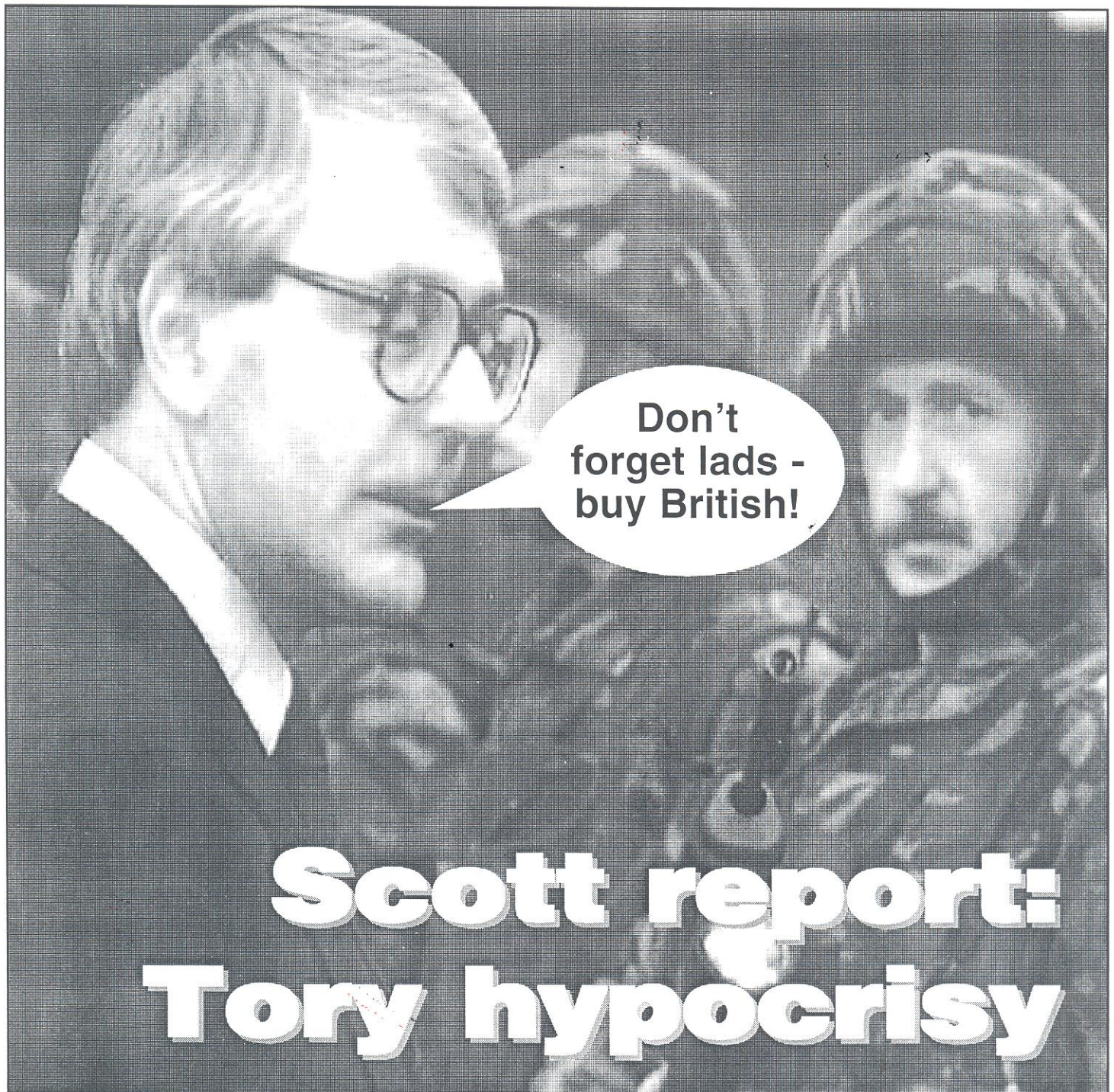


Inside this issue:
Tory Party, Ireland,
Labour, Lean
Production,
Economy, French
Revolution,
Radical Jazz,
Trainspotting...

socialist appeal

The Marxist voice of the labour movement



**Scott report:
Tory hypocrisy**

Issue 39 March 1996 price: one pound

Northern Ireland: labour movement holds the key

The resumption of the IRA bombing campaign has been regarded with horror by workers in Britain and both the Catholic and Protestant communities in Ireland. A glimpse of this was seen in the mass demonstrations for peace called by the trade unions.

Only a tiny hardcore support this bankrupt strategy. There can be no solution to the troubles outside the unity of Catholic and Protestant workers in the struggle against their common enemy: the Irish and British capitalist class. The solution can only be realised through the struggle for a socialist united Ireland linked to a Socialist Britain.

With the end of the IRA ceasefire the whole peace process in Ireland seems to have gone into reverse. Although as we go to press, John Major and Irish premier, John Bruton, have finally put a date for all-party talks it is not clear whether this can salvage the process.

When the IRA called it's ceasefire in September 1994 Socialist Appeal described it as a "total capitulation" on the part of the IRA. Gerry Adams' announcements at the time made no mention of the border, British withdrawal or a united Ireland. The ceasefire was recognition by Sinn Fein and the IRA of the blind alley they had been travelling down. After their twenty five year campaign they were no nearer any one of their goals. The strategy of the "armalite and the ballot box" had failed.

Marxism has always opposed the methods of 'individual terrorism.' Such a campaign is even more insane in an industrialised country. The IRA did not even have majority support amongst the Catholic population. In fact the majority of Catholics do not even support a united Ireland. The most recent poll (*Guardian* 28.2.96) put support for a united Ireland amongst Catholics as low as 27%. The attempt to bomb their

way to a united Ireland was doomed to failure. In the period after the Anglo-Irish agreement of 1985 the Protestant paramilitaries escalated their campaign. By 1993, the last full year before the cease-fire, they were doing more killing than the IRA and they claimed a much higher membership. None of this was a secondary consideration for the IRA leadership.

Fear

So without any success in their military campaign and with a real fear of being outgunned by the UDA and UVF the IRA's options were limited to say the least.

The Downing Street Declaration of December 1993 indicated that the Tory government, reflecting the aims of the ruling class, no longer had any "strategic" or "selfish" policy to pursue. In other words the British ruling class no longer had any need for a divided Ireland. The declaration gave an impetus to the Adams/McGuinness faction of the republican leadership. Within a year the ceasefire had been called.

Last year the Joint Framework Document produced by the British and Irish governments was heralded as a crucial breakthrough. This should have been a signal for an acceleration of the peace process but, in reality everything began to stall.

The biggest threat to the process was to come from Major himself. The defections of Alan Howarth and Emma Nicholson in the second half of last year were to bring to a head the question of the Tories diminishing majority in the House of Commons and emphasised the Tories' traditional reliance on the Ulster Unionists. Despite the claims that no deals have been done, only a week after Nicholson had 'crossed the floor of the house' the government was to float a slightly watered down version of Unionist leader

David Trimble's solution - a new assembly, dubbed by many as Stormont Mark2. Major was also to renounce the findings of the Mitchell Report on arms decommissioning. Scandalously, Labour's front bench has supported Major every inch of the way in these manoeuvres.

The reliance of Major on the unionists grows by the day. His majority of two, soon to be one, cannot survive without them. Witness the vote on the Scott Report, which Major only survived with the aid of Ian Paisley's DUP.

As we said in last month's Socialist Appeal, "If Major persists with the assembly plan to appease the unionists, the so-called peace process will collapse around his ears." And this is precisely what has happened.

The IRA bomb near Canary Wharf, followed by the two in London's West End, has marked the end of the process which has unravelled over the last eighteen months. All the signs that this was about to happen were there - the wave of punishment shootings by the IRA, in the guise of Direct Action Against Drugs, for example.

What the end of the ceasefire really means remains to be seen. Certainly, the Adams faction have achieved nothing over the last eighteen months. The emergence of statesman Adams, his meetings with the Irish Government and Bill Clinton, the development of the so-called pan-nationalist front - Sinn Fein, the SDLP, the Irish government and the huge Irish-American lobby, have taken the movement nowhere. Up until now, they have been unable to budge Major and the Unionists one inch.

Impasse

Nothing that forced the IRA into its ceasefire in 1994 has changed. The political impasse has not been broken, the protestant paramilitaries still outnumber the IRA and a total

resumption of their campaign would leave the IRA more isolated than ever, opening themselves up to ferocious repression by the British state. So a major new military campaign seems unlikely.

As one commentator pointed out in the *Independent*, the end of the ceasefire will not represent the return to the "armalite and the ballot box" but rather a new tactic of "semtex and round table talks."

Major and Bruton's setting the date for all party talks is an expression of the panic they are now in. To be unable to capitalise on the capitulation of the IRA shows their weakness. Their fear for what may come has forced them into some sort of action. Bruton has dropped his demand for "proximity talks" first, and accepted the Unionist demand for elections. In return Major has agreed to set a date for all party talks - June 10th. For Sinn Fein to get there they must "resume" the ceasefire and accept the six principles of the Mitchell Report. This in itself is a climbdown by Major - no talk of "permanent ceasefire" or "decommission before talks." In the runup to the British general election he is desperate to clinch a deal if possible.

He has been forced into action, but June is still three months away, three months of reliance on the Unionists in the Commons - what more deals will be hatched in order to save the Tories' skin?

Labour

The key to lasting peace in Ireland rests not with the British, Irish or US governments, or any of the paramilitary organisations, but with the working class. If the all party talks do take place, one voice will be missing - that of the labour and trade union movement. And it is that movement that holds the only genuine solution, for only they can unite both Catholic and Protestant. There can be no lasting solution on a capitalist basis. We need a real answer to all the sectarian and various varieties of Tory. The task now is for a real debate amongst the Northern Ireland labour movement on the question of a class based intervention, drawing up plans for the formation of an independent party of Labour, based on the trade unions, which, through a programme of socialism, can really offer a solution.

News 4

Students 6

Pakistan 7

Mean and lean 8

The party within the party 11

Once upon a time in the west 14

World economy: on the edge 16

Spanish elections 22

USA 23

The French Revolution 25

Science 28

Communist manifesto 29

Radical Jazz 30

Trainspotting 31

Socialist Appeal

PO Box 2626

London N1 6DU

tel 0171 251 1094

fax 0171 251 1095

e-mail:

100723.2363@compuserve.com

Editor: Alan Woods

Business manager: Steve Jones

Scott report

Tories blunder over cover up

With just one vote in it, the Tories managed to scrape through by the skin of their teeth. The Scott Report vote must represent the last flickering hopes for a government holed below the water-line.

Ian Lang, trade and industry secretary, admitted that "there have been mistakes." There was "a need for improvement in several areas." For the Tories the biggest "mistake" was that the arms for Iraq affair had come to light. Their intended "improvements" will be that such duplicity will never come to light again. The Tory Ministers attempted to cover up their sanction of sales of arms to Iraq, which resulted from their efforts to undermine the Iranian regime. These arms went to Saddam Hussein, and were possibly used against British troops during the Gulf War. The government colluded with arms manufacturers to supply arms illegally to Iraq. They were prepared to allow businessmen - who had links with M15 - to take the rap and go to jail.

Establishment

Sir Richard Scott was picked by Major to get the government and the establishment off the hook. The Scott Report, despite the fact that it is deliberately open to mis-interpretation, is a condemnation of the Tories. Ministers "deliberately" and "designedly" mislead parliament. They are accused by Scott of "deception". This takes place all the time. When the interests of the British ruling class are at

stake, the "talking shop" of parliament is ignored. Corruption and deceit is part and parcel of political diplomacy under capitalism. Occasionally these scandals emerge in public. Just over a year ago, a £20 billion arms deals between Britain and Saudi Arabia resulted in Mark Thatcher pocketing £12 million in commission on contracts negotiated by his mother! According to *Business Age*, the Thatcher family made £40 million and £30 million ended up in the coffers of the Tory Party. This money, it was alleged, was channelled into Tory Central Office via its then treasurer, Lord McAlpine. Under pressure from Lang who said the Scott Report revealed "no conspiracy and no cover-up", Scott was forced to bleat that it was "a fair summary." Yet, when referring to letters from Waldegrave to MPs claiming that there had been no change of policy on the sale of weapons to Iraq and Iran, Scott writes: "Mr. Waldegrave knew, first hand, the facts that, in my opinion, rendered the 'no change in policy' statement untrue." In other words, he was being economical with the truth. He was a blatant liar. His job was to misinform and to deceive. The Tory government closed ranks behind Waldegrave and Nicholas Lyell. Lang said there were "no regrets. No resignations." Although everyone now accepts that parliament was misled on this issue, the then prime minister, Margaret Thatcher, has come out and denied there was any change in policy only "an element of flexibility."

The cover-up was botched. The Tories attempted to block the truth all the way down the line by issuing so-called Public Interest Immunity Certificates. Despite the Scott Report measuring 1,800 pages, he deliberately avoided firm conclusions, and absolved the government by his "fair summary" comment. Scott did everything to get Major off the hook, even then the government did not hesitate to spread the story that he was probably not suitable for the job.

Interests

This whole sordid affair reveals the lengths to which the state will go to cover-up and protect its interests. They are prepared to do anything: lie, cheat, slander, sacrifice lives, to achieve their objectives and promote their interests. All these methods, and more, including M15, were used during the miners' strike 1984-5 to defeat the National Union of Mineworkers. The stench of government hypocrisy is nauseating. It is not a question of, as Robin Cook said, of urging Tory MPs to put the "interests of parliament above party." You will never get a leopard to change its spots. We are dealing here with class interests, and interests of the strategists of capital, which are paramount under capitalism. It is correct for Labour to expose the hypocrisy of the Tories, but they should go further and expose the hypocrisy and corruption of the capitalist system itself. Both are inseparably linked.

Rob Sewell

Mersey dockers

International solidarity shows the way

The 500 sacked Merseyside dockers are continuing their struggle for reinstatement and an end to the use of casual labour on the Merseyside docks. The dockers voted overwhelmingly last month to reject a pay off deal negotiated between the Merseyside Docks & Harbour Company (MDH&C) and the TGWU.

The deal, which was worth roughly £25,000 to each of the sacked workers, was recommended by Bill Morris to his members as the best deal he could hope to negotiate. Quite apart from the fact that £25,000 represents a minimal sum to men who are unlikely to ever find work again, the deal completely ignored the main

cause of the dispute and the reason why the sacked dockers are refusing to go back to work. The docks dispute has never been about more money—either in the form of buy off payments or increased wages. The original dispute, sparked by the sacking of 80 casually employed Torside workers, was brought about by the MDH&C's attempt to make casual labour on the Merseyside docks the rule rather than the exception. Casualisation in turn would have meant union derecognition, a worsening of conditions and cuts in wages—19th century working practices being implemented by a company which claims to have a 21st century vision for the Port of Liverpool!

Following on from the recent meeting of the International Transport Workers Federation (ITF), which voted unanimously to galvanise support for the Liverpool dockers world wide, Liverpool played host earlier this month to an international dock workers conference, which drew in delegate from around the world. This international pressure is beginning to have an effect—ACL, the US shipping line, are expected to announce shortly that they will withdraw from the Port of Liverpool while the dispute continues, a move brought about through pressure by the US stevedoring unions who are refusing to handle ships which have been loaded by scab labour in Liverpool.

Sadly this international pressure is not being matched by action in Britain. Secondary action is obviously restricted by the Tory anti-trade union laws but is apparent that if this dispute is to be resolved, and resolved successfully, then the action must be escalated. Each day, wagons and lorries driven by union members cross the picket lines—a ludicrous situation when you consider that many of these drivers are in the same union as the dockers. The TGWU cannot allow this dispute to be defeated. Defeat for the Merseyside dockers would be yet another blow against the working class and in favour of big business and capital. This struggle should be raised at every trade union and labour meeting, to build support amongst the activists and branches, ensuring the sacked dockers receive the necessary support, financial and moral, to continue their fight to a successful resolution.

Paul Ferguson
Merseyside

The great health divide

As if we didn't already know that the NHS was in decline, new figures for the funding of health authorities and the new targets have already confirmed the fact!

The Department of Health commissioned from the York Centre of Health Economics a formula designed to give more money to hard-up Northern health authorities. Instead, the proposals and advice have been totally ignored.

That means Manchester actually loses £18.85 million, Birmingham and Newcastle £15.43 million and North Tyneside £7.6 million. Meanwhile, Southern health authorities, in what the Tories regard as their heartlands, are set to gain—for example, Bedfordshire by £12.2 million, Berkshire by £11.59 million and Buckinghamshire by £9.7 million. These figures, first revealed in the *Yorkshire Post*, clearly show what activists have known for a long time; that a two-tier system, the internal market and increased bureaucracy are the order of the day.

Labour is supposed to be (or rather, should be) committed to preventing avoidable illness by tackling its causes; unemployment, poverty, poor housing and a declining infrastructure. In short, a commitment to deal with the legacy of 15 years of Tory rule. As their Health 2000 campaign points out: "Good housing, full employment, sufficient income, a nutritious diet and protection from pollution are just as important as the NHS when ensuring the health of the nation."

The greater the gap between rich and poor, the worse Britain's health becomes. Yet,

since the Tories came to power, the income of the poorest 10% of families in Britain has fallen by 14% whereas that of the richest 10% has increased by 50%. Ill health is concentrated amongst the poorest sections in society and clearly if Labour is to provide an alternative, it must guarantee full employment and a national minimum wage for all. Since the Tories came to power in 1979, 1 in 5 hospitals have closed and 1 in 3 beds have been lost since 1981. According to figures produced by the Labour Party, nearly 11% of the NHS budget is spent on administration. Since 1987, annual costs have doubled to over £3 billion and senior management costs have risen twenty fold up to £494 million. The Tories no longer regard the NHS as a public service but rather as individual "care units" which can be treated as businesses ripe for privatisation. With GP fundholding, some doctors and patients now get preferential access to services. Health 2000 has committed Labour to abolishing fundholding and the "unaccountable self-governing and self-perpetuating Trusts which run hospitals and community health services". These bodies are loaded with Tory appointees, the same people who, a generation ago, opposed the very concept of the NHS. Health 2000 has also committed Labour to ensuring that resources are targeted at the poor areas of the country where unemployment and inner city decay are at their worst. In contrast, the Tories have circumnavigated their own formulas and manipulated the figures to give proportionately more to "true blue" areas to protect Tory

seats from the ire of voters. In addition, tax relief on private medical insurance costs the Exchequer in the region of £85 million per year at least in lost income—enough to pay for 22,300 hip replacements or 69,000 cataract operations.

Labour must be held to this programme of reform. The Tories cannot be allowed to run the NHS; every doctor, every nurse knows the true cost of Tory reforms—worse patient care, a decline in living standards, longer waiting lists... In other words, an unmitigated disaster.

It is up to the unions and the forthcoming Labour government to reverse the decline. Labour should be committed to a clear plan of action which needs to go further than that outlined in Health 2000.

- Reverse all Tory cuts.
- An end to the internal market.
- Proper wages and a 35 hour week for all health staff.
- A free NHS—no more 'budgets' that put lives at risk.

The above demands linked to a socialist programme for the transformation of society is an essential part of what Labour should be standing on. There is no other road: either there is a market dominated health service which benefits the rich or, what is our right, a free NHS with all the resources given to it to tackle the health problems of the working people.

Miles Todd

Tories attack asylum seekers

The government is introducing new rules restricting the right of asylum seekers to income support. Before February of this year, asylum seekers were entitled to claim income support, housing benefit and council tax benefit plus any other targeted benefit to which they may be entitled.

Now, only asylum seekers who apply for asylum at their port of entry will be able to claim benefit, at least until their case is refused. If you apply for asylum once in the country you can claim nothing. Most asylum seekers, because of language problems and the possibility of being sent straight back to their country of origin on the next flight, do not apply for asylum at their entry port.

This government is falling on all fronts, losing the support of their traditional supporters, and at times like these they will attack what they see as popular targets. They are portraying asylum seekers, mainly black, as a bunch of social security scroungers. They are trying to deflect attention away from their own miserable record by try-

ing to whip up hysteria on these issues. But many recent, highly publicised cases have shown the truth with some people being refused asylum and deported back to torture and certain death. The pure injustice of these changes have forced the refugee organisations and the labour movement to campaign and explain what the changes will mean.

If the new laws go through it will mean that people who have already gone through extreme hardship and pain will come to this country and be treated as liars and cheats and will be left destitute or reliant on charity. All because the government wants to save some money at the same time as whipping up xenophobia. Some councils have even jumped the gun and are trying to stop giving emergency housing to asylum seekers.

The labour movement must campaign for the repeal of these vicious regulations.

Linda Douglas
Edinburgh

Cumbria and South West Scotland

Left: alive and kicking

Over 100 Labour Party and Trade union activists attended a day school organised by Cumbria and South West Scotland Socialist Campaign Group on Labour and the Unions in Carlisle on February 17th.

The school which was overwhelmingly working class in composition concentrated on the forthcoming Labour government. Opening the sessions UNISON official Peter Doyle explained that many of the policies for a socialist Labour government could be found in the programme of the party's affiliated unions. He went on to explain that the programme of Tony Blair and "New Labour" would fail to solve the problems of working class families and that the task of trade unionists was to argue for their union's policies in the Labour Party at every level. This set the tone for the day, which ended with a speech from Dennis Skinner. The methods of the Walworth Road apparatus were criticised in relation to Barrow CLP where 3 councillors and 67 party members are currently suspended from membership. 9 copies of Socialist Appeal were sold together with £35 of material from the Well Red bookstall. There were several requests for booklists. Socialism is alive and kicking in Carlisle.

AEEU

As we go to press the AEEU is holding a ballot on its new rule book. Although not as bad as the old EETPU rules, it represents a fundamental attack on democratic rights that were taken for granted in the AEU. *Socialist Appeal* supporters in the union will be vociferously campaigning for rejection. In next months issue we will be publishing a full analysis on the situation in the union and looking at the way forward.

Campaign Against Vouchers in Education

Demonstration against nursery vouchers
Saturday 16 March 1996
Battersea Park, London 12 noon
Rally Central Hall, Westminster 2pm

When hate comes to town

'When hate comes to town. Community responses to racism and fascism'. Searchlight Community Handbook. £15 (individuals), £30 (organisations)

This handbook provides an excellent resource for use in political education meetings and for use in building anti-fascist and anti-racist groups in the areas.

The book, published in the format of a loose leaf folder, is split into 10 chapters. The first, 'Understanding Racism and Discrimination', provides plenty of facts, figures and arguments against racism and fascism. The numbers game is often used to play on peoples fears and prejudice and book presents all the important facts and figures to tackle this. The meaning of race

and racism is well explained: *"The meaning of race is a matter of social interpretation not a fact of biology or genetics. Phenotypical differences (skin colour, hair etc) do not sharply define biological groups of humans. Within supposed racial groups the biological differences are often as great as between groups (themselves)".* It continues *"Pseudo intellectual racial theories of the 19th Century were used to justify the practices of imperialism and slavery. since the 16th Century black people have been ruthlessly exploited and their countries plundered of resources to increase the wealth of white European countries and the USA".* The section on racism today outlines the widespread discrimination in many areas of British society. In section 2 of the book, 'Understanding fascism',

Searchlight provides a clear outline of all the fascist groups and an exposure of their activities. The book outlines the various minority groups that fascist propaganda attacks (gypsies, gays and lesbians, etc.) and explains the case against these attacks. The next section, 'Responses to racism and fascism', discusses and gives information on how to defeat racism and fascism. As a teacher I found the section on schools particularly valuable but all socialists will find the material on combating racism in the youth useful. Sections 6.3 and 6.4 would provide excellent material for a discussion in a Labour Youth group, school or college group. Section 7 deals with the unions. The book also includes a list of contacts and a bibliography. This publication will be of tremendous use for all socialists

and will give practical guidelines on how to combat racism and fascism. What the book does not do sufficiently is give an analysis of some of the economic and social causes for the growth of fascism but perhaps such a publication could not do this. It is not a Marxist analysis of racism and fascism and fails to give sufficient emphasis on class unity. However any reader would find this booklet of use in their political and trade union work.

Bryan Beckingham

Order from:
Searchlight, 37B
New Cavendish St.,
London, W1M 8JR
0171 284 4040

Liverpool university rent strike

Liverpool University Guild of students called a rent strike affecting the halls of residence in January. This was as a result of the rise in accommodation costs of more than twice the rate of inflation and the deteriorating conditions in the halls.

35 students joined the strike which was called at short notice and with little support from the Guild Executive. The withdrawal of £130,000 of money had the university scared. Their response was to refuse re-registration to those who joined the strike. Despite the good response from students, the strike was called off by the President of the

Guild without the University meeting one of the demands made by the Guild. No consultation took place with the students and the meeting at which the decision to back down was taken was held without any prior notice to students, representing an undemocratic move and a neglect of responsibility. This illustrates the clear crisis in the leadership of students who are clearly unwilling to defend the interests of the people they are supposed to represent. Throughout the strike the Guild remained unclear on its demands, and was clearly not interested in carrying the strike to its conclusion. Students must demand that their leaders take

action to combat Tory cuts, they must pressurise NUS to campaign on their behalf against universities exploiting them. The present leadership of NUS, who are unwilling to support the struggles of students must be replaced with one that does. A national rent strike would build solidarity between students while securing lower accommodation costs and better conditions for all students rather than our being ripped off continually by the Tories and university management.

Jonny Scott
Liverpool University

Labour Students conference

Right wing offer no lead

The recent proposal of the Committee of Vice Chancellors and principals (CVCP) to introduce a "top up" fee to be paid by the student before entering university, represents another threat to students' finances which are already stretched to, and in many cases far beyond the limits. This is a disgraceful proposal which will leave students in even more financial difficulties, and make them responsible for paying for the governments education cuts.

Although rejecting the idea, at this years Labour students conference the right wing leadership advocated that students should pay a graduate tax to contribute to their education costs. This is clearly a rejection of the principle of free education held by all socialists. Even though this delays the contribution paid by the student until after graduation, with many spending long periods of time either unemployed or on low pay soon after completing their courses, it once again requires students to pay for their education; a job which should be done by government. *Socialist Appeal* has explained that the only way to abolish student covery is to restore grants to the real level of 1979, the abolition of the loans system and a reinstatement of benefits. During the debate, such proposals were deemed "too expensive" by the right wing, estimating that the total cost of this would add up to £11.5 billion, requiring an increase of £8.6 billion

in student maintenance funding. One of the main debates at the conference was that on the minimum wage. A resolution calling for debate on its level was defeated on the back of a strong campaign by the right wing calling everyone who supported the resolution "Trots"! The resolution also contained a demand for a minimum wage to include young workers under 25, this was met with equal opposition from the "Blairite" leadership. The defeat of the resolution amounts to the complete failure of the leaders of Labour Students to represent their members along with young students and workers. The bankruptcy of the leadership of Labour Students and the National Union of Students (controlled by Labour Students) has brought many to question their insistence on blindly supporting the policies of Blair and Mandelson, at the expense of the growing student population. Opposition has also grown to the methods of organisation and the lack of democracy in the conference and Labour Students as a whole. This opposition needs to channelled into positive action to ensure that the interests of students are defended, that a future labour government is committed to free education, a decent minimum wage, and socialist policies to give Britain's youth a brighter future.

A delegate

Cardiff university Labour Club closed down!

"Red and buried" gloats the front page of 'Gair Rhydd' (the Cardiff University NUS paper) headlining an article which would be more at home in the pages of the Daily Mail or Express than a students paper. It refers, with considerable glee, to the closure of Cardiff University Labour Club by the national Labour Students organisation. Why has this happened? It is down to the renowned democratic principles of Walworth Road once again—in theory the club has been suspended for alleged 'irregularities' in the elections which took place at the club's AGM (the 'irregularity' being that the Blairite candidate for secretary didn't win!) but the right wing led NUS seem more concerned with 'infiltration' of an 'unrepresentative Marxist caucus' on the Executive.

In reality, the NUS and Labour Students national organisations have carried out a campaign of harassment against the Labour Club. This included sending a squad of officials from the NUS and Labour Students regional and national bodies to 'observe' the AGM. Despite all these observers the 'unconventional democratic practices' took place without challenge. Cath Jones, ex-chairperson of the club said "the irregularities that were so important that we had to be suspended were obviously not important enough to have been brought to the chairpersons

attention at the time by all these observers."

After the meeting an internal inquiry was ordered and the club complied with that. This inquiry concluded that whilst the practice in question (allowing speeches from the floor in favour of candidates) was not common practice and that the newly elected chairperson lacked experience, no constitution—either local or national—was violated and that there was no reason to re-run the AGM. This was not good enough for the Labour Students national leadership who promptly convened another committee of inquiry in Birmingham where the club could not defend itself. Hey Presto! suspension with no indication of any right of appeal either.

Clearly it is the Cardiff Labour Club's active campaign for the retention of Clause IV and its campaign for the NUS and Labour to retain its commitment to free education which is the real reason for the suspension. "Our only crime is to fight for socialist policies and we want to continue to fight for a Labour victory at the next general election, in an area where there is the highest youth population in Wales—we can only do that if this scandalous decision is reversed" said Cath Jones.

Letters of protest should be sent to Labour Students, The Labour Party, John Smith House, 150 Walworth Road, London SE17 1JT

Mark Turner

Shahida Jabeen refused visa to visit Britain

"This organisation condemns the British authority's refusal to grant an entry visa to Shahida Jabeen, the international secretary of the Pakistan Trade Union Defence Campaign and national secretary of the PPP's Women's Section.

We demand that this ban is immediately rescinded to allow Shahida to address meetings in Britain on the situation facing workers in Pakistan and the horrors of child labour. We also agreed to affiliate to and promote the aims of the Pakistan Trade Union Defence Campaign, and invite a speaker."

Shahida Jabeen, the international secretary of the Pakistan Trade Union Defence Campaign, has been denied a visa to visit Britain to speak at meetings called by the campaign together with other meetings called by Labour, trade union and Pakistani organisations throughout the country.

This is clearly yet another case of the British government's racist policy towards those who would wish to enter this country for whatever reasons. The High Commission, in assessing the case, asked for evidence that her visit was for 'bona fide' reasons but although this was fully provided (including a letter of support from Tony Benn MP) it was not enough to get a visa. In addition, they also asked for bank statements and tax documents—clearly intended as a way of separating rich from poor.

Shahida has applied three times now and each time been turned down. She had to travel from Lahore to the British High Commission in Islamabad three times—which is a six hour journey, and costs an estimated £40 for each application. She was questioned on a whole host of subjects, including her knowledge of the trade unions in Britain! Because she was unable to give all the right answers to irrelevant questions, she was again denied a visa.

Shahida Jabeen is the General Secretary of the Pakistan Peoples Party Women's Wing and a leading trade unionist. She was arrested in 1978 for demonstrating against the Zia dictatorship and sentenced to 12 months imprisonment. She was incarcerated, along with her 5 month old daughter, in the Rawalpindi prison. She was rearrested in 1982 and beaten and tortured in

the Fortress of Lahore. She spent 8 months in solitary confinement and went on hunger strike. After that, she was transferred to prison in Kotlakhpat, where she remained until 1984. From 1985 to 1988, she was repeatedly arrested and held for short periods. She continues to be a fighter for trade union rights in Pakistan.

Denying her entry, despite her status and the fact that she was given a visa to visit this country 8 years ago without any problems, can only be viewed as both a racist and political act of discrimination. We would request that all labour movement organisations urgently make their feelings known on this.

In addition the following model resolution should also be raised where possible:

If you are interested in having a speaker from the campaign, please contact Imran Ali on 0171 251 1095 or write to PTUDC, PO Box 6977, London N1 3JN.

Send protests to:
British High Commission
Diplomatic Enclave
Ramna 5
Islamabad
Pakistan
Fax: 00 92 51 823 439

The Home Secretary
Home Office
50 Queen Anne's Gate
London SW1H 9AT

Send copies to PTUDC.

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New Labour

The party within the party

"There's a growing view that a lot of people are biding their time and saying: the real struggle will begin when the election is over."

Professor Grigor McLelland, quoted in The Guardian.

To lose one MP may be considered unfortunate, to lose two looks like carelessness, but three, three means its time to go. The latest Tory defector, Peter Thurnham, cuts the Tory majority perilously low, bringing a general election ever nearer. The entire labour movement should be demanding that they go now, they shouldn't be allowed to cling on to power for a single day longer.

Every day that they remain in office is 24 hours too long.

So near is that election victory now, that many in the labour movement are prepared to tolerate almost anything, in order to get Labour in.

Anger

The anger expressed in Labour Party meetings around the country at Harriet Harman's decision to send her son to a selective grammar school, for example, appears to have dissipated. Some activists have drawn the conclusion from this, and other policy changes, that the Labour Party is dead, nothing can be done. Many of these same people genuinely

believe that working class people can, and will, struggle for a socialist society, overcoming all the obstacles in the path of such a transformation, and yet they cannot change their own organisations. This is the danger of participating in the movement without a clear theoretical vision, without a perspective.

The struggle to transform the labour movement does not proceed in a straight line, inevitably there are defeats as well as victories, as there are in any struggle. It would be a terrible mistake to see the current, temporary, victory of the right as a permanent feature. Some view the party's new rules and constitution, as insurmountable obstacles to change. Well, of course, they certainly don't help. Power has been increasingly concentrated in the hands of the leadership. As Tony Blair commented at last year's TUC, *"No-one seriously believes that passing resolutions is going to deflect a Labour government from doing what is right. The MPs who control the fortunes of the government are all selected by the votes of individual party members."*

Call me old fashioned, but there is a tradition in the Labour movement where debates at local party and union branches resulted in resolutions being forwarded

to a conference, where elected delegates representing all sections of the movement, after further debate, decided party policy. This was known as democracy. Admittedly it was far from perfect, the union bloc vote was often cast contrary to the decisions of the rank and file and so on, but there was debate, policies were often passed against the wishes of the leadership.

True the leadership then did their utmost to ignore those decisions - the right wing were always ready to blackmail the ranks, especially in the run-up to a General Election, with the threat of *"Back me or Sack me,"* but they could be held to account.

Tradition

This tradition - let's call it Old Labour - has been gradually abandoned over recent years. Policy making has increasingly become the privilege of a handful of MPs and the spin doctors. A conference for them is at best a media opportunity, otherwise irrelevant. As Paul Richards of the Labour Co-ordinating Committee put it, *"Instead of broadcasting a poor speech by the slightly odd delegate from Smalltown CLP...let us have US convention style rallies...with the move away from the old delegatory, federalist system of democracy in the party, and towards a new, participatory, and individual-centred approach, the time has come for conference to be dragged into the twentieth century."*

So, are these changes permanent? Is the Labour Party dead? In order to answer these questions it is necessary to look briefly at how and why these changes have come about. The Labour Party always tends to reflect the processes taking place in society. During a period of heightened political activity by workers, both the unions and the party tend to fill out and move to the left under the pressure of an active rank and file. Just look at the 1970s and early 80s. But when the opposite process can be observed in



society, a fall in the number of strikes and so on, as we saw in the late Eighties, that too can find its expression in an emptying out of the movement, a fall in activity in the unions and in the party. The leaders move increasingly to the right, as the pressure of the rank and file is removed. An interaction takes place between the lack of activity, the leaders moving to the right, and that rightward swing itself discouraging participation in the movement. The right increasingly tighten their stranglehold at the top.

Phenomenon

This is a phenomenon, incidentally, which can be observed internationally through the course of the 1980s. Not the 'skill' of the right wing, nor the 'apathy' of the workers, can be blamed for this. Its roots can be found primarily in the boom of the Eighties, particularly, in this country, after the defeat of the miners. This must be seen, however, as a living process which is far from complete. Viewed rigidly and dogmatically the only conclusion would be to shake one's head in despair. Understanding that it is events and not personalities which direct this process of change means that, on the contrary, we can be confident that future changes in society will likewise find their expression in a further transformation of the unions and the party to the left. For now, these factors, coupled in Britain with the desperate desire to get the Tories out after 17 years, have allowed the right wing to tighten that stranglehold into a virtual deathgrip.

In addition it must be recognised that they have been well organised. In their campaign to overturn Clause Four, no expense was spared sending out letters, papers, even a video to argue their case. They have their own organisers, in the new "media" headquarters at Millbank they have their own office. Ever heard of the Thousand club? A rather exclusive group of people pay £1000 a year to meet and dine with the party leaders. It becomes increasingly clear that New Labour is not a new party, but a party within a party, with its own premises, its own staff, and its own membership subscriptions!

The Guardian has run a series of articles on this "New Labour Establishment" in recent weeks. Although largely in the style of a gossip column, it is interesting to see just how many noses are fighting for a place at the trough, on the eve of a Labour government. They take as their theme Blair's intention to abolish hereditary peerages, and offer suggestions of "New Lords" who may support Labour, Lord Stakeholder of Highbury and Lady Bountiful of Islington, so to speak.

It also lists the current "in crowd." From pop music there's Blur (the joke there is too obvious to make) and Mick Hucknall of Simply Red - good name that. Tony Blair recently attended the Brit awards with both these bands, but hanging around pop stars isn't the way to win young voters to Labour. A commitment to restore under 18s benefit rights, to create jobs for all school and college leavers and all trainees with a national minimum wage of £4.15 per hour could inspire millions of young people not only to vote Labour, but to join. Going slightly more upmarket, we have Melvyn Bragg and...Kevin Keegan? Sticking with sport, we have often accused the Labour leaders of me-tooism in aping the Tories, but the attempt to convince Steve Cram and Peter Elliot to resume their running battles with Seb Coe across the floor of the Commons as Labour MPs is surely going too far.

More seriously, their list includes several millionaire business people, David Sainsbury, Lord Hollick, Swaj Paul, Gail Rebeck, all it seems have a greater say over policy than us lowly members. There is also a motley collection of 'intellectuals' like David Marquand, professor of politics at Sheffield University, and Richard Layard of the LSE, an adviser to the Russian government, as well as those we already know, Peter Mandelson, Philip Gould, author of the infamous Unfinished Revolution, Chris and Jonathan Powell, one the boss of a big PR firm, the other Blair's chief of staff, both brothers of Charles, former adviser to Thatcher. The Powell boys seem to have had quite an effect, this is what Blair said



about Thatcher in a recent Telegraph interview, "her great failure was that she did not in seeking to transform the economy take account of the need to maintain social cohesion." This list constitutes an unrepresentative clique, packed with millionaires, luvvies, the glitterati, and a distinct absence of trade unionists.

These people, New Labour, are nothing more than a surface gloss. The task of Marxists, however, is to look beneath this veneer, where enormous discontent is brewing. Just as it would be a terrible mistake to look at the level of strikes and draw the conclusion that the British workers are finished, so in the case of the Labour Party, it would be a fatal error to mistake the surface calm for a permanent feature.

High point

Nevertheless it would be stupid to deny that the headlong shift to the right has reached a new high point under Blair's leadership. This clique is clearly intent on transforming Labour into a US style Democrat party. Having reduced the unions bloc vote, introduced OMOV, and ditched Clause Four, their next aim is to break the links with the unions altogether. In opposition we might demand they break their links with big business.

Instead, basing themselves on the Greenbury report, they are now supporting the state funding of political parties as a cover for this next phase of the Unfinished Revolution. Even that would not be the end if they had their way. Philip Gould now rarely refers to New Labour, preferring instead the

title The People's Party. This refers to more than just a change of name. In repeated articles by people like Peter Kellner, the idea is frequently raised of uniting Labour and the Liberals into just such a new Peoples Party.

They are living in the past, and believe they can get away with murder. They are mistaken.

Even if state funding is introduced, it in no way breaks the links between the unions and Labour. That is something they will find very hard to do, especially once in office.

However for the present they are getting away with a great deal. Party policy is now formulated anew with each speech of the Party leader, beginning with the abandonment of Clause Four in Blair's conference speech in 1994, at the same time as a resolution was democratically passed defending Clause Four.

Blairite resolutions do not flow into Walworth Road (the official Labour Party headquarters) from the local branches. Truth to tell, if such resolutions were debated on the conference floor the leadership would lose. No such embarrassment can be allowed. It's much simpler for Blair to make an after dinner speech to groups of City businessmen, and for Peter Mandelson to get it covered on News at Ten. So much easier to write an article outlining new policies and get it published in a friendly paper like...the Sun. As with Clause Four the Party is consistently blackmailed into accepting each new policy change.

The most blatant example of this Fait Accompli method of policy changing has been

education. First we had the decision of Blair himself to send his son to the grant maintained London Oratory, in contradiction to party policy. There was uproar in local parties up and down the country, but "nothing must endanger our chances at the election." Teeth were gritted. Behind the doors of Millbank, a new policy was being formulated.

Then came the decision of Harriet Harman to send her son to a selective Grammar school, St. Olave's in Kent. This was presented as a "personal" choice. Yet curiously, her other son already attends the London Oratory, a school good enough not only for her first son, but also Blair's. Now all of a sudden it isn't good enough for son number two. On the contrary, this was yet another fait accompli change in party policy. The angry opposition not only around the country, but even it seems in the Parliamentary Labour Party, forced Blair to initially distance himself from this move. Days later, however, he made a speech in Southwark cathedral where the new policy was unveiled. Neither grant maintained status nor selection would necessarily be ended by Labour, local ballots would have to be held...

Attempt

Clearly this is an attempt to appeal to middle class public opinion. The desire for a better education for our children is a natural aspiration not only of the middle class but above all the working class. A recent ICM poll found that 50% of those

asked backed Harriet Harman while 38% opposed her. This demonstrates more than personal sympathy with a mother's decision over her son's education. These figures closely correspond with voting intentions, while, at the same time 65% to 27% believed that all secondary education should be comprehensive, and a majority believed that all Labour MPs should send their children to comprehensives. These are the same middle class and working class people that changing policy is supposed to attract! A clear commitment to reversing the Tories privatisation of education, and to restoring all the funds stolen from our schools by the Tories would guarantee Labour a landslide at the election. Instead we have a proposal to tinker with the current system.

David Marquand, another of those who've found their way back from the SDP now that Labour are set to win the election, commented on the worth of such small scale tinkering in relation to the proposals for the House of Lords, "the Tories will say *'here is the wicked Labour Party which is nibbling away at this ancient edifice in a very dangerous manner.'* Well if it's nibbling away at it, why not bloody well bite it." True, why tinker with the House of Lords, why not just abolish it? For that matter, why tinker with Railtrack, or privatised water and privatised electricity, why not renationalise them? When you get right down to it why tinker with capitalism, when what is required is a root and branch

socialist transformation of society.

For now many party members and trade unionists are prepared to tolerate almost anything to get Labour in. They are "biding their time." But blackmail leaves a bitter taste in the mouth. The problem with blackmail is that the victim becomes increasingly embittered towards its perpetrator.

Discontent is brewing in the ranks. In many parts of the country new left groups are emerging. As yet these are small groups of activists, often meeting informally. But just as surely as today's policy is being drafted in Islington's Granita restaurant, tomorrow is being discussed, at work, in bars, after meetings, all around the country.

The outlines of a future conflict with the unions has emerged in the debate over the minimum wage, and the "Stakeholder society." Any attempt to break the links with the unions will cause a civil war. The party and the unions are fused at every level, even if somehow they got away with it, such a move in itself wouldn't alter the class nature of the Labour Party. Once the election is over, it is difficult to see how they could break the links in any case. Even now, before the election, opposition has begun to emerge within the Parliamentary Labour Party, beginning with the resignation of Kevin McNamara, who announced that Labour "shouldn't act as an ambulance man for capitalism." Who would have picked Roy Hattersley for the role of hero of the left? This process is reflected in the organisation around the country of a series of public meetings under the title "Old Labour - New Labour."

At present this Parliamentary left is merely a shadow, under a Blair government that shadow will take on substance. In opposition to Blair a new left will emerge in the party and in the unions which can quickly become a poll of attraction, because it is to these organisations, as all history demonstrates, that workers will look for a solution to their problems.

Election

This is before Labour win the election, and win they will - the latest poll gives Labour 52% to

the Tories 28%. Indeed no-one will work harder than ourselves to get Labour elected. For us this is not a matter of personalities, it is a class question. Our first duty is to get rid of the Tories. At the same time it is our duty to point out that on the basis of the programme being outlined by Blair, nothing will be solved. After 17 years of the Tories, if Labour fail to deliver, years of pent up anger will explode through the surface, sending shock waves throughout the movement. A period of transformations and retransformations will open up in the unions and the party. Some, in despair, have already left. While we can sympathise with their feelings, we also have to say that to leave now is a serious abdication of responsibility. It's like leaving the party before the main guests have arrived.

It is events not individuals which fashion parties. Rules may appear insurmountable, but then they did in the past too. In reality, they are only pieces of paper which will be blown away by the winds of change to come.

The 1980s boom is now long finished, and we can be confident that just as the Labour Party reflected the relative quiescence of that period, it will as faithfully reflect the storms ahead.

100,000 new members have joined the party in the last year. They are not all supporters of the current leadership. Their cards may remain in their back pockets for now, but they will be joined by many more cards in hand, including those currently leaving, whose return will be far more welcome than those now coming back from the SDP, in the period which opens up. On the basis of the experience of the next few years those old traditions will reconquer the labour movement, not only democracy, but also the socialist policies necessary to solve the problems facing society. The transformation of the labour movement will prepare the way for a transformation of the whole of society. We can look forward with confidence to Clause Four not only finding its way back onto our party cards, but actually being carried out in practice.

Phil Mitchinson

1996: Where is Britain going?

by Ted Grant

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Lean production, "just in time"... can they solve any of capitalism's problems. *Alastair Wilson* investigates.

Lean and mean

Car production is the biggest manufacturing industry in the world. It employs more workers and utilises more raw materials than any other sector.

New methods of production are in the process of transforming the car industry. So called "lean production" is changing not just how the cars are made but how workers are employed, their wages and conditions, their contracts and so on. This "revolution" in production is inextricably linked to the bosses "counter revolution" against employment rights. And these new methods are far reaching, inevitably they are being transferred to every sector of the economy. In the book "The machine that changed the world: the story of lean production," Womack, Jones and Roos claim, "In the end we

believe lean production will supplant both mass production and the remaining outposts of craft production in all areas of industrial endeavour to become the standard global production system of the twenty-first century."

So, what does it mean for the working class and how should the trade union movement take up the challenge? In the next few issues of *Socialist Appeal* we look at how this offensive from the bosses is unravelling. From the "Nissan way" in Sunderland to Ford 2000, Ford's attempted move towards a global production strategy, and the experience of American workers in the auto industry there. We hope to show what the bosses are really trying to do and offer some answers to the challenges facing the trade union movement.

"I hate Nissan and what they have done to him... he's so tired and he has lost one and a half stone in the time he has been there. I remember when he first started he was falling asleep over his meal on an evening; he used to say 'there is something I really want to watch on TV,' but he would always fall asleep before the end."
(The Nissan Enigma)

"I saw Joan from the truck side in the bathroom this morning and she said that everyone on her team is now in splints - four of them... I know a lot of people in splints - the four on Joan's team, a woman right across from us on the truck finish line, two people on Tom's team, Karen, Randa, Mike and me. Plus there are many people I see with them on that I simply don't know, or don't know what team they are on." (On the Line at Subaru-Isuzu)

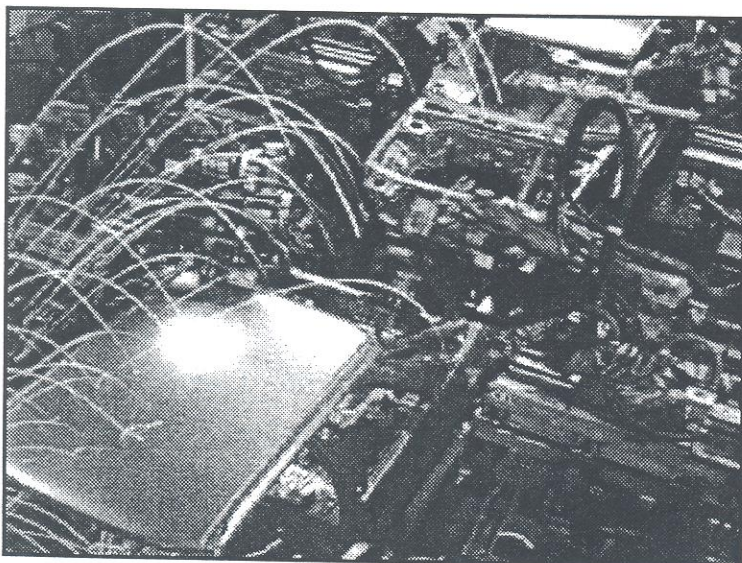
The workplace is going through a period of rapid transformation and restructuring. In Britain, particularly over the last ten years, the introduction of new production procedures and new management techniques, allied to the rapid introduction of short term contracts and the so-called "flexible" labour market have meant radical changes in the way we work and earn a living. In the early eighties the Tories told us that the future lay in the service sector - banking, finance and IT, or if you're unlucky sweating it out in the cater-

ing or tourist trade. Now, however, Major is telling us that we need to compete with the Asian 'tiger' economies, and the way we'll do that is to throw out all that we once thought right and introduce new ways of working. Low wages, no more job for life, flexibility, "competitiveness." In manufacturing this has meant moving over to a system of so-called "lean production."

Lean production is lean because it supposedly uses less of everything. Less labour, less equipment, less inventory. Rather than going on for ever with more and more automation, with industrial robots doing more and more skilled tasks, lean systems rely on workers working in teams and using multi-purpose equipment. It was first developed in the Toyota plants in post-war Japan. Today, the model factories are not the most automated - the ultimate "Fordist" assembly line would have specialised robots replacing workers in doing their individual tasks - but the "leanest" - Nissan, Honda and Toyota's British 'transplants' are examples. Large sections of British manufacturing are now trying to emulate them in order to develop their "competitiveness" in world markets. In fact British bosses who have had a terrible history of under-investment have been at the front of the queue in going "lean." Rover's "new deal" with the unions introduced many lean elements into the production process - their "success" leading to takeover by BMW.

Fordism

Traditional mass manufacturing, "Fordism," began with Henry Ford in the years before the first world war. His first production line cost a mere \$3,500 to build but it revolutionised production. Ford was able to cut production time by 90% on the earlier craft based assembly. The Fordist model dominated the world economy right through to the seventies. Using mas-



sive economies of scale and single purpose machinery, standardised goods were produced in relatively long product runs. In fact the original Ford Model T production ran almost unchanged for nearly twenty years. Workers were organised around assembly lines in which each worker was assigned a specific task which they repeated over and over again, this was known as "detail labour." Work procedures were worked out by time/motion studies (Taylorism as it is known), job classifications and work rules. A large apparatus of supervisors and middle management was "needed" to oversee the system. They operated on a "just in case" principle, which meant large stockpiles of inventory, parts and even finished products.

Epoch

Some people argue that Fordism was not just a way of assembling cars but represented a particular epoch of capitalism - mass production, ever increasing output, mass consumption, interventionist governments and strong trade unions, and now we have moved in to a new epoch of post-Fordism where production processes have been dramatically changed, where the role of the state has been "rolled back," and where unions are weak. In particular lean production means that the old labour/capital antagonism has been eroded, that the capitalist now works along with the consumer rather than manipulates them and, with the "just in time" process, big companies have a more harmonious relationship with their suppliers than ever before. Out go outdated ideas like class and exploitation. Society is no longer made up of classes but of communities and consumers, and of networks of cooperating companies. We can already see the political implications of these arguments reflected in the policies and speeches of the present labour leadership. Socialism not socialism!

First of all, if the claim that lean production begins to eradicate the "old" class antagonisms then where does that leave us? Lean production

apologists argue that many of the changes in production work in the interests of workers. Teamworking, multi-skilling, "just in time" production, innovation, quality management - all supposedly mean that the bosses have a direct interest in meeting many of the wishes of their workforce. Lean production needs a highly skilled, well trained, well informed workforce, committed to the company. And companies must work hard to maintain this commitment. Of course, this does not meet up with reality. Over the next few issues we will see what really happens. What we are witnessing is a massive intensification of the labour process. In the traditional Fordist enterprise it's been estimated that the workers actively labour 45 seconds in every minute, in the typical lean production outfit productive activity is around 57 seconds. In a plant of 2,000 workers this means a speed up of 2,667 extra workhours in an eight hour shift, or the equivalent of 333 extra workers. Or, put another way, every worker in a lean plant is working the equivalent of more than an extra day's work in every five day week. This enormous intensification has meant huge increases in stress and physical health problems for workers involved. Repetitive Strain Injury (RSI) is now commonplace - hence the splints at Subaru-Isuzu's US production plant. In Japan a new word has been created - "karoshi... sudden death through over work."

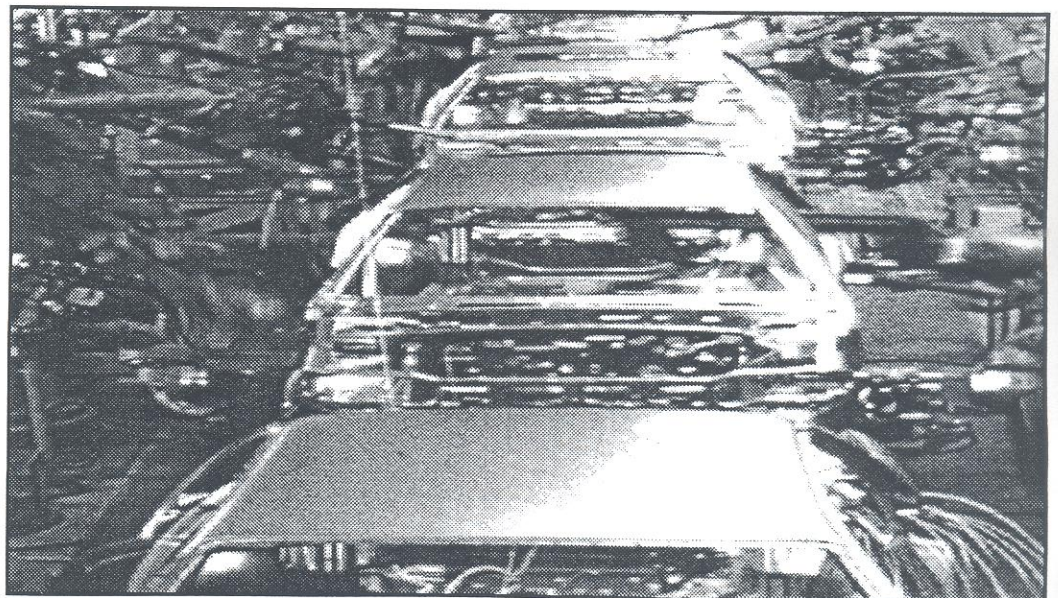
Ideally, the lean system uses information technology to gauge consumer demand. They react to this to a far greater extent than the Fordist operation. Their "flexible" production process means they can react swiftly and offer a greater product range. "Just in time" production means inventories are kept low and are only replenished when orders and consumer information warrant it. All this info is passed back through the "network" of producers and suppliers.

Just in time

Each step in the process is carried out "just in time." Lean production moves beyond economies of scale to what its apologists have called "economies of scope." Technically, they claim, a production run of one is possible - the ultimate in consumer tailoring. Lean production promises to the consumer the same control and quality someone has always had when buying a Rolls Royce - but in the mass market. Of course this is not going to happen. Unlike a Rolls, Nissan operate on the "quality management" principle that if 80% of customers do not notice or complain about a fault then it is not a fault! Production itself is carried out by teams working on the assembly line. Unlike in the Fordist model, where the worker carries out specified "detail labour," the team are "multi-skilled" - this means they can technically do any job of another team member. This allows for greater "flexibility," or, put

another way, has allowed management to dramatically speed up the assembly line. These teams not only do the work but also "manage" themselves through "kaizen," the Japanese word for continuous improvement. The kaizen meetings happen at the beginning of every shift when each team discusses targets, changes in procedures and any problems occurring. The teams are also responsible for simple machine repairs, ordering materials, quality control, cleaning up and so on. And, unlike on the traditional assembly line, the workers even carry out their own time and motion studies, developing a "standard time" for specific operations. Once "standard time" is reached systematically then it needs to be reduced and the workers will "kaizen" in order to work out procedures that will enable them to reduce it.

The claim that the old class antagonisms have been eroded is based on the assumption that for teams to function properly they must have access to a wide variety of information once regarded as the monopoly of management. The teams, in fact, take on many management functions themselves - eliminating layers of middle management and further reducing company costs. This, so the argument goes, leads to the end of the road for top down management. Management in lean production is just "one voice in an ongoing dialogue." So, theoretically, lean produc-



tion is based on a fully trained, well educated, well informed, attentive and committed workforce. We have consensus not conflict, "reciprocal obligation" not mutual antagonism. And if you believe this you'll believe anything!

One thing central to many of the big Japanese firms has been their "cradle to grave" approach including guarantees of jobs for life. If the company expects workers to be serious about product quality and innovation and if it really wants them to make productivity enhancing suggestions in the "kaizen" meetings then it, too, according to the theory, must come up with some guarantees that workers will not put themselves out of a job. Lean factories are clearly more productive than traditional ones, so these guarantees have been made. But once all the major producers are lean what will happen then?

Temporary staff

Even now lean production, especially in the supply companies, rely heavily on temporary staff. In fact the future of lean systems will not be to merely recreate the so called Japanese model of lifetime guarantees. Nissan, for instance, has already closed down one of its major plants in Japan. According to the *Guardian* (3.2.96), "Employers are moving into short term contracts because it allows them to fine tune labour costs according to the amount of work available. It spares them costly and cumbersome redundancy procedures and makes them arguably more consumer sensitive. The fashion has been set by so called "just in time" practices pioneered in Japan, where products are no longer held in storage but only produced as and when there is a demand." So here we see labour becoming part of the "leaning" process itself. Rather than lifetime jobs guaranteed to Japanese workers in the fifties and sixties, the development of lean production will go hand in hand with a massive increase in short term contracts. If management fine tunes its inventory and stock control, if it fine tunes its quality control and customer research then surely it will also

fine tune its ability to hire and fire labour.

"Management by consensus" seems an extremely shallow idea when we recognise that virtually every Japanese plant, both in the US and the UK, have been on built on greenfield sites in areas of high unemployment. Nissan picked Sunderland not East London or Merseyside, where they could have employed thousands of fully trained line workers made redundant by Ford over the past decade or so. Toyota in the US have been deemed to follow a "union avoidance" strategy in where it builds its plant and who it employs in them, even employing sophisticated "profiling" techniques in its recruitment operations. Nissan's single union deal with the AEEU has been effectively used to keep trade unionism to a minimum in its Sunderland plant - only just over one third of the workers bother to join! None of this is accidental. Nissan for instance set up its own company union in 1953 after a long and violent dispute with the *All Japan Automobile Workers Union* (AJAWU). Nissan abandoned the agreed collective bargaining procedures, locked out all the workforce and then went on to set up its own *All Nissan Motor Workers Union*. The strike lasted over four months and at the end the AJAWU was effectively smashed. Between 1953 and 1960 wages were cut by an average of 3% per year whilst profits rose dramatically. By 1970 Nissan's profits had risen 55 fold on 1953 - so much for management by consensus! So rather than a culture of cooperation, the lean production model is based on a strict control of industrial relations in the interests of management. Whole new pseudo-sciences are being created which shroud the new system with a new "ideology." "Human resource management," "total quality management," and so on - all used to justify the balance being tipped much further in the interests of the bosses than has been the case in the previous period. From early manufacture, where capitalists brought their workforce together in factories for the first time, through the

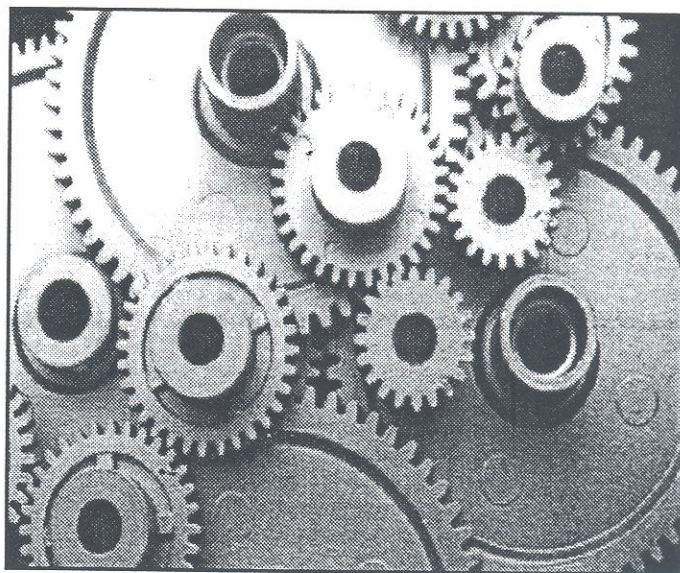
Fordist organisation of mass production, lean production is just one step further in the capitalists aim of total control of the productive process and the extraction of the maximum amount of "surplus value" from the workers employed. Lean production, rather than replacing the traditional Fordist method of production actually extends it dramatically. Once we know this, and the ideology of lean production is stripped away, then we will know how to take up the challenge.

Rivthead

In Ben Hamper's brilliant description of life on a US assembly line in Flint, Michigan, contained in his book *Rivthead*, he paints a vivid picture of how workers maintained their personal and collective autonomy - they hated the company and ultimately they took on the system through their trade union activity. They also beat the clock through ingenious techniques of "doubling up" and creating "spare time." In this way the worker survived and carried on the struggle. Lean production not only attempts to undermine all of this, it tries to "invade" the

workers 'collective space.' The anti-union stance of the companies, the "kaizen" method, teams, "multiskilling," quality control procedures like "neighbour check" employed by Nissan, short term contracts—all are attempts to break down the solidarity of the workers on the line, grab total control of the production process and dramatically intensify the rate of exploitation.

On many of these issues the union struggles of the future must take place. The AEEU deal at Nissan has left these workers effectively defenceless, but as recent experience in the US has shown it is only a matter of time before a real struggle breaks out. Lean production is being offered up as some kind of utopia, as a solution to many of the problems faced by capitalism at present. But we can see that its drive towards its goal of high productivity/ low wage economies will and must be resisted by the trade union movement. Lean but mean, modern capitalism is going to be an arena for the class struggle on a higher level than we have ever seen before.



"If management fine tunes its inventory and stock control, if it fine tunes its quality control and customer research then surely it will also fine tune its ability to hire and fire labour."

Michael Roberts goes fast forward to see what happened to the single European currency...

Once upon a time in the west...

The Chancellor of the Federal Republic of Germany slumped back in his seat. He was alone in the conference room: even Jacques Santer, the President of the European Commission, who was the one man who had stood by him to the end, had gone.

So that was it then. The introduction of the single currency was to be "delayed" until the year 2003. He knew what that meant. The word "delay" was the sort of sophistry that the now forgotten and obscure former British minister with the funny sounding name, William Waldegrave, would have been proud of. "Delay" really meant the death of monetary union and the single currency in Europe. It was now February 1998. By putting off the date for another five years, these politicians would switch their minds to other things.

Anyway many of those who had called it off at this conference would not be around in five years time. Certainly that windbag Jacques Chirac would be out of the picture. He'd felt like hitting him when he got up and said it was "time for a new agenda for Europe, but the time was not now" (!). But he resisted the urge to smack him one: he, Helmut, already had a bad reputation for taking a swing at people who irritated him. It may be all right to tap playfully one of his assistants, or even the odd visiting central European minister, but he could hardly hit 'le President de France', even if he was a bastard.

Gave up

So in the end they'd all chickened out, they all gave up the ghost. They would pay for it in the future. Now it would be no holds barred in the ministerial meetings about the

Common Agricultural Policy; about expanding EU membership to his little children of the East (the Czechs, the Poles, the Magyars); to giving them enough votes to outvote the French, Spanish, British and other whingers.

He'd warned them: if you don't go through with monetary union and the single currency and then go onto full political integration, the European Union would fall back into arguments, divisions, national rivalries and eventually outright war. He'd spent his political life trying to ensure that Europe became so integrated that it could never divide again. But they hadn't listened. They did not put the interests of Europe above their own petty national ones. They did not see Europe as a great new force capable of integrating eastern Europe into the Single Market, of neutering the potentially dangerous aggressive beast of post-Stalinist Russia; and of developing industry and culture the European way (namely the German way) to compete with the Yanks in the West and the Japanese and Chinese in the East on a global scale. No, these other so-called leaders in Europe were just too small and mean, too preoccupied with their own political futures to stick with it through thick and thin. So what went wrong? Why couldn't he as the dominant political leader of the last 15 years and head of Europe's greatest economic power pull it off? After all, he had presided over the complete

integration of the Ostland into Western Germany after the fall of the Wall. He'd done that despite the opposition of his own national bank, the Bundesbank. Those cold fish in Frankfurt had said to him that it was too costly, that giving all the Easterners the same rate of exchange for East German markets as the mighty West German one was madness. It would drive up interest rates, the bankers said, and cause inflation. But he knew better: sure it would do the things the bankers said. But the East Germans would never have accepted the collapse of their industries and the loss of their jobs without the huge handouts he arranged. Without the money, they would have either opposed outright integration with the West or even worse come flooding over to the West looking for a better living and mucking up everything he'd achieved there. That would have finished him as Chancellor. No, he told the bankers where to get off, and he was right in the end. So why not this time?

Differences

There were differences this time, he thought more carefully, now that his anger at those departing creeps had subsided a little. In the late 1980s German growth was rocketing along. So he could get away with raising taxes sharply. When the Bundesbank raised interest rates to stem the inflation caused by his unproductive spending in the East, everybody else in the EU had to raise interest rates too. Their currencies were tied to our beloved mark through the Exchange Rate Mechanism (ERM). If interest rates rose in Germany, that made its currency even more attractive to the big financial investors and made the pound, franc or lira less attractive. So they raised their interest rates too. In a way, that made them pay part of the expense of financing his East German Volken. All Europe paid by having their growth slow down as higher interest rates choked off investment. And then came the recession. The collapse of production and investment in the US and then Europe was only made



worse by these extra high rates of interest caused by Germany borrowing more and more money to pay for the East. Eventually the heat was too hot in the kitchen for the Brits and the Italians. They pulled out of ERM, and promptly devalued their currencies.

Weak

Herr Kohl knew all along that they were weak, not strong like Germany. But it was bad all the same. It was the first sign that his dream of moving to monetary integration was having problems. And he had to admit that part of the problem had been due to his irresistible desire to get the East under his belt at any cost, even the loss of the British pound.

The main thing then was that France was still with him. It never worried him that Mitterrand was a socialist - that was just a label. And as the old English phrase goes: names will never hurt you. For old Francois socialism was just a name. He wanted to stay in bed with Germany whatever happened. But it was that bloody recession that did for Francois and Rocard and those other true Europeans among the French socialists. Francois just managed to pull off agreement to Maastricht by the skin of his Gallic teeth in the referendum. But he did it. The Brits had already jumped ship by insisting on their right to opt out. Then the Danes of all people refused to join up: how those Danes hate Germans, he thought. But it was the recession. As fast as unemployment grew in Andalusia, Sicily, Marseille and the ice cold north of Scandinavia, the warm enthusiasm for the single currency began to cool. But also it became crystal clear that most of those leaders who had supported the Maastricht terms were not going to make it. Surely it wasn't so difficult to keep their public spending down to levels that exceeded what they raised in taxes by just 3% of national output? After all, Herr Kohl, calculated, they had done it for years. Surely, they could start to pay back the huge debts they were running up to pay for the unemployed and their corrupt public servants, so that their debt was no more than 60% of their national output? They could in Germany. Helmut shifted uneasily in his

seat. No, he's been fooling himself. Those pathetic little countries like Greece or Portugal would never have made it. Italy was a political and social mess, how could he have expected them to do it. When his Spanish friend Felipe was replaced by that dwarf, Jose-Maria Aznar (it seemed that Aznar only came up to Helmut's rather large waist!), that was the end of Spain's chances. Some had said that Aznar was going to be another Maggie Thatcher (God help them all!). But in the end he turned out to be another grey John Major. Either way, it would have made no difference. The Swedes talked a lot about making it, but in the end they capitulated to all those trade unionists and socialists that seemed to infect every part of that country.

That left France. If France had stood firm, he might have pulled it off. But the first setback was the election of big Jacques. Instead of a like minded Jacques Delors as a new socialist President, he got Jacques Chirac. What a twister. During his election campaign he talked of another referendum on the single currency, and of creating jobs rather than meeting Maastricht. After he was elected, it took six months of tough talking at meetings with him to make it clear that if France did start to meet the Maastricht budget and debt targets, Germany would ditch France and look after itself. What finally did the trick was old Theo Waigel, his Bavarian-born bully of a finance minister. He told those frogs. There would be no backtracking on the Maastricht deal: all parts had to be met to the letter or it was off.

That shook Chirac and that anaemic academic Juppe into action. But what a disaster. After prevaricating for six months, now they wanted to inflict all the pain of austerity on the French people in a matter of two years. The trouble was that France was not as rich as Germany, and there was a near-recession not a boom in Europe. Juppe's package meant higher taxes which made the slowdown in growth worse plus cuts in the health service and social security which just enraged the secret Jacobin soul hidden in most French. Chirac kept his head down and just survived that horrible December in 1995.

But from that moment, EMU's days were numbered. He ought to have known that Mr Opportunist himself, big Jack, wouldn't stick by him when the chips were down. As soon as Jacques realised that growth was so slow in France that the Maastricht targets were not going to be met, he prepared his conspiracy. When he, Helmut, went to all the meetings pressing incessantly for the implementation of Maastricht and the single currency by the due date, 1999, Chirac supported him against the moans and whinges of the Italians, the Spaniards, the Swedes, and of course the machinations of those Thatcherite Brits. After baby-face Blair was elected in spring 1997, he thought he might be able to get a new ally in the struggle.

Blair

But that Blair could never seem to commit himself to any clear policy on anything. So that left Jacques.

Throughout 1996 and 1997, things did not look too good back home either. Because growth was so poor in Germany, our budget deficit shot over Maastricht limits and even our public debt looked dodgy. Unemployment headed over 10% and four out of every five Germans said that they did not want a single currency if it meant losing the mark. Even the Social Democrats started to complain. They'd never bothered him for years, but suddenly they threw out that useless Scharping and put old smarty Oskar Lafontaine into the driving seat. Within days he was spouting off about delaying the single currency "until everybody could make the terms". What a scoundrel!

But then it came to this meeting.

He looked round the empty room. They had all been in on it. It was like the men in suits who came to Margaret Thatcher in that winter of 1990 and said it was time to go. They all got up and told him it had to be called off "for the moment". Nobody supported him, and he was head of the most powerful country in Europe. Then he knew why. Chirac whispered it around the room. Apparently Helmut's right-hand man, his protege, Herr Schauble, had made a speech that morning calling for postponement and hinting that perhaps it was time for Helmut to honourably retire! *Et tu Brute!* At the same time Chirac had announced the resignation of Juppe and his replacement by that arch Euro-sceptic Philippe Seguin. He suddenly felt tired, not weary from a day's work, but tired of life. He knew his dream was over. But those weaklings did not realise that the nightmares were still to come: the devaluations as each country tries to seize an advantage over the other; the loss of trade to the US and those Asian importers and investors; and above all, the danger that the sleeping giant, the trade unions of Europe, quiet for the most part in the last 20 years, would stir and rouse themselves. But they only had themselves to blame. They failed to realise that a strong German capitalism leading the rest of Europe was the only way to avoid disharmony and weakness in the face of socialism. He thought he had killed that dreaded disease when the Wall fell and he pocketed the East. A single currency would have help cement that victory. But they were letting it all slip away....



The capitalist system has reached its limits, because it is no longer capable of developing the productive forces as it did in the past. However, it is necessary to distinguish between the normal cycle of capitalism (the "trade cycle"), which was approximately ten years in Marx's time and is now about five or six years, and the longer periods, numbering decades, which have characterised the history of capitalism, each of which tend to be different to the others, and which may be characterised by a general tendency towards upswing or downswing.

od of rapid growth and investment, imperialism, a further strengthening of the working class, and the rise of reformism, the Labour bureaucracy, and illusions in the possibility of a peaceful, gradual transformation of society. These illusions, inseparable from every period of capitalist stabilisation, were shattered by the new crisis which began in 1912 and ended with the outbreak of the First World War in August 1914. Of course, the division of the curve of capitalist development into segments presents many difficulties, and there are different views as to when one period begins and another ends. For

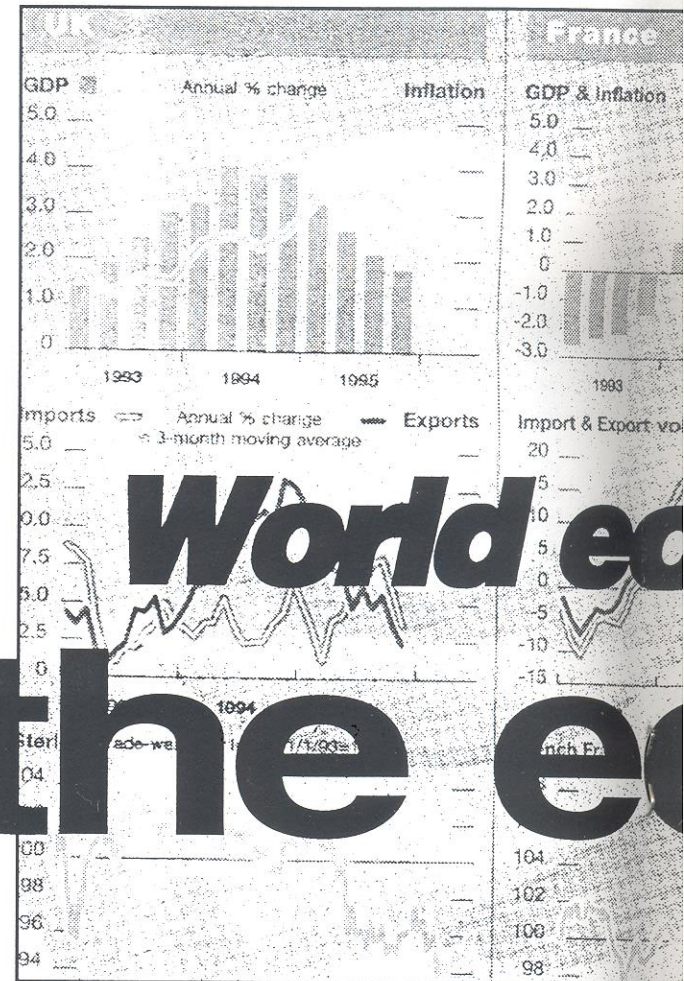
On the economic

If we leave to one side the early period of capitalism in the 18th century and early 19th century, we can see, for example, the long period of upswing from 1850 to 1873. This led to the strengthening of the working class in Europe and the United States, and ended with the Franco-Prussian War and the Paris Commune. The period of 1873 to 1895 was a period of low growth and crisis, with a severe slump in 1888. That was followed by the long period of upswing that preceded the First World War. This was a peri-

example, there is a school of thought which argues that the entire period from 1870 to 1913 was a period of upswing. If this is correct, then the segment from 1873 to 1895 would represent only a temporary interruption in the overall upward movement of the economy, in the same way that the booms of 1922-29 and 1982-90 were temporary interruptions in periods of downswing, which in no sense modified the fundamental process.

Historical

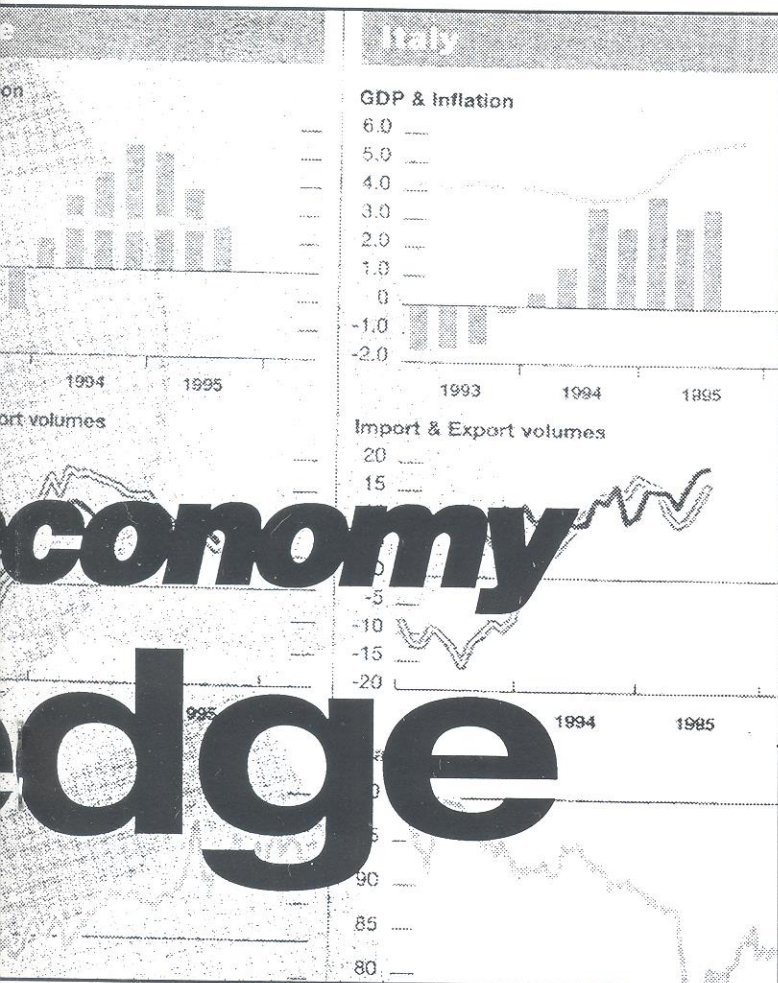
In a broad historical sense, capitalism had ceased to play a historically progressive role by 1912-14. The history of the twentieth century, with two terrible world wars, the second of which almost led to the extinguishing of civilisation, the collapse of the productive forces in the inter-war period, the rise of fascist barbarism, is sufficient proof of this. But capitalism will not collapse automatically. It must be overthrown by the proletariat. It is an elementary proposition of Marxism that the economic cycle of booms



and slumps is an essential feature of the capitalist mode of production which accompanies it from the cradle to the grave. The undialectical notion that, in the epoch of capitalist decline, all further growth is ruled out was invented by the ultralefts in the Third International in 1920-22, then taken over by the Stalinists, who used it as a 'theoretical' justification for the "Third Period" madness in 1929-34. Following the Second World War, the same nonsense was dredged up by the 'leaders' of the Fourth International. Lenin and Trotsky, as early as the 1920s, explained that, if capitalism was not overthrown, it could not be theoretically ruled out that it could experience even a prolonged economic upswing, like the two decades before the First World War, although they did not consider this a likely perspective. They could not foresee the monstrous degeneration of the Russian Revolution, which transformed the Communist

International from the instrument of world revolution into a gigantic counter-revolutionary conspiracy. The arguments of Lenin and Trotsky against the 'Lefts' in the period 1920-23 were shown to be correct. 1922-29, was a period of feverish growth, especially in the United States, which emerged as a major world power. As usual, the boom in the productive forces was used by the theorists of reformism to argue that "capitalism had solved its problems." In reality, the inter-war period was a period of downswing, which did not at all preclude booms, or even an important boom like that of 1922-29. Even after the deep slump of 1929-32, there was a period of recovery in the USA in 1932-37, which was the basis for a big movement of the American workers. The crisis did not affect all countries at the same time. Europe was hit later than the USA, France later than Germany. By 1937-8, a new slump was beginning, which





led directly to the Second World War. Throughout this period, we saw not only economic but social and political convulsions—movements in the direction of revolution, and counter-revolution—in which the question of power was posed many times, in Germany, Austria, France, Spain, Britain, etc.

Post-war upswing

This is not the place to deal with the process in detail. Suffice it to say that the Stalinist degeneration of the Comintern played the main role in derailing the revolution. The defeat of the revolution in China (1923-27), Germany (1930-33), Austria (1934), France (1936) and, above all, the magnificent movement of the Spanish proletariat between 1931 and 1937, as a result of the policies of the Stalinists and Social Democrats made the Second World War inevitable. The peculiar development of the war could not have been foreseen either by Trotsky or anyone else. It was the biggest miscalculation in the history of imperialism, ending in the spectacular victory of the Russian Red Army and the Chinese revolution.

This led to a peculiar configuration of forces on a world scale, a situation completely different to that which followed World War One, and which led to different results to those anticipated by Trotsky.

The period of 1948-74, unlike the inter-war period, was a period of upswing, characterised by high rates of growth and investment, full employment and rising living standards. This has had a profound effect on the outlook of a whole generation of workers, enormously increasing the illusions in capitalism and reformism. It set the final seal on the degeneration of the reformist and Stalinist leaderships. This was the real basis for the weakness and isolation of the genuine current of Marxism for a whole historical period.

Contrary to the illusions of the reformists, however, none of the fundamental problems were resolved. The boom-slump cycle was not abolished, but, under conditions of upswing, the recessions were short and shallow, and hardly noticed by the masses. Full employment and rising living standards were the norm in the advanced capitalist countries. From a Marxist point of

view, this long period of upswing had an immensely positive side. It strengthened the working class, healed the wounds of past defeats, largely eliminated the peasantry, and laid the material basis for world socialism. Nor was the class struggle abolished. In 1968, at the height of the upswing, there was the biggest revolutionary movement of the French workers since 1947. This was an anticipation of the future.

The long post-war upswing came to an end in 1974, with the so-called 'oil' crisis.

Turning point

This was the real turning point. From that time on, the advanced capitalist economies have never managed to get back to figures of growth, employment, investment, profitability or output remotely resembling the levels of the late 1960s. The difference between the two periods is graphically shown by unemployment. In every boom since 1974, the level of unemployment at the peak of the cycle has been higher than in the previous peak. This is a well-established fact, accepted by the bourgeois economists. The existence of mass organic unemployment, in contrast to the full employment of the period of the upswing, is a clear indication of the sickness of capitalism.

The sudden disturbance of capitalist equilibrium from 1973-74 had profound social and political effects on a world scale. Coming at the end of a long period of upswing, it revealed the colossal accumulated power of the working class, which was already manifested in France in 1968 and Italy in 1969. This fact is a sufficient refutation of the mechanical caricature which identifies booms with reaction and slumps with revolution. Economic determinism has nothing in common with Marxism, which explains the dialectical relation between the development of the productive forces and the multiplicity of factors that condition the movement of society (the 'superstructure'). It is true that, in the last analysis, developments in the economic sphere are decisive. But the relation is neither simple nor direct. This is what makes the working out of perspectives such a complicated business. It is necessary to take the process as a whole. The effects of booms and slumps will be very different, according to the

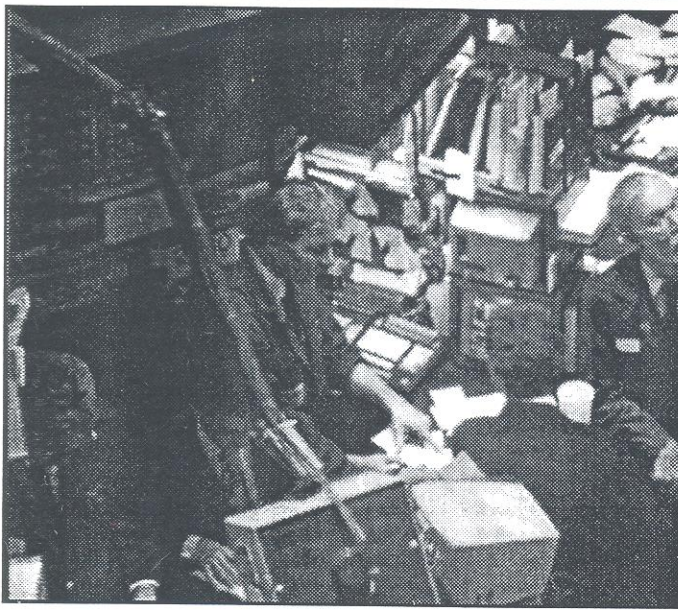
nature of the previous period. A deep slump, coming on the heels of an important political or industrial defeat, will disorient the workers for a time. In such cases, the workers require an economic recovery before they gain enough confidence to move into action again.

It was entirely different with the economic crisis of 1974, which came after a long period of economic growth which, as we pointed out in advance, served to strengthen the working class enormously.

The revolutionary movements after 1974 were temporarily cut across by the boom of 1982-90. Despite all the illusions that it represented the return to a "golden age" of capitalism, the figures show that it was no such thing. The bourgeois failed to recover the same levels of growth, profitability, investment and employment as in the 1950s and 60s. At the same time, the existence of huge budget deficits, especially in the USA, the frenzied speculation in land, property and shares, and the huge expansion of the parasitic service sector indicated the unsound basis of the boom. The normal length of a boom in the last period has been about five or six years. By 1987, there were clear signs that they were heading for a recession. Fearing the social consequences of a slump, the main capitalist countries, in an unprecedented move, resorted to the massive injection of liquidity into the system. Although the boom was artificially prolonged for two years by these means, from a orthodox capitalist point of view, this was utterly irresponsible. Even from the point of view of traditional Keynesianism, it is incorrect to use the methods intended to get out of a slump in order artificially to prolong a boom. The huge expansion of liquidity and credit has been a major factor in prolonging the recession which started in 1990, and was not foreseen by any of the bourgeois economists. The very high levels of private, corporate and state indebtedness which they inherited from that time is one of the main factors which has prevented a serious recovery.

Period of downswing

In a period of downswing, dialectically, all the factors that produced the upward spiral combine to produce a movement in the opposite direction. The huge



accumulation of capital, the enormous increase in the organic composition of capital, must express itself at a certain stage, in a tendency of the rate of profit to fall. For a time, this tendency can be offset by countervailing tendencies, as Marx explains in the third volume of *Capital*. But at a certain point, the falling rate of profit leads to a fall in the mass of profit, precipitating a crisis. The statistics show that the general return on productive investment in advanced capitalist countries rose approximately from 1948 till the late 1960s, and began to decline in the early 1970s. It is the attempt of the capitalists to restore the rate of profit which explains the attack on wages and conditions, and the attempt to wring extra surplus value out of the workers at the present time. But this also has its limits, dictated by the physical limits of human endurance.

Boom

Despite the fact that the present boom in the USA and Britain is four years old, the workers are suffering a real counter-revolution on the shop floor, as the bosses attempt to restore the rate of profit at the expense of the working class through an increase in absolute and relative surplus value. The present boom is at the expense of the working class. The increases in productivity have been achieved by mercilessly squeezing the last ounce of profit from the muscles and nervous systems of the workers. In Britain, for example, four million workers in manufacturing industry are at present doing the work of seven million.

Consumption, and therefore demand, is depressed everywhere. Unemployment remains stubbornly high. The attempts of all governments to slash state expenditure further cuts the market—the exact opposite of what the old Keynesian policies were intended to do. The uncontrolled expansion of credit, which in the previous period artificially extended the market beyond its 'natural' limits, in turn, now makes the situation worse. Everywhere there is huge indebtedness, not only of the state (as a result of the policies of Keynesianism and "state capitalism"), but of companies and individuals. Thus, as Marx explains, the bourgeois' attempts to avoid crises only leads to deepen and prolong recessions in the future. The fact that we have entered an entirely new situation on a world scale is shown by the changed role of world trade. The massive development of world trade in the period 1948-73 was one of the main reasons for the post-war upswing in world capitalism. This enabled capitalism—partially and for a temporary period—to overcome the main barriers to the development of the productive forces: the nation state and private property. The intensification of the international division of labour, the lowering of tariff barriers, and the growth of trade, particularly between the advanced capitalist countries acted as an enormous stimulus for the economies of the national states. This was in complete contrast to the dismemberment of the world economy in the period between the wars, when protectionism and competitive

devaluations helped to turn the slump into a world depression. One of the means whereby the capitalists try to overcome the limitations of the system is by participation in the world market, either by finding new markets, or by more thorough exploitation of the old ones. The growth of world trade in the post-war period, in striking contrast to the protectionism and competitive devaluations of the inter-war period, gave an enormous stimulus to production. This domination of the world market—brilliantly anticipated in the pages of the *Communist Manifesto*—is the most important feature of the present period. However, the present position shows that this, too, appears to have reached its limits.

In the past, Japanese capitalism could have relied on exports to pull itself out of recession. But not now. The struggle for markets, and the remorseless pressure of the USA in particular, forcing Japan to open up its market and accept the revaluation of the yen places it in an increasingly difficult position: "Gone are the days when corporate Japan could mop up that surplus capacity by exporting," writes *The Financial Times* (5/7/95), "Now, that strategy is thwarted by the yen's rise, trade wars with the US—Japan's biggest market—and growing competition from low-cost east Asian exporters."

A collapse in Japan would have a catastrophic effect on the world economy, and could lead to a slump of 1929 proportions. Yet the American capitalists continue to pile the pressure on Japan. Aware of the dangers posed by the situation, the London-based *Economist* (17/6/95) delivers a pious lecture to President Clinton on the virtues of free trade: "If Japan's financial problems, and the needed remedies, are essentially domestic, how can American policy be making things worse? The answer is simple: the persistent threat that small quarrels over trade will be allowed to escalate into exchanges of punitive trade sanctions is unsettling markets that are already nervous. Bad news of this sort is the last thing anybody needs—including Americans, whose interests would not be served by the administration's trade policy even if it 'succeeded'. In his economic policy towards Japan, Mr. Clinton is dicing with disaster. And for what?"

Last year world trade grew by about 8%. This is a very high rate of growth. Yet the upsurge in world trade did not prevent the almost universal slowdown of the main capitalist economies. The growing divergence between the increase in world trade and the economic growth is clearly expressed in a graph published by the World Trade Organisation. This shows how the growth of world trade acted as a stimulus to economic growth until approximately 1987, after which the two curves diverge increasingly, like opening a pair of scissors. This is an exceptional situation historically, and one that has perplexed all the bourgeois economists, who are unable to explain it. However, the reason is not hard to see.

Growth

In the period of the upswing, the growth of world trade provided a market for capitalism because it stimulated investment. Cause becomes effect, and effect becomes cause, in an upward 'virtuous spiral' of growth. But that is no longer the case. In most cases, the capitalists are only investing to cover depreciation, and only to a very limited extent to develop the means of production. The figures for investment in industry are nowhere near the levels of the 1950s and 60s, when the upswing in world trade drove the productive forces forward at rates of six, eight, or, in the case of Japan, even thirteen percent in some years. It is basically the collapse of the home market that obliges them to seek a way out on world markets. But at the same time there is an economic slowdown, and, more importantly, investment in industry has not experienced the same growth as in the past. Instead, a large part of investment is dedicated to parasitical activities—services, takeovers, asset stripping, the looting of the state ('privatisation'), and all kinds of speculation. Faced with the stagnation of the home market, the capitalists of different countries are desperately attempting to find a way out by exporting on the world market. But this can only be at the expense of their rivals. They cannot all export. Someone must import. This explains the haste of the different powers to take advantage of the 'emerging economies' of SE Asia (and, earlier, Latin America). But, in

the first place, these markets cannot provide an outlet for the exports of all the industrialised economies, and, in the second place, by investing in industry in China, Malaysia, Indonesia, etc., they will eventually create new producing countries, who will also seek to export their products. Indeed, this is already the case with China, with which the USA has a trade deficit which is expected to reach \$50 billion in 1996, leading inevitably to trade conflicts between the two. Along this road, there is no way out. Temporary advantages only lead to greater contradictions later on.

World trade

The growth of world trade in the post-war upswing was one of the main factors that enabled world capitalism, partially, and for a temporary period, to overcome the limits of the nation state. But this has also reached its limits. While it is true that world trade continues to expand, as we have explained, it neither prevented the recession, nor acted as a significant locomotive for growth. Nor has it prevented the present slowdown. In fact, the rapid expansion of trade reflects the feverish attempt of the different capitalist economies to make up for the lack of a domestic market by exporting. Thus, far from being a symptom of health, it is really only a further manifestation of a sick system. In the same way, a ruddy complexion may signify, not good health, but tuberculosis.

The signing of the GATT agreement has not removed the fundamental antagonisms between the different imperialist powers. On the contrary, the tensions between the USA, Japan and Western Europe have never been so intense since the 1930s. The conflict between the USA and Japan in the past would have led to war. But, for reasons outlined in other articles, a world war is now off the agenda. Instead, we will see a whole series of 'small' wars, fought by proxy in order to secure spheres of influence, markets and raw materials in Asia, Africa, the Middle East and South America. The Gulf War was such a 'small war' which, in modern conditions, can have the most frightful consequences, adding a further element of instability to the situation.

Not world war, but incessant and increasingly bitter trade wars between the different imperialist trade blocks, attempting to capture a larger slice of the world market, will be on the order of the day. Already, we see the tendency for the world economy to split up into three gigantic blocks—US imperialism, with Canada, and the whole of Central and South America as its client states and colonies; the EU, with North Africa and Eastern Europe under its control; and Japan, which is attempting to put together a rival 'yen block' in Asia. All these are constantly involved in clashes over trade. They can only avoid a total breakdown by ignoring the rules of the newly-created 'World Trade Organisation.' These conflicts—inevitable in a period of capitalist downswing and scarce markets—threaten to provoke a breakdown in world trade, which would be the prelude to a deep slump. Thus far, they have managed to avoid it. But the next period will see a tremendous intensification of all the contradictions.

The crisis of capitalism is expressed in the wholesale abandonment of the policies pursued in the advanced capitalist economies in the post-war period. Everywhere we see the same remorseless tendency to cut state expenditure and ditch the policy of Keynesianism and 'state capitalism' by which the bourgeois of the wealthy capitalist economies partially overcame the limitations of private ownership and the anarchy of capitalist production, through measures of nationalisation, state intervention and the rest. All the capitalist governments are terrified of inflation at the present time, although in reality inflation is at historically low levels in comparison to the period after 1945.

The system has reached its limits, and is now compelled to try and destroy all the gains made under the pressure of the working class over the past two generations. But enormous social and political consequences flow from this. In the period of upswing, the development of the productive forces reached unheard-of dimensions. Thus, the material basis has been laid for the establishment of world socialism. However, the colossal capacity to produce is constantly running up against the

inherent barriers of the capitalist system. Everywhere, we have the unprecedented spectacle of stagnant consumption in the middle of an economic boom. In the absence of domestic demand, the bourgeois of every country are demanding a bigger share of world markets. The case of the biggest capitalist nation is instructive. A decade ago, the USA only exported the equivalent of 6% of its GDP. Now the figure is 13%, and they plan to increase this to 20% by the year 2000. This is the equivalent of a declaration of war against the rest of the world, Japan in the first place. The present crisis is not the result of a shortage of capital. On the contrary, in the last period staggering amounts of surplus value have been extracted from the working class, both in the advanced capitalist countries where the productivity of labour has reached unheard-of levels and from the super-exploitation of the masses in the ex-colonial countries. But whereas in the period of upswing, most of the surplus value was re-invested for productive purposes, now we see the opposite process taking place. In its period of senile decay, capitalism assumes an increasingly parasitic character. This is not to say that there cannot be advances in particular fields of production. In general, every period of capitalist development is characterised by the discovery of new fields of investment, without which the system could not exist. Thus we had the power-driven looms of the industrial revolution, the railways, the telegraph and steamships at the end of the 19th century, electricity, tele-

phones and aeroplanes at the beginning of the 20th century, the motor car with the attendant methods of mass production ('Fordism') in the 1920s and 1930s, and so on. In that sense, investment in such fields as information technique is nothing new.

What is striking about the present situation is not the existence of new inventions (which characterises every period of capitalism), but the fact that the bourgeois are desperately searching for new avenues of investment outside the field of productive activity. This is strikingly revealed in the unprecedented spate of takeovers and the swindle of privatisation, which represents a blatant policy of looting the state by the bourgeois. What is the reason for this remorseless drive to privatise which we see, not only in the advanced capitalist countries, but also, incredibly, in the ex-colonial world?

Money

Privatisation, especially of the publicly owned utilities, is a license to make money. In the progressive phase of capitalism, Britain led the world in developing industry, science and technology. Now, in the period of capitalist decline, the utterly reactionary and decrepit British bourgeoisie leads the way in establishing the norm of parasitic activity. Paradoxically, it was the Conservatives under Joseph Chamberlain who established the system of so-called 'municipal socialism' a hundred years ago, as a useful adjunct to private capital. In all the capitalist countries, especially Japan and Germany, the state played a major role in developing the





economy. Now they are all intent on cutting down the role of the state. The role of 'private enterprise' here is entirely parasitic. A host of private contractors descend on public assets like locusts devouring a cornfield. The consequences are, on the one hand, large-scale sackings and closures, on the other, massive corruption and swindling at the cost of the public, and worse services than before. This, in turn, prepares a colossal backlash against the whole fraud of privatisation, as we already see in Britain.

The 'emerging economies'

The illusion that it would be possible to solve their problems by investing in the 'emerging economies', especially in South East Asia, have recently received some rude knocks. The prospects in Latin America no longer seem so bright after the Mexican debacle. And even the enthusiasm for China has been cooling off lately, as the bourgeois begin to wake up to the risk of social explosions, especially after the death of Deng. The investments in China and other counties of South East Asia undoubtedly played a role in preventing the last recession from developing into a full-scale depression, but it did not prevent the recession from taking place. Neither have the 'Tigers' been sufficient to act as a motor force for the present feeble recovery. Despite their undoubted potential for the future, these economies are still too small, in the context of the world economy, to make a fundamental difference. They have solved none of the basic problems of world capitalism, but the

greater investment in industry will undoubtedly strengthen the working class and quicken the pace of the revolution in Asia, as did the similar influx of foreign investments in Russia a hundred years ago. Incidentally, in the same way that the 'new technology' is not at all a new phenomenon in capitalism, neither are the so-called 'emerging economies.' In every period of capitalist development, from the 16th century onwards, capitalism has always sought and found new markets in the underdeveloped parts of the world—the 'opening up' of the New World by Spain at the dawn of capitalism was followed by the expansion of Holland in the East Indies, and later by the establishment of the French and British empires. In the last century we had the rush to invest in Australia, California, Russia, Egypt (the Suez Canal), Argentina and—China. These particular illusions ended in the slump of 1847. The present illusions in China and the 'emerging markets' in general will fare no better. In reality, the markets in South East Asia are already reaching their limits. They have achieved high rates of growth in the past period precisely because they have been reinvesting in industry, along classical lines. But at a certain stage, this constant capital must produce a mass of commodities, which have to be sold on the world market. This is already the case with South Korea, Taiwan, and to an increasing extent, China. This gives rise to new contradictions, as shown by the increasing tension between China and the USA over trade. In addition, the rapid growth of industry (a pro-

gressive development from a Marxist point of view) increases the power of the proletariat, and prepares the way for revolution. There is talk of a slowdown in the next period, although they may continue to grow for a few more years. But even at the present time, the foreign investors' enthusiasm for the Asian market is beginning to cool.

The frantic scramble to "get into China" was really a reflection of the central problem: that the bourgeois cannot find an outlet for the vast sums of capital on its hands. Only a relatively small part of this is being invested for productive purposes at the present time. The majority is either invested in the parasitic service sector, or used for speculative purposes, for example in the derivatives market, currency speculation, buying up profitable public utilities or takeover bids. Lenin pointed out that the export of capital was one of the classical features of imperialism. At present, the advanced capitalist countries are exporting capital because they cannot export goods. Japan, for example, for a whole period used all its surplus to buy up US property and bonds. This is one of the reasons why the US capitalists are terrified of a collapse in Japan, which would lead to the panic selling of Japanese property in the USA, causing a collapse of property and share values in America.

In an attempt to avoid paying high wages at home, the Japanese capitalists have more recently begun to export capital to Asia, where they have set up factories. German capitalism has done the same, to a limited extent, in Eastern Europe (the Czech Republic, Poland). This will serve to aggravate the contradictions at home, without solving the problems of the more backward countries of Asia. This is a classic example of the law of combined and uneven development, which is the basis of the theory of permanent revolution. This situation is similar to that of Tsarist Russia a hundred years ago, when the influx of foreign capital from Britain, France, Belgium and the USA created the conditions for the Russian revolutions of 1905 and 1917.

The process of the centralisation and concentration of capital has reached unheard-of proportions. The number of takeovers has reached astonishing propor-

tions in all the main capitalist countries. 1995 was a record-breaking year for mergers and acquisitions. Mitsubishi Bank and Bank of Tokyo merged to create the world's biggest bank. The union of Chase Manhattan and Chemical Bank created America's biggest banking group with assets of \$297 billion. The world's biggest entertainment company was formed when Walt Disney bought Capital Cities/ABC. Westinghouse bought CBS and Time Warner bought Turner Broadcasting Systems. In pharmaceuticals, Glaxo bought Wellcome. Kimberly-Clark's acquisition of Scott Paper produced the world's largest tissue manufacturer. Just in the last few weeks we have seen the hostile bid of Forte, the largest hotel group in Britain for the rival Granada leisure and catering empire for the sum of \$5.1 billion; the bid of the Swedish Wallenberg industrial empire to control Gambro for \$1.6 billion. Even Switzerland saw its first contested takeover bid, for Holvis, a paper group. In almost all cases, the intention is not to invest in new plant and machinery, but, on the contrary, to close down whole enterprises and lay off workers in order to boost profit margins without increasing production.

Perspectives

That the policies of 'state capitalism' have reached their limits is shown by the huge state debts which represent a staggering drain. Interest payment on such debts can add up to as much as a quarter or more of the state budget. On top of this, there is the money that has to be paid to the unemployed to prevent them from starving. Between them, interest repayments and social security probably add up to something approaching one half the budget. This fact is, in itself, a graphic expression of the impasse of capitalism. Like a gigantic and insatiable leech, parasitic finance capital extracts a huge slice of the surplus produced by the working class. The ruling class places the burden for this robbery squarely on the shoulders of the workers, and, to some extent, the middle class, while the monopolies pay very little tax.

The claim frequently advanced that they have "beaten" inflation has an extremely hollow ring. In the first place, with falling living

standards, high unemployment, huge unsold stocks of goods, and stagnant demand, it would be astonishing if the rate of inflation were anything other than low. In such a situation (which is more similar to a recession than a boom!), the capitalists are compelled to sell their goods at a discount, or not sell them at all. That way, they can realise at least a part of the surplus value. But, in fact, inflation has not at all been beaten. In the past, there were big falls in prices during a slump. Now that no longer happens. As a rule, prices continue to rise, though at a slower rate, in a recession. Moreover, the 'underlying (long term, 'suppressed') rate of inflation' is still high everywhere. That is why the Central Bankers and governments all remain terrified of inflation, a fear that appears completely irrational if we accept the fairy story about the alleged "victory over inflation."

Inflation

Why do the Bundesbank and the Federal Reserve constantly harp on the danger of inflation, and insist on deeper cuts and austerity? The reason why all the Central Banks are demanding a 3% limit on budget deficits is because of the underlying inflation which has been building up over generations. They understand that the colossal state deficits are a source of inflation. They saw what happened in Latin America in the 1970 and 80s, and are afraid that, once they pass from a deflationary to a reflationary situation, inflation will quickly tend to get out of hand. And they are not mistaken. The reason why inflation has not taken off so far is because markets are slack, but the moment the economy begins to enter into a real boom, they will soon face a new outbreak.

This is the main reason why they did not want rapid growth, in the mistaken belief that they could somehow "iron out" the boom-slump cycle—a chimera which they have chased after in vain for generations. Instead, what they may well achieve is another slump, without the benefits of an intervening boom—the worst of all worlds!

The idea that they could eliminate the trade cycle by skillful manipulation of interest rates and other means is a delusion. This is now admitted by the more serious economists: "Is

the much dreamed-about 'soft landing' for the world economy still within policy-makers' reach? The truth is that soft landings are only achieved by accident; economies are naturally cyclical. Skillful policy-makers maybe able to moderate the cycle, but they cannot eliminate it. The rich economies will face another recession some time this decade, though probably not yet." (*The Economist*, 17/6/95.)

Alarmed at the slowdown, the Bundesbank, the Fed and the Bank of England have begun to lower interest rates. But, given the other factors already mentioned, it is not at all certain that this will have the desired results. The Japanese have already cut the official discount rate several times—to no effect. It is quite possible that the present slowdown could end up in a recession. But even if, as some economists predict, there is a rally in the next few months, that would only be the prelude to a new and even steeper fall within a year or two (it is, of course, impossible to be exact about the timing), which might even be a deep slump. In any case, a deep slump is not necessarily the best scenario for the class struggle. It would temporarily have a disorienting effect on the workers, although later they would begin to draw far-reaching political conclusions. The movement of the American workers in the 1930s (sit-down strikes, organisation of the CIO, etc.) did not begin in 1929, but only when the economy began to pick up, about four years later.

Worldwide manufacturing output growth slowed to 3.2% in 1995, from 4.4% the year before. But this masks the real position, because it lumps together the growth rates of the 'emergent economies', which still average 5.4% with the much worse results of the industrialised nations. China's industrial output grew by 14%, down from 15.8% in 1994 and 20% in 1993, but still faster than any other country. But the most significant factor is the growth of the advanced capitalist economies, which slowed from 4.2% to 2.4% in the same period.

Most worrying of all for the bourgeois is the slowdown in the USA, where the annualised growth of industrial production has dropped from a peak of about 7% in 1994 to only 1% in December 1995. The rate of

capacity utilisation of manufacturing also fell, as did the housing market, one of the main indicators of the economy. New house sales in the USA fell 2.1% in November to their lowest level in seven months, the fourth consecutive monthly decline. US economists have recently revised their growth estimates downwards. All eyes are fixed on the Federal Reserve, anxiously awaiting a cut in the interest rate. But the Fed has already cut interest rates by a quarter of a percent to 5.5% in December, and is reluctant to cut again before getting tangible results from the talks between Clinton and Congress on budget reductions.

Cuts

Yet again, the fate of the economy is being linked to a perspective of cuts in social spending. It is an open question whether the present slowdown in the USA is the prelude to a recession, or whether the US economy will rally. This will be decisive for the immediate perspectives for the world economy. In principle, it cannot be ruled out that the USA might continue to achieve reasonable growth for one or two years more.

If we assume that there will be no downturn in the USA this year, Japan might be able to attain a growth of perhaps 2%. From a Japanese standpoint, this in itself is a disastrous result, which will inevitably lead to an intensification of all the contradictions in Japanese society.

The same is true of Germany,

which, like Japan, can only hope to recover its competitive position against the USA by pushing down wages. This is the best scenario for world capitalism. A downswing in the USA, on the other hand, would immediately destroy the feeble economic recovery in the rest of the world.

Given the present situation, it is extremely unlikely that there could be another period such as 1948-75. All the factors which caused the prolonged economic upswing have now turned into their opposite. Instead of an upward spiral, we face the opposite process—a prolonged period of crisis of the productive forces, which will not signify the abolition of the normal capitalist cycle of booms and slumps, but in which we will see a tendency for longer and deeper recessions, interrupted by shallow and weak 'booms' accompanied by high organic unemployment, attacks on living standards, and attempts to cut state expenditure. We have thus entered into a period of tremendous economic, social, political and military instability. It is a period far more similar to the situation in the 1930s, or, in some respects, to the international situation one hundred years ago.

All this will have a profound effect on the psychology of all classes and open up a period of transformation within the labour and trade union movement. In just such a period the ideas of Marxism will come to the fore.

Alan Woods



Spanish general election

Gonzalez' right wing policies pave way to defeat

Spain goes to the polls in a general election on March 2nd. It takes place against the background of supposed economic recovery. Felipe Gonzalez is trying to base himself on the upturn in the economic cycle to convince the population that there are better economic prospects on the horizon.

But this economic recovery has had no benefits at all for workers. The number of unemployed in Spain has officially reached 3,698,000, which represents 23.91% of the active population, the highest rate in the OECD and twice the EU average figure. All the policies of the government have failed to solve mass, organic unemployment.

Labour reform

Since October 1994, when the government proposed the Labour Law Reform, all its efforts have been to "make the labour market more flexible", according to the wishes of the employers. Now 38% of the jobs are short-term or part-time, and this figure is even higher in the private sector—45%. According to official figures, out of 7,561,899 new contracts signed last year, only 4.8% were on long term basis. It is true that the economy grew by 2.9% in 1995, but this was achieved by cutting the living standards and conditions of the majority of the population. In 1994 the workers lost 0.8% of purchasing power and the same percentage was lost again in 1995. On top of that we have the attempts of the government to reduce the public deficit by cutting social expenditure. In April 1995 only 50% of registered unemployed were receiving benefits against a figure of 60% in the same month of 1994. Now there are more than 1.2m registered unemployed who don't receive unemployment benefit. Of course this has had an effect in the slowing down of private

consumption which only grew a negligible 1.9% in 1995. But on the other side of the coin we can see an increase in corporate profits. In 1995 there was an increase in profits by the banks and insurance companies of 5% and the profits of those companies which are in the stock exchange markets grew by 27.5% in the first ten months of 1995.

While the government and the bosses blame "high" wages for all the problems of the Spanish economy, the government income from taxes was made up of 75% from wage earners and only 9.9% from business activities.

The policies of the "socialist" government for the last 13 years has smoothed the way for a right wing government. The "Popular" Party has been gifted an almost certain victory. Even so, its programme is full of demagoguery and opportunism: they promise cuts in taxes, maintaining social expenditure, etc. But privately, bankers, businessmen and party leaders reveal their real policy: to deepen the attack against the working class. We have already seen their real policies in the councils and regional governments where they are in power: cuts in social expenditure, privatisation of public utilities, etc. Despite the fact that they used the GAL affair (the death squads organised by the state apparatus against ETA) as a weapon against the government, they realised that these attacks have gone too far. Now they want to put an end to all investigations thus showing where they really stand in relation to democratic rights. With a PP government a cleansing of the reactionary elements of the state apparatus is impossible because they are all linked to the PP.

Despite the right wing policies of the PSOE government for the last 13 years and the different corruption scandals it is involved

in, they are still getting more than 30% in the opinion polls. This shows the strong class instincts of the Spanish labour movement which has not forgotten 40 years of vicious dictatorship (many of the PP leaders are linked one way or another with that period). A big section of workers and youth are moving away from PSOE to the left, voting for the United Left (IU). The IU programme has got a series of policies which are clearly a step forward. They are against the Labour Law Reform, against the cuts in workers' rights, in favour of a full investigation of the GAL affair, for a reduction of the working week to 35 hours without loss of pay, for a fifth week of paid holidays and for an increase in social expenditure. However, IU has been running a vicious anti-PSOE campaign, giving the appearance of being on the same side as the PP at times, and this has created confusion and distrust amongst big layers of workers who could have been won to the IU with different tactics.

General strike

After the general strike on January 27th 1994 against the reform of the Labour Laws, the trade union leaders didn't maintain the pressure on the government. Instead, they said that the reform had to be fought

factory by factory. As a result large sections of the workers became demoralised because they knew that they weren't going to win by being isolated in each factory. The class collaboration policies of the CCOO (Workers' Commissions) and UGT (General Union of Workers) resulted in 1995 in the lowest level of strikes since the fall of the dictatorship. The employers were able to put in operation all the measures of the "reform" without any resistance from the unions.

This situation could not last for long without an opposition developing inside the unions. In the last few months we have witnessed the development in CCOO of an opposition movement. Last January at the CCOO VI National Congress the "critics" (left) got 36% of the votes. Now this opposition should take a step forward and organise itself as a tendency to fight within the union and in the broader labour movement for a class based and militant trade unionism.

Sooner or later this situation will spread to the whole labour movement. This process will be accelerated by the election results. A government of the right wing, specially taking into account the parasitic and backward character of Spanish capitalism, will have no option but to launch a further onslaught against the working class and the youth.

Although the PP will probably win the election it is unlikely to get an overall majority, so we will have a weak government carrying out unpopular policies. We can still hear the echoes of the magnificent movement of the French working class. The future events in Spain will share many features with the French movement. We are confident that the Spanish working class will give an answer worthy of its militant traditions to the attacks of the PP government.

Miguel del Barrio
Madrid



US Labour activist speaks

The Republican primary elections taking place in the USA at present has revealed the bankruptcy of the American political scene. The fact that a reactionary, demagogue such as Pat Buchanan can do as well as (to date) he has done, shows the degree to which the old capitalist parties are losing their traditional appeal.

The most interesting fact about recent elections in the US has been the continued decline in voting numbers as electors simply give up in despair at the two-party system. By appealing to trade union voters and blue collar workers, Buchanan has picked up support beyond that of his usual constituency of militia men, gun fanatics, racists, the Christian coalition and other right wing nuts. His attack on the loss of jobs and the role of Wall Street has struck a chord with sections of even the working class. Of course, all this anti-big business talk is just talk, and when it comes down to it he will have to side with those very elements of capitalism he attacks in his speeches. At the end of the day Buchanan, like Dole and the rest, are there to serve capital, as is Clinton and co. Of course, it is likely that the Republican machine will succeed in derailing Buchanan, thereby ensuring that the programmes of the two main presidential candidates will be virtually identical come November. Clinton after winning in 1992 abandoned all his promised 'reforms'. People showed their disillusionment with the Democrats by, in the main, not voting or going to the Republicans in 1994. However widespread disillusionment has now attached itself to the so-called Republican Revolution which has strengthened Clinton's re-election chances.

More and more people are seeing the Democrats and the Republicans for what they are—two capitalist parties with increasingly similar programmes. A real alternative is needed. It is time for the labour movement to have a party that will represent them and act in the interest of the working class. Such a party would attract both those workers who are mistakenly putting their trust in reactionaries such as Buchanan and those who will either not vote come November or vote for the Democrats as the "least worst" option. The most serious attempt since the war to form such a party is Labor Party Advocates. At a recent meeting in London (21 February 1996) Steve Zeltzer, Labor Party Advocates activist from the San Francisco Chapter, spoke about this:

"I think it is a timely discussion if we are talking about the USA especially with Buchanan winning the New Hampshire primary. He is now becoming the populist for the working class. It shocked a lot of people in that he was getting such a hearing in the US, including some workers who have voted for him. It indicates the kind of political crisis and the sharp contradictions that are developing in the US. For the last 20 years there has been a decline of the real income for working people and we have a situation where virtually millions of workers are being laid-off by the multinationals and then are hired back at 50% of their former wages, on a part time basis. There is a process of privatisation. We have wide deregulation where non-union competitors have been brought in with lower wages in sectors like the airline workers, communication workers and utility work-

ers. So obviously all this is having a big effect amongst workers who are getting angry. Myself and others have been fighting for a Labor Party for 20 years. But in 1991 Tony Mazzochi, who is the secretary treasurer of the Oil, Chemical and Atomic Workers, formed an organisation called the Labor Party Advocates. This organisation was aimed at spreading the idea of forming a Labor Party. This has grown into an organisation of 5,000 to 10,000 people, including more and more unions who are signing on. At this point there are four national unions affiliated: the International Longshoremen's and Warehousemen's Union, which organises about 60,000 dockers and other workers, the Oil, Chemical and Atomic Workers Union, which has got about 70,000 members, the Brotherhood of Maintenance of Way Workers of America, which organises railway workers, and the United Electrical and Machine Workers of America which is a union that was witch-hunted in the 50s and 60s from the AFL-CIO. The organisation is growing, I am from the San

Francisco chapter of LPA, which has got 350 members. California and the Bay area is one of the strongest areas of support for the LPA. In fact the LPA offices are in the Labour Council Headquarters itself. Most of the Bay area labour councils have endorsed Labor Party Advocates and the Secretary of California Federation of Labor is regularly speaking at meetings of 600 or 700 trade unionists supporting the idea of the Labor Party.

Betrayed

There is a growing interest in the Labor Party in the US. This is because of the economic situation but also because the Democrats have betrayed more and more of labour's basic interests. They are supporting NAFTA, but also Clinton called the trade union leadership a "burth of thugs", because they were pressuring the Congress to vote against NAFTA. In fact if Buchanan does become the candidate of the Republicans it will be interesting to see a debate between him and Clinton, when he attacks Clinton for being a "puppet of Wall Street" and that kind of thing. The other thing about the Democrats is that they are greatly responsible for the deregulation of industry. Their appointed secretary of the Federal Aviation Administration started to deregulate the airlines industry. Of course they did it with the support of the Republicans but it was a Democrat project. If you want a good example of their attitude, Clinton, in his State of the Union address, announced that he is going to downsize the Federal government by 250,000 workers.

There is a great deal of anger



amongst the working class and the trade unionists, and they are open to talk about the need for a party of labour. For example there has been a number of important industrial disputes in the last period in the States, the Bridgestone/Firestone workers have been on strike because they refused to work without a contract, the Carterpillar workers etc. Also important is the case of the Staley workers, who had been locked out for over two years, in this town called Decatur in Illinois. 70,000 people were affected as these 7,000 workers who were on strike were locked out. They were fighting against a multinational. They went internationally to get support for their struggle but also they formed the United Labor Front with three unions involved to run union people as candidates for President of the State and also for the local council, and an electrician from the United Electrical Workers got elected to the city council. So they saw the need to have their own representatives at the local city offices.

Labor Party Advocates is growing and the idea of a Labor Party is growing, and there will be a national convention of LPA, which will be a founding convention of the LP, in Cleveland, Ohio, in June the 6th to the 9th. This is the first LP movement in the US to have a significant support amongst trade unions in our life time, and this in itself is a significant development. There are different points of view in LPA both on what the platform should be and whether it should run candidates at the elections, and these will be issues of dispute at the convention. We expect over 1000 delegates from all over the US. Most groups in the left have boycotted the LPA, so most of the people that have joined LPA are trade union activists and people who used to be in left organisations but now are not affiliated. We have struggled in LPA for more democracy. Tony Mazzochi has the view that it should be like the British Labour Party and the New Democratic Party in Canada (i.e. trade union based), but we are struggling to open it up to women, minority organisations, in other words, with only 12% of the workers unionised in the US how can you have a LP which doesn't include the mass of unorganised workers. There was a national steering committee

about two months ago where we put a resolution saying that other organisations than unions could endorse it and have delegates, that actually was passed against the objection of Tony Mazzochi, which I think is a step forward.

The idea of Mazzochi is for the LP to become a lever on the Democrats. But Clinton and the Democrats have the position of "well we are the only thing you have got." Some unions like the utility workers and the electrical workers have been drastically affected by deregulation but they have not challenged the Democrats on this issue despite the fact that they have lost 20% or 30% of their membership because of deregulation. So the unions in the present situation are not in a position to put pressure on the Democrats because they have no alternative to offer. Some of the unions supporting LPA are at the same time endorsing the Democratic candidates for the elections, like the California State Council of Carpenters. With the formation of a LP and the possibility of it running candidates this will be a test of how serious are these unions in relation to the formation of a LP.

Realisation

The situation in the US is now quite open for the formation of a LP. There is a growing realisation of the fact that neither the Republicans nor the Democrats are a solution to the problems of the working class. For example on the issue of healthcare, there are 15 million people without health care. The union laws are widely ignored and nothing happens. The Republicans want to get rid of the National Labor Board which is a kind of national board to mediate in industrial disputes, and they also want to abolish the minimum wage. The unions are starting to react and the AFL-CIO decided to place a special fund of \$20 million to have a union organising drive in the Summer. Workers are beginning to join the unions. There are campaigns in different states for a referendum to increase the minimum wage. Despite all its weaknesses I think it is a very positive development. The fact that the workers can have their own party and run their own candidates. Sweeney and the other leaders of the AFL-CIO are afraid of this, because they know that once a LP is formed all kinds of things

can happen. It would go well beyond an electoral party. It could quickly raise a lot of political issues amongst working people. Working people are depoliticised in the US. The Decatur struggle is an example of the workers who have gone through that struggle and have become class conscious, they understand the class struggle. In the US that is not so common although I would say there is a development of class hatred in the US, and for example Buchanan is appealing to that. As there is no LP unfortunately such a mood can be reflected in the right wing of the Republicans. It is the first time that I know of that a Republican candidate has attacked Wall Street and the bankers. This is a very new development. The development of the LP in the US takes place in a very different situation to the development of the LP in Britain or other countries. Internationalism now is a growing issue in union struggle. Workers who work for multinational companies see the need to link up internationally. Carterpillar workers went to Brazil, the Staley workers went to Canada, the Bridgestone/Firestone workers against the advice of the AFL-CIO leaders went to Tokyo and linked up with a left wing union and Firestone workers and organised a protest. And this is important in the context of the propaganda in workers' heads for the last 20 years: "you have to compete with the Koreans, with the Japanese, etc." There is another example when we brought representatives of the SUTAU-100 busworkers from Mexico city to speak at different meetings. The San Francisco Labor Council endorsed their struggle, they also spoke at the Amalgamated Transport Union national con-

vention, and then they also spoke at the national AFL-CIO convention where their struggle was also endorsed. This is quite significant because we have a radical Communist fighting against privatisation in Mexico being supported by the AFL-CIO. And by the way, the infamous international fund of the AFL-CIO, traditionally paid by the government and used by the CIA, is going to be shut down, partially by Sweeney but also by the Republican-controlled Congress because they don't think the unions should get any money for international work. So they will have to actually do real international work.

Experience

We also have the experience of the NDP government in Ontario, where big business warned if they (the NDP) win the elections then we are going to pull out of the state. And this shows that the social democracy can't solve the problems in one country in an increasingly globalised economy. And these are the discussions and the issues that are going to be realised by the formation of a LP.

I think it is very important that as many people involved in the left of the Labour Party in Britain, fighting for democracy and a socialist programme, as possible come to the LPA convention in Cleveland (June 6 to 9). It is important that you discuss with unionists involved in the LP as to what are your experiences, both positive and negative, so they can have an idea of what this Labour Party is, which is frequently used as an example."

Labor Party Advocates can be contacted at: Labor Party Advocates, PO Box 53177, Washington, DC 20009-3177, USA.



The French Revolution

Part
Two

Mick Brooks concludes his look at the great events that shaped revolutionary France

The Great French Revolution of 1789 began with the aristocracy challenging the power of the monarchy. Three years later the monarchy was abolished in the Republican insurrection of 1792 and aristocratic power was being swept away. The beneficiaries of this huge social movement were the rising capitalist class. It is in this sense that Marxists describe the French revolution as 'bourgeois.'

Yet it was not the capitalists who did the fighting and dying. Time and time again the revolution was driven forward by the revolutionary democrats among the 'little' people - the *petty bourgeoisie*. The advance guard were the poor artisans and journeymen in the towns - the 'sans culottes.' It was they who stormed the Bastille. The Sans culottes were not a modern working class with their own agenda. They acted as the left appendage of the most determined section of the rising capitalists. They were mobilised for action by the Jacobin Club who fought the revolution to the finish - led by Robespierre.

Inspiring as their struggles were, the Sans culottes gained nothing from the

revolution. It was the bourgeois which won. Indeed the revolution completed the transfer of economic and political power from the aristocracy and monarchy to the capitalists. The 1789 revolution unlocked the productive forces and transformed France from a feudal to a capitalist country. But to defend these gains required a life and death struggle against the old order.

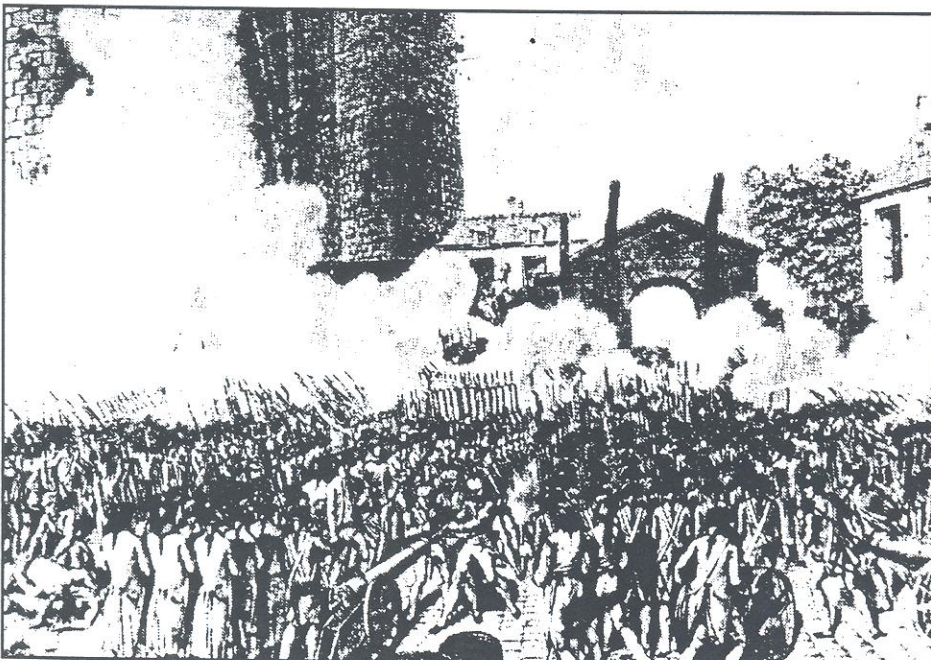
The capitalists had been forced to make concessions to the common people for their decisive intervention in overthrowing the monarchy. Universal suffrage (for men), already achieved in the course of struggle in the Paris Sections, was forced on the bourgeoisie for the nation as a whole. Partly as a result of decisive action to take the running of the war out of the hands of traitors, the invading Prussians were halted and the French army again began to advance. As it did so, the rate of inflation stabilised and food supplies became more secure. Having done their job as the solid support of the revolution, the Sans-culottes were driven back from direct administration of power into the channels of parliamentary democracy where the capitalists knew they could handle them. Once again the

revolution seemed to have stabilised.

The Jacobins take over

But again it was war that served as the motor of revolution. Louis was tried and executed by the National Convention in 1793. Right up to the last minute he could not contemplate the loss of the old order. He was up to his neck in plots with the enemies of revolutionary France. Papers found in his palace proved positively the fact. At the same time further military defeats took place, along with further defections of generals. Disruption of food supplies inevitably followed defeats. Bread supplies to the capital failed altogether on more than one occasion. When it is remembered that an average labourer in Paris spent half their entire income on bread in the prosperous years before the revolution, and ate virtually nothing else, it can be conceived that the poor were literally on the verge of starvation. Threatened with invasion in the East, the revolution was also menaced with risings in the South, West and North. At one time or another Lyons, Marseilles were all in the hands of insurgents. These provided a bridgehead for invasion by the British, whose government had now joined the counter-revolutionary crusade, with the hope of an extra bonus of French colonies and trade in the offing. The republic seemed in danger of disintegration and collapse.

What was required was a siege economy, precisely to save French capitalism. But a state of siege necessarily clashes with the instinct of individual capitalists to make a buck out of hard times. The ruling party was incapable of taking decisive action to save the gains of the revolution. The Jacobins realised that, despite the dangers, they would have to draw in the masses once again. By refusing to do anything to alleviate the distress of the small consumers, the right wing capitalist politicians were playing into the hands of their Jacobin rivals. Though bourgeois to the marrow, the Jacobins were tapping into the discontent of the urban masses. All the people's democratic societies were roped into liaison with the central Jacobin Club. When they gained control of the Paris Commune, they decreed a maxi-



mum price on bread, not as a step towards a new society, but to court popularity among the Paris Sans-culottes and to point an accusing finger at the government. Moreover they were now under intolerable pressure from the left. A small section of the bourgeois democrats led by Jacques Roux had put themselves on the standpoint of the Paris masses and were beginning to formulate a programme representing their independent interests. They were called the "Enrages" (maddies). Roux said, "*Liberty is a mere illusion when one class of men can allow the other to starve with impunity. Equality is a mere illusion when, through their economic monopolies, the rich hold the power of life and death over their fellow men. The republic is a mere illusion when counter-revolution is taking place day by day through the price of food which three quarters of the citizens cannot afford without suffering*". The Enrages programme was one of price-fixing and war on the speculators in the interests of small consumers.

The Jacobins were getting ready to take power but they didn't want to be the prisoners of the Sans-culottes and their representatives, the Enrages. Another massive outbreak of "popular taxation", invading grocers' shops and distributing supplies at fixed prices led Jacques Roux to think his time had come. In March 1793 he led an abortive insurrection. The Jacobins stood by and watched him go down to defeat. When they were ready to move, the movement would be under their undisputed control.

Everything the right wing politicians did now contributed to their downfall. For none of the measures they took were adequate to stop invasion rolling towards them. At the same time as they made concessions to the opposition, they tried to crack down on its foremost leaders. In reply the Jacobins assembled their forces. The Paris Sections met together to set up a Central Revolutionary Committee. Delegates from the provinces poured into Paris. In June the Jacobin-led National Guard marched on the National Convention and denounced the government leaders as "disloyal". They were arrested. The Jacobins ruled the Convention and the country, as the mass of delegates cowered before Sans-culotte pikes. Now the Jacobins in their turn asked the Sans-culottes to go home. They had got what they wanted out of them.

Consolidation

As the Jacobin leaders purged the local assemblies of those not prepared to fight the war to a finish, they necessarily strengthened the hand of the Sans-culottes. As they placed stalwart supporters of the revolution to administrative positions, it was the Sans-culottes who placed their hands on the levers of power. In September a threatening demonstration of Sans-culottes went to the Jacobin Paris Commune to demand a maximum price on bread and other necessities. The Jacobin leaders could no longer wriggle out of it. In the

same month they called a further insurrection to frighten the majority of the Convention into compliance with their wishes. So this was the deal: to fight the war to the finish, the masses had to be mobilised, and that meant giving them at least part of what they wanted.

The period from September 1793 to July 1794 (Year II of the French Republic) is the year that colours most people's conceptions of the French revolution. In film and fiction the picture is painted of the 'great unwashed' rushing here, there and everywhere in red hats, drunk with blood, lynching and guillotining their social superiors. Old crones cackle and knit as the aristocracy, the bearers of civilisation and good table manners, are beheaded in batches. The message is clear - this is what you get when the common people start poking their noses in matters beyond their competence. Academic historians sympathetic to the left have responded by portraying Robespierre as some kind of premature 'social democrat', whatever that might mean in this connection. What is the truth of the matter? Robespierre, as we have already pointed out, was the outstanding political representative of the capitalist class in the country where "*the class struggles were each time fought out to a conclusion*", as Marx and Engels put it. What French capitalism needed in 1793 above all was to survive to 1794. It was necessary to curb speculation and private luxury to send all resources to the front. It should not be thought that the capitalists were dragged along this path by a minority of Jacobin doctrinaires. Throughout this year the majority of the Convention were practical bourgeois and men of the centre. They voted for one Jacobin measure after another, so long as it was necessary to win the war. Likewise the Committee for Public Safety, the republican executive, was dominated by military and economic specialists of the bourgeoisie.

The Great Terror

Terror was proclaimed to be on the order of the day. Every revolution requires excep-

tional measures to paralyse the resistance of the old ruling class. There have been endless criticisms of the terror ever since. Actually its opponents do not object to terror in principle, only to many of its victims in 1793. Just over a thousand counter-revolutionaries were guillotined in Paris in the year of Jacobin rule - this in the teeth of the most savage war humanity had known so far. The same number of 'vagabonds', poachers and pickpockets were sent to the gallows every year for two hundred years in England. They were the hapless victims of capitalist development, driven off their land and with no means of staying alive except begging and theft. For most historians these people aren't worth mentioning. Terror is only a subject for indignation and reproach when it hurts the rich and powerful.

But the most significant steps forward by the 'Revolutionary Government' were taken in the economic and social sphere. Robespierre's government was the high water mark of the great French revolution. One of its first acts was to rush through the Constitution of 1793, the most democratic constitution for a hundred years thereafter, based on manhood suffrage. The Jacobin leader Saint-Just said, "*there must be neither rich nor poor*" but he was not prepared to countenance an attack on private property. Nevertheless they put forward projects that were years ahead of their time, - for universal education, a pension and social security system, and many others. All these remained at the planning stage. The Constitution was put on ice because of the War. It is not necessary to accuse Robespierre of insincerity, just trying to get Sans-culotte support. The bourgeoisie needed him for one reason only - to win the war. As soon as they were safe he would be out. His own intentions were neither here nor there. A Revolutionary Army of Sans-culottes was set up to requisition grain and ensure steady supplies for the capital. A comprehensive Law on Suspects to go before the Revolutionary Tribunal equated hoarders and speculators with traitors, for they were the same in the popular



mind. In the provinces the steps taken were even more far-reaching. The only section of society was the urban poor and the republican peasantry. "*Paris rules France*". This aphorism expressed the relation of class forces driving the revolution forward. Representatives on mission, sent out to rebellious areas, had to turn the civil war into a war of the poor against the rich so the republic could survive. They mobilised and armed the Sans-culottes, levied forced loans on the vacillating bourgeoisie in the provinces to pay for the war and acted as commissars for rising capitalism in the army. The troops were distributed free copies of republican papers. They elected their own officers, based on merit not privilege. Every officer had to have served in the ranks. The Minister of War was himself a Sans-culotte.

Counter-revolution

The new regime was based on a knife edge. Almost its first political step, even before it had decreed maximum prices on bread and other necessities, was to do away with price-fixing's foremost proponents - the Enragés. Seeing the knife bearing down, Roux and his associates tried to mobilise popular support. But the ground had been cut from under their feet. Though the Sans-culottes were bewildered, they still blindly supported 'their' Jacobin government. Early in 1794 Jacques Roux committed suicide to escape the guillotine. In December 1793 a series of decrees absorbed the revolutionary bodies thrown up by the Sans-culottes into central government. The two Committees of General Security and Public Safety held dictatorial powers. The elected Section proctors were now state officials. The Jacobins had the power to purge local government of 'disloyal' elements - the communes became assemblies of Jacobin functionaries. The Paris Commune in particular had its power curbed - no longer could it send out agents to the provinces. Its democratic control over the National Guard was cut back. So all the fighting organisations created by the Sans-culottes were done away with. From September to December 1793 the bourgeoisie rode along the crest of a revolutionary wave, without being in full control of the movement that was necessary for their survival. After December, they picked up the reins of power once again. The terror of 1793 was a genuine necessity of the new system administered by Sans-culotte organs of direct democracy and, given the conditions of grim civil war, not all that bloodthirsty. The terror of 1794, after the main danger to the capitalist system had passed, was imposed from above by terrified politicians who felt themselves threatened on all sides and lashed out blindly, creating a network of spies and informers so no-one could speak freely or feel safe. The last months of Robespierre's government saw over a thousand go to the guillotine in an impotent attempt to retain power against the population at large. The executions, mainly of militant Sans-culottes

or even of grumbling old women who had been denounced—not of active counter-revolutionaries—were added to by the antagonism of the two executive organs the Committee of Public Safety and the Committee of General Security, which outdid each other in denunciations in their mutual struggle for power. Through all this the Sans-culottes were mute and disinterested. Most historians have also presented the decrees of December 1793 as an acceptance and perpetuation of the terror by a government of bloodthirsty fanatics. In fact it was the first step in the process of rolling back the political gains of the poor, in the interests of the now dominant capitalist class.

Two tendencies struggled against the Jacobins—the Dantonists from the right and the Hebertists from the left. The Jacobin government lashed out against both simultaneously, sending the leaders of both factions to the guillotine. But it was success that killed the Robespierre government. It had performed miracles of revolutionary defence. By the end of 1793 the main centres of counter-revolution in the West were stamped out. In 1794 they planned to sweep away the invasion threat. In June the Republic won a tremendous victory, because of the energetic measures of the government. That government was no longer necessary to the capitalists, who suddenly began to chafe against its restrictions on their profit-making. Robespierre himself wanted to return to normal peacetime capitalist government. But he was now confronted with a chorus of opposition from the formerly docile National Convention. Before he could perpetuate his rule as a normal parliamentary politician he had to resort to one last purge of the present opposition, right and left. The threat of more bloodshed strengthened the hand of his critics as former 'terrorists', fearing for their lives, joined in the new movement. The mass of the Sans-culottes were no longer prepared to risk their necks for the Jacobin government. Robespierre realised that all was up with him. His supporters disappeared. On the 9th of Thermidor, according to the new calendar

installed by the revolution, he and the main leaders of the 'Revolutionary Government' went in their turn to the guillotine.

Defeat

The defeat of Thermidor ushered in the rule of the Plain (the centre as against the Mountain on the left). This was government by the bourgeoisie for the bourgeoisie. The Jacobin dictatorship, for all its inherent limitations, had been the high point of the French revolution. It swept away the relics of feudalism and banished counter-revolution in a really revolutionary manner, drawing the mass of common people behind it. Since July 1794 the spool of revolution was continually wound backwards. But the fundamental achievements of the revolution remained. Not even when the 'ultras' among the aristocracy, clergy and royal family returned behind enemy arms in 1815 could they be stamped out. The lasting achievement of the revolution was to effect a thorough-going transfer of political and economic power to the bourgeoisie. The Bourbons were unable to hold back the tide of capitalist development after 1815, however much they tried to pretend nothing had happened since 1788. The real achievement of any social revolution is this transfer of economic power from one class to another. Thermidor was a counter-revolution in that it swept away the democratic gains of the revolutionary movement. But the new government was bound to base itself on the new economic forms and continue to defend them against reactionary overturn. In this sense it was a political counter-revolution.

In the nineteenth century, France went through a variety of forms of political rule. In 1815 the Bourbons represented the landlords, who were now sleeping partners of the capitalist class, rather than the old feudal aristocracy. After 1830 Louis Philippe put forward the interests of bank capital. In 1851 Napoleon III reintroduced a caricature of the reign of Bonaparte the great. All these however were forms of capitalist rule, for they all defended capitalist property relations.



Less than one million, billion, billionth... and even smaller

Last month, American scientists believed that they have discovered something smaller than the "quarks" - considered to be the basic constituent of matter.

Experiments in Chicago suggested that quarks - whose mass is a million, billion billion, times less than that of a grain of sand - are not the tiniest things that make up the Universe. At present, most scientists believe that quarks are the building blocks of the protons and neutrons in atomic nuclei, which make up all matter. They maintain that quarks are indivisible. This is the present theory of matter known as the Standard Model, which has been built up since 1930.

Failing to understand a dialectical materialist view of development, scientists have had made the most incredible errors. According to this "classical" theory, quarks supposed to occupy no space! But when the scientists at Fermilab smashed the protons and anti-protons together, surprise, surprise, the results suggested that quarks may occupy some space after all. It therefore follows that they must contain some internal structure.

Despite this evidence, scientists at Cern, the European particle physics laboratory in Switzerland, according to the independent, "reacted cautiously to the results."

They are blinded by their own narrow philosophical outlook. Thirty years ago, Ted Grant, using the method of dialectical materialism, explained that there were no such thing as the "final" building blocks of matter. In his recent book, co-written with Alan Woods, they predict what has now happened.

"Despite the fact that experience has demonstrated that there is no limit to matter, scientists still persist in the vain search for the 'bricks of matter', writes Woods and Grant. "...The quark is supposed to be the last of twelve subatomic 'building blocks' which are said to make up all matter. 'The exciting thing is that this is the final piece of matter as we know it, as predicted by cosmology and the Standard Model of particle physics, Dr. David Schramm was reported as saying, 'It is the final piece of that puzzle.' So the quark is the 'ultimate particle.' It is said to be fundamental and structureless. But similar claims were made in the past for the atom, then the proton, and so on and so forth. And in the same way, we can confidently predict the discovery of still more 'fundamental' forms of matter in the future. The fact that the present state of our knowledge and technology does not permit us to determine the properties of the quark does not entitle us to affirm that it has no structure. The properties of the quark still await analysis, and there is no reason to suppose that this will not be achieved, pointing the way to a still deeper probing of the endless properties of matter. This is the way science has always advanced. The supposedly unbreachable barriers to knowledge erected by one generation are overturned by the next, and so on down the ages. The whole previous experience gives us every reason to believe that this dialectical process of the advance of human knowledge is endless as the infinite universe itself." (*Reason in Revolt: Marxist Philosophy and Modern Science*)

Reason in revolt

Marxist philosophy and modern science

by Alan Woods and Ted Grant

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the communist manifesto

Readers of the *Sunday Times* of 28th January may have noticed an item headed "Marx is better read than dead". It seems that Orion publishers (under the Phoenix imprint) have taken up the idea first started by Penguin of producing a series of mini-books priced at, in Orion's case, 60p. One of the titles chosen for publication is a reprint of Marx and Engels' 'Communist Manifesto' and it is this which has taken the market by storm. According to the *Sunday Times* over 10,000 copies were sold within a few weeks of the title being tried out in certain areas. Bookshops are struggling to keep up with demand with sales at their highest in areas such as Scotland where it has entered the best sellers' list at number 5. 70,000 more copies have been sent out to capitalise on the interest. Whilst the report notes that there seem to be a "new hunger for political literature", especially amongst the youth, they are at a loss to explain why this book should be so popular given that Marxism is supposed to be out of fashion and "discredited". Below Terry McPartlan outlines what this book is actually about and why so many people are finding it still of relevance.

In the years since 1847 millions of words have been written to disprove and rubbish the ideas set out in the *Communist Manifesto*. However, history has demonstrated the power and accuracy of the ideas and above all the method outlined. "The history of all hitherto existing society is the history of class struggles."

The development of society has not been a gradual process guided by kings and queens, priests and bishops. On the contrary, history has revolved around how human beings have housed, fed and clothed themselves. At each stage, class society has been divided between those who own and control the means of production and those who work to create the wealth; freeman and slave, lord and serf, bourgeois and proletarian. Class conflict arises out of the struggle over the division of the surplus created by the labour of the exploited

classes. Marx and Engels explain that the revolutionary transition from one society to another arises from the inability of the old mode of production to further develop society. The bourgeoisie which grew up under feudalism eventually was forced to wage a revolutionary struggle to achieve the political and state power necessary to allow the unfettered development of capitalism. The domination of the bourgeoisie was reflected in an explosion of industry, construction and trade surpassing all that had gone before.

Transformed

Society was transformed, "The bourgeoisie, wherever it has gotten the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his 'natural superiors,' and has left remaining no other nexus between man and man than naked self interest." Ideas, religion and the family were all transformed in the first, revolutionary, period of capitalism. But capitalism carried within it the seeds of its own downfall "like the sorcerer who is no longer able to control the powers of the nether world." Production for profit, the extraction of surplus value created by the labour of the working class is constrained by the fact that the workers cannot afford to buy back all they produce. Crises of overproduction have bedevilled the capitalist system throughout its entire history. Marxism's opponents point to the world boom of 1948 to 1973 as 'proof' that capitalism had changed and argued that

periodic crises could be overcome by public spending during recessions. However Keynesian policies resulted in an explosion of inflation in the 1970's and were replaced with 'monetarist' austerity measures. Since 1973 the general direction of the world economy has changed, booms have become weaker and slumps deeper and longer, economic growth has become progressively more feeble each decade, while unemployment levels have risen.

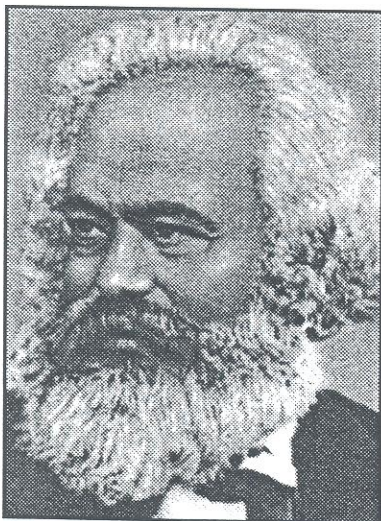
Modern capitalism, requires the creation of a mass working class, with no share in the ownership of capital and the means of production. The intermediate layers, the small capitalists and shop owners would be forced out of business and pushed into the ranks of the working class through mass production and 'economies of scale'. The giant supermarket is one example of this process. The *Communist Manifesto* predicted that the conditions of life of the workers would result in the development of an independent proletarian political movement. The growth of the labour movement is clear to see over the past century and a half. The decay of capitalist society would force the workers into conflict with the ruling class in the struggle for a new Socialist society as the only force in society with sufficient cohesion and strength to carry this struggle through to the end. This has been demonstrated through revolutionary movements from the Paris Commune onwards. Today, capitalism is creating the most unstable and potentially explosive situation for decades. In forthcoming years the question of who runs society will be

posed sharply.

The central problem in the workers movement is that of leadership. The pressure of bourgeois society and a lack of clear ideas has resulted in the leadership drifting further and further to the right, in Britain in particular, abandoning any pretence of Socialism. No amount of harping from the sidelines will change this situation. The arming of the labour movement with Marxist ideas will only be achieved on the basis of experience and the patient explanation of ideas in the unions and in the Labour Party. As Marx and Engels point out; "The communists do not form a separate party opposed to other working class parties. They have no interests separate and apart from those of the proletariat as a whole. They do not set up any sectarian principles of their own by which to shape and mould the proletarian movement."

World market

When Tony Blair and Gordon Brown talk of the dominance of the world market over individual countries they are most likely unaware that this process was predicted and explained by Marx and Engels over 150 years ago; "The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. The bourgeoisie has through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country." Multi national firms now dominate the world market and the global financial markets can make or break a national economy as the Mexican workers found to their cost last year. Even in the case of Stalinist Russia, with its huge natural and human resources, it was impossible to create socialism in one country. The future of mankind now, more than ever, depends on the world socialist transformation of society.



Radical jazz

When you consider that Jazz today seems to mainly consist of either bland funk aimed at a soul music audience, or nostalgic recreations of times past then it is hard to believe that over thirty years ago jazz was in the middle of a virtual revolution.

Taking full advantage of the extra playing time allowed on LP records (and the resulting increased sales), as against the old 78s, jazz musicians sought to expand to and cross new boundaries—they had something to say and wanted to say it. Mainly this was about moving away from playing the old standards etc. and a move towards new styles which often took from other types of music including pop and especially soul. This diversification did not go down well with traditionalists—for example, the authors of the Illustrated Encyclopaedia of Jazz (1978) considered Miles Davis' work after "*In a silent way*" to be of "little interest to the jazz record collector" !!! With these words they condemned masterpieces such as "*Bitches Brew*", "*Jack Johnson*" and "*On the Corner*"

to name but three. No wonder Davis always had little love for those who wished to look backwards and not develop the music. This process of rebellion against old formats had occurred before in jazz but the difference this time was that it related directly to the period they were living through.

Mood

The mood of radicalisation and rebellion which swept the cities of America especially during the Sixties affected all areas of art. Folk and the blues had always harboured a social edge to it by virtue of their very nature and the Sixties merely brought it to a new and wider audience, not just via Bob Dylan and Joan Baez but through the discovery of a larger legacy of hidden protest music. Rock music was actually less affected by the need to express political ideas than most people realise (albeit with some notable exceptions) and in the main it was left to soul music to take the brunt of issuing socially relevant material—itself a reflection of the turmoil in the ghettos of America. Blacks in America were starting

to find their voice and expected their music to do likewise. Civil rights, racism, poverty, the Vietnam war and so on, were all subjects which were becoming open talking points. The fact that many black musicians were no better off than those in the ghettos gave an impetus to that process. Jazz musicians, especially black ones, had always been subject to exploitation of one sort or another. Ripped off by record labels, promoters and club owners, suffering from constant racist pressure and the additional problem of drug abuse which was the curse of many a musician down the years, these artists were constantly in a financially poor state. Even those at the top of their trade found themselves having to look for alternative and additional sources of income in order to make ends meet despite their apparent fame. A number even ended up having to move to Europe where their records had built up a level of respect which could not be matched by paying work at home.

With jazz music's rise up the sales charts, musicians found themselves able to get away with releasing records that made a statement of one sort or another, usually under the noses of studio bosses who were too busy trying to be 'hip' to pay that much attention. Indeed making a statement soon became a requirement of musicians seeking to confirm their 'street cred'.

This is the subject of a new compilation from Blue Note called "*Blue '60s*". Subtitled "*Blue Note strikes a radical chord*", this collection seeks to show how this political upswing affected one jazz label's output.

Two warnings, however. Some of what you will hear will sound particularly dated in the way that only late Sixties/early Seventies music can (although

an awful lot better than the stuff some of these guys would push out in later years!). You should also note that this is only one label's output—and that from one which was not particularly comfortable with the late Sixties. In selecting material they seem to have shown a preference for tracks which tend to anticipate the easy listening jazz/soul "crossover" music which predominated in the Seventies on mainstream labels as well as jazz labels such as CTI. Fans of early George Benson will know what I mean.

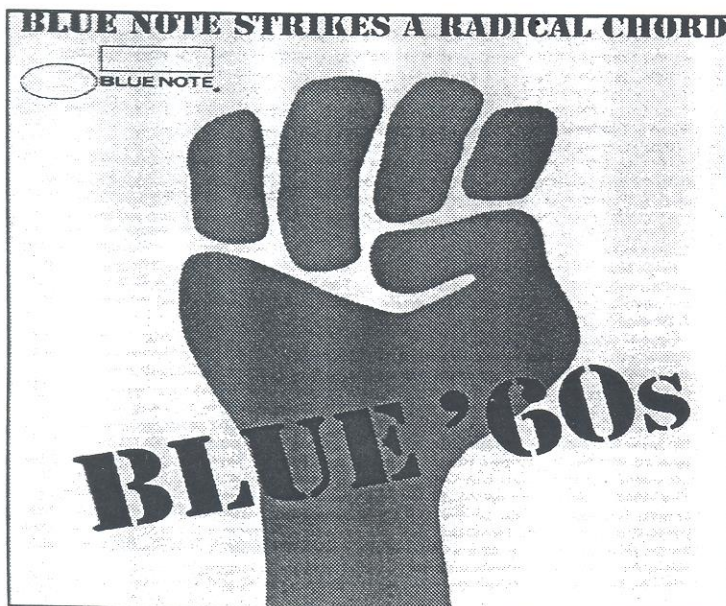
Tone

On some of selections here, taken out of their original context, only the titles give any indication of the radical tone which they were intended to have. Some of the tracks do feature vocals—but that is often not an advantage if you listen to them!. There is some good stuff here but you will have to hunt for it and individual tastes will be a strong factor. Pay particular attention to Don Cherry's "*There is the bomb*", Herbie Hancock's "*I have a dream*" (from a very good record called *The Prisoner*) and Billy Taylor's "*I wish I knew how it'd feel to be free*" (a tune which you may recognise!).

To get a fuller and clearer picture you should hunt down albums such as Max Roach's "*Percussion Bitter Suite*", Charlie Haden's "*Liberation Suite*" (both on Impulse), Sonny Rollin's "*The Freedom Suite*" (Milestone), Archie Shepp's albums including "*Things have got to change*", "*Attica Blues*" (both Impulse again) and "*Poem for Malcolm*" (BYG), as well as other less obviously political works from the likes of Ornette Coleman, John Coltrane and, of course, Miles Davis.

A study of music like this will reveal as much about this most exciting of times as any book could, and after 30 years will still demonstrate the power to shock.

Steve Jones



Blue '60s: Blue Note strikes a radical chord
Blue Note 7243 8 35472 2 7

Scotland has appeared rather a lot in the cinema over the last year. Liam Neeson played a heroic *Rob Roy*. Mel Gibson gave us *Braveheart*, William Wallace crossed with Mad Max. If you thought any of these films had anything significant to say about Scotland, past, present or future, then maybe you should give *Trainspotting* a miss.

makes this film one of the funniest films for a very long time. The film starts as it means to go on. Mark Renton, runs down Princes Street pursued by two store detectives. As he barges through the crowds an assortment of stolen goods falls from his jacket on to the pavement. The music pounds in the background. A close up of Renton's face shows not just the desperation of the chase but also... a

not his Sean Connery fetish. Spud is a manic idiot, and Tommy, the only one never to touch heroin... at least not until his girlfriend throws him out - and in a fit of despair he too turns to the drug, later dying, after contracting the AIDS virus. This film portrays the scabrous underside of modern Britain. These people are not supposed to be on film, we are not supposed to see them or hear their

very stylised, using colour, music and editing in a fairly unique way - it is certainly far removed from the "gritty" realism of other British directors who have covered similar territory, Ken Loach and Mike Leigh - and it is all the better for it. The film has been likened to a late century "Alfie." Michael Caine's Alfie was a definitive film of young working class life in the sixties. His crime was not hard drugs but promiscuity. Of course, the big difference was that Alfie had a job and got his wage packet at the end of every week. In 1980s Leith, however, there is nothing left - the docks, the industry have gone. For Renton and his mates - all they have is oblivion.

trainspotting

Trainspotting is directed by Danny Boyle, produced by Andrew Macdonald, scripted by John Hodge, from the cult novel by Irvine Welsh. The novel has already sold 150,000 copies - before the film was released! The soundtrack CD has just jumped straight into the album charts and the book of the script is also bound for the best seller lists. All put together, the claim that this is the book and the film of the decade begins to show a little merit.

So what is it all about? Five unemployed young men in Edinburgh in the 1980s, all on or off heroin. The film is really a series of set pieces that, put together, form a montage of their lives. The drugs, the alcohol, the violence, the sex, the scams, the humour - and there is a tremendous amount of humour that

wry smile, he's enjoying this. Then we hear a voiceover, Renton quoting directly from the novel, "Choose life. Choose a career. Choose a family. Choose a fucking big television. Choose washing machines, cars, compact disc players and electrical tin openers... Choose your future."

Monumental

We have entered the world of Renton and his mates. Renton (Ewan McGregor), Begbie and the others are most definitely at the bottom of the pile. Begbie, played by Robert (*Hamish Macbeth*) Carlyle is a monumental psychopath - the sort of person who smashes pint tumblers in your face, which he does regularly throughout the film. "Sick Boy" has given up heroin but

language. But here we do. Why Edinburgh, the acknowledged needle capital of the world, or Scotland, with its history of abuse and addiction? But we are really just at the end of a very short scale that could be anywhere in Britain. If you thought the language in James Kelman's Booker Prize winning novel, *How late it was, how late*, was too much, then don't even think about picking up Welsh's novel. But at the end of the day the language is an extension of the characters - we can't really have one without the other.

On one level the film is a brilliant comedy. Go and see it just for Archie Gemmill's 1978 goal against Holland, the traditional Sunday breakfast, or Spud's job interview: "Whoa. Likesay, gaun- nae huv tae stoap ye thair, cat-boy. The 'O grades' wis bullshit, ken? Thought ah'd use that tae git ma fit in the door. Showin initiative, likesay. Ken?"

- "...what specifically attracts you to the leisure industry, Mr. Murphy?"

- "Well, everybody, likes tae huv a good time, a bit ay enjoyment, ken? That's leisure tae me man, likesay. Ah like tae see punters enjoy themselves, ken?"

The humour is most definitely of the gallows variety, the only way to survive in such a desperate situation.

As a piece of cinema it is extremely inventive. In the junkies' flat the camera seems to prowl around on the floor. It is

Fresh air

And what about that place Scotland? Tommy persuades Renton and the others on a hill walking trip to the Pentlands. They don't get very far. When Tommy shouts back, "breathe that fresh air" and asks, "doesn't it make you proud to be Scots," Renton finally loses his temper. He hates Scotland - it couldn't even be colonised by a decent culture! "It's all shite," he cries, "and all the fresh air in the world is not going to make it any better."

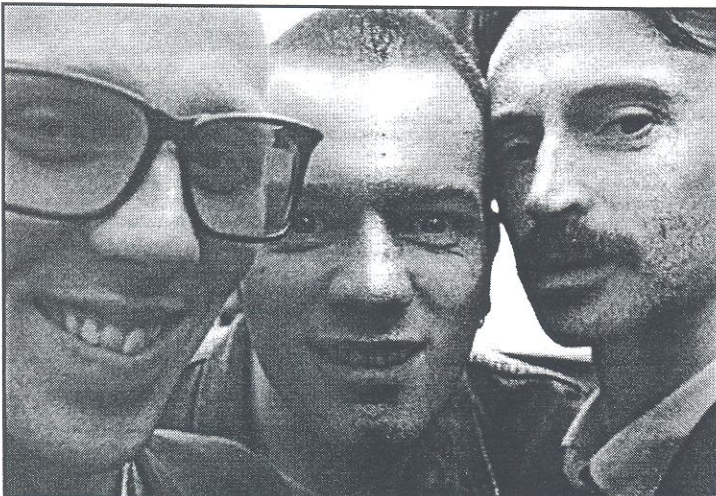
And finally, why trainspotting? Many reviewers have pondered the question. Is it something to do with the wallpaper on Renton's bedroom wall, is it because it's a "ladish" movie (and trainspotting is the ultimate male hobby). I don't think so. Near the end of Welsh's novel Renton and Begbie walk down Leith Walk, well fuelled with alcohol. They go into the long-derelect Leith station for a piss. "Some size ay a station this wis. Git a train tae anywhere fae here, at one time, or so they sais..."

...an auld drunkard lurched up tae us, wine boatil in his hand. Loads ay them used this place tae bevvy and crash in.
- What yis up tae lads?
Trainspottin, eh?"

But, like everything else in Leith, the trains stopped running a long time ago.

Alastair Wilson

The Great British tradition will be back next month



socialist appeal

The Marxist voice of the labour movement



Tories on the rocks

"Honest" John's government is on its last legs. The wafer-thin vote on the Scott Report marks the beginning of the end.

The Tory rats are leaving in droves. The latest being Peter Thurnham, currently representing the marginal seat of Bolton NE, who resigned the Tory whip, in the vain hope of saving his political skin. Others, like Quentin Davies and Richard Sheppard, have voted against the Government. It reflects a political malaise that points to doom at the forthcoming general election.

Resignation

The latest resignation brings the Tory majority down to two. But if they lose the SE Staffordshire byelection, which is expected, their majority will be reduced to one vote. They are desperately trying to keep the support of the Ulster Unionists, but as the Scott vote showed, they can't rely upon that. The Tory party is coming apart at the seams. It is disintegrating under the weight of its own divisions. These splits are the product of the crisis facing Toryism and its impending electoral defeat. Major hoped to overcome these problems by holding a leadership election. That strategy is now in shreds. All that "honest" John can do is put a brave face on it, and hope to soldier on

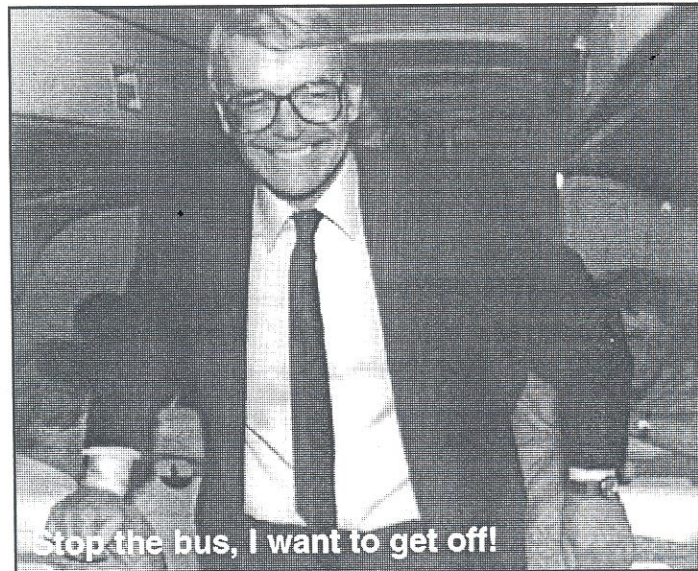
until better times. The problem is: there are no better times. As the economy continues to slowdown, there is no "feel good" factor. For the mass of the population things are getting worse not better. Falling living standards, increased insecurity, and no prospect of improvement have all served to undermine the

been static. A quarter of the population live in poverty. At the same time, the richest 10 per cent have been given tax concessions amounting to £15 billion per year! The middle class, also affected by insecurity and job losses, are deserting the Tories and swinging over to Labour. This colossal swing of opinion reflects a period

sions within the Labour Party and distracting the attack on the Tories. The only glimmer of hope for Major in the recent period was the Harriet Harman affair, which was exploited to the full by the Tories. It opened up the Labour Party - correctly - to the charge of hypocrisy. Rather than building their own personal careers, and giving ammunition to our enemies, they should be concentrating on attacking the Tories.

Massive problems

Above all, the only way to tackle the massive problems created by the Tories over 16 years, and the deepening crisis of capitalism, is the adoption of a bold socialist programme. Labour will come to power faced with a greater crisis than ever before. The idea of running capitalism - the beloved 'market' - better than the Tories is a non-starter. This has been tried before any failed. Only by carrying through socialist policies to take over the "commanding heights" of the economy, can the resources, which are squandered under capitalism, be used for the mass of the population. Only on this basis can the problems of unemployment, homelessness, poor wages and conditions, be solved once and for all. We must fight not only to get rid of the Tories, but the system they represent.



Tories. They are a government of the rich for the rich. While between 1979 and 1992, the top 10% of earners have seen their incomes rise by 50 percent, while for the bottom 10% earnings have

of volatility. Everything seems set for a Labour victory. The only thing likely to cast a shadow over this is the antics of Labour's front bench who seem set on creating divi-

Labour to power on a socialist programme