

SOCIALIST

APPEAL

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ISRAEL



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EDITORIAL

The Hypocrisy of the West

For months the conscience of millions of people has been moved by the plight of the peoples of Bosnia. Thousands have been killed. There is a massive refugee problem. Half the population of Sarajevo has fled in terror. The other half - moslems, serbs, croats, alike huddle in cellars without food, water, medicine, telephones or electricity.

There has been the usual weeping and wringing of hands in the media. President Bush and John Major shake their heads at the "terrible human tragedy," and talk about "humanitarian aid." However, when it comes to the prospect of committing troops, there is a strange reticence. It is very much a question of "After you, gentlemen."

President Bush blows hot and cold and sends a few ships to skirt the coast of Yugoslavia. The Germans, who actively encouraged the break-up of Yugoslavia in their own interests protest that their constitution forbids their troops to fight abroad. Meanwhile, "poor little Croatia" unnoticed and uncondemned by the "international community" is busy carving up Bosnia together with the Serbs. For their own selfish interests, Germany backed the so-called self-determination of Croatia while Britain and France effectively gave support to Milosevic in the first place.

A recent Economist article points out: "One year after the war began to rip Yugoslavia apart, Croatia is no longer the poor underdog. It is asserting its power. Serb and Croat leaders have discussed partitioning Bosnia at several meetings over the past year. Serbs, 31% of Bosnia's population claim 65% of its territory. Croats, 17% of the population, plausibly say they now control 30% of the country. If so, the poorly armed Muslims, 44% of the population, are to be left in charge of just 5% of the land. Despite a desperate 'defence pact' between Bosnians, Muslims and Croatia, the supposed allies have already clashed over efforts by Bosnian Croats to impose their authority in mainly Muslim areas."

President Mitterand, whose right-wing socialist administration faces the prospect of a humiliating election defeat, tried to recover popularity by a "coup de theatre" in Sarajevo. But before leaving he did not hesitate to kiss on the cheek the Bosnian Serb military chief who has been organising the bombardment of Sarajevo. In contrast to Germany, which wants to cultivate Slovenia and Croatia as client states, France has been effectively backing Serbia as a means of preserving her interests in the Balkans.

The French action, taken without the knowledge of the EC "partners" (Kohl was informed a few minutes before Mitterand got on the plane) was an attempt to upstage both the USA and Britain, being carefully timed to anticipate the UN debate and the ceremonial entry of Britain as new EC chairman.

Compelled publicly to praise Mitterand, the British could scarcely cover their rage. "Its a brave act by an elderly president to underline the dramatic nature of a people's suffering," noted Douglas Hurd stiffly. "I take my hat off to him." But then he added: "we are very reluctant about the idea of using force against hostile forces. It would be much easier to get in than get out."

The British government made it abundantly clear that they did not want to get involved. "Should the Canadians need reinforcements," said a government source with undisguised sarcasm, "the government is confident there would be no shortage of countries - particularly France - willing to contribute." (our emphasis)

When Saddam Hussein invaded Kuwait, the West did not hesitate before sending a massive task force, allegedly to help "poor little Kuwait." The difference is that Bosnia, unlike Kuwait, is not sitting on a sea of oil. The attitude of the West to the Yugoslav conflict shows the hypocrisy of imperialist diplomacy and big power politics. It deserves to be studied closely by every worker who wishes to understand the real motives and material interests which lie behind the rhetoric of "peace," "democracy" and "Self-determination." Foreign policy is the continuation of domestic policy. The interests of the people of Yugoslavia can no more be served by the governments of the bankers and capitalists and the disunited nations than those of the unemployed, homeless and the working class at home.

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TIGHTENING
OUR BELTS!

Whilst the Tories and their friends in the City carp on about workers "restricting wage demands" the bosses are awarding themselves just a little over the rate of inflation.

Sir Alastair Grant has received not only a rise in his standard wage of 14% taking his basic salary to £529,000 but was additionally awarded £444,000 in bonuses taking his earnings last year to £973,000 up from a measly £518,000 last year. Directors at Grant's Argyll food retailing group received took a total £4.3 million, up 88% on last year.

In the same week Lord Sainsbury received a 17% pay increase with Sainsbury's highest paid director seeing his salary rise 29% to £280,000 a year. Tesco chairman Sir Ian Maclaurin was paid £1,084,000 over the past twelve months, £606,000 of it coming from his basic wage.

Makes you wonder why the price of food keeps going up doesn't it?

SUPPORT THE
PRESS FUND

Whilst the Tories' rich friends in the city rake in millions of pounds in tax handouts, *Socialist Appeal* relies on the support of ordinary workers' donations. Please send us your fivers, tenners or whatever you can afford so we can move forward to a fortnightly publication in as short a time as possible and spread the ideas of Marxism throughout the labour movement. Please make cheques payable to Socialist Appeal.

FIGHTING THE CUTS

WALSALL

It is only a matter of weeks since the previously Labour-controlled Walsall borough returned a hung council in the local elections and already the effect of the Tories' policy of privatising local services is being felt.

Thanks to the short-sighted support of the Liberal Democrats, Tory councillors are threatening over 220 workers in the Parks and Gardens Department and Housing Repair Section with redundancy. In response to this threat between 400 and 500 council workers came together on June 29 in a show of solidarity to lobby the council's contract committee.

Many see this initial move from the council as a test case for future job cuts. Workers from the Housing repair section, where 160 jobs are on the line, feel they have been cheated because a four-year, £6 million contract priced at 15% cheaper than their nearest rival has been put out to tender by the council only 15 months after the council's own workforce won the contract.

Job Cuts

Alan Dudson, GMB steward told Socialist Appeal: "We've been given the cheapest contract for four years and now the Tories want to rip it up. They are splitting the work up for small contractors who can win the contract because they work with little or no overheads. We're here to sustain jobs, that's what it's all about." Workers also believe putting the contract out to tender will mean deteriorating services.

A Housing Repairs workers told us: "The section has given a good service to the tenants of Walsall. They are going to feel a big difference in the service if the cuts go through. The Labour council would not have proposed these massive cuts in jobs and people's livelihoods."

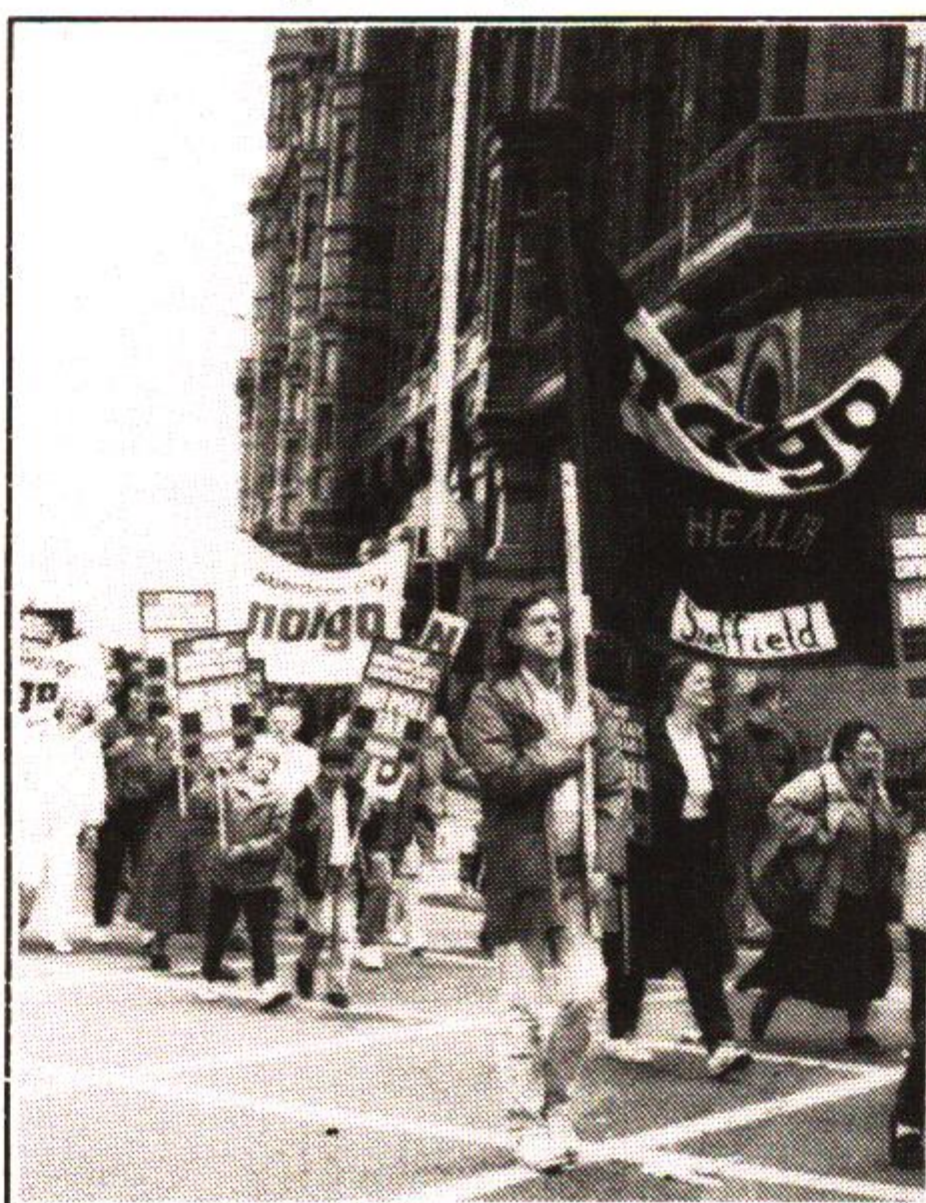
In a move unprecedented in the borough, the five unions representing council workers (Nalگو, GMB, UCATT, APEX and Nupe) were united against the Tory cuts. Under the collective banner of the newly formed Joint Union Group workers were defiant that the council would not get away with its policies. Nalگو branch secretary Bob Piper and spokesperson for the joint union committee said the object of the lobby was "to show the council how we feel. If they continue down this road we will take industrial action over compulsory redundancies. We've done it be-

fore and we'll do it again if we have to."

He added: "We will take action if it is initiated by other unions and we'll ballot our members to support them and instruct our members not to cross other union's picket lines."

In the face of union emasculation by the Tory party since the miner's strike, and the Tories' anti-union laws, the Joint Union Group in Walsall, along with the Cohse, Nalگو, Nupe merger should be seen as a step forward in the struggle for the democratic representation and safeguarding of workers' interests and jobs.

by Ben Clayton and Pat Jones



Nalگو members marching against poll tax cuts.

HARLOW

Harlow District Council has passed a package of cuts, including 23 compulsory redundancies, in a bid to reduce the budget deficit by £948,000. In response, a lobby, organised by Harlow Trades Council and the local authority unions, was called to demonstrate our opposition to the cuts. Two hundred people, including council workers, pensioners and Labour Party members lobbied councillors. Councillors were told that a further £500,000 of cuts will also be made from the housing revenue budget which will inevitably mean more compulsory redundancies.

Some Labour councillors argued the unions had not been properly consulted and that the compulsory redundancies were being pushed to break the council's policy of "no compulsory redundancies." Unfortunately the motion to delay the redundancies was withdrawn at the last minute.

In the past, as the highest spending council per capita, Harlow provided good services. However, in April the council faces budget cuts of £13 million due to poll tax capping. This will decimate services which people have consistently supported by voting Labour. The trades council is organising a campaign of opposition to the cuts involving all local labour movement activists. Trades Council secretary Brian Bostok said: "The lobby is just the start. We intend to fight all aspects of government policy which are bad for this town, and link with other campaigns nationally against the cuts."

Julian Gollop, Harlow

NEWHAM

BALLOT FOR ALL-OUT ACTION

Nalگو's annual conference carried an emergency resolution calling for an indefinite strike of Newham Nalگو branch members on full pay. As we go to press, the branch is conducting a ballot and running a campaign for a YES vote.

In January 54 members of the poll tax collection section walked out in protest at compulsory redundancies in a section already overburdened with work. By May 11, the branch had escalated the action calling out members in housing, rents and benefits. The council are using this issue in an attempt to defeat the union to enable it to carry out further budgetary cuts and redundancies on a borough-wide basis.

Tracy Warren, Newham Nalگو Steward (personal capacity)

This is also why it is important for the union to win this dispute. Nalگو's National Executive Council must put the full resources of the union into the pre-ballot period.

A leaflet explaining the importance of the dispute must be produced and circulated to all members at their home address and to every workplace. Lunchtime meetings should be called outside all the main workplaces to supplement the two town hall meetings already agreed. A public leaflet must be issued explaining which services will be cut. Leisure and Libraries are likely to be the first to suffer. Only with a bold campaign that reaches each and every member can the ballot be won.

LABOUR RIGHT OFFER NO SOLUTIONS: FOR A SOCIALIST LABOUR PARTY!

Labour's fourth election defeat "demands a radical response" and "a new vision to offer the country," says John Smith's leadership election manifesto, *New Paths to Victory*. Are the leadership contenders offering one or more of the same? Brian Davidson investigates.

Undoubtedly in the aftermath of the Tory election victory there was enormous frustration on the part of party members and those that voted Labour. Given the economic situation in Britain - 3 million on the dole, record home repossessions, record bankruptcies and the poll tax - they asked themselves the question, how did the Tories manage to win? *Socialist Appeal* has taken up this question in other issues, but one of the main reasons was that Labour did not offer a socialist alternative to workers or explain how socialism could provide a lasting solution to their problems, what it would mean, and explain that socialism had nothing in common with Stalinism. Instead they offered a programme not much different from the Tories.

A section of workers considered voting Labour, but when they saw no alternative was on offer voted for those who clearly represented capitalism, the Tories, in the forlorn hope that the "golden years" would return. To steal John Smith's words, Labour offered no "alternative" or "vision of the future".

City Interests

In the contest for the Labour Party leadership none of the candidates offer an alternative to capitalism. John Smith's programme is neither "new" nor is it a path to victory. It is merely a rehash of all the old right-wing ideas that have failed in the past. He supports the market, in fact he carried out the "prawn cocktail offensive" during the general election - constant lunches with figures in the city to reassure them that Labour's programme would not harm their interests.

We have explained many times, that under the current system the interests of the bosses and the workers are irreconcilable. Ironically John Smith had first hand experience of this. He was a member of the cabinet in the last Labour government which based itself on capitalism and ended up attacking the working class while at the same time boosting the profits of the bosses.

Bryan Gould has been portrayed by the press as the "ideas" man of the campaign, but like Smith he supports the market and the need to "modernise" and review the union link.

Capitalism

In fact the most notable feature of the leadership campaign is the similarity of the ideas of the candidates. They base themselves on the capitalist system and the status quo. They see no alternative except a little tinkering here and there. This is no accident. At present the bourgeois is conducting an enormous ideological offensive, to convince people that socialism is dead and that there is no alternative to capitalism. In an article in the *News of the World* ex-Labour MP Woodrow Wyatt blurted out: "*Bang must go the slavish ties*



Kinnock, with loyal lieutenants Beckett and Smith.

with the unions, in must come a full blooded salute for capitalism.....So then would Labour be much different from the Tories? No but it would stop frightening the voters away" There you have it. They want to create a

situation like America, where there are two capitalist parties, the Republicans and the Democrats, and when the wicket gets sticky for one the other comes in to bat.

Big business is using its echoes in the labour movement to take up these ideas particularly the ditching of Clause IV and specifically attempts to weaken Labour's links with the trades unions by calling it the "baggage" of the past which will prevent Labour winning a future election.

Some people may ask what all the fuss is about. At present it looks as if the pro-market Smith will win the leadership contest and in the last election Labour made it clear that it accepted the market. Why should the bourgeois worry?

Big Business

In reality, the more astute strategists of big business do not believe their own propaganda, that Labour will not win another election. They are terrified of the coming to power of a left-wing Labour government. British capitalism is in a parlous state, especially in relation to its competitors. When there is an upturn they will be unable to compete. According to recent figures it has been forecast that unemployment will not fall below three million till at least the end of the century! Just to maintain its position the capitalists will increasingly have to attack the working class. It is also unlikely that they have the resources they had in the 1980s. During this period they had £100 billion from North Sea oil and privatisation, but now the oil is starting to run out and they have sold the "family silver". At a certain stage there will be a response to the attacks. Struggles will inevitably break out which will affect the trade unions, pushing them to the left. This will feed into the Labour Party, at a later stage, where there will be a similar shift to the left. However the bosses want a party that will be safe for capitalism, in the words of Dennis Skinner, they want to create "an SDP

mark II "

The link with the unions is a source of enormous strength for Labour. It is the umbilical cord with its natural constituency. The Labour Party was created by the unions and during the general election they provided 90% of Labour funds, some £8m.

If it wasn't so serious then it would be funny. In an article in *The Guardian*, Hugo Young says that Labour must break with the unions even if it means there would not be another Labour prime minister until Tony Blair is party leader! Of course Tony Blair supports a complete severance of the union link!

Labour's Enemies

The concern of these individuals for the Labour Party is touching. These are the sworn enemies of the labour movement and they are trying to mortally wound it. The Tories attempted a similar strategy in the mid 80s when they forced every union to have a vote to decide whether or not to maintain the political levy. To their amazement there was an overwhelming majority in favour of keeping them.

The bosses are trying to have another bite at the cherry, but this time not through the membership (where they have already been rebuffed) but at what they imagine to be the soft underbelly of the movement, the union and Labour leadership.

This has been the strategy of the bosses in the past period. They have attempted to mould public opinion using all the resources at their disposal, the press and the media, and then to try to use so-called public opinion to persuade Labour that their policies were unpopular. Thus we have seen nationalisation dumped, Labour doesn't support the repeal of the anti-trades union laws and they now support council house sales. All because these policies were supposedly "unpopular".

Policy Review

But the right-wing never learn - now they want to break the link with the unions. The ex-left group, the Labour Coordinating Committee now says Labour local authorities should support competitive tendering! Labour's motto would be if you don't like our policies we'll change them.

As Ian Aitken said in an article in *The Guardian*: "...trimming to opinion polls now seems to be the basis on which Labour's post-election 'debate' is to be conducted. The idea seems to be that the election programme should be brought piecemeal before Labour's hanging committee, so that each item can get the thumbs down from the

pollsters..... Of course, that may be good if what is being sought is an entirely new set of policies gleaned from the polling ladies clipboards. But it would be difficult to represent the result as anything remotely like the policy of the Labour Party as we have understood it....Perhaps in these circumstances there really would be the case for a change of name. I have a suggestion to offer; how about the Social Democratic Party?"

Yet the right-wing want more of the same. They want to further water down the policies of the party. But they have forgotten one small point. It is the right that has been in control of the party and it is their strategy that

influence the policies of the party. Already the views of the leaders are out of touch with the rank and file. In a survey of 5000 members, carried out with the full co-operation of the Labour Party: 75% rejected the claim that its better for Britain when the trades unions have little power, 82% wanted to return to public ownership the privatised industries, 82% of members wanted less spent on defence, and 2/3 agreed that the central question of British politics is the class struggle between Labour and capital!!

These results must have sent a shiver down the leadership's spine and this is why the union leaders are having second thoughts.



Labour must back workers fighting to defend their living standards.

has dismally failed in the last three elections. However some of the more astute leaders realise that this is a high risk strategy, especially to break the link with the unions which could leave the party open to control of the left through the constituency parties.

"A Labour party exclusively controlled from the constituencies would be profoundly vulnerable to the kind of disastrous Trotskyist takeover which engulfed the rank and file in the 1980s." *Guardian* (22/6/92)

They realise that the under the pressure of events, as during the rise of Bennism- the rank and file will move to the left and start to

John Edmonds has said that the unions must be the "ballast" against the CLP's. Even if John Smith wins the contest for the leader, then they will find it difficult to get a 2/3 majority at the conference for their proposals. Originally they intended to introduce proposals to remove the TU role in the selection of MPs at this year's conference, but now they have decided not to do so.

It was one of the few occasions in recent years there was a split on the NEC. By 13 votes to 8 it was decided that all the issues relating to the link with the unions would be discussed by an enquiry which will meet after the July

conference. The enquiry, formally at least, has a majority that supports the link with the unions. And anyway its likely that these issues will not now be discussed until 1994. In the campaign for the deputy leadership Labour Party members should vote for John Prescott. He does not articulate a clear socialist programme but he has defended the T.U. links with the Labour Party and has come out against jettisoning Clause 4 of the constitution, the socialist clause.

"There are many reasons why we lost the election.....My complaint is that, in particular the press, and by some in our party, (claim) it is Labours "baggage"- trades union links and Clause IV.....I'm surprised people say that Clause IV is such a terrible principle," Guardian (25/6/92)

He also supports the democratisation of the bloc vote. Socialists should support this proposal. It is a travesty of democracy that the general secretaries of unions have been able to disregard the wishes of the TU membership. The decisions of the conferences must be binding on these general secretaries, they must be made accountable to their membership. This would be the beginning of the democratisation of the bloc vote.

Neither are we against all members having the opportunity to elect the leader of the party, or select their MP.

Reselection

It is ironic, however, that the very people who are posing as ultra democrats now, formerly wanted MPs to have a job for life. They defended the right of people like Reg Prentice to remain as an MP, but when he was deselected he left to join the Tories. In addition to this they only wanted MPs to elect the leader of the Labour Party. In effect they want a method that would guarantee a right-wing leader.

"Once Labour leadership contests were through in a matter of days. That was when MPs alone voted. They're the only ones with firsthand knowledge of the candidates ability...." (News of the World 21/6/92)

In effect one member one vote already exists. Every member has the opportunity, during reselection contests, to attend their ward or aggregate meeting of the party to come along and hear both sides of the argument. This should be the case with the union branches as well. But we are opposed to postal ballots because it does not allow the issues to be openly debated by party members.

The right wing imagine they have the party well stitched up at the moment, but whatever the result of the leadership contest (it is most likely Smith and Beckett will win) it will not

make a fundamental difference to future developments in the Party. This is not the post war period, where because of the boom the right-wing held sway for many years. It was no accident that during the election the Financial Times came out for a Labour vote. This was because they realised that whatever government was in power they would have to deal with an economic mess. They preferred Labour to face the mess, forcing them to attack the working class, which would make

them so unpopular that they would be smashed at the next election thus paving the way for the Tories to return to power.

Inevitably struggles will break out in Britain, just as they have in Germany, and at a certain stage they will be reflected in the party which will move to the left. All the schemes and plans of the right-wing will be powerless to prevent such a transformation of the Labour Party.

...IN BRIEF...IN BRIEF...IN

WE NEED ACTIVE CAMPAIGNING YS!

Broxbourne CLP has overwhelmingly endorsed calls to rebuild an active Labour Party Young Socialists and to increase the age limit to 26 to encourage more youth and young trade unionists to join the party. Socialist Appeal is committed to the building of a mass, socialist youth wing of the Labour Party.

The call from Broxbourne CLP should be taken up by other CLPs and party members attention should be drawn to the fact that Labour's vote among the youth fell in the recent general election compared to its level when Labour had an active YS.

STRENGTHEN LABOUR'S UNION LINKS

The vast majority of Labour activists are horrified at plans by John Smith, Bryan Gould et al to sever Labour's links with the trade unions. A flood of resolutions should deluge Walworth Road and Labour Party Conference.

Harlow CLP has already set the ball rolling passing an important resolution calling for Labour's union links to be "maintained and strengthened" to create "a mass, democratic, socialist party."

A Harlow Labour Party member told Socialist Appeal: "We must defend the historical link with the unions. The unions created the Labour Party to fight for working people's interests and we shouldn't let the Tory press and opinion polls dictate how our party should be run."

NUPE's executive has also issued a statement rejecting the view that breaking the links with the unions will help Labour become more electable and rejecting the idea of pacts to secure an election victory.

The Socialist Campaign Group conference has also called for Labour's trade union links to be defended.

YOU'VE GOT TO PICK A POCKET OR TWO!

The new Tory government are carrying on where the last one left off - being "economical with the truth."

Norman Lamont claims that the gap between rich and poor has not increased under the Tories. In fact the share of after tax income taken by the top 20% has increased from 37% to 43%, while the share of the bottom 20% declined from 9.5% to 6.9%.

Kenneth Clarke's latest claim is that classes of over 40 children are hard to find. He can't be looking in the right places! The number of children in classes of 40 or more has risen by 27% in the last three years.

And remember that one about the end of the recession being just around the corner? According to the latest CBI survey production has not grown and unemployment is set to continue rising. Some economists even predict it will remain at 2.5 million for the rest of the century. They don't say whether after that it will go up or down!

1990s: The Decade of Economic Instability

By
**Michael
Roberts**

It has been said by some capitalist commentators that if it had not been for the collapse of stalinism in Eastern Europe and the former Soviet Union in the past two years, everybody instead would be talking about the crisis of capitalism.

And certainly the annual July economic summit meeting in Munich of the leaders of the top seven capitalist states (G7) is not an occasion for triumphalist rejoicing about the success of the "market economy". The Organisation for Economic Cooperation and Development (OECD), the capitalist club of 24 nations, has just produced its latest report and it makes dismal reading, even for that notoriously optimistic group.

Stagnation

The world capitalist economy has just completed a second year of stagnation and recession in the growth of production. Major capitalist states like Canada, the UK and the US have suffered absolute falls in national production (GNP), while others like Japan and Germany are currently suffering sharp declines that have reduced their annual growth rates for 1992 down to a paltry 1.3-1.8% from 3-4% in 1991. It is true that, overall, the OECD economies have not experienced an absolute fall in GNP as in the previous two recessions of 1974-5 and 1980-2, but growth has been reduced to a trickle and the stagnation has been extended over a long period.

What the current recession does prove is that capitalism has not solved its problems and established sustained and uninterrupted growth of production, investment, and above all, living standards for the people it controls, as the capitalist leaders of the 1980s claimed the market economy would do during the relatively lengthy boom of 1982-90.

On the contrary, capitalism is in a new epoch from the post-war upswing of 1948-73, then it appeared that the trade cycle of booms and slumps hardly operated, and there never was a year when production and incomes paused for breadth in their inexorable upward path. Then full employment appeared to be the



Unemployment in the US continues to rise despite Bush's talk of an economic recovery

norm, while world trade expanded in leaps and bounds.

This epoch of the long upswing was unprecedented in the history of capitalism. It was made possible because of a unique set of circumstances. First, the US had become the overwhelmingly dominant economic and political power in the world arena. As such, it was able to dictate terms to the other major imperialist economies in order to establish a world economic order based on the freeing of the trade tariffs of the 1920s and 1930s, the use of the dollar as the medium for international exchange with all other currencies fixed in value to the dollar, and also to provide massive credit and transfers of money to Japan and Western Europe in order for capitalism to be revived and new markets created.

Labour Movement

Once the labour movement had been defeated or pacified in Japan, Germany, France, Italy and Britain, the political and economic conditions were laid for a dramatic rise in profit rates and world markets. Cheap labour from immigration and the reserves of peasantry in the countryside, combined with plentiful finance for investment in new technology produced dramatic rises in investment, production and profits in Germany, France, Japan and other economies.

Fast expanding production also boosted the growth of world trade, already helped by the international agreements imposed by the US, particularly on the backward, resource-rich

underdeveloped world. A virtuous circle was developed where rising profits boosted investment and production which in turn aided trade and incomes. Growing markets in turn created the environment for further investment and even higher profits. Higher profits allowed capitalism to pay for some improvements in infrastructure and the welfare state, particularly education and health, which in turn raised the productivity of the labour force.

Also capitalism could finance a massive expenditure on arms to try and strangle the Stalinist states and preserve social control within the capitalist states, particularly in the Third World where nationalist movements were threatening imperialist control. At the same time arms spending provided employment for millions of workers in the metropolitan states of US, UK and France and extra markets for big business.

However, beneath the surface the inherent contradictions of capitalism were at work. Capitalism does not proceed smoothly and harmoniously to raise production and living standards. This is because on the one hand there is an irreconcilable contradiction between the social production of human labour combining with technology to create products that people need, and the conversion of that productive power into private profit or capital through the anarchy of the market. The demands of private profit and capital eventually restricts and blocks further expansion of production for need.

WORLD ECONOMY

Alongside this contradiction there is another: when capitalism expands beyond national state boundaries in its search for profits and markets, it is restricted by the limitations of the nation state, upon which the capitalist combines depend for their existence. These two contradictions were working their poison on the body of production during the epoch of the long upswing.

As Marx explained, beneath the surface of apparent unlimited expansion, capitalism develops inherent obstacles to further progress. There is no room here to explain Marx's theory of economic crisis in detail. Suffice it to say, that just as Marx's theory predicted, after the mid-1960s profit rates in all the major economies began to decline. Alongside this, the room for the expansion of world markets began to disappear.

Eventually these contradictions, falling profit rates and restricted markets, burst to the surface with a major world economic recession, which hit all the capitalist economies simultaneously in 1974. Production and investment declined absolutely for the first time since 1948. Unemployment shot up, alongside a surge in inflation mainly caused by the oil price shock (apart from over-extended government spending used to try and stop the slump).

Since 1973 there have now been three major world recessions: 1974-5, 1980-2 and 1990-2. Each has unfolded in a slightly different way. But despite all the attempts of capitalist governments and their experts, they have been unable to avoid what Marx said would be inevitable under the capitalist system of production: boom and slump, prosperity followed by crisis wasting trillions of dollars of resources in closed and unused productive capacity and in throwing millions of skilled human labour onto the scrap heap.

What is now also clear is that after 1973 capitalism entered a new economic epoch. The last two decades have not been a period of generally uninterrupted growth of production and incomes, of full employment and rising investment and expanding profits like the previous 25 years. Quite the reverse, each recession has seen a vicious spiral of downward profits, investment and production coupled with rising unemployment and bankrupt industries.

Some commentators, and they included some who claim to be Marxists, argued that the extended boom of 1982-90 suggested that capitalism had found a new lease of life that could overcome further major recessions or slumps. But they have been proved wrong. Neither a computer information revolution nor greater world economic integration by

the capitalist powers has succeeded in staving off economic crisis.

Just like the 1920s and 1930s, we are now in an epoch of economic instability, of boom followed by slump, the reassertion of the classical capitalist trade cycle that Marx and Engels first identified nearly 150 years ago and which is an irremovable feature of the capitalist system from the time it first established itself as the dominant economic world system.

The proof of this is in the figures of the capitalist economies themselves. Since 1973, profit rates, investment, productivity, production and trade growth have all been lower or slower than period of the long economic upswing of 1948-73.

OECD Economies Record (% Change)

	1960-73	1974-9	1980-9
Output	4.9	2.7	2.5
Investment	7.6	2.3	4.7
Trade	9.1	2.3	4.5
Productivity	3.8	1.6	1.8
Prices	4.1	9.7	5.7

Source: *OECD Economic Outlook*
December 1991

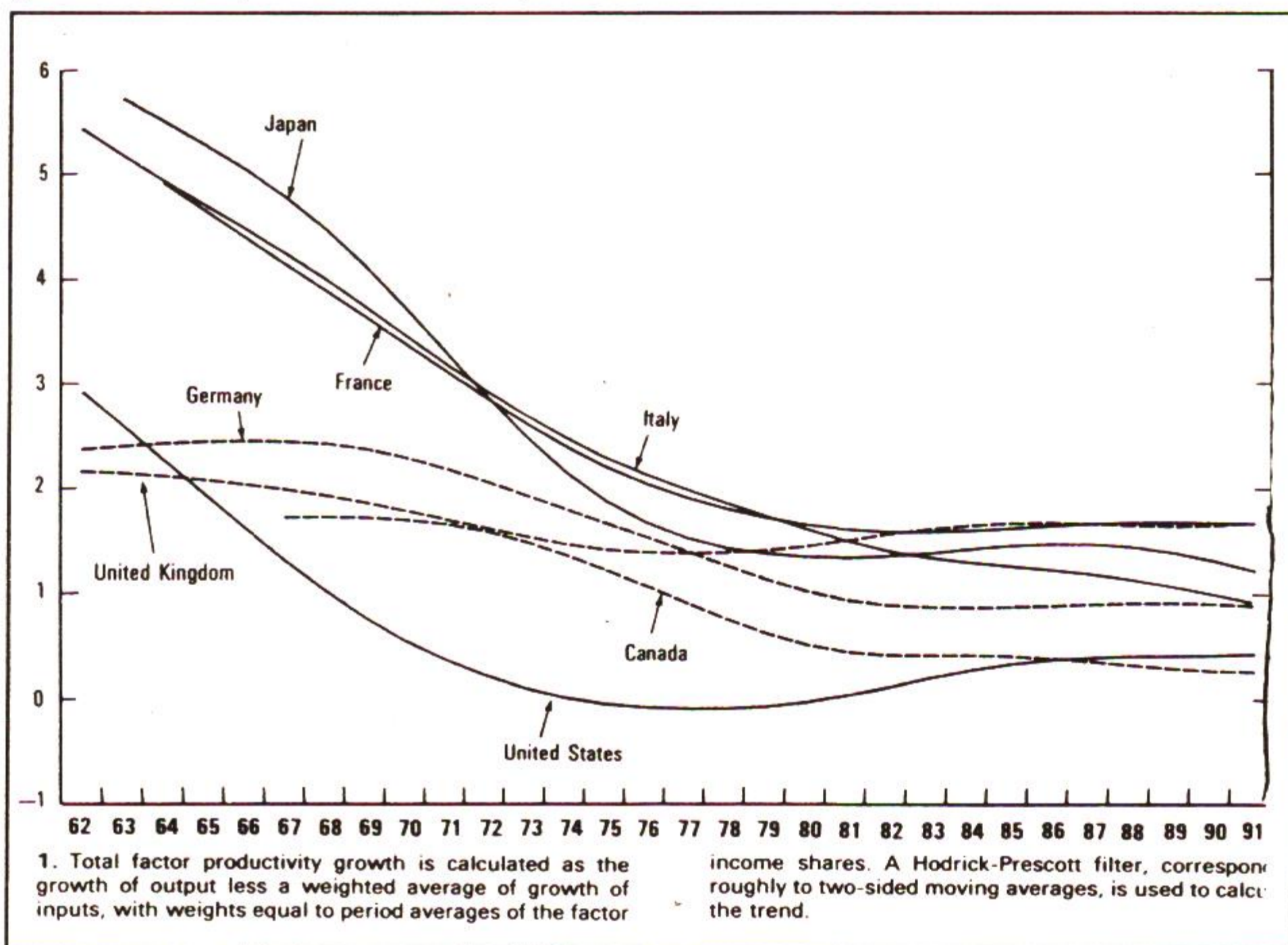
In addition, real interest rates (interest rates after accounting for inflation) have risen sharply in 1980s, further restricting the amount of profits going to the manufacturing capitalists who are the foundation of economic growth under capitalism. Above all, at each

succeeding peak and trough in the cycle since 1973, unemployment has risen to new levels, and at the peak of the last boom (1988-90) it was nearly double (6.5%) the rate that it stood in 1973 (3.4%). The epoch of full employment under capitalism is increasingly a distant memory for this generation of workers in the OECD states.

During this new epoch, as well as three recessions, there have been booms. The recession of 1974-5 was followed by the boom of 1976-9; the recession of 1980-2 was followed by the boom of 1982-90. This current recession will be followed by another boom.

The boom of 1982-90 lasted longer than most other upturns in the post-war period (although it was worth noting that there was a distinct pause in production particularly in Japan in 1986). This was not because new conditions for a long capitalist upswing had been created through a computer revolution or world economic integration, but for several specific features.

First and foremost, despite the so-called monetarist creed of the conservative governments of the 1980s, with the exception of Britain and Germany, the normal life of the boom was artificially extended by massive government expenditure through budget deficits. In the US, the conservative so-called monetarist Reagan presided over the biggest expansion in arms spending in US history running up a huge budget deficit which severely weakened the US dollar and created an equally large trade deficit. However, the US was able to finance an extended boom in this way, in effect by using the



The decline in productivity growth, particularly since the late 1960s, confirms that we are in a new economic epoch. Productivity growth has not recovered appreciably in the 1980s.

resources of Germany and Japan who lent the US money to finance their budget and trade deficits.

Government Expenditure as % GNP in OECD

1960	28.0
1970	32.3
1980	39.3
1989	41.6

Source: OECD Economic Outlook December 1991

Second, there was an unprecedented expansion of private credit. The banks, awash with money capital, lent huge sums to property companies and other speculators which artificially created purchasing power in markets which otherwise might have ground to a halt earlier.

Also, as world trade continued to expand at a faster rate than production, as it has done since 1948. The super exploitation of the economies of the Third World has enabled world markets to provide a boost to profits of the imperialist economies. This was especially so in the 1980s. Living standards in most countries of the Third World fell during the decade, because up to \$50 billion of resources each year was transferred out their economies and into the OECD. This huge transfer of wealth helped to keep costs of manufacturing down and provide reserves for an extended boom,

Exploitation

Also even within the advanced countries, there was an intensification of exploitation by capitalists using the fear of unemployment which had been created after the recession of 1980-2 to force workers to accept lower wage rises while extending hours, speeding up work and introducing shift work to maximise the surplus value out of workers in the US and Europe. Wages rose only 6.2% a year from 1979-87 in the OECD compared to 11.6% 1973-9 and 9.6% 1965-73. As a consequence the cost of labour per unit of output for OECD capitalists rose only 4.5% a year in the 1980s, less than half that of the mid-1970s and even lower than 1965-73. This boost to the rate of surplus-value helped to stabilise the rate of profit during the 1980s, so that the average rate during that decade was even slightly better (14.8%) than in the late 1970s (14.3%), although still well below the average rates achieved in the long upswing of 1948-73.

However, the artificial extension of the boom

beyond its normal life of three to five years through the creation of fictitious capital, as Marx called it, cannot last indefinitely, particularly when this credit is invested in unproductive ventures like property and arms. Eventually the inherent forces of declining profit rates, rising interest rates and slowing world trade growth will force a "correction" and the stock market bubble will burst, as it did at the end of 1987 with the October crash. Some of us then made the mistake of assuming that the stock market crash presaged an immediate collapse in the real economy. However a recession did not come until nearly three years later. Why was that?

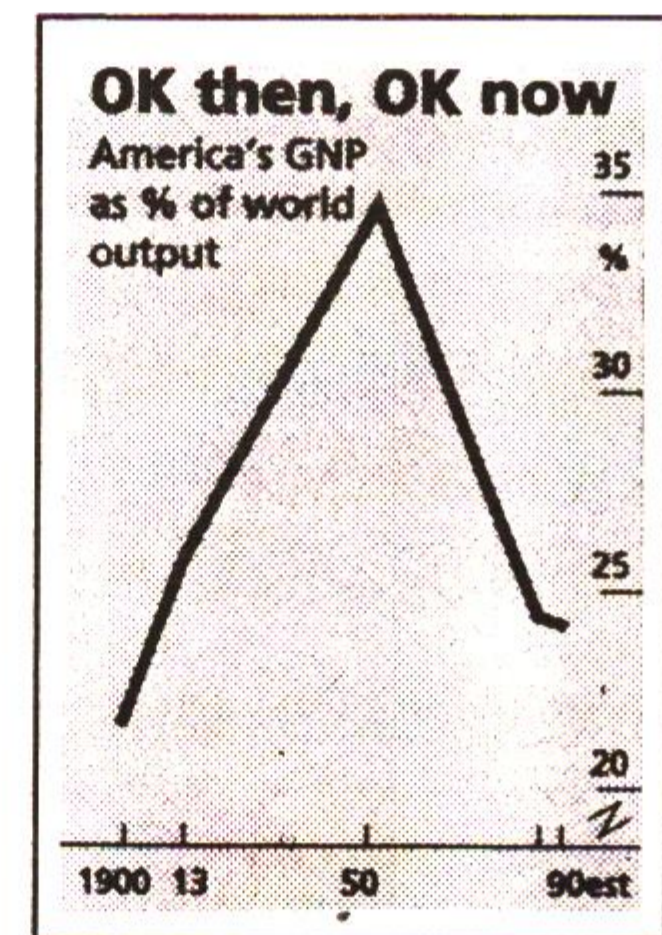
What we had not recognised was that all the economies of the capitalist club were not at the same stage of the economic cycle. While the Anglo-Saxon economies of the US, UK, Australasia and Scandinavia had stretched their profits and markets to the limit, that was not the case in Germany, which had been slow to recover after 1982 and was just getting into its stride in the boom, while Japan was also riding high on a huge investment boom. These economies had rising profits and markets which were able to support the Anglo-Saxon economies with extra credit to ride out the stock crisis and extend the boom for a further two to three years.

But there was no escape. Just as the leaders of capitalism were crowing about the failure of "Communism" and the triumph of "the market", as the stalinist regimes tumbled, the world capitalist economy entered its third recession of the new epoch. At first the slump in profits, investment and production hit the Anglo-Saxon economies from the summer of 1990. One year later it started to affect Germany and now Japan, the locomotive of capitalist growth, has gone into recession with a vengeance.

Precisely because the boom of 1982-90 was artificially extended by credit, so in the recession it has left a huge overhang of debt on the governments and corporations alike. For example debt, both public and private, in the USA had reached 197% of the total GNP. Bankruptcies have multiplied like a prairie fire, while the debt burden has brought down big names and exposed hundreds of frauds and swindles perpetrated by big business during the speculative paradise of the late 1980s - in Britain from Maxwell to Polly Peck; in the US from Drexel to the savings loan institutions; in Australia with Alan Bond; in Japan from the Recruit scandal to a Prime Minister, in Italy from Fiat to the governing party coalition, all dipped into the trough in the boom and were brought down by the recession.

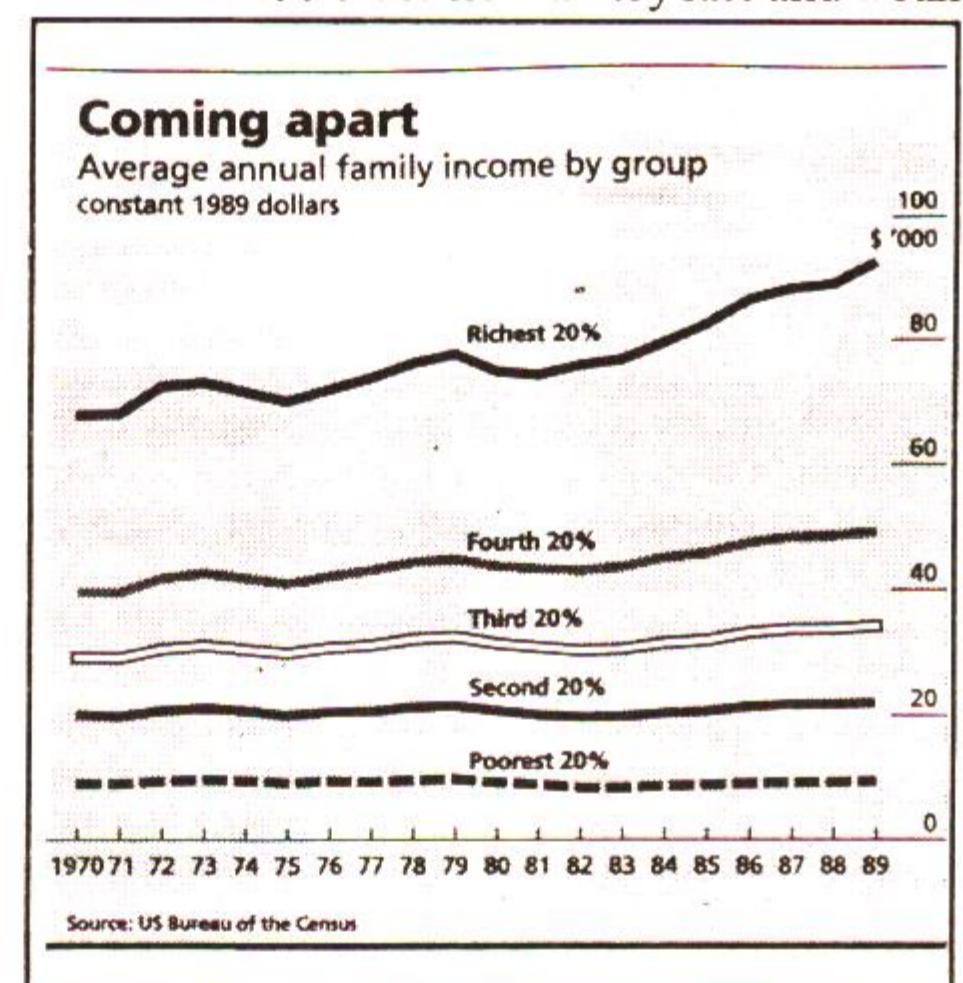
The US was one of the first economies to go

into the recession. The US economy is still a colossus, but whereas in 1950 it produced over 35% of the world's total GNP, that has now fallen to under 25%.



US economic power peaked in 1950 and has been in relative decline since.

German and Japanese economic power has increased relatively to that of the US, where investment continues to grow slower and also fall as a share of GNP, unlike Japan and Germany. The boom of 1982-90 in the US was based not on sharp increases in productive capital investment in technique, plant and machinery, but on arms spending, borrowing from abroad and by holding down the real incomes of US workers. In the USA average real wages per hour are now 13% lower than they were in 1973. In this way extra productivity was dragged out of US workers to compensate for the failure of US capitalism to invest. But such methods only create conditions for a more severe recession when the economic climate changes. That is why the US suffered an absolute fall in production in 1991 and now a very late and weak



While the rich have gained in the US, the poor and even the middle class have experienced hardly any improvements in living standards in 20 years.

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recovery.

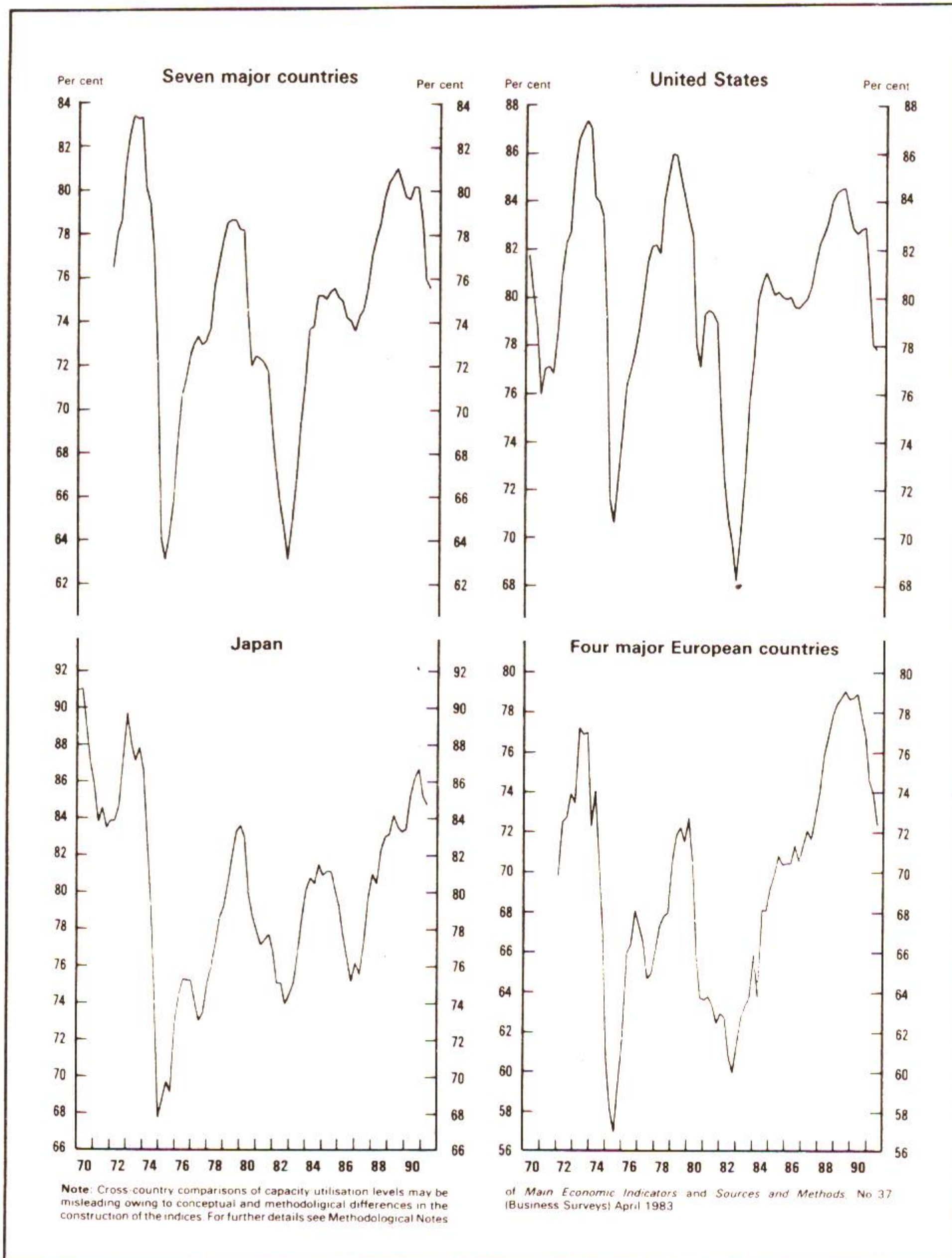
In Germany the situation was different. Public spending was kept under control while German capitalists continued to invest heavily in productive capital. The boom was a real one, particularly in the late 1980s. However, once the US and the other Anglo-Saxon economies entered a recession, markets for German exports were restricted. The economy slowed. Then the collapse of stalinism in the East left the German capitalists with a huge problem: how to finance the transformation of East Germany into a part of the capitalist West without provoking the workers of the East into revolt against unemployment and low wages, while at the same time maintaining the incomes of the workers in the West by avoiding large tax increases. Chancellor Kohl thought he could do this by introducing a huge public spending programme for social security and industrial restructuring in the East, paid for by higher interest rates (and higher saving) and the continuation of the world boom.

Recession

Once the recession began he could not square the circle. Government borrowing reached DM 140 billion in 1991 and is likely to reach DM 170 billion this year, or 6% of the GDP, much higher than Reagan's borrowing in the 1980s. Taxes have been raised and inflation has accelerated, provoking a wave of strikes in the West. However, the East has not been transformed: unemployment there is soaring, and production is at best stagnant. Now the German economy is fast slowing down to a stop.

In Japan, long the dynamo of world capitalism, the recession also came late. But when it came, it came with a vengeance. Profits and industrial investment have fallen back by more than 15-20% in the last 12 months. Industry leaders like Toyota state that conditions are now worse than they were in the recessions of 1974-5 and the early 1980s. For the first time in its history, Sony made a loss on its business operations. The reaction of the highly overinflated Japanese stock market has been swift and devastating. Whereas it hardly fell in the great crash of 1987 and quickly recovered, this time, faced with a slump in the real economy, it has plunged nearly 80%, wiping out many speculative deals particularly in property. Bankruptcies are up 30%.

However, it more than likely that this current recession will come to an end soon. By cutting back on productive capacity and employment, capitalists can lower production costs sufficiently to raise profitability and



The waste of capitalism is exposed by its failure to use all the productive resources available. Even in the boom periods since 1973, maximum utilisation of capacity in manufacturing has not risen above 84% in the G7 economies, and it has fallen as low as 64% in the recessions of 1974-5 and 1980-2.

begin investment anew - of course only after million are thrown onto the dole and thousands of businesses are closed and many industries in various national economies are shut for good. Such is the "cleansing" process of the capitalist slump - and such is the horrible waste of the capitalist system of production.

Already the US economy is showing signs of recovery. Growth of production has now reached annualised rate of around 3% over the last three months. However, this is the weakest rate of recovery after a recession that the US has achieved - it usually grows at 6% after a slump in the first few months. This growth rate is not enough to stop unemployment rising in the US or provide sufficient

markets to stop the continuing slump in industrial production in Germany and Japan. So it is likely that 1992 will see little overall recovery in growth: the OECD predicts just 1.8% for all the OECD economies compared to 0.9% in 1991. World trade grew less than 4% in 1991, its lowest for a decade, and it is predicted to rise just 5-6% this year.

Just as the 1982-90 boom was extended partly because the major capitalist economies were at different stages in their trade cycle, so the following recession of 1990-2 has been extended. Just as the US falteringly starts to recover in the latter part of 1991, Germany and Japan start to plunge into recession, in turn further weakening the strength of any recovery.

So it seems that a proper recovery will be postponed until 1993. But even then overall growth is likely to be under 3%, and it is becoming increasingly clear that the next recovery is likely to be the weakest since 1948 and the weakest yet again in this epoch of instability. It will probably not be enough to allow unemployment to fall much from its peak of 30 million in the OECD (probably higher if proper statistics were used) which it has reached in 1992.

Overall the recessions of 1974-5 and 1980-2 lost more potential output than was made up for in the subsequent boom periods. This was particularly so in the UK. The prospective boom of the next few years is also unlikely to restore the lost potential output of the recession of 1990-2. In the case of Britain its prospective growth rate, 0.4% in 1992 and 2% for 1993, means that the UK economy appears to be in almost permanent recession as it was in the 1920s.

Trade War

This weak boom may last three or four years and then give way to a further recession or perhaps even major slump if a trade war breaks out, say in 1996 or 1997. The best indicators of the length of any new recovery and further recession will be: the level of productivity and investment, the size and growth of profits, whether the rate of profit and the real rate of interest are rising or falling, and the extent of the expansion of world trade.

But are there any factors that could lift capitalism out of this cycle of boom and slump and create new conditions for a sustained economic upswing?

Capitalist commentators and the leaders at this year's economic summit in Munich are looking to two saviours: fast expanding world trade based on further moves to "free trade" through the General Agreement on Tariffs and Trade (GATT) and more integration of economies in Europe, North America and the Far East; and second, the development of new markets through the transformation of the former Soviet Union and Eastern Europe into capitalist economies.

Capitalist commentators have made much of the boost to world markets and capitalism that an agreement between the major capitalist powers in the latest (Uruguay) round of trade talks under GATT could achieve.

Over the post-war period an expanding world economy has enabled capitalist states to reach agreement to cut tariffs on imports at successive meetings of GATT. However, further progress depends on dealing with subsidies and quotas that protect inefficient farmers

and textile producers from more efficient competition - and agriculture (10%), textiles (5%) and services (19%) constitute a sizeable share of world trade. If these subsidies and restrictions were removed, trade could be expanded.

It has been estimated in a detailed survey by some Canadian economists, that if the GATT talks agreed to substantial cuts in agricultural subsidies (70%) and services (20%) then about \$250 billion a year extra production could be generated from world trade, which is equivalent to raising growth rates by one percentage point. However, such a radical agreement is completely ruled out by capitalist governments. Even so, the current negotiating terms would, if met, cut agricultural

after the US elections in November... and then there will have to be a lot of goodwill or this could slip into a trade war". EC Commission official (Financial Times 1 July 1992) It could be that some compromise may be reached which would allow some limited further competition in world trade. Even if there is capitalism cannot avoid another recession. If there is not an agreement, then there is every possibility that capitalism could slip into a series of trade wars which could push the world economy into a serious slump. This is because it is increasingly the case that the major capitalist trading blocs are looking to strengthen their own spheres of trading influence against the other through regional agreements.



Share dealers wait for recovery as the Tokyo Stock Exchange slumps again.

subsidies by 30% and services by 10%. That could add \$120 billion a year to production, or 0.5% to annual growth rates.

But such a radical reform of agriculture and services would also mean the loss of livelihoods and jobs for millions of farmers and small businesses throughout Europe, Japan and the US. Big business would be boosted at the expense of the small. So each capitalist bloc, North America, Japan and Europe, has stalled on making a deal which could cause widespread social upheaval. Japan alone spends 3.2% of its GNP on subsidising its agricultural sector. If it was to cut that, the government would face mass opposition.

It is now two years since G7 summit leaders promised a deal, and still there is no sign of an agreement. Neither the EEC nor the US can afford to concede too much to the other, and now there is a recession they are even more reluctant. And yet because there is recession, capitalist commentators are even more insistent that there should be a deal.

"I don't think anything can happen now until

Capitalists in Europe now talk about the Greater Europe market composed of the EC countries and the old EFTA nations, 380 million people producing \$6.5 trillion and controlling 22% of world trade.

World Trade

The US, Canada and Mexico are presently negotiating for a North American Free Trade Trading Agreement. This would involve 360 million people, producing \$6.2 trillion and controlling 11% of world trade. And Japanese leaders talk of forming an East Asia Economic Agreement which could encompass 510 million, producing \$3.7 trillion and controlling 13% of world trade.

If there is no guarantee for each bloc that it can gain from an ever expanding capitalist world market, it may increasingly move to protecting its own trading bloc from the imports of others. However, so far from being a boost to capitalism overall, regional trade blocs would lower efficiency and reduce world markets. As over 40% of world trade

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is between the trading blocs, reverting to relying on trade within the regions would seriously damage overall growth of trade.

And even within the blocs there are contradictions. Much has been made of the boost to production and trade that the move to a Single European Market and a single currency could achieve. But the interests of each national capitalist state in the EC in an epoch of economic instability are driving apart the attempts to increase integration. Monetary union, planned for the end of the century, now seems a mirage after the Danish referendum. Now the talk is of "subsidiarity", or in other words, keeping economic power in the hands of each government.

The Maastricht agreement set criteria for each EC economy to achieve in order to bring about a convergence of the economies: lower inflation, tighter public spending, etc. As of now very few of the EC economies can meet these criteria and the prospects are not hopeful of them achieving the targets by 1996 when greater monetary unity is supposed to begin. True integration of the EC economies would necessitate a transfer of resources from the richer economies in order to speed up the development of the poorer economies. Otherwise trade and investment would merely benefit the large economies and crush the small. It has been estimated that a minimum of 10% of the GNP of the EC economies would have to be redistributed through the EC budget over a decade or more to begin to achieve this. At present only 1% is distributed and recent proposals by EC President Jacques Delors to raise this spending by just 30% over three years was quickly shelved by the EC national government summit in Lisbon last month. The prospect of a super European market or state is just a pipe dream, and the risk of disintegration has grown sharply.

But what of the prospect of new markets for capitalism from the transformation of the old Soviet Union and Eastern Europe into fields for capitalism?

Profitable gains still seem a long way off. The terrible slump in production, investment, employment and trade in these countries, which began in 1990, remains unabated. The United Nations Economic Commission reports output has fallen 25% in Eastern Europe in the last two years and is still falling.

Recent studies have shown that to restore the Soviet Union and Eastern Europe as profitable markets for capitalism would require the transfer of resources from West to East of \$75 billion to \$167 billion each year for the next decade. At present the West has committed itself to just \$25 billion over the next two years, and much are loans not grants.

If it fails to invest at the required levels, there is no likelihood that these former planned economies could become profitable markets for the West, except perhaps in a few sectors like oil and gas. And yet the cost of putting these economies on a capitalist footing is just 2% of the OECD's GNP each year, much less than the US transferred to Western Europe under the Marshall Plan after the second world war.

Why does Western capitalism not make the investment, even though it knows it should? For two reasons: first, in a economic epoch of booms and slumps where production growth fluctuates wildly and is now seldom above 3% overall each year, a deduction of 2% from growth rates would be a serious cut. In the case of economies like the UK it would mean cutting living standards to help Russian capitalism. No Western government can expect to do that and keep social peace at home - look at the strains that German capitalism faces trying to integrate just East Germany.

Also even if the investments are made it will take a decade or more before the returns in profits are reaped. That is a long time in an environment where markets are unstable and recessions can occur periodically. Naturally capitalists consider the risk is too great and, on the whole, they look for investments could earn a better return elsewhere.

Thus it seems unlikely that capitalism can be set on a new course of sustained prosperity through world trade agreements and the development of the old stalinist states. It is possible that with an agreement at GATT, followed by a new economic boom, the further integration of Europe and North America could continue, while there is an accelerated expansion of production in the Pacific (where the "tigers" of East Asia: Hong Kong, Taiwan, Korea and Singapore, have already leapt forward in the past 20 years). In turn this could provide the incentive and funds to invest in Eastern Europe which in turn could open up a new phase of capitalist expansion in the 21st century.

But we are not in an epoch of uninterrupted economic growth, but one of booms and slumps. This instability and fluctuation forces national capitalist states to turn inwards and protect what they have. The next boom will probably be followed by another recession. Moreover, if the GATT talks fail, this will increase the pressure towards trade wars, which means cutting back on foreign investment and attempting to stave off rising unemployment and falling production by protecting markets at home and reducing integration. This is a scenario not for harmonious capitalist progress, but economic slump and social upheaval and mass movements of the working class to end the inequality, waste and destruction of the private profit system.

Some Facts About the UK Economy

The 1982-90 Boom

Business investment in the UK has been one of the lowest in the G7 during the 1980s. UK manufacturing output rose 1979-91 65 in total compared with the OECD average of 35%, making the UK 20th slowest out of 21 OECD economies. UK's share of OECD manufacturing output has fallen from 6.5% in 1979 to 5.2% in 1991. Between 1985 and 1990 UK export volumes rose 25% but import volumes rose 43%. The cumulative balance of payments deficit for that period was £55 bn. According to the World Economic Forum the UK has the lowest availability of skilled workers in the OECD, the worst training programmes, and it is 20th out of 21 for spending on research and development in non-defence sectors.

The 1990-2 Recession

The fall in GDP since the peak of the previous boom (summer 1990) is over 4.5%, not quite as deep as 1980-2 (5.5%) but nearly. However the fall between summer 1990 and summer 1991 was the sharpest annual fall since the 1930s and the length of the recession (seven consecutive quarters of decline) has been the longest since then. The fall in industrial production was twice that of the services sector. The balance of payments deficit has continued even during the recession when imports are usually cut right back. This is the first time in UK capitalist history. Unemployment is reaching 3 million on official figures, nearly at the level of the last recession.

The Recovery?

The government has revised downwards its figure for growth in 1992 at regular intervals. After a 0.4% rise in the first three months of 1992, manufacturing output is forecast to be flat for the next six months. Most forecasters predict zero or less than 0.5% growth in UK GNP for 1992 and no end to the rise in unemployment until well into 1993 and forecast no reduction in the foreseeable future.

SOUTH AFRICA AFTER BOIPATONG - ARE NEGOTIATIONS DOOMED?

The call by the Congress of SA Trade Unions (Cosatu) for a general strike from 3 August has underlined the seriousness of the showdown between the South African government and the leaders mass organisations, who have come under intense pressure from their rank and file. The explosive militancy of the 1984-86 uprising has returned to southern Transvaal townships, turned them into no-go areas for the police. Workplaces and mines are tense with anger. ANC and union leaders have been forced to respond to this mood.

ANC secretary-general Cyril Ramaphosa has stated that "mass action" must become permanent. Cosatu general secretary Jay Naidoo says that the aim of the general strike is to force De Klerk to resign and instal an interim government. There is pressure for the strike to continue until all demands have been won. But the government has declared that they are "not prepared to give up power unconstitutionally. It is as simple as that". Does this showdown mean the end of the 'Pretoria spring' and a return to emergency rule?

Our correspondents in South Africa look at the background to the crisis and prospects for the future.

With 6,000 killed since February 1990, political murder is no longer front page news in South Africa. Yet the Boipatong massacre on 17 June 1992 - a day that seems destined to go down in our history - has sent shock waves through society. This was not only because of the cold-blooded savagery with which 39 victims were hacked and shot to death. It was above all because of the timing.

The massacre was staged at a moment when De Klerk's 'peace process' was in the balance. Negotiations at CODESA II (Second session of the Congress for a Democratic South Africa) had broken down over the issue of a constituent assembly.

This deadlock highlighted the intractable difficulties which faced the ANC and government leaders in searching for a negotiated settlement within the present social framework. For two years the ANC leaders had been bending over backwards to accommodate De Klerk. They had abandoned much of the ANC's programme, including the demand for majority rule, and agreed that a 70% majority should be needed for a new constitution. But the government insisted on a 75% majority plus an upper house with the power of veto. This outrageous demand made a crisis inevitable.

Codesa's Failure

For months, disillusionment had been building up among black people at Codesa's failure to produce results. Political frustration had fuelled industrial militancy. Despite the deepest recession since World War II, strike figures rose by 72% during the second quarter of 1992 compared with 1991. Car, hospital and broadcasting workers have been fighting tenacious wage strikes. Textile workers and

municipal workers have taken to the streets. The National Union of Metalworkers (NUMSA) recently announced a strike ballot to break the deadlock in wage negotiations. In this climate the government's stand at Codesa reinforced the view that De Klerk was determined to cling to minority rule. Pressurised by this mood, the ANC leaders called for a campaign of mass protest to force

De Klerk to retreat. Significantly, NUMSA, as well as the health workers' union, Nehawu, rapidly linked their struggles to the ANC's campaign. Here was the potential for a movement that could have achieved far more than the ANC leaders' modest aims. The black working class is the most powerful force in South African society. 1.5 million workers and 25,000 shop stewards are organised in



Police and township residents stand over a corpse resulting from the renewed violence in South Africa.

Cosatu alone. A recent survey showed that 80% of shop stewards believe that unions have a political role.

A determined campaign by the ANC and Cosatu leaders to mobilise this movement with the clear aim of majority rule could gather overwhelming support. It could isolate the forces of counter-revolution, making it impossible for any government to govern without the consent of the workers and placing the question of political power firmly on the agenda.

The ANC leadership, however, have made it clear that they have no intention of going down this road. They believe, in the words of political commentator Allister Sparks, "*that the government cannot be overthrown by force...that there is no viable alternative to negotiations.*"

Their economic and social policies are based on creating, as executive council member Thabo Mbeki puts it, "*an economic environment attractive to both domestic and foreign investors.*"

From this standpoint, mass action could be intended only to win increased concessions at the negotiating table.

Boipatong Massacre

Then came Boipatong. The Financial Mail, South Africa's leading business journal, explained the impact as: "*originally, the mass action programme was intended to reinforce the negotiation process underway at Codesa - and give grass-roots followers an outlet for their frustrations, as well as reassure them that their leaders were fully in touch with popular emotions. The Boipatong massacre...has changed that equation. Mass action now has a renewed fervour that smacks not only of the stark confrontations of the PW Botha years, but also of theories of the inevitability of revolution....*" (June 26)

De Klerk himself experienced this fervour. Trying to pay a statesmanlike visit to Boipatong three days after the massacre, he was prevented by furious crowds from getting out of his car. Throughout the southern Transvaal, South Africa's industrial heartland, a rolling stayaway gathered momentum.

Can the negotiations get back on course? Certainly the ANC leaders have every intention of resuming. They have stated conditions but set no deadline. According to ANC secretary general Ramaphosa, all their demands are "do-able." For example, "a democratically elected constituent assembly" and an "interim government of national unity" are included - but yet, just weeks after Codesa II broke down over the government's for-

mula for rigging these bodies, nothing is said about the way they should take decisions. At the same time it was made clear that the ANC remains committed to negotiations.

Further Concessions

It is therefore likely that further concessions by De Klerk will bring the ANC back to the negotiating table when the present confrontation has exhausted itself. Yet, as events have shown, it is one thing to resume negotiations and another to agree on a new constitution that could bring stability to South Africa, even for a limited period.

Marxists have argued that there is an unbridgeable chasm between the social forces that government and ANC represent. On the one hand the state machine (armed forces, police and bureaucracy), permeated with white racism, stands four-square in defence of white privilege and the cheap labour system that capitalism has been built on. On the other hand expectations of democracy and social upliftment have been aroused among millions of black people. The process at Codesa has only just begun to reflect the enormity of these contradictions.

Business leaders, shaken by a decade of upheavals, argue the need for the ANC leaders in government to help control the masses. Yet, at the same time, they have no reliable alternative to the existing state machine as an instrument of rule which such a government would have to depend on. This contradiction could well prove to be insoluble.

As Allister Sparks observed: "*After Boipatong, one thing is certain. There will be no negotiated settlement in South Africa unless something is done to restore the credibility of the police as a peacekeeping force.*" (Cape Times, 24 June.)

To township residents this statement must have a ring of the unreal. Sparks concedes that credibility can only be "restored" (assuming it ever existed) by "drastic measures." "*There must be a complete change in the command structure of the security forces, and they must be brought under the multi-party control of Codesa...On top of that, an international monitoring force to police the police.*"

It is, to say the least, unlikely that the undefeated security forces, bristling with guns and steeped in racial hatred, will submit to having their claws trimmed. A bogus "power-sharing" constitution on De Klerk's terms, with the state machine essentially unchanged and a bill of rights guaranteeing white privilege and capitalist control, would be totally unacceptable to the majority of black people. It

could only be imposed if the movement of the black workers suffered a series of defeats - a stage that has clearly not been reached.

And if the masses are forced to accept such a constitution, would the security forces accept it?

For a generation they have seen the ANC as their main enemy and fought savagely to destroy it. Hardened racists would refuse to serve under a government that included the ANC and could threaten it with a mutiny that might be impossible to suppress.

Even in the short term the outlook for an easing of tension is not good. If De Klerk had been able to extend significant reforms to the black masses, his regime might have been able to buy time. But the economy is 39 months into a recession with no end in sight. Average growth has declined from 5% per year in the 1960s to 3% in the 1970s and 1% in the 1980s. Predictions for this year range from zero growth to -1%. Jobs are being slashed in nearly every industry.

Volatile Situation

In this volatile situation it is wishful thinking to believe that a settlement is inherently likely. It is not. It is not even certain yet if the leaders will reach a compromise over the functioning of a constituent assembly that will be acceptable to black as well as to white - and if such a formula can be found, what constitution can be drafted that would satisfy black aspirations and yet be acceptable to whites.

Even National Party secretary general Stoffel van der Merwe, not known for his clear-headedness, recognised what has been happening: "*We made spectacular progress up to a certain point but that was because we tackled the easier things first. When we came to fundamental divisions between the ANC and the National Party we got stuck.*" (Weekly Mail, 26 June)

But it would be even more mistaken to believe that the collapse of Codesa in an explosion of mass anger would necessarily open the way for national liberation. Marxism has always recognised that social turmoil is not, in itself, a recipe for the mass of working people to take power. In general it is impossible for the working class to defeat and replace the entrenched organs of capitalist rule without a clear understanding of the tasks involved, at least among its leading layers, and systematic organisation to carry out those tasks. Without this the movement is exposed to confusion, division and eventual defeat by the highly organised forces of the employers and the state. In South Africa, tragically, this has been demonstrated in

township after township - how mass militancy, deprived of a clear way forward can change into frustration which, in turn, can be channelled into internecine violence.

Violence has been orchestrated to suit the agenda of right-wing reaction, with atrocities stage-managed to raise the political temperature at strategic moments, to provoke mass reaction and justify police retaliation. There is overwhelming evidence that this has become the stock in trade of special security force units, often using Inkatha's *impis* to do their dirty work.

While the blood continues to flow, there can be no settlement. In Boipatong, Mandela himself was taunted by the crowd, "*while they kill our people, you behave like lambs.*" De Klerk was chased away. These incidents graphically show why the ANC leadership were forced to withdraw from Codesa.

With each new atrocity there will be greater

pressure on the ANC leaders to distance themselves from those who are seen as murderers and less leeway for joining them at the negotiating table, let alone in government.

At the same time, unless a viable alternative is offered, the dangers of an escalating conflagration would increase. Violence can take on a momentum of its own as blood calls for more blood. Self-defence units would multiply but, fighting in isolation, they would face an enormously difficult task - not only in surviving, but in linking their struggle politically to that of the mass organisations of the workers.

If this is not achieved, the danger is that the initial motivation can be worn down to "everyone for themselves," with armed groups reduced to banditry or to warfare against each other, and sometimes against the communities which they set out to defend. De Klerk

cannot evade responsibility for the carnage. Hailed as a peacemaker by Western governments and backed by South African big business, he is also in ultimate control of the security forces.

The official story is that all those responsible for violence are dealt with according to due process of law. The handful of police who are caught in the act are said to be maverick elements who are punished, and even sentenced to death, if their guilt is proven. It is pointed out that 200 detectives were sent into Boipatong to investigate the massacre and that hundreds of inmates of the Madlala hostel, inhabited by Zulu migrant workers, have been arrested.

The striking feature about these measures is that they are invariably taken after the event. In many cases the guilty individuals are never brought to book; and preventative action - like mounting a permanent guard on the 30 or so hostels on the Witwatersrand that are centres of Inkatha activity - seems to be unheard of.

Police Alerted

In Boipatong, for example, rumours of the impending attack began to circulate on June 16 and residents placed themselves on guard. More reports of the build-up filtered out during the course of June 17 and the police were alerted. Yet the only police action was to dismantle the residents' barricades and, shortly before the attack, to drive the defence units off the streets. Then police armoured vehicles were seen dropping off groups of armed men just before the massacre began. It is inconceivable that De Klerk has been unable to detect or prevent police involvement in acts of political savagery on this and numerous other occasions. The special branch is proud of its success in infiltrating and rolling up many units of the ANC's military wing, and even its high command, during the 1960s and 70s.

If De Klerk was even half-serious, the right-wing death squads would have been hunted down long ago. Once again, the racist state machine emerges as a fundamental obstacle not only to national liberation but to any form of democratic control.

Is De Klerk, then, cynically working to undermine a settlement with the ANC leadership which is seen by the capitalists as the most preferable option?

The truth is probably more complex. Like the numerous companies appointing black personnel managers, De Klerk undoubtedly realises the benefits of involving the ANC and Cosatu leaders in helping to maintain political stability - but not at any cost. In the short



De Klerk won the reform vote but can he win the peace?

term De Klerk is playing for time, dragging out negotiations while South Africa is reintegrated into international alliances. The dirty war waged by the security forces will be to his advantage as long as it does not get out of control.

It may serve, as Allister Sparks explains: "first, to convince Western powers that black South Africans are unfit to govern the country alone and second, to destabilise the ANC by disrupting its ability to organise, making people fearful to be associated with it and increasing their disillusion at its inability to protect them." (*Cape Times*, 2 July.)

Harking back to divide-and-rule tactics of the past, De Klerk and his National Party have exploited fears over black domination among the "coloured" and Asian minorities to construct an anti-ANC alliance. According to opinion polls the National Party now has majority support among the "coloured" group - and more support among "coloured" people than among whites.

But while this could form a blocking mechanism under a constitution with a built-in minority veto, it can offer no stable basis for ruling the country as a whole. It would only postpone the inevitable conflict between white minority power and the demand for majority rule.

For this reason, for De Klerk and the entire capitalist class, maintenance of a reliable state apparatus to defend white privilege (code-named "minority rights") and capitalist interests is the bottom line. A paper alliance with ANC leaders under pressure from an undefeated mass movement would be a hopelessly unreliable substitute for the firepower of the police.

Western Powers

As long as the existing state remains intact, De Klerk does not fear a breakdown in the negotiations. Provided he keeps to the script approved in Western capitals, the ANC will be held responsible if the patience of the masses finally runs out. De Klerk would then be left to "restore law and order" with the blessing of the West, open or concealed. Such a situation would be fraught with danger.

If the volcano of black anger erupts, the consequences would be unpredictable. ANC leaders who remain committed to seeking a solution within capitalism would be sidelined. More radical leaders would gather support and the ANC could be split.

But unless the new leaders are able to show a way forward to genuine national and social liberation, the movements which they lead would sooner or later face the same problems

as the ANC today.

Without a clear programme it will be impossible to unite the black people or to win white workers from the camp of racist reaction; and this, in turn, will make it impossible to overthrow the state. In stead, the scene would be set for a conflagration of violence that could rage out of control and tear the country apart.

Civil War

The balkanisation of South Africa would be a disaster for the capitalist class as well as the black masses. But civil war is never planned; it is the outcome of frustration and despair. If civil war could explode in Bosnia or Georgia, then South Africa with its legacy of racial fragmentation could be turned into a holocaust if no political alternative is offered.

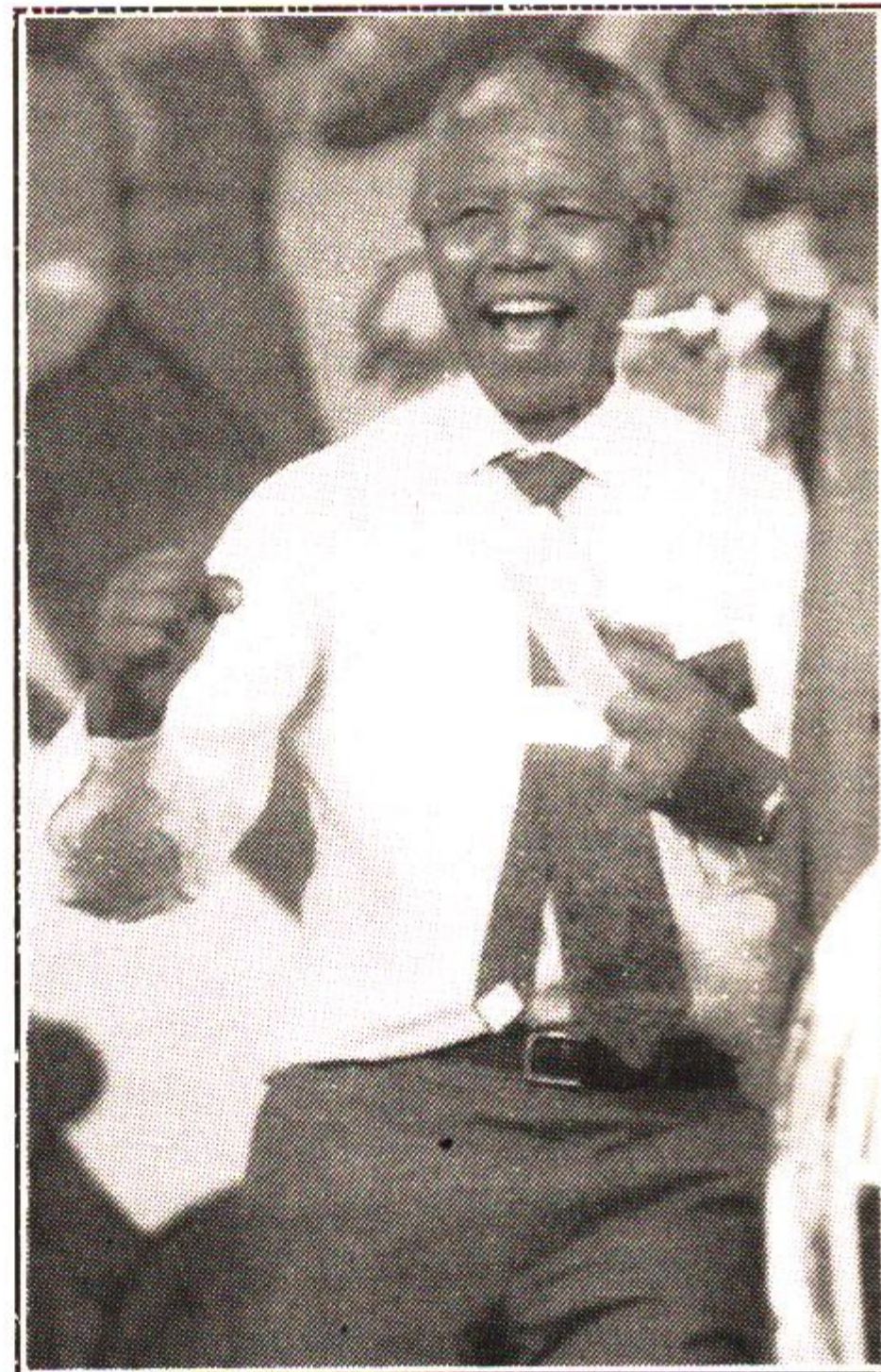
It is the mission of the organised labour movement to offer that alternative. The collapse of Stalinism has enormously complicated this task. The goal of socialism, taken for granted by generations of activists, has been called into question by events in Russia and Eastern Europe. Socialists in the labour movement today need to take on the task of once more clarifying this goal.

One thing is certain; despite their triumph over Stalinism, the capitalist class have no solutions to the problems of the masses. Business leaders in South Africa do not believe that an irrevocable breakdown in negotiations is imminent - and yet their confidence is low. Investment depends on the prospect of long term stability - and that is what neither De Klerk nor Mandela, nor the new capitalist world order, can offer.

To win credibility, any government will need to launch sweeping reforms to tackle the huge, accumulated problems of the black masses. Yet the strategists of capitalism, while giving the ANC leaders the task of pacifying the masses, deny them the resources with which to attempt this. Countless editorials lecture the ANC leaders to shift from "romantic and vengeful" notions of reform to "orthodox and pragmatic" economic policies.

In a master piece of understatement, the *Financial Mail* tells them: "The ANC will have to demonstrate a much greater leadership instinct, in order to inculcate patience into the poor and reduce expectations of a ruinous economic rampage (ie major reforms) - and that will be no mean task. It can be achieved if it is explained how, in the budget, spending must be cut drastically, and its emphasis swung to a programme of direct but finite and rational social relief." (June 5)

From the standpoint of capitalism this is correct. A capitalist economy in a semi-de-



Mandela - Can he provide answers for workers?

veloped country, competing with other low-wage economies, is incapable of solving the problems of working people.

"Healthy" economic growth becomes possible only if "the poor" are left very largely to the mercy of the market. This is why the working class can never be at peace with capitalism.

Workers' Struggles

Workers will be forced into struggle again and again by the operation of the market and will constantly be driven to seek the way to a new form of social organisation in which their needs can be met. In South Africa this task is particularly complicated; but by the same token, the need for Marxist ideas is particularly urgent.

In a forthcoming issue *Socialist Appeal* will look at the options facing the workers' movement in South Africa and the position that Marxists can put forward to find a way out of the present crisis towards genuine liberation.

NALGO - NUPE - COHSE Conference Reports

FORWARD IN UNISON

NUPE

Taking place against the background of the Tories' re-election Nupe Conference was under no illusion of the battles that face us in the coming years as the Tories' carry on their policy of starving local government of cash. This realisation formed the backdrop to the debate on the Cohse-Nalgo-Nupe merger to form a new union, UNISON.

But despite the need for local authority workers to join together to fight the cuts and protect jobs and services delegates made it clear they would not accept merger at any cost and wanted a democratic, member-led new union.

Although the final report on the merger was accepted there were criticisms that there had been no special Nupe conference to thrash out the details of merger and anger that there was no new rule book put before conference. Despite this the majority of delegates realising the importance of the merger voted in favour. We didn't want to throw the baby out with the bath water but the closeness of the vote (4,984 - 3,101) showed delegates were hardly glowing with pride at the way the leadership had handled the merger talks.

Another motion on the merger calling for the right of individuals, groups and branches to campaign and for adequate resources for branches and branch meetings to be held at least quarterly was unfortunately defeated.

One of the other major issues was national pay bargaining. The leadership offloaded all responsibility of leading the union on any national issues, swinging towards accepting local negotiations. This would mean any action would have to be taken on a local level. I, and other lefts, argued that the National Union of Public Employees must defend members nationally and be prepared to take national action to do so. Local negotiations will also do away with parity of wages and jobs and will be used by the employers to divide the union.

On the final day the leadership tried to defer the Executive Committee elections arguing the current leadership should continue up until the merger but the rank and file asserted themselves and overwhelmingly defeated the proposal.

A distinctive shift in sections of the leadership was apparent from the contribution by Roger Poole, who came to prominence during the '89 ambulance dispute. Delegates reacted angrily to his suggestion that we now had to work with the Tories because of their re-election and that our policy should be to persuade reputable private contractors and Tory councils that the law on Compulsory Competitive Tendering was unfair. As if it was meant to be fair to workers!

An EC statement, *The Way Forward*, about the Labour Party rejected the idea of breaking the party's links with the unions and said abandoning the party's principles would not help it win elections. It also rejected PR and pacts. The document was overwhelmingly endorsed.

The left in the union won many of the debates but were defeated by many delegates loyal to the union's leadership. In the course of the battles in local authorities and the health service under the Tories' this loyalty will be severely tested.

**Graham Wilson, Edinburgh Nupe
(personal capacity.)**

COHSE

Delegates voted overwhelmingly for the creation of the new union but not without some criticism and fears being expressed at what many saw as lack of detail in the final proposals.

From the platform, Hector McKenzie, Cohse general secretary was forced to concede they would look again at the level of subscriptions and parts of the branch structure.

Most delegates, although a little wary strongly back the principle of one union to give health workers more industrial muscle to combat attacks on the NHS.

Conference in several motions reaffirmed its opposition to the cuts and "reforms" in the NHS and pledged to carry on opposing them - but unfortunately a clear strategy to defend the NHS was not put forward.

Delegates also backed the practice of "whistle-blowing," speaking out in public when things are going wrong in the health service which is currently under attack from the Tories and health authorities.

NALGO

It was clear from conference delegates that Nalgo faces a major onslaught from the new Tory government.

The plans for a super-union (merging Nalgo, Nupe and Cohse) overshadowed the week. Some had decided that amendments to the merger document or even to the draft rules were going to be the controversial issues for conference. Important as they were, most delegates felt that the debate had been had last year and at the special conference. Therefore even with some shortcomings as to the structures, rules and internal democracy delegates saw the advantages of one public service union and 70% voted for the merger without amendments.

Despite the conference preoccupation with merger some other resolutions were passed which could lead to a fight back against Tory policies.

On Monday in the Local Government Group meeting a resolution opposing Compulsory Competitive Tendering (CCT) was passed. It also called for a special group meeting to work out a strategy including industrial action to fight CCT. This was passed against the opposition of the National Committee. Also against the wishes of the NEC an emergency motion from Newham (see article on the dispute) calling for indefinite strike against the Council with full support on full pay was passed. Further another emergency motion to build massive opposition to the anti-trade union laws was passed. *Socialist Appeal* supporters spoke at the rostrum and we discussed ideas with a constant stream of delegates. Over 50 *Socialist Appeals* were sold and our fringe meeting on 'Where is Britain Going' was well attended, and two delegates have agreed to support *Socialist Appeal*.

It was clear from delegates that the time is ripe for the building of a genuine non-sectarian broad left around a common programme to ensure Nalgo (or Unison) when merged!) plays its full part in the struggles ahead. *Socialist Appeal* supporters will be in the forefront alongside Nalgo members.

By a Nalgo Conference delegate.

Why are you standing ?

The NUJ is in crisis. It needs a fresh start with fresh ideas. I believe I am committed and knowledgeable enough to help in that process of change. The NUJ Left decided to back me for the job, and of the ten original applicants three of the five who've dropped out are supporting me. So its not a maverick campaign. I hope our active campaign will appeal to the ordinary members of the union who usually don't bother to vote.

As a freelance journalist I work in almost every field of journalism - magazines, broadcasting, paper, public relations -so I know the real everyday problems. Not just the obvious ones of exploitation at work, but niggling professional worries like badly positioned press boxes at football grounds. The other candidates are trade union employees cushioned from the things that get up the noses of the members every day and the financial hardships we face. I suffer from those problems myself.

I was on the union's executive a few years back so know my way round the bureaucracy, but have not been involved in the past few disastrous years.

What are the main issues ?

The bankruptcy of the union both financially and politically.

The finances are so bad that its used as an excuse to thwart activity and militancy. That means people think the union does nothing and don't want to join. Its a vicious circle.

We need to get out among members and give them full support when they take action against their employers, against state censors, and anyone else who comes along to show the union is still prepared to fight.

NUJ MUST FIGHT FOR ITS MEMBERS

Campaigning is underway in the NUJ's General Secretary election against a backdrop of financial and political crisis in the union. *Socialist Appeal* spoke exclusively to NUJ Left candidate, Miles Barter about the campaign.

That can be used as a springboard to recruitment and to paying off the overdraft.

This bankruptcy has caused the other main issues. Derecognition of the union by most provincial paper employers, some magazine and book publishers and most independent local radio stations has been easy because the union's weakness, the lack of a clear strategy and real commitment from the union leadership and the Tory anti-union laws have stopped any attempt at a fight.

There are also many members still upset by the sacking of the last general secretary, by the numerous unsolved financial scandals hanging over the union, and by the plans for a single media union which haven't been explained properly.

As you say in recent years the NUJ has faced financial crisis and widespread derecognition . Is there any future for the union?

Of course, because journalists still need it. We may get depressed but imagine if the Tollpuddle Martyrs were beamed into NUJ HQ. If they saw a union with 25,000 members, many agreements still in place, full time

officers, property in central London and a bank prepared to give it a million pound overdraft they'd think it was paradise.

The union has a tradition that keeps those 25,000 paying subs despite the problems. If we can start getting back out to them, acting on their criticisms, campaigning on the issues that affect them we will gradually win back their confidence. It wont be simple, but the fourth defeat for Labour and the increased employers offensive against even white collar workers create a climate where people have to turn to the union.

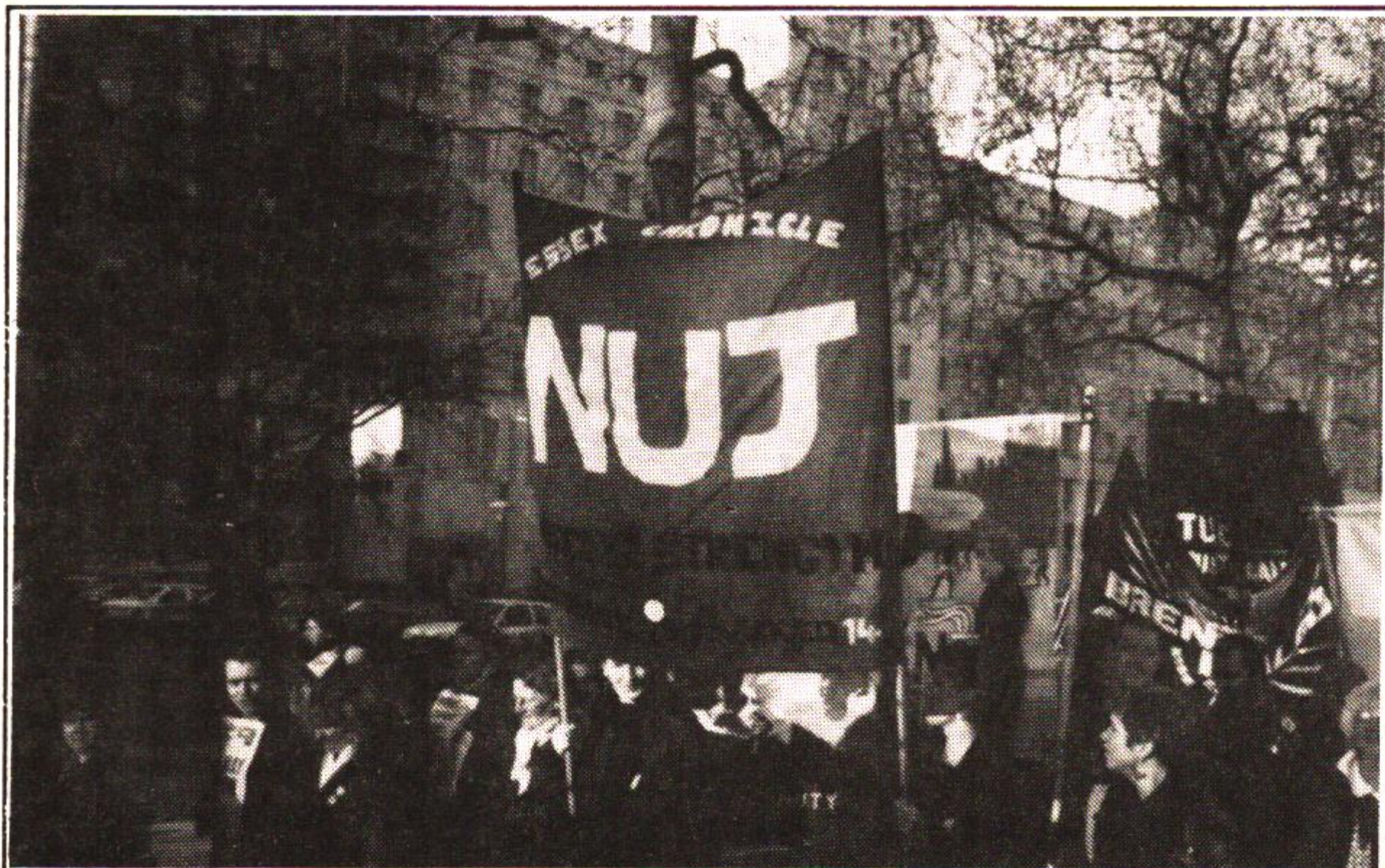
Our chapel at Thomson newspapers in Cardiff was the first to be derecognised. But although the management won't recognise them they recently voted for industrial action over a pay cut. That shows that we can reorganise if we back the chapels that want to fight and publicise their struggles to other memebtrs. At Cardiff union membership is shooting up. The union must adopt the same philosophy and pick up support through struggle.

Last year the union sacked its General Secretary. He has now started a rival union the BAJ. What impact will the new union have?

So far its had little impact. Members at the Daily Mirror - the former General Secretary's workplace - voted to quit the NUJ in protest at his sacking. But only a handful have joined BAJ. I was told it has just seven members nationwide. And we still have more than 70 members at the Mirror.

BAJ has been hit by the low confidence in the union movement. If the NUJ with thousands of members, and years of tradition and experience is ineffective what chance is there for a new union lead by a man who was a disastrous NUJ boss.

Even the people who led the campaign for his reinstatement have denounced BAJ. We have urged people to stay in the NUJ and fight to change the leadership. But the NUJ has to get active again - as I keep stressing - or the breakaway will become more attractive.



NUJ members march against derecognition.

The NUJ is in merger discussions with the broadcasting union BECTU and the print union GPMU. Will a merger be good for NUJ members?

Not a lot could make things worse for them. But there are positive reasons for a merger. The NUJ has no research department or other vital central functions. With a small membership it can't afford to deliver the services people need. There just isn't the money. A single media union would be much better resourced.

It would also strengthen the union politically and industrially. At the moment the Tory laws mean that if the person you sit next to at work is in a different union you can't support them in a dispute. A single union would get round that.

The trouble is many NUJ members fear mergers. They think they are professionals who would be swallowed up into bigger blue collar unions and lose their rights and traditions. There is a real danger of our members voting against a merger in a ballot on a specific deal - especially as the leadership say BECTU will be first and most of our members - in the print - have no contact with it. Steve Turner made his main political principle opposition to mergers. He called for a ballot on the principle of mergers. I say lets have one and unlike his reactionary position, campaign for a yes vote. That way we can not only move forward more quickly to a single media union but also cut the ground from those on the right who oppose mergers.

Many trades unionists and socialists regard the media and journalists with suspicion, or even contempt. How do you react to that?

I don't like the arms trade, the tobacco trade, or nuclear power. But I don't slag off the individuals who work in it.

It really pisses me off when other trades unionists attack journalists for the sins of their bosses. They will slag off staff on the Daily Mail - because it campaigns for the Tory Party - yet call for solidarity with workers whose employers give behind the scenes cash to the Conservatives.

As socialists we understand that people sell their labour out of necessity to feed their families.

We don't slag off, for example, individual prostitutes but the system that creates their lifestyle. We should have the same view of tabloid journalists!

Despite their reactionary employers they are mostly trade union members. That is very positive. Some of the NUJ's bravest fighters

LEFT GAINS IN IRSF

The Inland Revenue Staff Federation is now set on a collision course with the Government over proposals which will affect the methods of tax assessment and collection in a major way.

The result of various reports and reviews into the organisation of the Inland Revenue, if implemented, will mean 20,000 job losses (one in three), hundreds of office closures, a pay and file system for the self-employed, a simplified PAYE system, personal contracts of employment, privatisation and casualisation. This would lead to the Union's atomisation. These proposals are due to be implemented within the next five years.

IRSF members' concerns were reflected in a poll for the last General Election which indicated that 45% would be voting Labour, 31% Tory, 18% Liberal, 4% other and only 2% not voting.

Our recent conference brought victories for the Broad Left (BL), a major one being motion 596 from Stoke Taxes, calling for a ballot on industrial action within eight weeks of conference over the lack of an agreement on new technology. Although defeated by two votes on a show of hands, it was won on a card vote. Activists will now be putting pressure on the Executive Committee (EC) to carry out this policy. In the past, conference decisions have been ignored or overturned by the use of membership ballots, but these have begun to swing against the leadership. Last year's pay offer ballot, in which the EC recommended a "yes" vote (by 27-1 on the

EC), was overturned by the members. Only by fudging the issue and having a re-ballot did they get the decision they wanted. A campaign was then launched to get more merit pay, with the result that 14,000 members received a one-off payment of £300!

The disillusionment of members with the leadership, plus an effective campaign by the BL, saw four new supporters elected to the EC in May. They joined the previous sole BL member, who elevated his position to second in the largest section of the union (Taxes with 42,000 members). At the annual conference, the BL meeting was the largest ever, with over 130 attending and a collection of more than £700.

This shows the change in members attitudes over the past four years. Faced with increasing attacks, they are beginning to push the leadership forward to defend their interests.

We have never opposed new technology but demand the benefits are shared, not only for the members but for all workers. We want a fair and equitable tax system operating to provide the cash to be spent on useful public works.

The "softly, softly" approach used in other sections of the Civil Service appears to have been abandoned and, in the next few months, the future of the Inland Revenue will be decided. It must be decided by the members of the IRSF.

**By Martin Page, Leicester IRSF
(personal capacity).**

Agree, disagree? Write and give us your comments on Socialist Appeal's trade union coverage. Got a story from your workplace or union? Ring the newsdesk on 021-455-9112.

against derecognition have been a small group at the Daily Mail who took the company to court and won a highly public victory.

In the mid eighties journalists at the Sun held a two week strike. Printers crossed their picket lines and about a year later we had Wapping. Surprise, surprise most of the hacks scabbed. Of course we must criticise the excesses of the media, and try to pull tabloid journalists into a campaign for real press freedom, but as trade unionists we have responsibilities to them too as fellow workers.

The NUJ Left is strong at conference but often weak on the ground. How can this be changed?

Like the union leadership the left activists must start campaigning properly in the branches and chapels. We produce a bulletin - but it is seen by too few people.

We need to use it to oppose the bankruptcy of the leadership and agitate around struggles - like the one at Cardiff. But the Left, like the union, is demoralised. Turn out to Left meetings is poor because too few people see it as a group that campaigns around specific demands or issues in the union as a whole.

Whatever the result of this election I am running an active campaign that raises issues and puts fighting back on the agenda.

We can use the post election period to build the Left. I'm optimistic. I've got to be.

NCU READY TO FIGHT AGAINST COMPULSORY REDUNDANCIES

By Roy Wenborne, Assistant Secretary, LPE Branch, personal capacity.

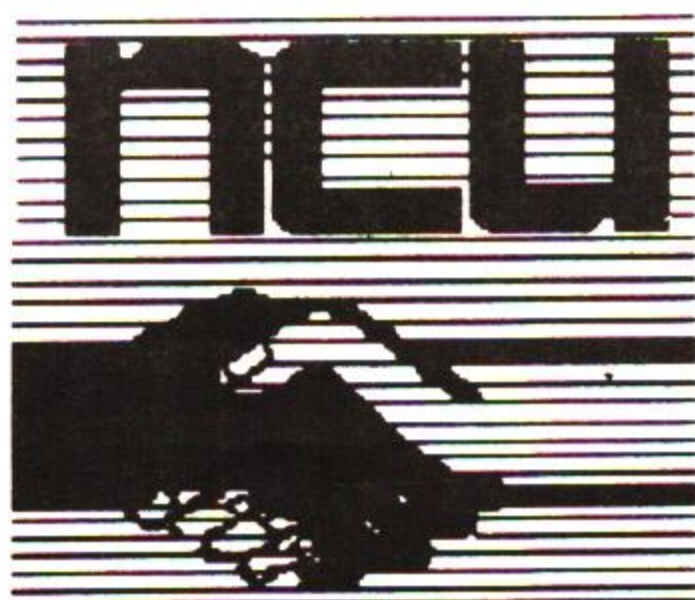
The NCU Conference took place against a background of thousands of jobs being lost through early voluntary redundancy. It was not surprising therefore, that many delegates referred to a certain amount of demoralisation in the membership that an uncertain future has brought about.

Nevertheless there was a good mood at the conference and a determination not to allow any compulsory redundancies. A proposition was passed instructing the National Executive Council that if BT announced any compulsory redundancies they will ballot members for a national strike and launch a campaign to win a yes vote by addressing members' meetings, leaflets and posters, direct mail shots to members homes and articles in the union Journal.

Campaign Strategy

Whilst the union was not prepared to go immediately onto the offensive on the claim for a shorter working week (a proposition calling for industrial action if no progress is made by 1st November was heavily defeated). A further proposition carried unanimously called on the NEC to produce a comprehensive campaign strategy during January 1993 to secure an early reduction in hours taking into account the Union's policy of a 32hr week by 1995.

The last time the union ran a major campaign for shorter hours was in 1978 when the then POEU won a reduction from 40 to a 37 hour week. Despite submitting a claim for a 32 hour, 4 day week in 1984, regarded as one of the unions immediate demands to protect jobs, along with reductions in overtime, the union has not been able to shift an intransigent BT. Only by running such a campaign backed by industrial action will BT be forced to concede the claim. The debate on pay centred around a policy made at last years conference to go for a flat rate pay claim in order to improve the position of the lower paid members. This was agreed with the underpinning principle of improving the purchasing power of all members measured against the retail price index.



For several years now the NCU has been in discussions with the UCW on merging the two unions. Conference agreed to the NEC continuing its discussions and bring forward final proposals at the earliest opportunity to enable a consultative ballot of the membership to take place.

An important proposition calling on the full time officials of the new union to be elected was carried. This was an important democratic advance for the union particularly in considering that the UCW already elect their full time officials.

New technology has been a major concern for the union for many years particularly in relation to telephone exchange modernisation. The debate on the Works Manage-

ment Framework Agreement where the NEC failed to get endorsement for their actions underlined the point that new technology can threaten the jobs and conditions of all members.

A central computer is loaded with data for staff who work in customers premises. Each worker has a hand held terminal which is plugged in overnight into the members own telephone socket. During the night information is downloaded onto the terminal giving the jobs for the next day. This contains information about the individuals experience and expertise. The computer allocates jobs according to this criteria as well as geographical location. Each job is timed with allowances given for journey times. The computer can select the best routes and take into account traffic problems. It will alert a central control if it has not received a call to say a particular job has been completed. Members working from home in this way will be isolated from the rest of the workforce and the union. Considering the objective situation this was a good conference with the Broad Left reasserting itself as a force in the union.

ROYAL MAIL PREPARES JOB CUTS

Representatives of London's postal workers were informed at a recent meeting with management that Royal Mail Letters (RML) intend to shed 1500+ jobs over the next two and a half years.

The announcement came as no surprise to the UCW reps who for some time had been aware that job losses were being planned. Management claim that the losses are needed as a result of the fall in traffic experienced throughout the London area. Thatcher's phoney boom has resulted in thousands of bankruptcies and closures in London and this is the cause of the traffic loss.

The losses however will be added to by RML's intention to push up productivity and introduce new technology. On top of the announced job losses many ancillary and support jobs in cleaning, catering, engineering and clerical grades will also disappear. The London postal workers however are determined to protect jobs, earnings and conditions and have drawn up their own set of demands which include:

- * No forced redundancies
- * Shorter hours
- * Retraining
- * Protection for earnings

They are also determined to maintain the processing of mail at its present scale in London. Over the coming months they will be developing these policies in preparation for the public announcement of management's plans in late September. These are expected to include the closure of a number of landmark sites in the capital.

A UCW branch secretary, Royal Mail, London.

**Send your letters
to: The Editor,
PO BOX 2626
LONDON
N1 6DU.**

SWEET TALKING!

Dear Comrades,

In the car with my son and two daughters, I parked next to the old factory on my estate. At its peak, it employed over 2,000 workers. The last were finished two years ago.

The girls (aged three and four) were keen to know why all the windows had been smashed and why nobody was working. I explained that the factory had been closed and the workers made redundant. After more "why? why? why?" and further explanation, the four-year-old thought for a minute, then exclaimed: "If they've shut this factory, then they should build another one for the people so that they can get money to buy sweets for their children."

Maybe not the most politically correct statement but, as somebody once said, "He who has the youth..."

**An East Midlands Labour Party
Member**

SOCIALIST YOUTH

Dear Comrades,

We are trying to set up a Labour Party Young Socialists group in our area. We would like to hear from readers who are in the LPYS in other areas to learn what campaigns they are involved in. We would also like to make contact with readers in other countries who are fighting for socialism,

We can be contacted at 51 Beach Avenue, Whitley Bay, Tyne and Wear, NE26 1DZ.

Rachel and Lisa, Whitley Bay

SCOTLAND UNITED?

Dear Comrades,
I agree with Alistair Wilson's claim that industrial struggle will sideline the national question in Scotland. However in the absence of such a movement, nationalism could very well become resurgent. This is particularly the case, given the present commitment of the Scottish Labour left (Galloway, Canavan,

Speirs et al) to the constitutional question. Following the general election defeat however, the much vaunted Scotland United campaign seems to be suffering from a certain lack of confidence. Optimism, determination and numbers were noticeable by their absence at recent events organised by the campaign, and attempts to set up activist branches throughout the country has so far met with only limited success. However, I never

really expected a massive move to the nationalists at the last general election - although like many I was wrongfooted by Tory and SNP claims that such a movement was developing prior to April 9th - Many Scots looked to a Labour victory nationally and this was reflected in the poor showing of the SNP at the polls.

If there is no concerted campaign by the Labour movement leadership in the future, nationalist rhetoric - encouraged and fanned by the Scottish Labour left - could find a growing audience, which in turn may well lead to conflict in the Scottish Labour Party, perhaps even the spectre of a split between the nationalist left reformists and the unionist right wing.

**Fraternally,
Tony Cox, Edinburgh**

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Socialist Appeal aims to explain events in society and the labour movement from a Marxist viewpoint. Marxism is not dead, as the establishment circles, both West and East would like to claim. On the contrary, it is living in the struggles of working people worldwide and in the ideas of socialists and trade unionists everywhere. Marxism predicted the fall of Stalinism well before the pundits of the West. And Marxism still provides the best explanation of modern class society and the most effective guide to action in changing it.

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CRISIS OVER MAASTRICHT

“If things were to collapse now it would be a disaster.”

(European Community Official, *The Independent*, 4.6.92)

The rejection of the Maastricht Treaty by the Danish referendum in June provoked the greatest crisis in the Economic Community since its formation 35 years ago. Only a few weeks after the Folketing voted 130-25 to ratify the Treaty, the Danish population unceremoniously threw it out. The result sent a wave of panic throughout European big business and threatened to unravel the whole process of European integration.

The political structure of the EC was thrown into turmoil as foreign ministers and commissioners rushed about, wringing their hands, attempting to shore up the crumbling Maastricht Accord. In desperation - never contemplating such an ‘upset’ - they put a brave face on things and ruled out any renegotiation. Their hands have been temporarily strengthened by the Irish vote. This however may not be tenable.

Danish Vote

They are frantically attempting to paper over the crisis. The Danish rejection has brought to the surface latent opposition to the plans for economic and political union. There is widespread anxiety about the EC intermingled with other concerns and fears. “*The Danish vote has some similarities with the wave of electoral unrest that has swept much of Europe this year.*” Comments the *Independent*, “*Ruling parties and the opposition alike have lost out to maverick movements in Germany, Italy and France.*” (4.6.92.)

The whole EC structure is facing turmoil. In particular, the consequences of the Danish vote will affect Sweden and the rest of the Nordic region where opinions are evenly divided.

The Irish ‘yes’ vote was no real surprise given the enormous economic benefits they obtain from the EC. For every pound they put in, they get six pounds back. Even then, which is far more significant, the unease and even dread the bourgeois had over the outcome of the Irish referendum reflects a much deeper anxiety over the viability of the Community as a whole. They will have



All together? EC foreign and finance ministers discuss the Maastricht treaty.

to wait until September for the result of the French referendum which threatens to open up further divisions.

The formation of the Common Market in 1957 was an attempt by sections of the European bourgeois to overcome the constraints of the nation state and the develop-

ment of an adequate market suitable to the needs of the giant monopolies. Capitalism itself, as was demonstrated by two world wars, is faced with insoluble contradictions: the forces of production (industry, science and technique) are hemmed in by the nation state and private ownership. From a source of progress they have become a fetter on development.

Integration

While the working class through its organisations have not carried through the socialist transformation of society and eliminated these contradictions, the capitalists are attempting to solve them on the basis of capitalism.

Each nation state has too narrow a market for the giant combines and monopolies that have grown up. ICI, the chemical conglomerate, could itself supply the world's chemical needs. The Common Market of 300 million was seen as the means of overcoming this dilemma.

The post war upswing and the boom of the 1980's assisted this development and al-

lowed capitalism to partially overcome this fundamental contradiction of the productive forces and the nation state. The tendency towards greater economic integration went further than even the Marxists originally believed possible.

While world trade went ahead and the

interdependence of economies increased, tariff barriers were gradually reduced - giving a further impetus to world trade. Under these very favourable conditions, the Common Market was able to move forward and develop the European economies. Such was the pull of the EEC that it drew behind it the EFTA countries, which from next year will be associated with the EC in the European Economic Area.

Trading Blocs

The original six countries have been expanded to 12 with further plans to increase it to 25 and 30 countries. Finland, Sweden and Austria have already applied to join. Switzerland and Norway are expected to follow. Such a perspective could only arise on the basis of continued economic growth - which is now extremely unlikely.

The post war period has seen the development also of huge trading blocs: the EEC under the domination of Germany, the USA with Canada and possibly Mexico, dominating the whole of Central and Latin America, and Japan which holds sway over SE Asia. These blocs are engaged in intense trade rivalry, amounting to a disguised trade war.

The EC, with its own internal tariff barriers eliminated, maintains a common tariff wall with the other blocs. It is in essence a protectionist trading bloc against Japan and the USA: "Fortress Europe".

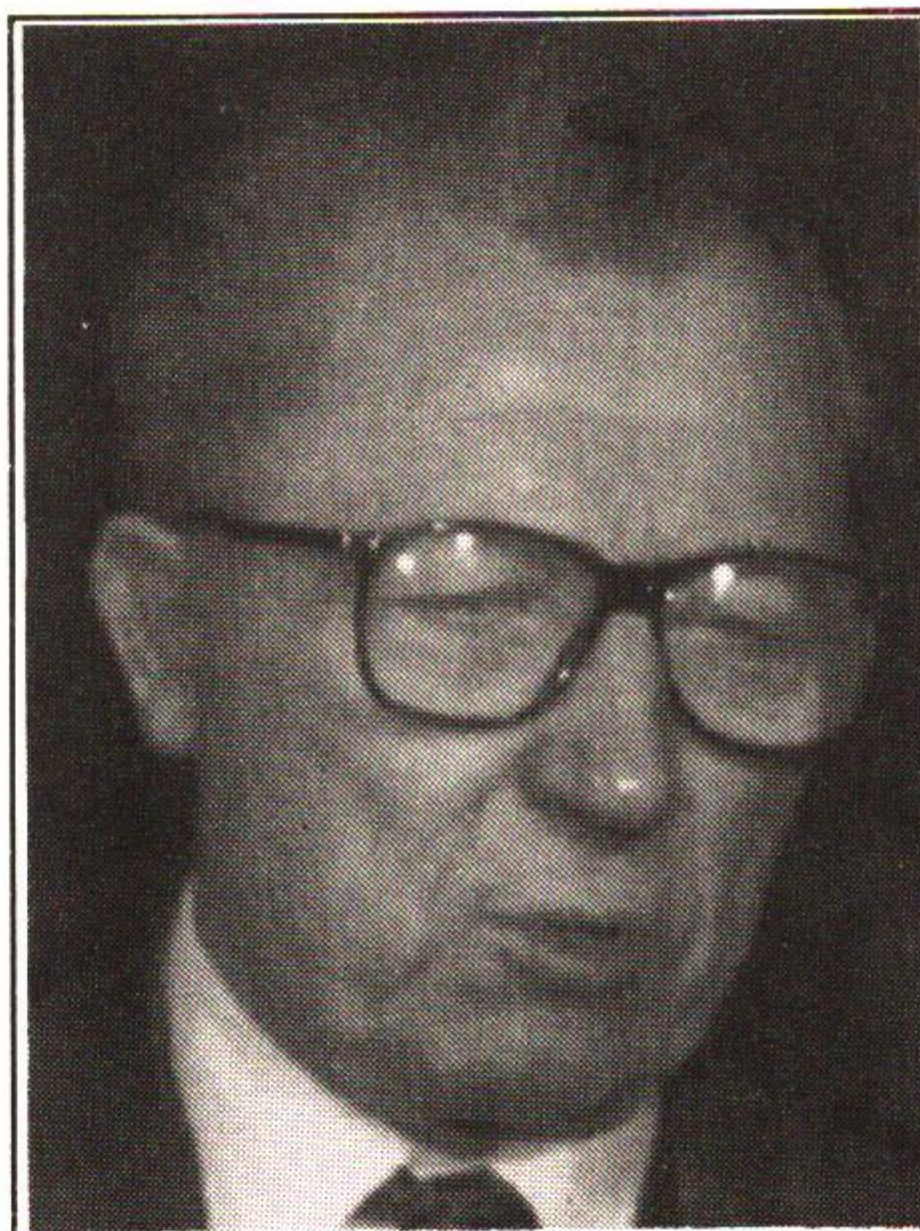
Whereas trade between the European powers since 1985 has grown by 39%, EC trade with the rest of the world shrunk by 6%. During the period world trade expanded by 45%, which led the CBI to comment that the EC's "share of world markets has fallen sharply." This has produced the sharp tensions between the blocs.

Divisions

The boom disguised the rivalry to a large extent, although it has come to the surface periodically. The history of the EEC is one of tension and division. Continual conflict exists over the resources for the Common Agricultural Policy and the "cohesion fund", which is used to finance the 'poorer' EC members such as Greece, Portugal, Spain and Ireland.

The splits over foreign policy were recently reflected in Germany's determination - in her own interests - to push through the recognition of Slovenia and Croatia against

the wishes of Britain, France and Italy, who wanted to maintain the borders of Yugoslavia. The new period of economic instability and convulsion will bring these national tensions and antagonisms increasingly to the fore.



Jacques Delors - EC commission president

The continuing failure to reach an agreement over GATT is symptomatic. The USA has already announced a \$2 billion EC food export "hit list" if the EC fails to reform its oilseed subsidy. If imposed it would block about a quarter of EC food exports to the US.

Protectionism

Ray MacSharry, the community's agricultural commissioner said "it would seem from this action that the US is not interested in peace in international trade." Further tension has built up over a range of industries, especially the EC's semi-conductor industry which maintains - to the anger of the Americans - a 14% tariff wall on chip imports.

The latest EC annual report on US trade pointed to the rise of protectionism with its unilateral retaliation against its competitors and growing bilateral trade deals, especially with Japan.

Despite these barriers and restrictions the US remains the EC's main trading partner. Last year EC exports totalled \$86.5 billion - a decline of 5.9% - mainly due to the recession. While US exports rose by 5.3% to \$103.2 billion, leading to a tripling of the

US trade surplus with the EC.

The past period has also created illusions not only in capitalism generally, but that European integration can be carried through to a conclusion with the establishment of economic and political union: the creation of a capitalist United States of Europe. By 1996, or by 1999 at the latest, a single Euro-currency is scheduled to be introduced. Political integration would follow. This, in essence, is the 'convergence' plan envisaged by Delors and the Commission.

Monetary Union

Such illusions have been fostered by the economic measures that have already been taken. The attempt to prepare the way for monetary union with the creation of the European Monetary System, and within it, the Exchange Rate Mechanism (ERM), seems to indicate certain success.

However the move towards currencies fixed in the ERM will not necessarily mean the creation of a common currency. Given the opposition of significant sections of German and British big business, and the future economic slowdown, this achievement is extremely unlikely. However, as a by-product, the disciplines of the ERM will mean the adoption by all member states of deflationary policies to reduce their inflation rates to German levels i.e. cuts in public expenditure, low wage settlements and high interest rates.

"Economic convergence can be painful", states the Financial Times. Such moves will be a recipe for big class battles, as occurred in Germany.

The attempt to reduce the EC subsidies to the farmers has resulted already in big clashes. In France farmers have taken action to block all roads to Paris and other cities.

In Portugal small farmers, threatened by the single market, have also taken action to block roads. There the budget deficit and inflation rate will have to be reduced sharply, but the government is facing a big increase in industrial militancy - the worst since 1986.

The idea that the European powers can bring about complete economic convergence is utopian. A new epoch of downturn will put paid to such plans. The laws of capitalism will prevail: "each man for himself and the devil take the hindmost". Even now these tensions are re-emerging.

MAASTRICHT

When the market was expanding the capitalists could share out the loot and reach a compromise. With a declining market these capitalists will fall out and attempt to cut one another's throats. As the Danish Foreign minister Ellemann-Jensen stated: a United States of Europe is nothing more than a 'beautiful dream' which cannot be realised.

The ruling classes of Europe promoted the EC in order to serve their own interests. This has nothing in common with the "European ideal", "Europeanism" or "Internationalism", which are merely fig-leaves for their real intentions: greater profits for the monopolies. The working class should not be drawn into these false argument about anti or pro Europeans or the issue of sovereignty. They are a smoke screen for the real class issues.

The present crisis brought about by the Danish referendum threatens to bring to the surface all the underlying tensions and frictions. Each capitalist power is terrified that this Pandora's box will unravel the whole process and bury the plans for monetary and political integration. At best it has unleashed a wave of growing scepticism about the EC and its future. The whole of the status quo has been shaken to its foundations.

German Dominance

At the centre of the EC stands the economically dominant unified Germany. The pressures of German unification have intensified discontent about the social cost. In 1991 the west put DM 168 billion into the east, which is likely to increase by DM 50 billion a year to the middle of the decade. The resulting high taxation has borne down heavily on the working class who have reacted militantly in defence of their standards.

There is a widespread feeling that an enlarged EC will mean further tax increases, which has led to growing opposition. Out of 70,000 callers to a recent German TV programme on the Danish referendum, 81% said they opposed European and political union. Even a section of the bourgeois are concerned about giving up the sound D-mark for a common currency.

This has placed Kohl in a difficult dilemma. He has staked his reputation on Maastricht. He wants to expand the Community more rapidly. Although fearing a



Police use lorries loaded with sand to prevent Belgian farmers staging a protest at the Maastricht meeting

referendum, he nevertheless is forced to barter with the 16 lander states to secure their support for ratifying the Treaty.

The uncertain world economic outlook casts a shadow across the EEC. According to the OECD economists world growth will likely reach only 1.8% this year. Japan's growth will slow dramatically from 4.5% in 1991 to 1.8% this year. The US will grow by just over 2%. And Germany's growth will be a mere 1.3%. The European Commission recently revised down its projections for EC growth this year from 2.3% to between 1.7% and 1.8%

Political Forces

The continuing high interest rates in Germany is serving to hold back growth and as a result the Bundesbank has come under repeated fire from the United States and France to relax its rates to encourage growth. But with the strains of unification bearing down the Bundesbank is afraid of unleashing inflation.

However, this elusive world recovery is extremely shallow and will lead to greater frictions between the powers and between the blocs themselves.

The crisis over Maastricht has come at a

very bad time for the bourgeois. The Danish vote has threatened to unravel the whole process by unleashing underlying political forces. It has opened up a period of heightened divisions and instability. A new downturn in world trade - arising from an open trade war between the blocs - will shatter the planned convergence. At best, the EC would maintain itself as an unstable customs union as a barrier against the US and Japan. The myth of capitalist European integration will be exposed.

The only way the resources of Europe can be harmoniously developed is on the basis of the socialist transformation of society. A socialist plan of production, based upon the democratic control and check of the working class through its organisations, could eradicate the fetters of private property and the nation state.

The development of Socialist United States of Europe would revolutionise the productive potential of science and industry, and prepare the way for World Socialist Federation of States.

Rob Sewell

Danish NO to EMU - A Protest Against Cuts

The Danish NO to the European Community's Maastricht Treaty on economic and monetary union was an emphatic No vote by workers and the middle class to more cuts in living standards.

To halt a consumer spending boom, the bourgeois government in 1987 upped interest rates making borrowing less attractive. This resulted in the growth of GDP falling from 4% in 1986 to 0% in 1987. Since then growth has only been around 1% per annum. This means that unlike the other EEC-countries Denmark has been in recession since 1987 resulting in unemployment soaring from 222,000 in 1987 to 307,000 (11%) in 1992. During the eighties the bourgeois government, which came to power in 1982, consistently attacked the working class through cuts in public expenditure, wages and unemployment benefit.

They justified the cuts by arguing they were necessary to meet the requirements of the European economic and monetary union (EMU). But the victims of this programme of cuts has been the working class. No wonder the workers voted NO. They did not want to taste more of the bourgeois medicine.

Worker's Fears

Resistance to the EEC among the advanced workers is nothing new. When Denmark joined in 1972 the labour movement was split on the question of entry. The biggest union, SID (comparable to the TGWU) was against entry together with a large section of the socialdemocratic workers. The reason for this was a fear their position would be weakened in an EEC dominated by the multinational monopolies.

During the 70s and 80s a large number of People's Party MEPs who were opposed to the EEC won seats because of the votes of disaffected socialdemocratic workers.

In the 1986 referendum on joining the internal market the socialdemocracy leaders and most of the unions were opposed but the vote was 56% in favour.

This time, however, the leadership of the socialdemocracy and the TUC were supporting a YES vote. The same was true of the main bourgeois parties and the employers organisation. In parliament 140 MPs out of 179 were in favour. The only votes against were The Socialist People's Party (left reformist, 20 MPs), the Christian Democratic Party (4 MPs) and the Progress Party (ultra

right protest party, 12 MPs.)

The press were for a YES vote, and in the days up to the referendum we were threatened with all kinds of disasters if the result was NO.

In spite of that about 53% of socialdemocratic supporters, the Socialist People's Party, the sects, the old 68 generation and large sections of the middle class who traditionally support the bourgeois parties voted no to EMU.

About 57% of women voted NO largely because they are employed in the public sector which has borne the brunt of the cuts. One of the biggest unions (public sector women workers) recommended a NO vote.

The 1972 majority for joining the EEC was largely won by middle class votes and especially the farmers and fishermen. But in the recent referendum this group had changed their position. The main reason for this is the deteriorating conditions these groups have faced because of EEC restrictions on fishing and agriculture. The nationalist argument against EMU only played a minor role.

New Period

Denmark's welfare system is a result of the struggles of the working class during the sixties and seventies. In the eighties the struggle continued to defend those gains against the bourgeois government culminating in the four one-day general strikes in three weeks of 1985 involving more than one million workers (20% of the population.)

The workers were not defeated but found themselves without a leadership ready to act on their demands. In addition the "Communist" trade unionists who had a big influence on the workers and were regarded as real fighters betrayed the workers and now following the events in the Soviet Union have almost totally vanished. After the 1985 strikes there has been a low level of industrial activity and some of the heavy battalions have suffered defeats in isolated struggles.

Following the defeats the workers turned to the political front. At the last general election in 1990 the socialdemocracy vote went up from 29.8% to 37.4%. But the leadership have not used this to their advantage instead they have passively and actively supported the bourgeois government.

The present NO vote now opens up an entirely new situation where the working class' confidence has been given a fresh impetus. The NO result was celebrated in factories and offices. It was seen as a kick in the teeth for the government.

Union leaders are now beginning to listen to the members and SID has called the biggest strike yet among fishermen and related trades over demands for a pension scheme.

The bourgeois government is very weak and has only survived because of the active or passive support of the labour movement leaders. It only has 59 MPs. The socialdemocracy has 69. The government has gone from crisis to crisis and from scandal to scandal but has been allowed to survive because the socialdemocracy leaders are afraid of the expectations of the working class if the socialdemocracy comes to power.

Left Pressure

The more far-sighted strategists of capitalism know that the socialdemocracy will come to power. They have therefore been looking for a chairman they can trust. They attacked the sitting chairman in the press. They succeeded in dividing the membership and imposing an election which resulted in a new and more right wing chairman being elected.

But that event opened up a sharp political debate inside the party where supporters of the deposed chairman accused the new of wanting to take the party to the right. The debate resulted in a record 3300 amendments to the new socialdemocratic programme to be debated at this autumn's conference.

The former chairman is not a left winger, but his supporters reflect the left pressure coming from below. Amongst them is the chairman of the SID who now wants to become an MP. We are seeing the beginnings of an organised left wing in the party with the backing of the more left trade unions.

The No vote will speed up this development and with the deepening international economic crisis the events of 1985 could be repeated. But this time the working class will be better prepared and determined to find a leadership they can trust.

It is not true to say the working class are not fighting. But they are not stupid. They learned the lessons of the eighties - that without a committed leadership they suffered defeats. They are not demoralised. They are struggling to build a leadership they can trust.

**By
Birgitte and Rolf
in Copenhagen**

Fifty years ago the US Government gave me a gun, trained me and sent me overseas to fight. I did what I was told because I believed it was right and they gave me medals for doing it. In two campaigns I saw enough violence to last a lifetime.

Now I would oppose violence in all cases. But if people have been violently abused and exploited and no recourse is offered what is more natural than they should retaliate violently? Unfortunately, deception and violence, up to this point in human history, have largely decided who rules. In general a parasitic minority which is able to effectively practice deception buttressed by violence has been able to enjoy luxury while those who have done the work have had to get by on what was left. The history of humanity has been one where those on top enjoying the good life have managed to defend it as the divine right of kings or justify it as the proper reward for their entrepreneurial genius.

Justifications

Since these justifications are never sufficient, ruling classes, always a minority, have also used government to protect them with police clubs and soldiers guns. Experience has shown that only when the people can oppose this privileged minority with the power of mass resistance do they win any meaningful improvement in their lives. And if they do not take over the power of governing, as soon as they become weakened or divided, the privileged few try to take back the few benefits the people have gained. Bush and those who make up the US ruling elite have, from their safe easy chairs, justified the use of violence whenever it has been in their interests. They have used violence whenever they have found it profitable and justified it with lies, even glamourised it.

Violence

They sent forces to kill a couple thousand Panamanians so they could replace that country's government with one which would obey them and help enforce their control on the subject countries of

WHO ARE THE LOOTERS? AMERICA AFTER L.A.

The ruling elite have increased the size of police forces to protect their property and enforce the self-serving laws they make and which have become more and more onerous to more and more people - and when the police are not enough the national guard and the army are summoned. But while Bush and other authority figures routinely use violence whenever it is in their interests they sanctimoniously condemn violence when it challenges their interests - whether by people in a foreign country (ie Nicaragua, El Salvador) or by people in the US itself. Suddenly they discover the horror of violence when it arises in an American city in response to repression. Then they piously claim that "violence is wrong" and sometimes, in spite of all the violence they have used to get what they want their pacifist aides try to teach us that "Violence never solves anything."

Hypocrisy

To accentuate the hypocrisy these pious proclamations are usually accompanied by new threats to "enforce law and order". More and more people find US democracy to be a fraud. More and more people find themselves victims of conditions beyond their control. People of all colours and backgrounds are being forced into want. Anxiety and desparation mount. Crises of all kinds loom in the future. If the ruling elite continues to use violence (as typified by the beating of Rodney King) to enforce conditions that are increasingly unjust and intolerable, how can there not be more violent responses like that of Los Angeles?

by Rich Richardson.
(Editor, *Brooklyn Voice*.)



Latin America. They glorified as a great patriotic crusade the violent massacre of a hundred or two hundred thousand Iraqis so they could gain fuller control of the rich oil fields of the Middle East. They continue threatening to use violence elsewhere: against Libya, against North Korea, against Cuba, and they continue to add weapons to a war machine which can already destroy the world. In spite of the fact that the Soviet Union has collapsed, they continue spending billions on more weapons and no serious cut is contemplated.

Peace Dividend

The "peace dividend" was a myth. At home, they have cut back on those benefits which in a previous time public pressure forced them to give. They continue to expand the number of police sued to keep down those who have been so deprived that they threaten a violent response - as in Los Angeles.

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CAN PEROT BECOME PRESIDENT?

The American voter will have a choice between three candidates when voting for President in November. The two main parties have now after a long process selected Bill Clinton to stand for the Democrats and the incumbent George Bush will be the Republican candidate. The billionaire Ross Perot is also standing as an independent candidate.

Bill Clinton won his party's nomination after a long battle that saw his personal values and lifestyle at the forefront. The way the battle has been fought, his lack of radical popular policies and the role of the media in attacking Clinton mean that he is not exciting the voters. The Democrats are in reality no different from the Republicans, simply slightly more liberal on some issues.

George Bush goes into the election with the US economy in tatters. Arguably the States is only just coming out of a recession and the unemployment, failed businesses and high level of poverty, especially amongst blacks in the inner city means that Bush will have to run a very effective campaign - probably even more dirty and vicious than last time. The euphoria over the Gulf War has now disappeared and the Presidents popularity has never been so low.

Ross Perot's fortune is based on the company he built - a software house called EDS. This company has operations in this country and was involved in the development of the software for the DSS. Workers at EDS, in the UK, are not allowed to have a beard(!), not allowed to discuss salaries amongst themselves, have to pay back training costs if they leave before a certain time and, like many software companies, not allowed to join a trade union. Perot has said he is prepared to spend 300 million to get the Presidency. Can he do it? By appealing to the cynicism and despair over the way the two parties have run the economy and by pandering to the backward view of many Americans Perot hopes to buy the Presidency. He has no policies to speak of but just says he will sort it all out when he becomes President mainly by 'making Government more efficient'. He has said he won't allow gays or adulterers in his government and makes appeals to the 'American way'. Using television to run documentaries about himself, by being interviewed on every conceivable TV talk show and by being the centre of media attention he

has built an army of, mainly middle class, workers to get the necessary signatures in each state to be able to stand. This has meant that in June he has a 10 point lead over Bush and Clinton. He has appointed Edward Rollins (who ran Reagans campaign in 1984) to control his campaign. Rollins is going to be paid 1.5 million up front and 4 million if Perot wins! All for five months work! The possibility that Perot could win cannot be discounted. The bankruptcy of the U.S. economy, the public disillusionment with politicians and the lack of credibility of Clinton all mean that with the huge resources available to him Perot could win. Should he do so an America lead by Perot will not help the poor in America, will widen the obscene gap between rich and poor and will lead to a protectionist, isola-

tionist US prepared to back right wing dictatorships even more so than in the past. The election in November will be dirty and based on personalities not principles or policies. Whoever wins will be unable to solve the problems of capitalism. As the deficit grows and the poor get poorer none of the candidates will provide any sort of solution. Eruptions like the recent Los Angeles riots could well be repeated. More now than ever the American working class needs a Labour Party to build on the traditions of the trade union movement in the States to argue for a fairer society based on need and not profit. The largest democracy in the world needs a party based on the needs and aspirations of the working class to take on big business in a fight for a fair and just society.

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Full details will appear in September *Socialist Appeal*,
but book your diary now!

ISRAELI ELECTION: A FALSE DAWN

"Saying peace, peace; when there is no peace" (*Jeremiah 6:14*)

There was tears of joy at the headquarters of the Labour Party in Tel Aviv when the results of the Israeli general elections were announced on June 23rd. For nearly three decades, after the formation of the state of Israel in 1948, the Labour Party had been in power. Then in 1977, the right-wing Likud party of Menachen Begin won the elections and held power since.

The Likud based itself on the vote of the poorer Oriental Jews ('Sephardis') who felt despised and alienated by the more educated Ashkenazi Jews, of nearly European extrac-

reformist Meretz and the Arab parties, Yitzhak Rabin, the new prime minister, has enough votes to survive. On the other hand, Rabin is negotiating with the small religious parties who would accept positions in the government with a view to sabotaging the peace talks. The Labour victory has sparked off a wave of speculation in the world press about improved prospects for the peace talks over the occupied West Bank, Gaza and the Golan Heights.

"Suddenly, on the morning after the vote on June 23rd" crooned the *Economists*

people in Judea and Samaria." (*The Independent*, 1st July)

Such a policy represented a danger to the interest of U.S. Imperialism. It would have promoted the anger of Egypt, Syria and Saudi Arabia, the U.S., "allies" in the Gulf War. It would play into the hands of the fundamentalists, ultimately, it would be the cause of new wars and upheavals in the Middle East.

Economic Issues

The withholding of \$10 million worth of aid guarantees by Washington was an effective piece of arm-twisting, and undoubtedly effected the results of the election, which was fought, not on the issue of peace, but mainly on the economy, which is in a mess.

With 11% unemployment, hitting the poorest layers a section of the Sephardic Jews switched from Likud to Labour, in the hope of improvement. In fact, the Labour leaders have moved even further to the right, as part of an International phenomenon.

In the past, the Labour Party, in words supported 'socialism', with heavy emphasis on state intervention, welfare and partial nationalisation. This mix boiled down to a peculiar type of state capitalism in which the Histadruth trade union owned a significant part of the economy. To keep Washington happy, the Labour leaders have dropped even verbal support for 'socialism' and are backing privatisation. Even so, the exposed nature of the Israel economy will compel them to retain a large element of state control through the ownership of shares.

Capitalist Cuts

Under the conditions of capitalist crisis, the Labour government will be compelled to carry out cuts. If 'state capitalism' failed to deliver the goods in the past, still less will 'private' capitalism solve the problem of the Israeli economy. At the same time, the heavy burden of her expenditure will remain.

After an initial honeymoon period, Labour's base of support will melt away, preparing a further swing back to reaction. Yitzhak

By
Alan
Woods



Jewish demonstrators call for more settlements to be built on the West bank.

tion. The leaders of Likud adopted a hard line on the Palestinian question, on the basis of "what we have we hold". The Intifada was ruthlessly repressed with beatings and mass imprisonment of Arabs.

Now, for the first time in 15 years, Labour has defeated the Likud, increasing its lead in the Knesset (parliament) from 39 to 45, while Likud was cut down from 40 to 32. This does not give Labour an overall majority, but with the support of the pro-peace and mildly left

editorial, "everything seemed possible - even peace." Under the stiffnecked outgoing premier Yitzhak Shamir, the peace talks had stalled. In reality, his policy was to spin them out indefinitely while flooding the occupied territories with a new wave of Jewish settlements. In an interview with the newspaper *Ma'ariv*, Shamir actually let the cat out of the bag: "I would have carried on autonomy talks for 10 years and meanwhile we would have reached half a million

Rabin, despite all the talk about peace, is a hawk. A former general and hero of the 1967 war, he is on the far right of the Labour leadership.

His policies do not differ substantially from those of Shamir. He is merely more 'flexible', more cautious, and more firmly in the pocket of Mr. Bush. The American's were delighted with Rabin's victory. But the euphoria will not be long-lasting. Superficially, Rabin is offering a version of 'land for peace' - the negotiation of an interim 'autonomy' deal with the Palestinians and a freeze on new Jewish settlements.

Security Settlement

However, it is necessary to examine the small print, Rabin tries to draw an arbitrary distinction between 'political' and 'security' settlement building will be halted on the former, but not on the latter. Thus, a major source of provocation to the Arabs will remain, as Jewish settlers continue to move in on their land, albeit at a slower pace. Syria will not make peace until all the Golan Heights are handed back.

Rabin may offer some, or even most of the Golan, a key strategic area for Israel, on condition the rest are de-militarised. This would be unacceptable to the Syrians. On the other hand, the offer of 'autonomy' for the West Bank and Gaza likewise is a trap.

Tel Aviv will insist on hedging it round with severe conditions, so as to prevent the formation of a separate Palestinian state. Defence and foreign policy would be in Israeli hands. The area would be 'de-militarised', but Israel would insist on control of security.

Such proposals would be far too little for the radical Arabs and far too much for the extreme Zionists, who have a strong base among the Jewish settlers. The majority of the Arabs in the occupied territory are showing signs of weariness.

Intifada

After years of struggle, the Intifada has reached a blind alley. Probably the majority would accept some kind of compromise - if they could get it.

The P.L.O. leaders marginalised by their support for Saddam Hussein, are making strenuous efforts to get back into the good books of Saudi Arabia. But access to Saudi bank accounting will necessitate a very 'moderate' image.

This will only lead to a further loss of support of the radicalised youth in the occupied territory, and the growth of fundamentalist groups. As we saw with Shamir, there are

a hundred and one ways of spinning out the 'negotiation process'. The talks can go on forever. Meanwhile, the settlers can cause havoc.

In reality there is little to choose between Rabin and Shamir. Having pocketed the U.S. aid, Rabin can provoke the Palestinians into rejecting his 'reasonable offer'. It is also true that a war-weariness also exists in Israel itself. It played a certain (though subordinate) role in Labour's election. But no

leading to a new explosion.

Faced with the intractable nature of the problem, the West, like Mr. Micawber in Charles Dickens's novel is "confidently expecting something to turn up." Meanwhile the Middle East is faced with a new period of turmoil and instability.

While some kind of ramshackle deal is not theoretically excluded, it is not the most likely outcome. In any event, 'autonomy' as understood by Rabin would merely lead to



Shamir - A strong supporter of more Jewish settlements in the occupied territories.

more than Shamir, is Rabin willing seriously to challenge the powerful Jewish settlers, who represent an insurmountable obstacle to a lasting peace. The real position of Rabin was indicated by his willingness to form a coalition government with Likud, even after his election victory.

Despite all the euphoria the Economist (June 27th) confessed that "A huge gap separates his (Rabin's) notion of border adjustments and security arrangements from the complete withdrawal the Arabs demand".

The present proposals are more cosmetic than anything else. As the talks drag out with no real prospect in sight, frustration will grow.

The settlers will try to sabotage the negotiations from the right, provoking new terrorist outbreaks from the despairing section of the Arab youth and an infernal cycle of action and counter-reaction,

new upheavals and wars. The Israeli ruling class has set its face grimly against the establishment of a separate Palestinian state.

Lasting Solution

The only lasting solution to the problem of this tormented region would be a socialist federation of the West Bank, Gaza and Israel, in the broader context of a socialist federation of the Middle East, with autonomy for all the peoples, including not only Israeli's and Palestinians, but Kurds, Druzes, and all other minorities and nationalities.

That is the programme of Marxism - the programme of socialist revolution and internationalism. The only genuine alternative to a future of war, chaos and, ultimately, a Holocaust which would consume Jew and Arab alike.

FOOTBALL FANS ARE GETTING ORGANISED

The bulldozers have moved in to demolish the North Bank terrace at Highbury Stadium, London. Alongside recent events this will assume little importance but to soccer fans it marked a watershed. It marks the beginning of plans to implement the Taylor Report.

The report comes as a result of an enquiry following the Hillsborough stadium disaster in which 95 fans died.

The government, in accepting the Taylor report's recommendations in full have effectively thrown the baby out with the bath water. For despite highly popular suggestions for improved facilities for fans, better policing and cancelling the ID card scheme, another aspect of the report concerning the gradual move to all-seater stadia was met with horror by supporters. For many, the terrace - its atmosphere and relatively low cost - was what soccer was all about.

Most clubs were (publicly at least) opposed to all-seater stadia, albeit on grounds of cost and had they put more pressure on the government could have forced a change, particularly in the run-up to the election. However, a number of club chairmen saw great possibilities in the recommendations.

This was the case at Arsenal. The North Bank was to be demolished and replaced with a "magnificent" 12,000 capacity all seater stand.

And worse, it was to be entirely funded by supporters through the now infamous Arsenal Bond Scheme. Fans were asked to buy an Arsenal Bond, costing £1,000 or £1,500, returnable in 99 years. In return they received a seat with their name on it and the "right" to buy a season ticket for the duration of the bond. As the work was to be done during the 1992/3 season, the ground capacity would be much reduced that year.

Fans Opposition

The message was clear - no season ticket or bond and you had little chance of seeing Arsenal that season. Initial uptake was high but when the reality of the situation dawned, and the implications of the scheme realised, sales of the bonds dried to a trickle. To date only 4,000 of the 12,000 have been purchased. As last season progressed and the development became more imminent, the supporters campaign began to take shape, initially via the fanzines but culminating in the formation of the Independent Arsenal Supporters Association (IASA).

As well as co-ordinating match-day protests and petitions, IASA drew up alternative means of financing the development putting fans interests first, such as reduced season ticket prices for those purchasing bonds and schemes to protect the majority of supporters who

could not afford to lay out £1,000+. IASA also commissioned a new stadium design with increased capacity and which would be more acceptable to local residents.

But the club refused to budge and pushed on regardless showing contempt for the most loyal fans. The club vice-chairman David Dein even sued one fanzine editor for libel. Relations in what was once considered a "family" club are at an all-time low.

But some good has come of the whole episode. Supporters have shown their constructive and creative talents and put their case for more control and consultation over the game, particularly as soccer enters a new era of increased commercialisation, premier leagues and satellite TV. Other clubs like Leeds and Charlton have seen the Arsenal debacle and have prepared much more beneficial schemes. Fans are now more conscious of the need for organisation at club and national level and of the importance of co-ordinating their campaigns. This is now becoming a reality - a London-wide confederation of independent supporters associations, known as Independent Fans United was launched recently.

This marks the first step on the way to us reclaiming the game from the millionaires and TV companies.

Alan Needham, Hackney.

OLYMPIC IDEAL?

FOUNDERS of the Olympic movement believed they could help build a peaceful world. A hundred years ago, their aims of friendship, understanding, solidarity and fair play may have seemed realistic. But as the 1992 event gets underway in Barcelona under capitalism's "New World Order", those founding principles have been all but forgotten in the dash for cash.

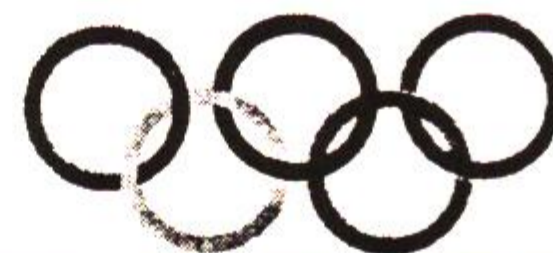
When the International Olympic Committee (IOC) met in Birmingham last summer, the gravy train was overflowing. The 92 delegates, many of them minor royalty or timeserving, superannuated politicians and all appointed for life by governments, were courted with huge gifts by cities keen to host the 1994 winter olympics.

For hundreds of hangers-on wine and food flowed freely, the wives and husbands of officials were given expenses-paid jet-set trips and for the 92 committee delegates, the sky was the limit. Atlanta, which had won the right to host the 1996 Games at an

earlier meeting, put its success down to individual lobbying of members - not to mention a budget of millions. Cities like Nagano in Japan, aimed to match that. A budget of \$10 million easily ran to offers of computers and other high-tech gifts in the city's five-star hospitality suite.

President of the IOC for the last twelve years, Juan Antonio Samaranch, has been exposed as an active Fascist in Franco's Spain. An investigation by Andrew Jennings, recently televised as World in Action's "Lord of the Rings" revealed he gave the right-arm salute until the very day Franco died, in 1975. By that time, he was already vice-president of the IOC.

The IOC has been praised for excluding South Africa from the Games during the apartheid years. But it wasted no time in readmitting the team when political pressure eased, and will still allow it to compete despite the horror of the Boipatong massacre. Even in and around the athletics field itself, the Games



is a triumph for big business over the efforts of the world's athletes.

High tech equipment and expensive training regimes make a mockery of "amateur" status and high tech drugs, still prevalent despite a supposed crackdown, will continue to give the richest competitors the edge. Meanwhile, television rights to the Barcelona games have been sold for a staggering \$507 million as worldwide networks scramble to increase their monopoly on what we can watch on the box.

In the words of a Private Eye cartoon, "It's grown too huge, nobody's interested any more and its become obscenely expensive." Access to sport and fitness, with decent basic facilities, should be a right for all workers worldwide, not a privilege in the gift of big business. Forget its founding ideals - the Olympics is just one more capitalist money-making machine.

BOOK OF THE MONTH

JULY

IN THE NAME OF THE WORKING CLASS

by Sandor Kopacsi

In one of the most heroic movements of the working class, during the autumn of 1956, the Hungarian workers, students and peasants improvised two insurrections and three general strikes against the ruling Stalinist bureaucracy and Russian intervention.

After a period of simmering discontent, the movement erupted on 23 October when a march of students in support of democratic demands swelled into a crowd of 500,000 which proceeded to demolish the statue of Stalin. After the hated AVO secret police

neutrality to be declared at the UN.

The bureaucracy of the Soviet Union, fearful of the movement spreading, applied the same methods that they had used to successfully quell demonstrations in Berlin in 1953 - they sent Russian tanks in.

In the face of armed intervention, revolutionary committees, embryonic soviets were established, not only in factories but also in the Hungarian armed forces and even police. Kopacsi relates a speech by Paul Maleter at an astounding initial meeting of the Revolu-



Krushchev - Sent the tanks in to Hungary in 1956.

speaking republics. The reformist leadership around Imre Nagy was paralysed, and, despite a heroic second uprising, the resistance of the workers was eventually crushed. However, even then the workers managed a further general strike on November 26 in protest at the abduction of Imre Nagy by the Stalinists. Kopacsi's book is a marvellous eyewitness account of revolution, through the unusual medium of a chief of police. Such was the impact of the movement that he went over to the side of the workers and as a result suffered years in jail.

Socialist Appeal correctly understood the pro-capitalist nature of the movement around Yeltsin last summer. Kopacsi's book further illustrates the difference between a revolutionary movement against Stalinism and a movement for capitalist restoration as took place last summer in the former Soviet Union, where the workers were passive bystanders.

Many of the leaders in both movements were from the intelligentsia and raised similar vague demands for democracy, but the fundamental difference for Marxism was the class composition of the movement. In 1956 it was the involvement of the working class which gave the Hungarian Revolution its revolutionary character.

Reviewed by Kevin Ramage

"Colonel Kopacsi's book makes it evident that the Hungarian Revolution was a communist uprising initially, begun not to deny, but to fulfill what its participants believed to be true Marxist-Leninist ideas."

George Jonas, foreword to *In The Name of the Working Class*

opened fire on demonstrators, barricades began to be erected.

Kopacsi, at this stage still carrying out his duties as Chief of the Budapest Police, relates an incident that showed the audacity of the barricade builders: "Didn't these people realise they were in front of police headquarters?" he asks.

He arrested 15 and discovered among them four metal workers, apprentices, farmers sons and members of the Communist Party's youth wing. This incident profoundly influenced his thinking in the following days when he heard the rebels denounced as "fascist provocateurs" by the AVO.

The leaders who were propelled forward by the uprising were mainly former reformist opponents from within the Stalinist regime such as Imre Nagy. Their demands were very confused - for the replacement of the Stalinists with "non-communists" and for Hungarian

tionary Committee of the Armed Forces:

"We have fought and some of us have died in the cause of an independent socialist Hungary...The purpose of this meeting is to lay the foundation for a new armed force in our country. This force is borne of the insurrection but we must ensure that reactionary elements wanting to re-establish the old pre-war regime don't worm their way in. That regime, fortunately is dead and there will never be capitalism and landlordism in Hungary again."

The Russian tanks were met by the armed working class supported by the majority of the Hungarian army and revolutionary propaganda prepared in Russian by students from the language school.

Some Russian units mutinied and the rest were forced to withdraw. However, on October 29 a new Soviet invasion began, this time using units from the remote non-Russian

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SOCIALIST

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or Foe? - p.22**

**Trade Union
Conference Reports**

SUPPORT THE GREENWICH NALGO STRIKERS

The 2nd of July saw the beginning of a series of rolling strikes by Greenwich Council NALGO members in defence of nine colleagues faced with compulsory redundancies.

The workers involved were employed at the Elmney Street, Family Centre in Plumstead. The centre, a base for teenagers, was closed by Greenwich Council in a round of pre-capping cuts which in itself provoked a one day stoppage supported by over 2,000 council workers earlier this year. NALGO nationally are supporting the strike on the grounds that the authority should have been able to find alternative work for the people involved.

But the dispute goes much further than just these nine jobs. Greenwich, which previously held the distinction of being the only council in the country to be capped (either under the old rating system or the current poll tax) every year since capping began, has again been capped meaning a further £8 million worth of cuts to make the Tory's figure.

If the unions are to be in a strong position to defend council workers when future cuts and redundancies are announced, then this dispute must end with reinstatement of the 'nine'. In this respect NALGO should not be isolated, all local authority unions should support, or at least respect picket lines during the strike (the Post Office has already been turned away).

Also local Labour Parties should start putting pressure on Labour Councillors to stop doing the government's work and begin to defend working people as they were elected to do.

By a Woolwich Labour Party member.

**More Nalgo
reports on
Page 3**

BECOME A SOCIALIST APPEAL SELLER!

Sharp-eyed readers will have noticed that this issue is dated 'July/August'. This is to allow for the holiday period (ours as well as yours) and means that our next issue will be published at the end of August. Subscribers should note that this issue counts as one issue for subscription purposes. We aim to have sellers at all the main labour movement events this summer including the special Labour Party conference and the Tollpuddle martyrs demonstration in July. If you would like to help us out give us a ring.

One reader rung us concerning our material on union mergers to say that he had read all the left press on this question and that only our articles had been "clear and pointing the way forward".

This comment in a nutshell sums up what the aims of our journal are. Our masthead states that this journal is the Marxist voice of the labour movement - we stand by that description. However we need your help - not just by reading and selling Socialist Appeal or by contributing to our press fund (welcome though that is!) but by writing for your journal. Articles and letters are more than welcome, even if it is just comments on articles already printed. We certainly welcome any letters of criticism or those requesting clarification or additional information. Help make Socialist Appeal your journal!

Finally a reminder that back issues are still available for our first three editions at £1:30 each (inc. P&P) Subscription charges. U.K. Rates Twelve issues £12:00 (inc. P&P). Europe Rates Twelve issues £16:00 (inc. P&P). World Rates Twelve issues £20:00 (inc. P&P).

SOCIALIST APPEAL - THE MARXIST VOICE OF THE LABOUR MOVEMENT.