the Sans-culottes. This expression meant that they wore trousers instead of posh breeches. The Sans-culottes were a combination of small tradesmen (the urban petty bourgeoisie) and workers proper. This corresponded to the development of capitalism at that time. The nearest equivalent to this group in the present day can be found in traditional small craft centres like London's East End. Here you often find sweat shops and garages under railway arches. The boss is likely to be covered in grease, speak with a cockney accent and live in the same conditions as the workers. Such places are rarely unionised and almost never have strikes. It is in the big factories where workers have an awareness of their collective power where class consciousness develops. The boss comes in two hours after everyone else, driving in his Rolls to his separate car park, only to knock off shortly after for an expense account lunch and a round of golf with business acquaintances.



The key to understanding the Sans-culottes' intervention in the revolution was that they were a meld of petty craftsmen in the process of disappearing under capitalist industrialisation and the germ of a modern proletariat in the process of coming into being. Although the events of the French revolution did produce strikes, the workers more often took their tune from the better educated master craftsmen. Often they acted together on prices in their common capacity as consumers. Whenever the Sans-culottes intervened decisively in the process of the revolution, rising prices were nearly always the goad to their discontent, whatever the political issues on which they mobilised.

The 'aristocratic revolt'

So the state of play between the classes on the eve of 1789 was that the aristocracy put on everyone else—peasant, capitalists and small traders, while the king in turn put on the whole of society, including the aristocracy. The issue that brought the fissures developing in French society out into the open, was the impending state bankruptcy. While the French monarchy had engaged in futile wars on mainland Europe for dynastic ends, the English government (where they had already had a bourgeois revolution in the 1640s) was coolly picking up the lion's share of colonies and squeezing them dry to finance industrialisation. Thus cheap English manufactured goods were flooding out the embryo French capitalist class, giving an added urgency to their complaints against the regime. The French kings had racked up debts for wars which were of no interest to the capitalists, and increased the burden of taxation upon them. However, since the whole state machine—bishops, army officers and judges—was staffed from top to bottom by aristocrats and run for aristocrats, it was a basic principle of the French state that they didn't pay tax. So the capitalists and common people were footing the bill. This gave the bourgeoisie another opportunity to pose as the representatives of society at large.

King Louis XVI was forced to attack the fiscal immunity of the privileged orders in order to pay his debts. So Louis was confronted with a revolt of his own administrative officers. The aristocrats, armed with the works of eighteenth century political philosophers such as Rousseau, posed as the representatives of society against "tyranny". They even called in the common people in on their side in riots in 1778 and 1788. This episode is usually described as the 'aristocratic revolt' in history text books. In fact it was a *split in the ruling class*, which always precedes the movement from below, as the crisis within society deepens, and different sections of the ruling class strike out on different roads to ruin. What was the king to do? How could he rule without an administrative machine? His only recourse was to appeal to a wider

audience, as the aristocracy had done before. Both the monarchy and the aristocracy were drawing into active political involvement the formerly despised mass of the people (rich capitalists as well as the poor). They were both to regret what they were now forced to do.

The king decided the Estates General, a body which absolutism had been strong enough to do without since 1614. Here Louis would pose before the representatives of the nation as a man doing his best in difficult circumstances and hampered by privilege. The Estates General was not in any sense a Parliament. It was a feudal consultative body which met in three orders, representing the traditional Estates - the aristocracy, the clergy, and the third estate - the vast mass of the people. Each order cast a vote, so the privileged estates could always have their way.

The National Assembly

As the Estates General was due to meet in May 1789, the whole political alignment of forces was transformed. The self-confident rising capitalist class, whose representatives monopolised the delegateship for the third estate, in their turn laid their claim to speak for the people. They demanded double representation for the third estate, and that voting be by head and not by order. In this way they hoped to split off the parish clergy and the liberal aristocracy (who invested in capitalist enterprises and shared their aims) and so gain a majority. The aristocracy and the king, hitherto at daggers drawn, suddenly closed ranks against the common threat to their privileged position.

In June 1789 the capitalist class made their play. Faced with a refusal to grant voting by head, they proclaimed themselves the National Assembly and were joined by a minority of parish priests and liberal aristocrats. Turmoil reigned in Paris

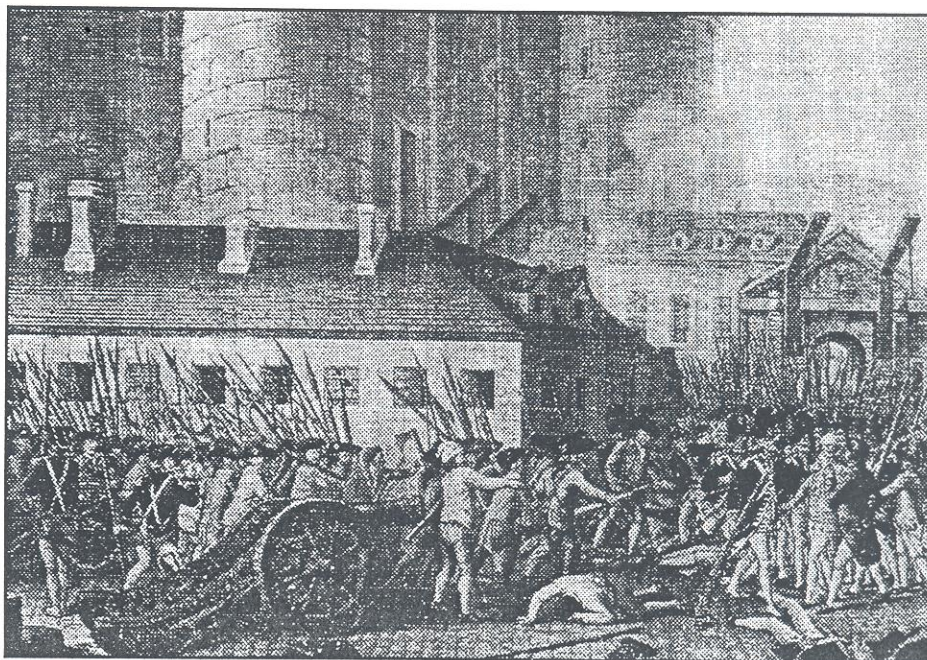
as the common people enthusiastically supported this step forward. The king attempted to 'read them the riot act' but was unable to move against them because his troops proved unreliable. *Every revolution poses the question of a split in the armed forces along class lines at a certain stage.*

The storming of the Bastille

No ruling class gives up its privileges without a fight, and Louis was certainly prepared to put up with this. Pretending to step down, he prepared a further attack by calling in Swiss and German mercenaries to be used against the French people. For the first of many times the Paris Sans-culottes intervened decisively. Within a day the capital was in their hands. A desperate search for arms began. Shops and public buildings were systematically raided. At the same time the customs barriers on the outskirts of Paris were burned. These were the most hated relics of feudalism in the towns. They enforced a toll on all produce coming into Paris, jacking up food prices and throwing every small consumer in the capital behind the demands of the capitalists for free trade.

At the same time the peasantry, seeing a lead from the towns, was arming itself in the villages, storming the chateaux and burning the manorial rolls, the written evidence of their feudal obligations. The agrarian discontent had been developing for some time, but the new feature in the situation was that the towns were in revolt. France had experienced peasant rebellions before, but they could never link up and succeed while the towns were bases of the regime, from which soldiers would march out to put them down.

The only solution for the bourgeoisie was to put themselves at the head of the movement in order to use and control it. They were being swept along beyond their origi-



nal intentions by the movement of the masses. Since Paris was in the hands of the Sans-culottes, they were forced to support the storming of the Bastille, the prison fortress which was a symbol of despotism. Nearly a hundred Sans-culottes were massacred by the murderous fire from the Swiss mercenaries within. But it was the defection of artillery detachments of the French army to the side of the revolution which forced the Bastille to surrender. Reactionaries sneer at this colossal victory and progress, which was greeted even in St Petersburg by strangers embracing in the streets. For, they say, there were only seven prisoners in the Bastille at this time. But the main reason for storming the Bastille was to search for arms for the people, not just to release the prisoners of despotism. In addition the Bastille's cannon dominated the city, threatening particularly the nearby St Antoine district, a foremost hotbed of the militant Sans-culottes.

Dual Power

The storming of the Bastille changed the balance of forces decisively inside France. This victory had been achieved essentially by the revolutionary initiative of the Sans-culottes. But all the advantages accrued to the capitalist class, who had only lukewarmly supported the movement. The king was forced to recognise the National Assembly's existence. The capitalists had a nasty scare when they saw at first hand how the common people they despised had shown their capacity to be a decisive factor in the revolution. Their first thought was compromise. But they were pushed forward by the movement. On August 4th the National Assembly decreed the abolition of feudalism. But the peasants were to pay compensation over generations for their land! The peasantry in France were now armed and not inclined to mortgage future generations in the interests of those who had sucked their blood for a thousand years. Clearly the bourgeoisie would have to restore 'order' in the countryside in conjunction with the monarchy and aristocracy. After all they were all property owners together. In other words they thought the revolution had gone far enough. The trouble was that the king and the privileged already thought it had gone much too far. A further provocation to Louis was the "Declaration of the rights of man and the citizen" (a subject dearer to the hearts of the National Assembly than the livelihoods of mere peasants) which hacked away at the right of the monarchy to rule in the old way. But the king refused to ratify both decrees. The National Assembly may have thought the revolution had gone far enough but sometimes, as Marx puts it, "revolution needs the whip of counter-revolution". As long as Louis was ensconced in his palace at Versailles surrounded by his cronies, the 'ultras' among the aristocracy, he was bound to be plotting a return to his old



unfettered power.

So there existed a period of *dual power* as always occurs before a revolution moves towards its culmination. After the struggle has come out into the open, the two forces measure one another up. The representatives of the new society are still feeling their feet and the old order is incapable of striking, unsure whether the forces at its disposal will remain loyal.

The Sans-culottes realised that as long as the King was in Versailles he could mobilise forces for counter-revolution at his leisure. They mobilised in a great crowd and demanded that he return with them to Paris, in effect as a prisoner. So the counter-revolution was beheaded by the movement of the masses, and the gains of July were safeguarded.

Though the bourgeoisie had nothing to do with this move, it was their power that was secured. They were becoming increasingly distrustful of the masses' independence. Constitutional monarchy was the limit of their aspirations, with the vote restricted to property holders as a check against the common people. The King had no choice but to accept this deal. As far as the bourgeoisie was concerned, the revolution had carried out what it was intended to do. It was over.

So they settled down to consolidate their new-found political power. They convened a constituent assembly and then a legislative assembly to which "passive citizens" (those with no property) had no right to vote. While they codified and limited the powers of the King, they were likewise careful to exclude the conquerors of the Bastille from access to arms - 'passive citizens' were ineligible for the National Guard. No law shows more clearly the class bias of the Assembly the 1790 Le Chapelier law, which made strikes illegal as an impediment to free trade, and remained on the statute books for nearly a hundred years.

Nevertheless these years saw the foundations for a capitalist France established. A uniform system of weights and measures made production for a national market a reality and allowed production to be developed on a larger scale. The hotchpotch of local administration which characterised aristocratic power before 1789 was swept away. Army and state bureaucracy were purged and made accountable to the bourgeoisie. The monstrous system of taxes which bore down particularly on the peasants was done away with. The salt tax for instance, which meant that peasants had to buy sack after sack of unusable salt at government monopoly prices, was abolished. Of most significance for the later development of large-scale capitalism was the clash with the established church. Tithes were abolished. The Catholic Church actually controlled two fifths of the land in France. The capitalists greedily seized church lands. This was one of the major ways the revolution made millionaires.

Split in the bourgeoisie

From 1789 a section of the 'ultras' among the aristocracy, though not yet stripped of their privileges, was so disgusted with the way French society was going that they emigrated to Coblenz, just outside the borders of France. There they nurtured reactionary fantasies and plots. They clearly based their expectations on the intervention of foreign monarchic and aristocratic powers in the affairs of France. They had nothing but contempt for the nation now led by the bourgeoisie. It was in reaction to these aristocrats, as well as in response to the administrative measures of national unification necessarily taken by the ascendant bourgeoisie, that the French capitalist revolution defined itself as a national and a nationalist revolution.

In June 1791 the King was discovered and

captured while doing a bunk for the border. The main concern of the Constituent Assembly was to hush up the scandal; but the Sans-culottes recognised what was at stake. The constitutional monarchy seemed like the fruits of the 1789 revolution. In fact it was just a half way stage. As long as the King was head of the government, he would be scheming a return to the old ways. One section of the capitalists recognised this. Another part was fearful of once again plunging the country into revolutionary upheavals.

The split reflected itself in turmoil among the political clubs, which at this time were the main debating centres of the politically active. The Jacobin Club of parliamentarians split, with the main part moving sharply to the left. A mass demonstration was called outside Paris to sign a petition for a republic. Even the Jacobin Club was just shadowing the leftward movement of the masses.

All this was too soon for the bourgeoisie as a whole. For the working class, new and weak as it was, was also beginning to raise its head. Agitation took place in the Sans-culotte districts on the issue of mass unemployment. At the same time strikes broke out among carpenters, hatters and typographers, with locksmiths, joiners, furriers and cobblers to follow. It was in this atmosphere that the demonstration met in July 1791. The bourgeois National Guard sprang a deliberate trap. About sixty unarmed and peaceful petitioners were shot dead.

The immediate effect of the massacre was to drive the movement back. In the longer term, as the movement resumed its forward march, it meant that constitutional monarchy was discredited and every opportunist place-seeker had to call themselves a republican to get popular support.

War and revolution

Wars can enormously accelerate the trends within society and open up the sores which appear to be healed over. In France war and revolution went in tandem. Engels wrote in 1889, "*the whole French revolution is dominated by the war of coalition, all its pulsations depend upon it*". Apart from anything else, war inevitably brought in its wake a shortage of bread, as both farmers and food were sent off to the front. Hunger brought the Sans-culottes onto the scene again and again.

Why the war? There were undoubtedly elements of a revolutionary war against the crowned dinosaurs of old Europe. The slogan of the French armies in the first years was "*war on the castle, peace to the cottage*". But the major reason for the war was trade and annexation. The government was broke. The capitalists needed markets.

Louis fell in with this plan the more readily

since he believed it would result in military defeat and a return of his old powers. Robespierre, a consistent and perceptive representative of the interests of capitalism, almost alone saw through this plan and opposed the war. Both Louis and Robespierre were right. All the leading positions in the army had been monopolised by representatives of the old ruling class. Treachery and defeat were the inevitable result.

The Republican insurrection

As the armies of invasion pressed on French territory, all the classes that had benefited from the revolution were seized with terror. The capitalist class was on the horns of a dilemma. They needed to mobilise the masses to save their system. But they also needed them to stay in their allotted place. Since Louis was no doubt in cahoots with the invading armies, mobilising the poor would mean dismantling the monarchical executive and the whole system of checks and balances against popular power carefully thought up after 1789.

Under the weight of this dilemma, the bourgeoisie split. The ruling groups had initiated the war but were not prepared to carry through the measures necessary to win it. Another section saw things more clearly. They were the Mountain (so called because they sat on the highest seats in the Assembly on the left) led by Marat and Robespierre. Their main policy-making body was the Jacobin Club. Yet when the movement came they were swept along like foam on the top of a wave.

War led to inflation. From the beginning of 1792 there was an outbreak of what historians usually call "food riots". In fact the Sans-culottes stormed the shops and rationed out supplies in an orderly manner, refusing to pay more than the old price. So economic discontent and political issues were fused in the popular mind. For the Sans-culottes a hoarder or specu-

lator was the same thing as a traitor. The Mountain realised that the only way to win the war and save the bourgeois order was to overthrow the King. As rumours of treason spread everywhere the Sans-culottes came to the same conclusion. As foreign armies approached the capital and aristocratic generals abandoned their posts, the Prussians threatened to shoot every defender of the revolution out of hand.

This threat triggered insurrection. The Paris 'mob' armed with pikes and whatever muskets they could find invaded the King's palace. Battle was joined with his bodyguard, the palace invaded and Louis forced to flee to the National Assembly. The latter had no choice. The King was deposed. The August 10th insurrection had overthrown the monarchy, France was a republic.

As the crisis in society developed in 1792, the overwhelming weight of the Sans-culottes in the capital burst into the Sectional Assemblies. Not only was the right to every citizen to vote conceded in fact, but the Assemblies were transformed in the process. The urban poor demanded instant recall over their representatives, with as far as possible the involvement of all the people in the process of self-government. These committees felt the need to link up, under the impetus of defeat and famine, into a Revolutionary Commune completely separate from the original Paris Commune, which was still elected at that time by limited suffrage. The Revolutionary Commune was the general staff of the republican insurrection of August 1792.

At every stage it was the decisive intervention of the masses which drove the revolution forward, yet it was not these masses who were to inherit the conquests of their struggle.

(Concluded next issue)



"The death of Yugoslavia"

book reviewed by Rob Sewell

This fascinating book was published to accompany the outstanding television series "The Death of Yugoslavia" which was broadcast in the autumn of 1995. Although not as vivid as the film documentary, the book nevertheless is a detailed account, based on the statements of the key players in the war from 1987 to the Bosnian Serb rejection of the Contact Group Plan in late 1994.

The book charts the rise of Serb and Croat nationalism and the tensions that resulted in the break-up of Yugoslavia. The Yugoslav federation under Tito, which was made up in 1974 of six republics and two provinces with extensive devolved powers, with a rotating presidency, partially overcame the national problem. However with the death of Tito in May 1980 and the growing economic problems facing the country, the separate bureaucracies that ruled the republics began to use nationalism to increase their power base. In the province of Kosovo, whose population is 90% Albanian, in the autumn of 1981, street demonstrations were brutally suppressed by the Yugoslav army.

It was here in April 1987 where ethnic tensions were high that Slobodan Milosevic, the Serb CP leader, after attacking the Albanian party leaders, pro-

claimed himself the defender of all Serbs. "The fatherland is under threat", he stated. He whipped up Serb nationalism by hysteria and anti-Albanian propaganda. On this basis he built up his power base eventually becoming president.

Break-up

The break-up of the Soviet Union gave rise to sections of the bureaucracy in the Stalinist states looking towards capitalist restoration. In Yugoslavia, with the growth of Serb nationalism, the Slovenian bureaucracy, with the backing of German imperialism, and its more developed industries sought independence. At the same time, through demagoguery Milosevic succeeded in extending his power to Vojvodina, Montenegro, and with bloodshed to Kosovo. This was then consolidated by pushing through changes to the constitution.

In the first multi-party elections since the war held in the six republics, the nationalist parties secured most of the vote. On 27th September 1989 Slovenia declared itself a sovereign state. In Croatia, Tudjman's nationalist HDZ also whipped up chauvinism, specifically attacking the Serbs and Jews and calling for the ethnic division of Bosnia-Herzegovina. According to Tudjman, who became President, Bosnia should be divided

between Serbia and Croatia. The nationalism of Milosevic assisted Tudjman, and vice versa. The Serb leaders played on the fears of the war-time atrocities against the Serbs by the Croat puppet fascist regime. Resting on the Serb minority in Croatia, Belgrade provoked an uprising in Krajina and the creation of a Serb state within Croatia, backed by the Yugoslav army under the guise of "separating the two sides".

Both Slovenia and Croatia had no armies and had to face the Yugoslav army. However, in March 1991 in Karadjordjevo, Tudjman and Milosevic met for negotiations and made a pact to divide Bosnia. They played a double game.

The European powers together with the US were against the break-up of Yugoslavia as it would create instability throughout the region. However the Germans, who wanted to extend their influence further east urged on the Slovenes. The independence of Slovenia resulted in the war with Serbia, but Milosevic was forced to concede as it did not conflict with his plans for a Greater Serbia. Croatian independence was another matter. There the excuse of defending Serb minorities was used to seize chunks of Croatia. After an all-out offensive, Serb forces, together with the Yugoslav army controlled between a quarter and a third of Croatian territory. Ethnic cleansing began on a massive scale. Croats were driven out of Serb areas, while Serbs were driven out from Croat dominated regions. Tudjman was forced to come to an agreement. Now both could turn their attention to Bosnia.

As Lord Carrington, the EU peace negotiator stated: "When I first talked to Presidents Tudjman and Milosevic, it was quite clear to me that both of them had a solution which was mutually satisfactory, which was that they

were going to carve it up between them. They were going to carve Bosnia up."

Along with Macedonia, Bosnia-Herzegovina wanted independence. However, the latter was composed of minority Serbs and Croats as well as the Muslims. The Serbs boycotted the referendum on independence. Izetbegovic, Bosnia's President, wanted to create an Islamic state. In July 1991 he asked to join the Organisation of Islamic Countries - hardly the gesture to pacify the non-Muslims of Bosnia.

Infuriated

As the book explains: "Like the Serbs, the Croats were infuriated when Izetbegovic announced in September that the SDA (the Muslim party) opposed the principle of national parity, and that the government would be formed on the basis of one-man one-vote. Izetbegovic was attempting to play the same game in Bosnia that Milosevic had in mind for Yugoslavia.... In Bosnia, the same principle would give the Muslims - the republic's largest ethnic group with forty-four per cent of the 4.35 million population - the greatest authority."

On 9th January 1992 the Bosnian Serbs declared their own Serbian Republic of Bosnia-Herzegovina as part of the Yugoslav federation. Izetbegovic moved for Bosnian independence. The division of Bosnia-Herzegovina began in earnest. The Serb paramilitary fascist leader carried out a campaign of horrendous ethnic cleansing against the Muslim population. The Croat nationalists also joined in. Serb also fought Croat. This was repeated from village to village and from town to town. Many were murdered and hundreds of thousands of refugees continually fled the fighting. The book highlights the impotence of the United Nations in its "peace-keeping" efforts and the continuous rounds of diplomatic deals to find a 'solution'. Although the book is weak on uncovering the material interests behind the political manoeuvrings, it is a detailed account that is very useful in mapping out the events that led to the conflict and the key participants. It is well worth reading. Despite the latest 'deal', it is clear there can never be a solution to the Balkan's conflict as long as capitalism dictates the rules.

The Death of Yugoslavia by Laura Silber & Allan Little, published by Penguin £6.99



Carve up: Milosevic and Tudjman

The Great British Tradition

by Beatrice Windsor



The Red Flag raised at Nore

The mutinous sailors at Spithead in 1797 achieved victory after a month of refusing to weigh anchor. Parliament and the Admiralty couldn't break the strike action - they agreed to improve conditions and better pay, but had stalled over the question of a Royal Pardon. The sailors wouldn't budge, and despite opposition from George III himself, Parliament gave in.

The sailors celebrated with victory parades around Portsmouth, before the 'Admirals of the Assembly' (as the elected delegates representing the mutinous ships were called) submitted to the real Admirals, and set sail for the blockade of Brest.

But as the Channel Fleet were returning to Royal Navy rule, the mutiny spread to the North Sea Fleet, anchored at the Nore. Here too the conditions faced by the sailors were appalling - *HMS Sandwich* for example was grossly overcrowded: instead of the normal complement of 400, a thousand men were crammed aboard. In addition, many of the press ganged sailors were Irish, inspired by the activities of Wolfe Tone who was preparing for the United Irishmen revolt.

But the Nore mutiny was not as well organised as at Spithead, while the RN command were in a far more aggressive mood after their defeat at Spithead. The mutiny wavered at the outset, when officers on two key ships, including the Admiral's flagship *HMS Venerable*, kept control and put to sea. Even so, several battle ships of the line and nine frigates ran up the Red Flag (the naval battle flag) and rallied around *HMS Sandwich*.

The Nore mutineers however made their first mistake. The Channel Fleet sailors had been meticulous in keeping their animity. But at Nore, the leaders were very conspicuous; Richard Parker, a press ganged teacher was elected President of the delegates' assembly.

Fighting also broke out when *HMS San Fiorenzo* refused to join the strike - the sailors on *HMS Inflexible* opened fire on them. This constituted an 'Act of War' which was punishable by death. Things went from bad to worse, when delegates dispatched to link up with the mutineers at Spithead returned with the news that the mutiny there was over. Isolated, the sailors took officers hostage to ensure their own survival, adding 'piracy' to their list of crimes.

The Admiralty then put on the pressure, blockading the rebellious fleet. The sailors responded by blockading the Thames estuary - trade in London came to a full stop.

The sailors attempted to negotiate a settlement, demanding six months back pay, no corporal punishment and shore leave. The Admiralty response was brusque - under cover of dark they sank all buoys which marked the safe channels around the Thames' notorious sandbanks, while the sea forts in the Thames and at Sheerness turned their guns on the fleet. The Nore mutineers were trapped.

Splits emerged with a faction of the Assembly calling for a return to duty. The strike began to crumble. Several frigates hauled down the Red Flag and lifted the blockade. Then 'President Parker' was handed over to the Admiralty by his former comrades, hoping for leniency from the navy commanders. The mutiny was over.

The Admiralty were wary of widespread reprisals - they had only just got the Channel Fleet back to sea, while liberal Navy reformers like Admiral Nelson were gaining support with their calls for modernisation and reform.

A general pardon for the sailors was agreed, but the ring leaders were to be liquidated because of their 'Act of War': 29, including President Parker, were hanged, with many more imprisoned and flogged - one man received 380 lashes!

Parker stood by his action to the end, shouting out before the noose: "...how could I stand by and behold some of my best fellow creatures cruelly treated by some of the worst. I die a martyr in the cause of humanity."

Bourgeois of the month

The Young Ones

YOU know you're getting old when coppers and Labour leaders look like school kids, and the bourgeois get younger and younger.

The youngest multi-millionaire in the world is Lars Windhorst who at 19 runs a business empire in Germany which has an annual turnover of £80 million.

Lars started young - at 11 he was reading the German financial press; by the time he was 14 he was trading computer parts with China.

While his teenage counterparts in China were being crushed under the tanks at Tinnamen Square, Lars built up his trade base, becoming a 'full time' millionaire at 16.

He is ferried around Germany in a chauffeur driven Mercedes, and has another chauffeur driven Daimler with his luxurious apartment at his Hong Kong base. Lars is keen to stress though that: "I consider myself quite normal."

Well, if the little rich kids of Beverly Hills are anything to go by, this is hardly likely.

The *Sunday Times* (7th January) featured the every day life of the brats of the beautiful people in Bel Air and Hollywood.

18 year old Mijanou describes her local school, Beverly High: "If you saw the parking lot ... there are BMWs, jeeps, just the nicest cars you could think of. Range Rovers, you know, \$50,000 cars driven by 16 year olds."

13 year old Julie meanwhile tells how she has a personal trainer, a counsellor, a singing coach and a nutritionist, and has also just started "doing acupuncture".

Julie explains the counsellor helps "...because I would always get into trouble. I would make really bad judgement calls...now, I feel empowered from taking the class. They teach you boundary setting."

When I was 13 the worst 'bad judgement call' I would make would be sticking the wings on my Airfix Spitfire upside down.

And there wasn't much 'boundary setting' at my local comprehensive. Mind you, having listened to Julie I think perhaps we were the lucky ones.

BW

Next month: the court of King Ludd.

socialist appeal

The Marxist voice of the labour movement



Drive out the Tories in '96

A week may be quite a long time in politics, but 17 years of the Tories represents a large part of all our lives. Now the nightmare should be finally coming to an end. The Tories are being consumed with crisis after crisis.

The defection of right wing Tory MP Alan Howarth to Labour, has been followed rapidly by Emma Nicholson's defection to the Liberals. Many more worried Tories are desperately seeking safe seats, or even safer jobs in the city. This must be the first known case of the sinking ship deserting the rat.

Tory chairman Brian Mawhinney has earned the nickname "the gaffer," not for his leadership skills, but for his ability to put his foot in his mouth even more regularly than his predecessor, Jeremy Hanley.

Outrage has chased Home Office Minister Doris Karloff, known to her "friends" as Ann Widdecombe, over the disgraceful policy of manacled women prisoners during childbirth in Holloway prison.

Thatcher's recent speech reminding us of her brand of "No Nation Toryism," has served to further underline the chasm that has opened up within the Tory party. The dissidents are even drafting their own programme.

Seeing the Tories in a mess is

something we all welcome, of course, but this has serious repercussions. Desperate to prevent the back bench loose cannons firing into the government's back, Major and co. will lurch increasingly to the right, on Europe, immigration, privatisation. It was once said of Major that he was

to the economy. 20,000 job losses have been announced in the building industry - so much for Clarke's recent interest rate cuts in attempt to kickstart Britain's depressed building industry! The threat is there of still more cuts in public spending in a bid to cut taxes again before an election.

ist programme could mobilise a mighty force that could finish the Tories off once and for all. No amount of tinkering can rescue capitalism. You can't plan what you don't control and you can't control what you don't own - not "have a stake in." Common ownership, as a basis for a socialist plan of production, is the only viable answer to the crisis created by the Tories and their decrepit system.

Unless a Labour government is prepared to introduce socialist measures they will be incapable of solving the problems facing ordinary working class people. The hopes of millions lie in the election of a Labour government. Those hopes are based on the belief that Labour will create jobs, introduce a national minimum wage, defend the health service, and rescue our children's education. None of that will be possible on the basis of watered down Tory policies. A socialist vision would guarantee Labour a landslide victory. There is no other solution to the destruction of Britain over the last two decades.



the only known example of a man who had run away from the circus to become an accountant. He now has a very difficult tightrope to walk between all the Tories' different factions, in order to try to last out the year. Once again the press is full of reports of back benchers trying to persuade Major to "resign" before it is too late.

The longer this government rots away, the more damage it does to the health service, to education,

But they should be warned—neither 2% growth, nor tax bribes can save the Tories from the hammering they so richly deserve.

We can't afford to sit back and wait for a Labour government to be elected in its own good time. Take the French road. We were all inspired by the struggle of the French workers in December, and should follow their example here. The labour and trade union movement armed with a fighting social-

Drive the Tories Out

General election now

Labour to power on a socialist programme

Labour to power on a socialist programme