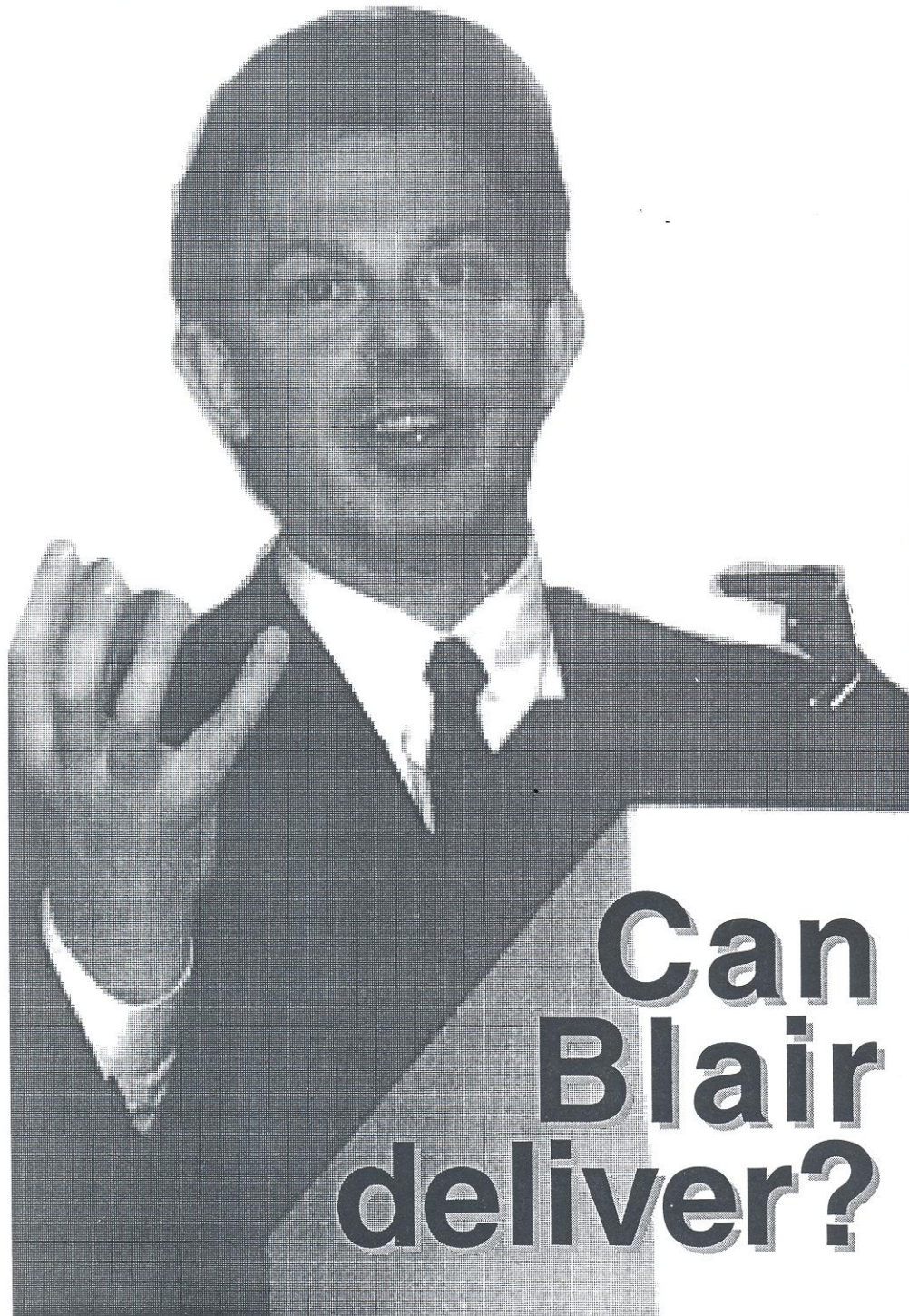


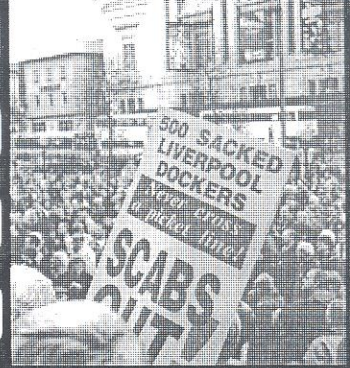
# socialist appeal

The Marxist voice of the labour movement



## Can Blair deliver?

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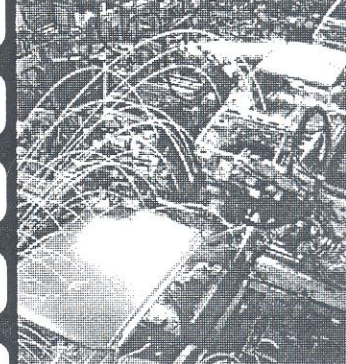
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Issue 42 June 1996 price: one pound

# The end of the Tory dream

**The Railtrack sell-off for the grossly undervalued price of £1.9 billion has brought the Tories privatisation policies into sharp focus.**

Almost immediately those who have acquired the shares will be able to reap an instant profit of around 15%. Yet only 650,000 people, and only half of these 'small investors,' have bought them - compare this with the well over 4 million who bought British Gas shares ten years ago!

What's went wrong for the Tories?

When Margaret Thatcher's Tory government launched its massive privatisation programme in the early 1980s it was heralded as the beginning of 'popular capitalism.' The Tories hoped they could transform society away from the class struggle torn seventies by creating mass share ownership. They had always dreamed of the property owning democracy - now they talked of the share owning democracy. Where millions held shares, they claimed, people would begin to change the way they thought. No longer workers, or even mere consumers, but as capitalists with a real stake in the Tories "enterprise culture." As Thatcher extolled the virtues of private capitalism, she hoped the massive extension of share ownership would make people begin to love the system.

The political significance of these measures was predominant in their minds. Then cabinet minister, Peter Walker, put the question quite crudely - one million new shareholders spread across Britain meant 20,000 Tory voters in each of 500 constituencies. On the back

of all this the Conservatives would become the 'natural party of government.' And indeed this is how they were hailed in the wake of their 1987 and 1992 general election victories. How things have changed! The 'natural party of government' is now the most unpopular government in the history of opinion polling.

Despite around ten million individual shareholders the myth of 'popular capitalism' has well and truly blown up in the Tories faces. Like the dream of mass property ownership, buried under a morass of negative equity and personal debt, share ownership has turned sour for millions.

## British Gas

The recent proposal by Ofgas, the regulatory body supervising British Gas, to cut prices to consumers by 20 to 28%, sent Gas share prices tumbling by over 10% This meant 27 pence wiped off every British Gas share. British Gas was privatised in the mid-eighties with an advertising campaign centred around Sid, an everyman character who was to symbolise the Tory dream of 'popular capitalism.' But the tabloid headlines said it all recently: "Sid's screwed."

However, share ownership started to go wrong a long time before the Ofgas announcement. In 1987 British Gas had 4.4 million shareholders, now it is down to 1.7 million.

Not only that but the small shareholder is totally impotent in the face of the big trusts who control the majority of the shares. Remember the revolt over Cedric Brown, his massive salary hike and his share options. Even a

vote of no confidence at British Gas AGM was overruled by the big institutions - so much for the 'share owning democracy.'

Big business has plundered the country's assets while the Tories have used the revenue as part of their attempts to massage the economy and kindle a feelgood factor. But the situation is changing rapidly. 'Popular capitalism' has been shown to be a sham. Feelgood has turned into feelbad.

The scandal of the privatised utilities will run and run. They are little concerned with the plight of either the consumer or their workforce. What concerns them most is the big dividend payouts to the shareholders and the lucrative salaries of its directors. Just ask ourselves why, for the second year running we face a crisis in the water industry? The privatised water industry has done the impossible and created a water shortage in one of the wettest countries in Europe! And the electricity industry does not fare better. After National Power's takeover bid for Southern Electric had been blocked, it had £2.5 billion to play with. What is it going to do with it? Invest it, reduce prices? No, you guessed it - National Power is now planning a £1 billion dividend payout. PowerGen, in a similar situation, is planning £400 million dividend giveaway.

The privatised utilities, north sea oil revenue, the 1982-90 boom - 'idyllic' years for the Tories and their system. But now the circle has turned. It is clear that no matter what the mythology says, capitalism can never be 'popular.' Despite the nearly 10 million individual shareholders today,

the Tories languish 20 points behind Labour in the opinion polls. All their policies have turned sour.

The boom of the eighties gave way to recession and the Tory dreams were shattered. Capitalism was being driven by the big institutions more than ever before. And to get a return on their 'investments' has meant an attack on the very people Thatcher had claimed to represent. Downsizing, delayering, job insecurity and the rest of it have effected the middle class to a quite dramatic extent in the 1990s.

*The shareholding dream is at an end. Capitalism can never work in the interests of ordinary working people. Time and time again the interests of the big institutional shareholders has come into conflict with that of the workers and the consumers.*

One old man who had bought the minimum amount of British Gas shares back in the eighties, and held on to them, was asked what he thought about his shares losing 10% of their value. He did not really care - the estimated £30 annual decrease in his gas bill would more than compensate!

## Conflict

The point is very clear - there is an irreconcilable conflict of interest between big business and the rest of society. What good is a few shares in a company if you are going to be "downsized" in an effort to push up dividends and stave off any 'unwelcome' takeover. The Labour leaders should be going to town on these issues. They were correct to condemn the Railtrack sale, so why not go for renationalisation? But Tony Blair seems happier dishing out the warmed-up Tory ideas of "stakeholding" than offering real solutions to peoples problems.

Stakeholding is as much an empty sham as shareholding!

We should be fighting for the renationalisation of all the privatised utilities, along with a programme of taking over all the big monopolies and financial institutions, running them under the control of the workers and organising a real socialist plan of production that will begin to meet all our needs.

# Unison conference

For nearly two decades public sector workers have suffered attack after attack on jobs, wages and conditions from one Tory government after another. We have seen a dramatic deterioration in public services with hospital closures, education cuts, privatisation, abolition of the GLC and so on.

The Tories have tried to use a whole series of anti-trade union laws, coupled with the fear of unemployment, in order to get away with this.

Unison conference meets on the eve of the expected election of a majority Labour government. Activists in the union are now looking ahead to what such an election will mean for the millions who work in and rely on public services.

For the past four general elections our union leaders have pushed before us the policy of "heads down for a Labour government." The 'dented shield' strategy of minimising the effects of cuts at a local level was presented not as a plan of last resort after a national defeat but rather as the first and only option from day one. This seems to be what we are being asked to accept again. There is a good chance that this approach will hold sway again but not because members think it right but rather because of a fear of the consequences of being seen to be 'rocking the boat'. Despite this some

opposition from below may reveal itself.

The question that members will be considering is—will Labour deliver and if so, what? For example, will compulsory tendering be removed or not? Will the minimum wage (a key issue for public sector workers, many of whom are low paid) be introduced and if so at what level? Unison's agreed policy is for a minimum wage set at half male median earnings, rising to two-thirds, and many of the resolutions on the agenda book seek to reaffirm this. However some of these resolutions refer with dismay to the figure of £3.13 being touted by some of the Labour leaders, with others being even more reticent.

## Minimum Wage

Support should be given to those resolutions and amendments which clearly call for the rejection of the lower inadequate level and support for a proper minimum wage, and for such a policy to be adhered to and campaigned for by our leaders. It was unfortunate that a resolution calling for support for the minimum wage was defeated, as a resolution to go to LP conference from the union, at the APF conference after pressure from the leadership who said that such a resolution would be divisive, would raise splits just before a general election, etc. etc. It should be noted that not passing such a resolution may keep everything nice and quiet but will do nothing for cleaners working for an NHS trust on £2.50 an hour! Members will still be expecting a Labour government to do something and Unison needs to put the pressure on. A sizable number of resolutions call for the repeal of the anti-trade union laws. Questions must be asked as to why the Labour leadership are not prepared to do this but rather intend to keep

many of them in place.

Other questions which have lead to resolutions include the issue of the taking back into public ownership of the privatised utilities. Again concern is being raised as to how committed an incoming Labour government will be towards this, since they seem to be emphasising instead the role of the so-called regulators.

## Labour Victory

Throughout this conference delegates representing members in health, education, privatised utilities, local government and so on will be raising demands about not only what has happened to them under Thatcher and Major but what will happen under Blair. The mood will be clearly to fight for a Labour victory but activists should not draw the conclusion that members will just accept what is given to them as a result of this. The union should be mounting a campaign now, using its links with the party, for Labour to stand committed to the policies that the members believe they should be defending—a minimum wage, proper public services, a decent NHS, and so on. The union should not seek to avoid the questions of what an incoming Labour government will actually do. Such an attitude could lay the basis for and lead to the election of another Tory government in the same way that the 1974-9 government's attacks on the public sector helped lay the ground for Thatcher to come to power on the backs of those disillusioned with Labour. This conference is crucial—public sector workers must make a stand not only in attacking the damage of the last 17 years but also in fighting for Labour to stand on clear socialist ideas.

Steve McKenzie

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**UNISON  
Socialist  
Appeal**  
fringe meeting  
Wednesday 19 June  
7.30pm  
Winterbourne Hotel  
Priory Road  
Bournemouth  
speaker: Ted Grant

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# Postal Workers prepare for action

As we go to press the results from the CWU ballot on industrial action are about to be announced. All indications are that it will be a "yes" vote.

Our claim emanated three years ago from a Conference decision to push for a 35 hour gross working week for all postal workers. We also decided on improvements to our annual leave and on job security. Unfortunately, the union leadership dragged its feet until 18 months ago when they started negotiations with the employer.

However, the Post Office were insisting on new working prac-

tices or Total Quality Management. Despite the union conference's total opposition to all forms of TQM, the union leaders continued to discuss these proposals with management. Meanwhile postal workers have been bombarded with propaganda from the employers that "team working" and pay "restructuring" were the only way forward.

This caused a great deal of unrest in the workplaces at a time when we were experiencing cut-backs in full time duties. With the increase in the External Finance Limits (EFL) set by the government, more profits go to the chancellor and none to the postal workers. In

the last four years, profits have quadrupled and 20,000 jobs have been lost. Postal workers are now saying enough is enough!

Our claim must be for the full 35 hour week. We must reject management's derisory offer of one and half hours off the working week, financed by working 15 minutes each day for no pay! The bosses are saying their offer is worth 15%, but in reality it is a pay cut for most of us, as allowances will be cut or reduced.

Again, "team working" is totally unacceptable. "Continuous improvements" is a way of working yourself to death. We will not cover absences from

our "team". We must fight to get rid of the duty contents sheet (P318), and keep seniority. The way forward is five day duty patterns. We moved from 7 to 6 day working in 1849. For 90% of delivery staff, they still work on these 150 year old duty patterns.

With a "yes" vote anticipated, we need to decide the best form of action to take to secure our just demands. We need to learn the lessons of 1988. Selective one day strikes are not the most effective. They are limited in their impact and serve to draw out the dispute. We need decisive action that will rapidly bring the management to its knees. Only all out action can deliver this. This matter has gone on far too long. Our union needs to act now, and act together!

**Charlie Balch**  
(RML Sec., SE Wales Amal.,  
CWU, pers cap)

**Socialist Appeal Conference  
Fringe Meeting, Tuesday 4  
June (See sellers for details)**

## Asylum Bill

### UNISON conference: vote for non-compliance

The government's Asylum and Immigration Bill is a vile piece of racist legislation. It requires, for instance, that employers check on the immigration status of their employees, a process that will be time consuming and costly. The threat of a fine of £5000 for employing an illegal immigrant will leave small businesses taking the easy option and refusing to recruit anyone with a foreign sounding name or black skin. Discrimination in employment will worsen. A bill announcing itself as dealing with asylum seekers and immigrants will in reality have a widespread and damaging effect on the whole black community.

The bill spreads its pernicious net even wider, however. It requires public servants to check on the immigration and asylum status of people using public services. Teachers, hous-

ing officers, hospital staff etc. will be turned into immigration officers by regulations that attempt to restrict access to public funds.

UNISON, the country's largest public sector union, has been very slow in getting to grips with this legislation.

#### Conference

A conference, first planned for last October and twice postponed, finally took place on May 15th in the Labour Party's new media centre at Millbank. An anxious chair faced a roomful of branch activists and angry black members, with a platform of barristers from anti-deportation and refugee organisations alongside a front-bench Labour spokesperson standing in for the shadow Home Secretary. As the chair stressed, it was a discussion-only conference with all decisions on policy having to be taken by the National

Delegate Conference in June. Twenty-two motions on the final agenda of that event call overwhelmingly for non-compliance or a boycott of this racist legislation which requires UNISON members to police the allocation of hospital treatment or free school meals to immigrants. An amendment from the NEC calls for branches to negotiate with employers an indemnity for "not carrying out any act which may be discriminatory, racist or unlawful."

This is, of course, the end result of their resolute refusal to countenance industrial action to make this new legislation unworkable. Indemnity or no, UNISON members will be placed in an impossible position. They need the unqualified backing of their union if they follow the dictates of their conscience and provide access to state funding which breaks a racist law.

At the Millbank conference, the General Secretary and one of his deputies were forced in the afternoon to excuse the lack of leadership on this issue by pleading that union policy has yet to be decided. True—but a very concrete dilemma will soon face UNISON members in the workplace; which law should they break? the one that defends the rights of black people or the one that tramples on them?

The union's leaders cannot evade the very same dilemma with their usual ringing denunciations of evil Tory policies. Every member in the firing line—on a housing benefit counter or on a casualty reception—will expect unequivocal advice from the union. Though the union's leadership clearly does not intend to issue a clarion call for it, conference must vote for non-compliance. As Rodney Bickerstaffe pointed out, he carried out the APF national policy on Clause IV so let's give him a clear policy in June to carry out on this issue.

**Elizabeth Short**  
Branch Secretary Hackney  
UNISON (personal capacity)

# Liverpool dockers speak to Socialist Appeal

After eight months on strike Liverpool dockers are determined as ever to win their dispute. Despite a conspiracy of silence by the bosses' press, the message is being carried into the wider Labour movement by strikers, their wives and supporters.

The issue is a simple one: it is about a vicious employer attempting to wipe-out trade unionism on the docks. 500 Liverpool dockers were sacked for refusing to cross a picket-line, after Torside Ltd. - a company established by the Mersey Docks and Harbour Company to help overcome their labour shortages - announced their decision to sack dockers and replace them with casuals. They wanted to drive the dockers back to conditions of the Thirties when employers could pick and choose casual labour on a daily basis.

Socialist Appeal talked to Liverpool striking dockers Derek Wainwright and Mark Rossiter.

"The moral of the men is very good after nearly eight months battling with the employers. We picket the docks regularly to bring home to the bosses and the scab labour they have taken on that we are going to

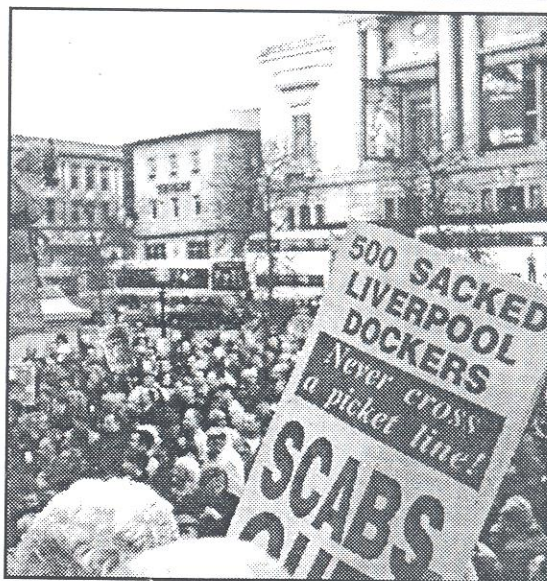
win. The employers have reacted by placing a wall of containers around the docks to prevent people seeing for themselves that the port is utterly paralysed. The place is empty.

"This has been due to the magnificent support we have got from dockers all over the world. Following the success of our Dockworkers International Conference in February, where 60 delegates from 17 ports pledged their support to the Liverpool dockers and their families, the support from the rank and file everywhere has been great. Now dockers in up to 30 countries are backing us. As a result the Company has been pushed to the wall.

They are rapidly losing customers, who are trying to use other UK ports. With share prices falling and the other costs of the dispute, the Mersey Dock Directors have paid out over £70 million for the privileges of sacking 500 dockers. But we are also getting the message across that this strike is not only to protect our jobs and conditions, it is a fight for basic trade union rights and principles. That is why the whole movement must rally behind us to stop the bosses' attacks in their tracks." We also talked to Doreen McNally and Ann

Morrison from Women of the Waterfront. "As I told the PTC rally last night, I came straight from the kitchen. None of us women, dockers' wives, were political or anything. We didn't even know each other as the company never organised any socials where we could meet. We came together out of the strike itself. When I spoke at the first rally in support of the strikers I stressed how the actions of the bosses were affecting our lives. We women all realised the same thing and that we needed to stick together. We took the example of the miners' wives in the miners' strike. We decided to get organised and so we set up WOW and we learned as things went along. Now we go around the country where ever we are invited to speak to generate support for our struggle. The girls have been to Sweden, Ireland, and have also received invitations from other countries. We have a voice and we are using it!"

Messages of support and donations to: J. Davies, Sec/Treas, 19 Scorton St., Liverpool, L6 4AS cheques etc payable to Merseyside Dockers Shop Stewards' Committee



The recent National Support Conference for the sacked Liverpool dockers, called jointly between the sacked dockers and Merseyside Association of Trades Councils attracted over 100 delegates. Jimmy Noland, the dockers' leader, reported on the latest developments where the stewards met the employers at a meeting arbitrated by ACAS. As a result the MDHC tabled its latest offer - which more an insult than a serious proposal. It proposed the MDHC would try and negotiate severance packages with ancillary staff in the Port of Liverpool; with any vacancies subsequently arising being offered to the sacked dockers. Not surprisingly, the port stewards recommended that this offer be rejected - which it was, unanimously, at a mass meeting convened on May 24. In addition the meeting reaffirmed its commitment to carry on the struggle for full reinstatement, and an end to casual labour on Liverpool's docks.

The Conference was also addressed by John Ireland, CWU Merseyside AMAL, who reported on the burgeoning dispute in Royal Mail. Bob Crowe, RMT Assistant Secretary, pledged his union's unreserved support to the dockers, and condemned not only the media black-out of the dispute, but also the way in which the dispute has been ignored by the trade union leadership and the TUC.

At the moment the dispute is costing the dockers somewhere in the region of £35,000 a week - a total of £1.2 million since the dispute began. Without official support this full cost is being met by donations alone. It is vital that all trade unionists and activists look at ways of raising money for the sacked dockers. As well as branch donations, the question of workplace levies and collections should be raised. Resolutions of support should be submitted to union conferences, and dockers' representatives invited to speak. In addition, activists should get involved in the support groups which are being set up all over the country.

Paul Nowak  
Wirral TUC (personal capacity)

# CPSA conference review

CPSA's recent conference was no holiday for the union's ruling right wing National Moderate Group. Conference censured the NEC for its failure to implement past policy and lead a fight to defend jobs, pay and conditions of CPSA members. Despite the consistent blocking of the NEC, conference agreed on a range of policies aimed at organising a serious fightback over the next year, democratising the union by limiting the power of the President and General Secretary, and returning the union to the mainstream of

the labour movement. An attempt by Marion Chambers, right wing President, to close down conference and prevent discussion on rule changes which would have limited her powers backfired disastrously. 600 delegates attended an impromptu rally at which CPSA Left Unity was launched. However in spite of the fact that the left won every important vote at conference, the election results were a big disappointment. Left Unity candidates, Chris Baugh, Danny Williamson

and Karen Abrams were elected to the NEC, but the other 23 seats plus President and Vice President were taken by the right wing. The turnout in the elections was extremely low, with approximately 105,000 members not returning ballot papers, saddling the union with a leadership elected by only one twelfth of those eligible to vote. Left Unity must learn the lessons of this election and begin immediately to campaign to win the support of the 80% of members who didn't vote. Left Unity must be seen by members to be giving a fighting lead on progressing the issues they expect the union to be campaigning on. This is how we can guarantee victory at the 1997 union elections.

**Jon Rubidge,**  
branch sec.,  
CPSA Emp Service  
West Glam & Dyfed  
(personal capacity)

# CWU conference

For BT workers this year's CWU conference will include some crucial debates where members will be looking for action not words. Issues like the renationalisation of BT, the contracting out, the minimum wage etc, remain high on the agenda. This year we are also facing attacks on our personal conditions of work with BT seeking to move staff out to new sites, which for members in London could involve a loss of London Weighting and pension rights. Many branches will be seeking to reaffirm support for the repeal of all anti-trade union laws, in the light of the leadership's action in presenting a watered down version of this to the LP conference. It is also worth noting that should the Post Office side of our union take industrial action then CWU branches and members who are in BT could not legally take action in support. Another matter of concern is the question of what has happened to the union's finances which are now in a poor state with our reserves having been frittered away. With members jobs and conditions under attack yet again in the face of new technology and the ever popular (with management) use of downsizing, we need this conference to lay the basis for a fighting union armed with a clear programme of action rather than the fudge we have been given in the past.

**Mary Hanson**  
CWU COLE Branch (personal cap)

## Socialist Appeal annual summer camp

Dorset

24, 25, 26 August 1996

See next month for more details  
or ring 0171 251 1094

# NATFHE: defend working conditions

**The college lecturers' union NATFHE has been negotiating over our working conditions with the Local Government Management Board since last summer.**

Both adult education and youth work rely heavily on part time workers and the contracts held by part timers are illegal! The employers are aiming to solve the problems this creates by:

Increasing the workload of full time workers by 41%.

Creating a low 'tutor grade' that will be the basis for part timers' pay.

Last September a 'consultative' conference was called. All delegates demanded a vigorous defence of current conditions. Since then there has been strong pressure for a delegate conference capable of making binding decisions. In February an internal ballot was held. The vast majority of those who voted supported industrial action and opposed the managements plans. Under the weight of all this pressure head office relented and called a conference for 30 March.

However this conference was badly publicised and insufficient notice was given for some branches to organise their delegations. The national officials then decided, without consulting anyone, to cancel the conference. The conference was then rearranged for 20 April—during the holiday period! Despite the short notice, about half the branches sent delegates. But this meeting was just a talking shop, there were no motions just reports from negotiators and branches. We were told that the employers had threatened: accept the proposals or national negotiations would cease!

Ideally we should defend national agreements but we cannot accede to these demands. At least when forced to make local agreements, we need to do so from the position that the employers' proposals were not accepted nationally by the union.

The NATFHE bureaucracy failed to follow the democratic traditions of the labour movement. There was no vote and the negotiating secretary had the cheek to 'congratulate' us on our 'maturity' in coming to an agreement

without one!

As a result officials continue to have a free hand. There was no vote taken so they cannot be held accountable for their actions. This has placed us in an impossible position. We must be ready in the future to defeat these tactics and begin the fight for real union democracy.

At the National Negotiating meeting on 29 April, the union did in fact stand by our position on existing agreements. This resulted in the employers tearing up the national agreement. LEA workers in adult education effectively no longer have a national employer. Graham Lane, a member of the Labour Party and of the Socialist Education Association, attempted to divide full timers from part timers by implying that the ballot was just full timers defending their conditions and that they (the employers) were defending the part timers. We must not allow this divide and rule tactic to work.

All LEA branches of NATFHE must now unite all full and part time workers and fight for local agreements that adhere to the old national conditions, with fractional contracts and full parity for part timers.

**Anne Tanner**  
Chair Cardiff County NATFHE  
(ACE)  
(Personal Capacity)

# ASLEF ballot on London underground

ASLEF are planning to ballot their members on the London Underground to gain support for a series of 24 hour strikes. LUL have reneged on the 1995 pay deal under which it was agreed that a one hour reduction in the working week would be implemented by August 1996.

Management are now saying that we have to pay for that hour reduction by agreeing to rest day working and Management telling us when we can take any outstanding leave as part of the 1996 pay deal. The Union is insisting that last year's pay deal be honoured and that, as part of this year's deal, we are demanding another 1 hour reduction in the working week. Members do want the fiasco of last year when the talks

became protracted and we had ballot after ballot, partly because of dud legal advice and partly because the union leadership did not want to fight. Each ballot result returned an overwhelming majority for industrial action but the union agreed a 'jam tomorrow' deal. This will not be acceptable this year. It appears that the Union has learnt some lessons from last year and are immediately balloting for industrial action. When the Company Plan was introduced by Management, productivity increased by as much as 17%. Pressure has increased, sickness has increased—we need a reduction in the working week and we will be prepared to fight for it.

Steve Tree (ASLEF)

## RMT conference

The issue of Scargill's SLP and internal appeals against Council of Executive decisions taken during the previous year dominate the agenda for this year's RMT conference being held in Ayr. This should not detract from the serious industrial and political issues affecting the union which are also on the agenda.

Last year the RMT revamped the "Save Our Ships" and the "Save Our Railways" campaigns. This year delegates will have the opportunity to voice their support for this—as they will also be able to reaffirm support for the union's policies on the renationalisation of the privatised railway companies. The agenda also include demands for the next Labour government to take into public ownership all of Britain's transport undertakings, including the Channel Tunnel and its rail links, so as to create a transport system which is owned, used and operated for and by the people which will be both cheap and environmentally sound. The conference will also debate resolutions on the disgraceful condition of the welfare state, the plight of our pensioners and the unemployed. Support will be expressed for workers in struggle, such as the Liverpool dockers and CPSA members fighting the JSA. Opposition should also be expressed against the racist Immigration and Asylum Bill.

These are the issues that the RMT and others should be facing up to at the moment. With a real chance of a majority Labour government, none of us in the movement should be breaking away or organising right wing witch-hunts. Now is the time to kick the Tories out and return a Labour government that should have a socialist programme ready to put into action. Anything less could be a complete disaster for the whole labour movement. Now, more than ever before, we need to remember the old saying: "united we stand, divided we fall."

RMT member

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End of the welfare state, no more student grants, child benefit cuts? We ask the big question...

# Can Blair deliver?

The upcoming general election cannot come soon enough! Millions of ordinary working people are waiting for the chance to rid themselves of the seventeen year long Tory nightmare. Major is "leading" the most unpopular government in modern history. Since the autumn of 1992 they have trailed badly in the opinion polls, consistently being twenty or so points behind Labour. The local elections in 1995 and 1996 have decimated them in a every area. Whole stretches of the country have become Tory free zones as far as local government is concerned.

And their unpopularity is no surprise. Since 1979 the Tories have decimated the industrial base of Britain, hammered the public sector and destroyed the hopes and aspirations of millions. For the first time in a century the present generations are going to end up worse off than their parents. Job inse-

curity is at its highest since the twenties and thirties - even amongst the formerly Tory voting "professional" classes. Britain is the most unequal society in Europe, its workers now work the longest hours, they have the shortest holidays, some of the worst employment rights and some of the lowest wages. Since the last election in 1992 a staggering nine million people have been made redundant. And Kenneth Clarke still believes he can rekindle the "feelgood" factor!

## Last legs

Major's government is well and truly a government on its last legs. With a majority of one, relying on support from their "friends" in the Ulster Unionist parties, it is quite possible that the election could be called sooner rather than later. The declaration of "war" against the European Union on the beef question to try and keep his parties

right wing "on board" is another sign of the total disarray that they are in. They are facing obliteration and they know it.

Millions are now looking to Labour to begin the task of salvaging the wreck that the Tories have created in this country. On education, the health service, poverty, homelessness, jobs and workers rights, attention is firmly focussed on what the Labour leadership are advocating. Activists, in particular, will want to know exactly how Labour is going to tackle the vast array of problems left by the outgoing Tory government. The burning question is: can Blair and the Labour leadership really deliver?

For the most part, Labour's front bench have argued for "heads down" and unity at all costs in the run up to the election, little or no "hard" promises for fear of the Tories blasting them out of the water a la '92 when John Smith's shadow budget was howled down by the Tories and media as a tax-raisers dream, and an increasing attempt to woo the voters of what the media describe as "middle England."

Unfortunately, some of the front bench proclamations have gone a long way to build up the anxiety level of whole layers of activists in the party and the unions. Why can't we set a decent figure for the minimum wage we all agree on? What are we really going to do about unemployment? Why can't we commit ourselves to repealing the Tory's vicious anti-union laws? These questions remain unan-

swered by the shadow cabinet.

You could certainly get the feeling that Blair and co. believe that the Tories were a tremendously successful political party throughout the eighties and therefore to get the votes of millions of disillusioned Tory voters we need... to emulate the Tories. Blair's veiled compliments about Margaret Thatcher certainly add fuel to this view. It seems the problem with the Tories is not the slash and burn policies unleashed by Thatcher in the '80s but the ineptitude of Major and his gang in the '90s. This takes the real history of Britain over the last two decades into the realm of fantasy.

## Real policies

For activists, the Labour leadership should be getting down to formulating real policies to tackle real problems. That's surely the only way we can guarantee the enormous opinion poll lead is translated into a landslide victory in the election.

Tony Blair has recently said that we have not yet won the battle of ideas. He quoted politics professor, and ex-SDPer, David Marquand, "*One of the safest rules of politics is that decisive political victories must follow ideological victories. Like armies sweeping through fortifications flattened by ariel bombardment, the Atlee and Thatcher governments beat demoralised opponents whose ideas had come to seem risible... the synthesis we achieved in 1945, or the Tories managed after 1979, does not come easily.*" Blair, however, fails to understand the contradictions between the 1945 Labour government and 1979 Tory government. He merely sees them both as governments of "modernisation." Unfortunately, rather than building from the radicalism of 1945 he wants to extend the "modernisation" of 1979!

In a recent speech in Swansea Blair outlined his idea of the "British dream": "*You still believe in the British dream. You still believe in British values, in decency, hard work, and fairness. You still long to do better for yourselves and*





your family and you long for Britain to do better too.... The electoral battlefield was portrayed as labour for the poor and disadvantaged - against the Tories as the party of the secure and comfortable majority. It has changed. It is Labour that now speaks for the insecure majority and puts forward the policies that meets their concerns. And it is the Tories who speak only for the privileged few."

Of course, he neglected to say who now spoke for the poor and disadvantaged. And they have been the fastest growing section of society under the Tories. In 1979 9% of people were living on below 50% of average income after housing costs, by 1993 this had risen to 25% (14.1 million). But this is not such a problem for Labour's front bench as you may think. We should really be redefining the whole concept of poverty. Shadow Social Security secretary, Chris Smith, called for just that: "If you are highly skilled, earning a reasonable wage, and have a modicum of savings, when you are thrown out of work you may become technically poor - your standard of living is certainly substantially diminished - but you may well have a reasonable chance of re-establishing yourself out of poverty in a short period of time... it isn't simply the figures on your income that count, it is all the other denials of life chances that come in train. Our national assessment of what poverty means needs to take that into account."

### Technically poor

"Technically poor" but not living in "poverty"? What does he mean? Or is this code for saying that whole sections of the working class will be outside the range of help from the incoming Labour government.

Surely, these are precisely the people "new" Labour should be helping. Yet Tony Blair has already hinted that welfare will only be extended to those in the most desperate need. For those in work he has talked about recreating some kind of version of the "Singapore model," that means workers paying out to private insurance schemes to cover health, long term unemployment and retirement. No wonder the *Guardian* ran a recent front page story, "The end of the welfare state":

"Britain's two main political parties yesterday declared an end to welfare state as it has been known for 50 years, foreshadowing a new and looser compact between the individual and government... Labour set out the first details of a new welfare state in which private insurance would play a growing role... The coincidence of the Labour and Tory pronouncements mark a decisive and irreversible shift in the role of the welfare state. After years of debate across the political spectrum about its suitability and affordability in 21st century Britain, yesterday's move represent a bipartisan rejection of the comprehensive, state-run social insurance model of William Beveridge, the welfare states founding father." Chris Smith stated, "Surely it is time to get away from the sterile battle lines of public and private and, instead, to look at how the two can best work together in the interests of the citizen - and in the interests of all citizens."

These statements taken together represent a breathtaking denial of all that Labour has stood for in the past. They are little more than a warmed up version of 1980s Toryism sprinkled with some talk of modernity. If Major and the Tories were not in such a disastrous rut, some of the statements of the present labour leaders could well put in jeopardy a victory at the polls.

It was Thatcher who talked of rolling back the frontier of the state, ending public welfare dependency, encouraging people to "look after themselves" through private insurance and savings. For most people, however, this has blown up in their face. People are sinking in a swamp of negative equity, personal pension plans and the credit nightmare - all this linked to the enormous job insecurity that exists and the intense pressure building up in the workplace and we have already a recipe for an explosion.

There has been an enormous ideological shift in the past period. This is reflected in the rejection of the Tories by whole swathes of middle class, middle income England. People have had enough of the 1980s Thatcherite model.

Unfortunately, Tony Blair has picked this particular moment in time to adopt wholesale the very same model.

The fact is, capitalism can no

## Thinking the unthinkable?



longer provide job security, a decent wage for all, or any the other things our parents got used to in the 50s and 60s. No matter how it is presented, with all sorts of talk of modernisation, partnerships and so on, recent statements point to the fact that rather than delivering the reforms so badly needed in Britain an incoming Labour government will carry on the main thrust of governments everywhere throughout the 80s and 90s. That is further attacks on the welfare state and the public sector generally.

### Frightening

Other recent policy statements have been equally as frightening. While many activists would be arguing for a restoration of the student grant to the equivalent of pre-79 levels, David Blunkett has come forward with a new policy of abolishing student grants altogether and replacing them with loans which will have to be paid back over 20 years. The present Tory loan scheme is in total disarray, yet rather than campaign for a decent living grant Blunkett wants to go further than the even the Tories dared and scrap the grant completely. The number of young people going to university has increased dramatically, now 30%. An incoming Labour government wants to increase this to 40%. Obviously within the confines of capitalism funding for these sorts of numbers would be more than problematic.

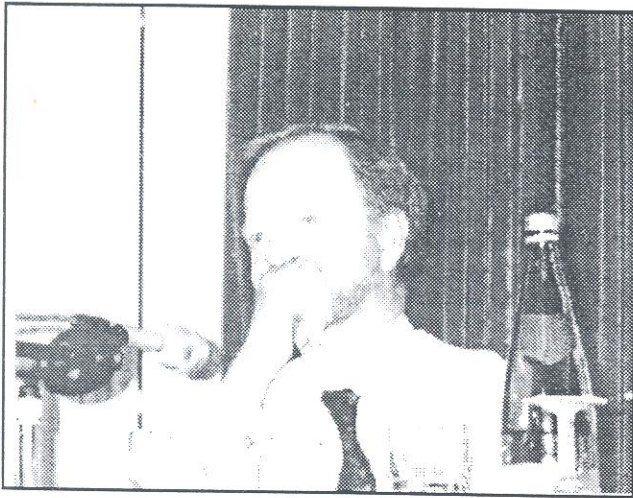
Blair has asked the shadow cabinet to go and "think the unthinkable" in relation to reform and Blunkett has done just that. Hard on the heels of other policy shifts on education: league tables, "foundation" schools, the "Harman affair," encouraging

schools to borrow money from the private sector, etc., what we are witnessing is a retreat on a massive scale from the idea of a fully funded and fully comprehensive education system. Even the old right wing in the guise of Roy Hattersley cannot stomach these changes and have been vociferous against them. It is one of the greatest ironies of the present situation that arch-right winger Hattersley is now well to the left of the former-left Blunkett.

The fact is, Labour could win the election on the education issue alone given the enormous discontent there is amongst teachers, parents and students. Yet it is offering effectively nothing to those whose experience of education is a run-down inner city school, or whose children are taught using old and decrepit books and materials, or those who are in further education and having to work their own way in low paid "McJobs" and the like.

The announcement by shadow chancellor Gordon Brown that Labour would scrap child benefit for 16-18 year olds has been the most controversial so far and opened up a growing tension even in the shadow cabinet. Brown's argument that the money would be used more efficiently and help those from lower income families rings hollow. The fact is, it is a cut of over £500 per year for every family with dependents in this age group. How is that going to benefit lower income families! Coupled with the ending of student grants, how can young people from low income families really contemplate staying on in education. So much for Brown's talk of a skills and training revolution.

The proposal, more than any, has shown clearly what could



happen when Labour really does take office. Even at this early stage figures like Robin Cook and John Prescott are quite obviously uneasy about what is going on. Prescott's criticism of Brown's plans for a future Treasury becoming a sort of super-department, controlling every detail of government policy is more than just a technical matter.

Despite everything that Blair, and Brown, have done to distance themselves from inevitable criticism it will come and it will be expressed within their own cabinet.

Marxists are not the only ones who can learn from history.

OMOV, the abolition of Clause IV, the constitutional changes, the undermining of the NEC and party conference and the attack on the trade union links - all have been part of a policy to try and safeguard a future Labour government from the sort of direct criticism and pressure that came down on the 1974-79 Wilson/Callaghan government. It will fail!

Nothing can stop such a movement, first in the trade unions and then within the ranks of the party itself.

It is quite clear that staying within the confines of capitalism a Labour government cannot deliver even the mildest reforms at the present time. And Blair quite consciously sees no alternative to the capitalist system. In a recent edition of right wing Labour magazine *Progress*, Blair outlined his views on the stakeholder economy: "The competitive challenges are made greater by the challenging nature of the global economy... for the developed nations the task is to move

*into higher value added products, to sell on quality and design, not just cost, and to maintain flexibility. The issue is not whether to be competitive but how. In the first wave of response to global change, markets had to be opened up. In Britain this was largely done in the 1980s. From now on, fiscal policy, levels of regulation and even, to an extent, tax rates will be influenced by the global market. The real change in industrial relations is the recognition that the threat from outside competition is greater than disagreement with management."*

### Eighties

What does all that mean? Blair clearly sees that what happened in the eighties, what we all call Thatcherism, was the inevitable and necessary response to the new "global market." Not only that, but just about every element of financial policy for modern government will be determined by global markets, including tax levels. This effectively means that even a mildly reformist Labour government, carrying out some traditional Keynesian policies in response to our problems would almost immediately come into conflict with "global markets." This presumably is why the Labour leadership no longer talk of full employment, or virtually any new state spending. And presumably their belief in maintaining "flexibility" is why they are fearful of setting the level of the minimum wage at the paltry level of £4.15.

John Prescott is fearful that a super-treasury run by Gordon Brown will veto any attempted

reform when they take power. This is presumably so, but it does not stop there. John should also be fearful of what lies behind Browns plans - the complete acceptance of the dictates of so called "global markets."

The last Labour government was forced to accept the orders of the International Monetary Fund and start a programme of vicious cut-backs in state expenditure and bring in the so-called "social contract" - really a contract for wage restraint. But this was after they were in power and after they had failed to keep the lid on the economic crisis that was brewing. Tony Blair and Gordon Brown are not even in No. 10 and 11 yet, but still they adamantly follow the path laid down for them by "global markets."

Blair has now announced that Labour is now the "centre party" and the party of "one nation." Unfortunately for him the vast bulk of the population will not see it in quite the same light. Millions are looking towards a Labour victory not because of their interesting theories on "stakeholding" in a "global market situation," but because they are sick and tired of the Tories. They want action and they will expect a Labour government to deliver. On welfare, jobs, health, education, employee rights, on just about everything.

And if all Blair can deliver on the basis of his belief in "global markets" is more of the same, then the Labour government will soon be engulfed. Opposition will develop in the trade unions, in the working class communities and within the party itself. If the right wing ever thought that they could transform the Labour Party into something different, then they have got another think coming. On the road mapped out by Blair and Brown the Labour government will be a government of crisis.

In just such a period the programme of socialism will emerge in the labour and trade union movement as the only one that can take on the power of "global markets" and start to sort out the mess that these markets have created.

Iain Gunn

## A socialist programme for Labour

- For an immediate general election. Labour to power on a socialist programme to include the following demands:
  - End mass unemployment. No redundancies - work sharing with no loss of pay. Introduce a programme of public works to build houses, schools, hospitals, a proper integrated publically-owned transport system and other essentials.
  - For an immediate 32 hour week with no loss of pay.
  - A national minimum wage of at least two-thirds of the average wage. Support for £4.15 per hour as an immediate step to this goal.
  - Repeal the Tories anti-union legislation
- Expand the welfare state! Restore the finances cut by the Tories. Abolish the Trusts and the internal market and restore a fully free National Health Service.
- End Compulsory Competitive Tendering.
- Abolish grant maintained schools, restore fully comprehensive education. A decent living grant for all students over 16.
- Renationalise all the privatised companies, with minimum compensation on the basis of need.
- Fight all forms of discrimination. Equal pay for equal work. Repeal all racist immigration controls and legislation.
- Regular election of all trade union officials subject to the right of immediate recall. All officials to receive no more than the average wage of a skilled worker, plus legitimate expenses. The same to apply to all Labour MPs and workers' representatives.
- Abolition of the monarchy and the House of Lords. A Labour government to introduce legislation to take over the "commanding heights of the economy": the big monopolies, banks and insurance companies. Compensation only on the basis of proven need. These companies to be run under democratic workers' control and management and integrated through a socialist plan of production.
- Opposition to the bosses' European Union. For a socialist Britain and a socialist united states of Europe as a step to a World Federation of socialist States.

# Reason in revolt

Marxist philosophy and  
modern science

Alan Woods and Ted Grant

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## Support Socialist Appeal's campaign fund

The cash has started to flow in....£50 from a car boot sale in Yorkshire... £60 from a discussion meeting in Merseyside...£60 from delegates at PTC conference and over £100 from CPSA delegates... individual donations of £10 upwards with sellers saying that they are drawing up lists of those who can be approach to give cash. This is the attitude we need if we are going to keep on target to reach the figure of £6,000 to be raised by the end of September. With John Major having decided to join the cast of Dad's Army and "go to war" over Europe's unwillingness to touch our dodgy beef, we could be facing an election earlier than you think. We need to be ready to face that as well. It is essential that there is a voice arguing for socialist ideas inside the movement but we need your support. We appeal to every reader to make a donation in support of our campaign fund and to assist in getting others to join in. We rely on support not from advertising and hand outs from big business backers and the like but on the honest support of ordinary men and women. Please send what you can. One final note: Ken Loach's film 'Land and Freedom' is now out to rent on video. Since this film did not get a wide cinema distribution this may well be the first chance that many readers will have to see this marvellous study of the Spanish civil war. Why not organise a 'video night' and rent this film out so that—for a small charge—people can come round and see it. Lay on some food and drink and you could have yourself a good political social that will also raise some much needed cash for our funds.

*Business Manager*

## Pakistan trade union defence campaign

On 28th February a public rally in Oldham was organised by the Pakistani community, local trade unionists and Action Against Racism, 45 people attended.

During 2nd week of April Imran Ali, UK secretary of the campaign, addressed the National Hazard Conference in Bradford. He explained the poor conditions of health and safety at workplaces in Pakistan, the exploitation of women and child labour and repression of the Trade Unions. He was greeted warmly and the appeal for support and solidarity raised a collection of £55.

On 4th May, we marched with Newcastle UponTyne May Day Rally. At the end Imran Ali addressed the rally along with Michael Meacher, Labour Shadow Employment Secretary and Margret Prosser (TUC President). Imran explained the importance of May Day celebration, demands of the workers and the need for unity internationally. He also outlined the struggle of Pakistan's trade unionists on several fronts; against anti trade union laws, women repression, assassinations and brutal bonded child

labour. For better health, education, housing, transport, jobs and social services. A collection of £44 was made.

We made representation to the Trades Councils Conference in May.

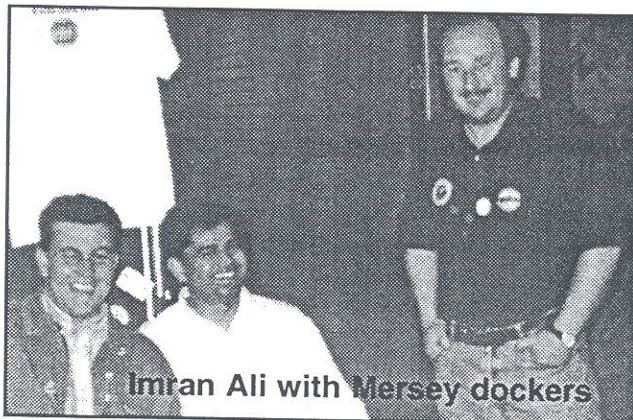
During 2nd week of May, our representative spoke to the CPSA "Broad Left Rally" at Brighton. We received a lot of support and a collection of £84.

We also got tremendous support during PTC conference in Bournemouth in May. Imran Ali addressed a "Broad Left Rally" and workers showed their warmest feelings. We collected £164 during the conference event, and received sup-

port from a number of delegates.

We also thank Hackney UNISON for affiliation to the campaign, a special thanks to regional committee UNISON London and Jon Rogers (Deputy Regional Convenor) for taking firm stand and passing the motion and winning the support of the Europe and International Committee of UNISON.

The campaign is now growing in 15 different countries and around 5 continents. But we need of your financial and political help for achieving our demands. We will keep you informed as things develop.



Imran Ali with Mersey dockers

# Lean and mean

# Incredible shrinking Britain

Downsizing, delayering, dejobbing... what's it all about?

Pick up a newspaper recently and you will probably have seen more than a few articles about 'downsizing.' Or maybe you've heard one of the other expressions used by management gurus to hide from the reality of the situation - delayering, dejobbing, rightsizing, re-engineering. General Motors have called it "volume related production schedule adjustment" and Chrysler topped the lot when it announced a "career alternative enhancement programme" - 5,000 workers at its Wisconsin plant were fired!

What's it all about and why has one of it's greatest adherents suddenly changed his mind?

Firstly, lets get one thing straight, downsizing is only management jargon for sacking lots of people. Coal and steel have been downsized in the crudest and most brutal sense, other industries have been downsized as part of

some sort of restructuring, particularly with the drive for 'leanness.' For whatever reason, the end result is the same - unemployment, job insecurity and increased poverty. The downsizing of Britain has been blamed as one reason for the Tories failure to massage the feelgood factor back into existence despite the economic figures. As one unemployed graduate said, "All the economic indicators are up...except mine."

## Strategy

The downsizing strategy has been employed by big business particularly in the US and UK to try and boost profitability, productivity and, of course, shareholder dividends. Managers have been able to get good "results" without the problem of investment, research and development or breaking into new markets.

Champion downsizer, IBMs Louis V. Gerstner Jnr., has been responsible for shedding 86,000 jobs since 1987. And

his reward has been around \$60 million in pay, bonuses and share options. In Britain, too, big business has carried out a 'slash and burn' policy over the last ten years or so. When British Gas was recently threatened with a proposal to force it to reduce prices it's initial reaction was to threaten 10,000 jobs.

The New York Times estimate that 43 million jobs have been lost in the US due to downsizing since the oil crisis in the mid-70s.

In Britain a staggering 9 million people have been made redundant since the 1992 general election. Of course the vast bulk of these people have found new jobs, but what kind? Average wages for people getting work after being made redundant is around 20% lower than those who have never been sacked. And their new jobs are less likely to be permanent or full time. In Britain since 1992 the number of permanent jobs have fallen by about 100,000 to be replaced by 300,000 new temporary jobs. And the number of people working part time who would rather work full time has gone up by 175,000. These figures go some way to explain why official unemployment has gone down in Britain yet job insecurity has got worse. It is not just losing or changing your job that creates bad feeling but the fear of what kind of job will follow and what salary. Of course the champions of downsizing proclaim that all this is necessary if we are to compete in the global market and that every advanced capitalist country will have to go through the same painful

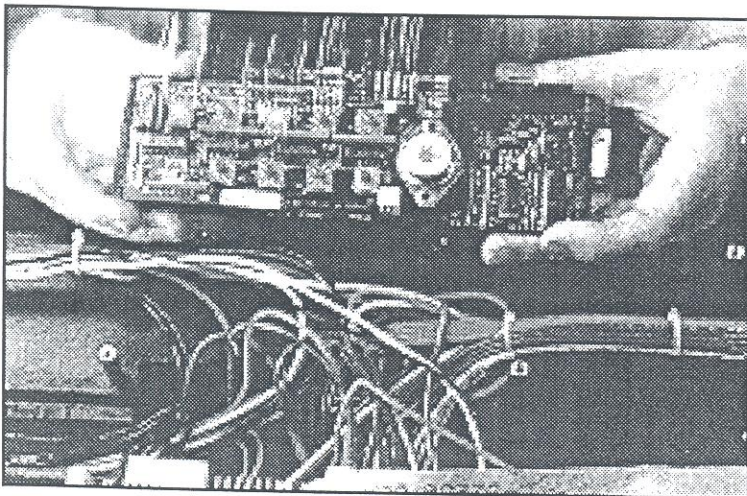
restructuring process that the UK and US have been engaged in. Hence the need for Chirac to take on the French public sector workers last December.

And why Kohl in Germany must embark on his attack on the public sector and workers rights generally. The Economist recently argued that mainland European countries would have to build their own version of Anglo-American capitalism or "risk the entire system unravelling." Alex Brummer, in the Guardian, put it this way, "the paper pushing jobs being eliminated by companies such as NatWest in the UK could, in a flexible labour market, reappear quite rapidly as data processing work at one of 50 or so centres now doing the work previously done in the bank's back offices." He goes on, "The US jobless rate, now hovering at 5.8% of the workforce, is the envy of most of G7. Downsizing has effected almost all the corporations in the upper echelons of the Dow Jones index, which have become more efficient and profitable, delivering not just job losses but new opportunities." So there you have it, sacking lots of people is not just good for corporate dividends, but makes us more efficient and offers us "new opportunities!"

## Flexible

Of course these benefits are only available in a 'flexible' labour market ie. less workers working longer hours, producing more goods for less money, probably on short term contracts and possibly with full time workers being replaced by part timers. This flexibility, they argue, has been responsible for the reversal in the UK's economic fortunes - why it has lower unemployment than its European rivals and why it has attracted 40% of all inward investment into the EU.

As Brummer says, "the experience of the 1990s suggests that those economies, as in Britain and the US, where companies have ruthlessly pursued downsizing, have increased their competitiveness vis-a-vis their rivals. Moreover, despite putting hundreds of thousands of people temporarily on the dole queues, they have been successful in bringing overall



unemployment down and defeating the sclerosis which has overshadowed the jobs-for-life European and Japanese economies." What he is really saying is the way to create jobs is... to sack people!

Downsizing as a management theory is really quite simple. Ruthless cost cutting which leaves millions out of work and even more millions overworked. Without necessarily selling any more products, profitability will be enhanced and dividends increased. All this tied to new technology and the introduction of lean production systems has increased comparative productivity. For instance, in 1979 German workers were on average 40% more productive than their British counterparts, now that figure is down to less than 17%.

This has not been on the basis of big investment - it has been estimated that investment by British manufacturing companies was an average £3.5 billion a year between 1964 and 1973, £2.2 billion between 1973 and 1979 and a paltry £694 million between 1979 and 1989. What has happened since 1979 has been a decrease of around 3 million out of 7 million jobs in manufacturing - a dramatic shrinking of Britain's industrial base. So the biggest boost to productivity growth in Britain has been the fact that a lot less workers are having to work a lot longer and a lot harder to produce more goods.

In what would seem like ABC for Marxists the *Independent* (17.5.96) reported on new research from management consultancy Pims Associates. "The conclusion of the Pims report was that investment focused on cutting labour costs did not usually achieve its objectives. The end result of unthinkingly substituting capital investment for labour, to cut short term costs, can in the longer term, be to destroy both jobs and profits." Tony Clayton, a director of Pims stated, "Downsizing was about taking out non-value adding cost in organisations, and it has boosted the productivity and profitability of businesses. But it hasn't, of itself, added any extra value. To achieve growth you have to add extra value."

So many big business strategists are coming to see the truth that real economic growth cannot be built on the back of continual downsizing. Downsizing has meant an enormous increase in the rate of exploitation of labour, but this has its limits. Stephen Roach, chief economist at

Morgan Stanley, has warned of a worker backlash.

And Roach, heralded as downsizing's leading guru, has gone further. He was wrong, and now he admits it. "For years I have extolled the virtues of America's productivity led recovery. While I think it is safe to say that such a scenario has become the new mantra for US businesses in the 1990s, I must confess that I'm having second thoughts..."

Tactics of open ended downsizing and real wage compression are ultimately recipes for industrial extinction." But before we get carried away, Roach's solution is to rebuild industry through greenfield expansion of new productive facilities. What that means for workers still employed at traditional manufacturing sites does not need much imagination.

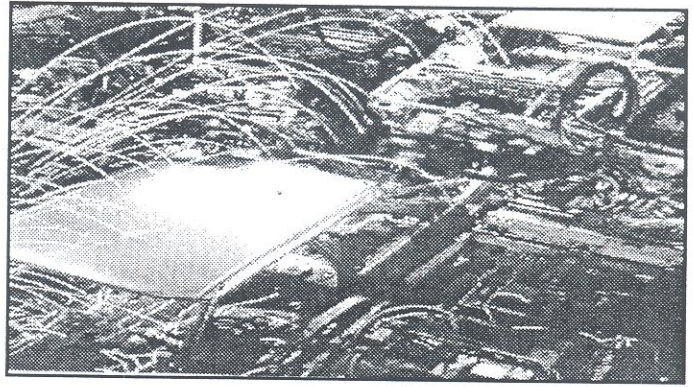
### Devastated

The reality though is that Roach's quack theories and the policies of boardrooms throughout the world have devastated millions of workers and their families. According to research by International Survey Research, British workers are the most dissatisfied in Europe. Only 22% felt any sense of job security. Less than a quarter could identify with management. There has been an epidemic of stress related illness, and it is not difficult to see why. In 1950 Britain was the second richest country in Europe, in 1973 it had dropped to seventh and by 1992 eleventh.

Workers in Britain now work the longest hours in Europe, the most unsocial hours, have the least holidays and have been stripped of many of their employment rights and conditions. This is what the Tories call a flexible labour market! Average hours are now over 48 a week. 51.8% of all employees are working unsocial hours (in Germany 21%).

According to LRD, "The UK had the largest increase in income inequality in Europe during the 1980s and the trend was likely to continue." Wage levels generally are amongst the lowest in Europe - in a recent report about the car and car components industry, British wage levels were now below Spain's. No wonder workers are dissatisfied.

In the US the backlash has already begun, "the sight of motor workers on picket lines in Ohio does not sit easily with the image of the US blue collar worker. In theory, the typical US worker has become a cowed and timorous employee, beaten into submission by waves of corporate



sackings and the fear that those jobs that remain will one day be exported to low-wage plants in Latin America or Asia... the strike which has crippled production at General Motors is either a last hurrah from organised labour in the US, or one of the first flowerings of the new militancy that trade union leaders have been promising for some months."

The GM strike follows hard on the heels of the the victory of the Boeing workers shows that workers can get results if militant and well organised action is taken. It is only a matter of time before British workers follow the example. In 1995 one third of all industrial action in Britain was carried out by postal workers, now they are balloting for national action on team working and other measures aimed at "restructuring" their jobs.

Downsizing fitted well with the ideology of the eighties and early nineties - flexible labour markets, global competition and all the rest of it. In the early eighties the Tories argued that manufacturing wasn't important, Britain could build a healthy economy based on finance and services. Later, helped along by the ideas of corporate downsizing and Japanese production practice they would change their mind. Britain could be a successful manufacturing economy again - but only by competing with the developing economies in areas like South East Asia.

Look at the success stories, they said - British Leyland employed hundreds of thousands of people and built crap cars that no one wanted to buy. By a process of radical restructuring, downsizing and new working practices, Rover has emerged as a very successful quality car producer. What they fail to tell us is that Rover's success was built on the back of Japanese research and technology (Honda's) and that the whole BL experience has devastated the entire British car industry. Last year Rover was sold to BMW by British

Aerospace for a quick profit - another glaring example of the corporate short-termism rife in British boardrooms.

### Big business

Can big business ever change its spots? Stephen Roach and others hope to persuade them that they must. NatWest Bank recently got big publicity when it announced a new policy of "downshifting" 15,000 jobs. Rather than sack them, workers would be able to move onto more "flexible" contracts, working less hours, fewer days, some working from home and older workers taking early retirement. But in the words of Chrysler chairman, Robert J. Eaton, "The idea of corporations taking on social responsibility is absolutely ridiculous."

Tony Blair and the right wing Labour leaders ideas of creating "partnership" in a "stakeholding" economy are sheer utopia. Big business operates on the basis of profit and, as we have seen in the recent period, will move anywhere it can in the "global market" to get it. Companies that may adhere to something akin to "stakeholding" ethos have also been forced to downsize, witness Apple Corporation's mass redundancies and Nissan's recent plant closures.

At the end of the day the only way to end the "short termism" of big business and stop downsizing and all the other management strategies that aim to boost corporate profits at the expense of workers living standards and working conditions is to exert real control in the workplace and throughout the economy. That means the labour movement fighting on a programme of nationalisation of the big monopolies and finance institutions and the organising of production on the basis of socialist planning. That's the only way workers will have a real "stake" in society.

Alastair Wilson

# Europe, Europe, Europe!

Economics correspondent, *Michael Roberts*, looks at the issues surrounding the drive towards European unity...

What's the big issue permanently in the pages of newspapers of Continental Europe and Britain (leaving aside the tabloid rubbish)? What's concentrating the minds of the politicians, the industry bosses and the bankers from Dresden to Dublin?

It's Europe. And by "Europe", what is meant is will the European Union integrate further? Will this free trade area, the so-called 'Single Market' which allows (more or less) free movement of goods, labour and capital, now go further and establish a single currency, a single tax system, a single parliament, government and armed forces: in other words a Federation of Europe? That all seems to boil down to whether the criteria for achieving monetary union set under the Maastricht treaty in 1990 can be met by the due date end-1997. Under the treaty, member states of the EU will join European Monetary Union (EMU) in 1999 and abolish their national currencies in

place of the Euro. They must have got inflation within 1.5% points of the average of the three lowest inflation countries, their interest rates similarly, their public debt to national output ratio down to 60% and their budget deficits down to 3% of national output. In May, the European Commission published its latest estimate of the progress that the EU states are making to achieve these criteria in time. According to the EU, only Luxembourg would make it based on 1996 figures.

## Handful

On 1997 forecasts, only a handful would make it. But most important, the EU says that Germany and France would just make it. That's unsurprisingly convenient. Because it is clear that everything depends on these two mighty European powers for the success of EMU. It seems that Chancellor Kohl and President Chirac are determined to go ahead in 1999. They are publicly saying that the Maastricht targets must be

met. In reality, they would settle for getting close. But their chances of doing that are slim unless economic growth picks up sharply from the pitiful levels of 1-2% a year this year AND the two governments make further huge cuts in public spending. Kohl has decided to do just that. He's adopted a plan (hypocritically called a Plan for Jobs and Growth!) designed to cut 2% of national output from the spending budgets of public sector. He aims to cut sick benefit, raise retirement ages, reduce benefits across the board, lower workers rights etc. It's a plan to weaken German workers so that German big business can move into a single currency Europe in the driving seat. Similarly, Chirac and his prime minister Juppe are pressing on with the spending cuts and are planning another big chunk for later this year. The French have an even bigger problem trying to meet the targets. A confrontation with workers organisations in both countries is on the agenda. The French and Germans are not alone. The new government of 'centre-left' in Italy under former state industry boss Romano Prodi is preparing a plan for two years of cuts. Italy's budget deficit was 7% of national output last year - that's a long way to go to reach 3%. Again, the new right-wing government in Spain under Jose Aznar and backed by the right-wing Catalan nationalists is planning further huge cuts in the public sector, to follow those already begun by the old socialist administration. In Greece, the 'new socialist'

leader Costas Simitis hopes to cement his leadership at the PASOK conference in July and then he too will launch a new programme of austerity, while Sweden's social democrat prime minister Goran Persson has already imposed such severe cuts that the government's budget deficit has been halved in two years. The same policies are being adopted by the new socialist government in Portugal.

Everywhere the drive of Europe's capitalist and social democrat leaders is to achieve the targets at the expense of public services and jobs. The irony is that by cutting back on public spending they are making economic growth even slower, and thus slowing down tax revenues and boosting spending on the dole. It's a self-defeating nightmare.

## Plough on

But Europe's capitalist leaders plough on regardless. Why, because they see further integration as the only way European capitalism can compete. The United States of America is one great federation that has been in existence for 200 years (and under its present form since the civil war of 1861-65, which confirmed the Union). It has been the big success for industrial capitalism: a federation that encloses 250m people. There is the Russian Federation of 150m. But it's a leftover from the Union of Soviet Socialist Republics, originally a great socialist experiment to unite diverse and poor peoples under a socialist plan. Later it became a Stalinist nightmare, which forcibly incorporated not only the minorities of the Russian federation, but also the nations of Ukraine, Mongolia, Baltic states, the Caucasus and Central Asia. That's now gone with the collapse of Stalinism. Capitalism across the globe is getting into three big groups. There is the Americas, where the USA is linking up in a trade pact with Canada and Mexico, called NAFTA, and is hoping to extend that into South America, already the backyard of North American capitalism. In the East, the states of South-East Asia are growing closer to the mighty industrial machine of Japan in trade and investment.



The political and economic leaders of Europe, Chancellor Kohl and President Chirac, the Bundesbank of Germany and the major European multinationals like Siemens, Volkswagen, Hoechst, Philips, Shell, Total, Peugeot etc, know that they also need their own hinterland to trade and invest in, to match the Asian and Americans. Up to now, the European Union of 15 nations has provided the main source of trade and investment for them (60% of trade in Europe is done with itself!). But the fastest growing areas of capitalism are now outside the EU: in central and eastern Europe, and in South-east Asia.

European industry thinks that it cannot compete without reducing the costs further and finding new markets. That means integrating further within the current EU AND expanding further by bringing Poland, Hungary, the Czech republic, the Baltic states, Turkey and the Balkan states into the EU fold. German capitalism sees the expansion east as giving it the markets and profits without the war that Hitler waged to try and do it in the 1930s. French capitalism is desperate to ensure that Germany is under the control of the rest of Europe, so it can take a share of the pickings and not allow Germany completely free rein. That's why Europe's political leaders (at the time it was so-called socialists Mitterrand and Schmidt) proposed the Single Market in the 1980s and then the Maastricht Treaty. Maastricht envisages that Europe will integrate to achieve monetary union and a single European currency, starting in 1999, to be fully working by 2002.

### Currency

The advantages to European business of one currency to trade and invest in are great. The costs of exchanging currencies and the uncertainty of the fluctuation in the value of currencies are removed in one stroke. But such a union in a diverse area of 350m people means that wages, taxes, inflation and growth of production must get closer and closer. Why? Because if successful German companies make more Euros than feeble Portuguese ones, they can pay their work-

ers more and employ more, while the Portuguese firms will pay less and employ less. If the Portuguese escudo still existed, the Portuguese could simply devalue it in relation to the German mark, this making Portuguese goods much cheaper. The less profitable Portuguese could thus survive, at least a little longer. But with one currency, they cannot do that. As long as Portuguese industry is less efficient, with a single currency in operation, it will have to pay its workers much less or make them unemployed, or both.

That's exactly what happens within the United Kingdom of Great Britain and Northern Ireland. Under this Union with one currency, the pound sterling, Welsh industry is almost non-existent. Thus Welsh wages and employment is much lower than in south-east England. It would be even worse but for the transfer of tax revenues raised from the profitable firms of England and the higher wages in subsidies of unemployment benefit and subsidies to industry in Wales.

So there is no advantage in the likes of Greece, Portugal, Spain, even Italy in joining a single currency if it just means that Germany and France will take all their markets because their companies are more efficient. Either everybody starts on a more or less level playing field and then grows more or less at the same rate OR the richer countries agree to hand over their extra profits as subsidies to the poorer ones so that they do not have mass unemployment and poverty, until they eventually all even up. When you think of it like that, even if EMU goes ahead in 1999, it will not work. It took 200 years and a civil war to make all the states in America agree to stay together and share out federal tax revenues and accept that some area will have bigger unemployment than others. What will happen if Germany refuses to pay for Greek unemployment caused by the inability of Greek industry to sell as much as the Germans, and no longer able to devalue its drachma to compete?

As Marx explained in *Capital* over 130 years ago, capitalism does not create converging markets but the opposite.



Those with advantages in a market used to get richer while those at a disadvantage get poorer. Competitive markets become dominated by monopolies and powerful capitalist economies dominate the less powerful in world markets. Only interfering (or abolishing the market) can correct the tendency for uneven development under capitalism.

### British

So where does that leave British capitalism? The British capitalists are torn. Most of industry realises that it must stay in the European Single Market as its main source of sales. Yet a sizeable section of its political leaders continue to hold the blinkered belief that British capitalism (by that they now mean the City of London) can survive on its own as a floating offshore financial island, which remains a junior partner of American capitalism. This division is increasingly exposed in the death throes of this Tory government. With less than one year to go before it will be finally put down, the Tories writhe about over the issue of whether to put Britain under the yoke of the Germans or remain as a faithful dog of the Americans. It's an unenviable choice.

'New Labour' is happy to go along with whatever British capitalist industry and its bankers decide. And that depends on what the terms of entry into a single currency are, namely at what rate will the British pound be exchanged for the German mark or the new Euro. If it is too high, British industry cannot compete. If it is too low, the Germans won't agree to let Britain in.

The Labour left are either

locked into the old nationalist ideas of old right-wingers like Peter Shore or they believe that socialists should support monetary union as a step towards a federation of Europe. Both views are wrong.

Socialists should be in favour of a Federation of Europe and not in favour of a 'little England or Britain'. But socialists must support a real federation where there are fully democratic institutions. The EU does not even have a parliament with powers to stop national ministers and unelected Brussels doing what they want. And a real federation would use the resources of Europe - its people, its industry, its technology - to meet the needs of all Europeans. That would require a European plan to use and distribute those resources, not leave it to the decisions of the multi-nationals. That means a plan of production based on public ownership and democratic workers control of industry, services, trade and finance. Then those parts of Europe that are poorer can be helped by those that are richer as part of a democratically decided plan.

So British socialists are in favour of Europe, but a socialist Europe, not the European Union or EMU, which is a bureaucratic capitalist Europe. It's not a question of saying yes or no to a single currency. Either way, Europe's people cannot improve their lot permanently without getting rid of capitalism. That means struggling for socialist measures across Europe through united action by the labour movements of all the EU members.

**"The present struggle is not between *what is* and *what was*; it is between *what is* and *what will be*."  
(Daniel De Leon)**

The American labour movement is at a crossroads. This month, 1200 delegates will converge on Cleveland, Ohio, to participate in a convention organised by Labor Party Advocates with the aim of establishing an American Labor Party. This convention could lay the basis for a breakthrough for American workers who have been denied an independent political voice for so long. It could mean their dramatic entry onto the political scene.

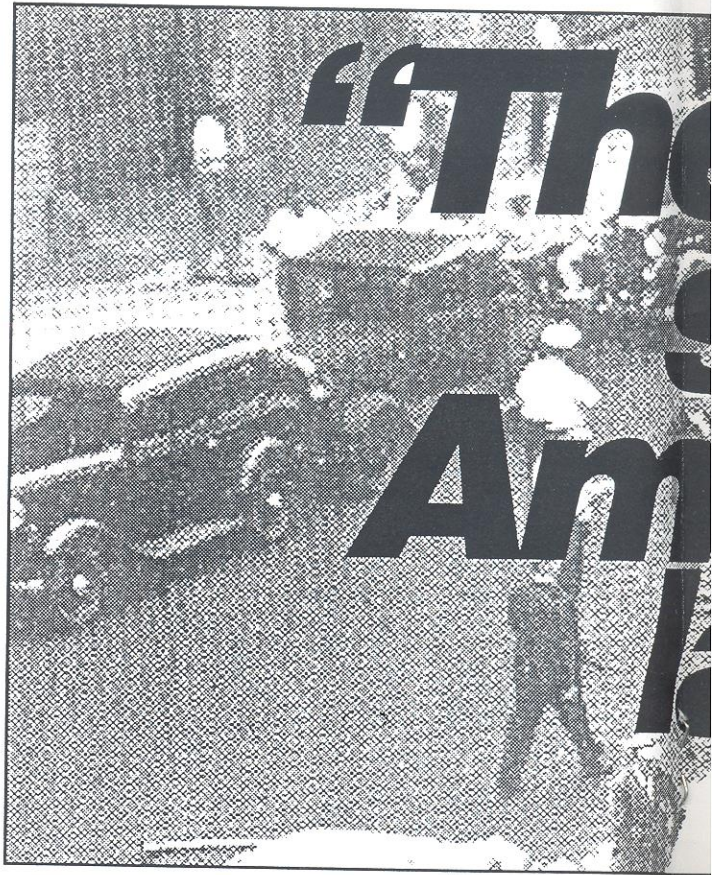
Whatever the outcome of the debates and arguments over programme and tactics, the founding of a party of labour would mark a real turning point for US labour. It could transform the whole of American politics, which have for generations been dominated by the two parties of big business, the Democrats and Republicans. Without doubt, the scope for a labour party in the USA is enormous given the widespread disillusionment that exists with the present two party system. Normally less than 50 per cent of American voters bother to vote in the Presidential elections. Again, the votes for a "Third party" candidate of Ross Perot in the last elec-

tion were symptomatic of the disillusionment with the old parties and revealed the potential for a labour party. The same was true of the support picked by the demagogue Pat Buchanan because of his attacks on big business. Leaving aside the reactionary side of Perot and Buchanan, their attacks on job losses, the bankers and Wall Street struck a chord with sections of the working class. It stems from a political crisis that is affecting the United States. It has created a political vacuum. A labour party could fill such a vacuum, winning these layers to its banner.

The main reason why previous movements towards a labour party collapsed after the Second World War was the world economic upswing, which apparently gave unlimited vista of increases in the economy and living standards for the US working class, particularly its organised sections. The American workers for a period gained the highest standards of living in the world. Now this has been undermined. Real wages have fallen for the last two decades. The gap between rich and poor has never been greater, and there is a massive onslaught on wages and conditions throughout every factory and workplace. As a result, corporate profits are at a 25 year peak, while male median wages have dropped by one per cent for each of the last six years. In 1980, chief executives made 42 times as much as a factory worker. Last year it was 52 times more. The decay of US imperialism is similar to the decay of British imperialism at the end of the last century. It was these conditions that propelled the British working class, through the trade unions, to form the Labour Party.

### Britain

It is now nearly 100 years since the British Labour Party was formed. It was not a simple or easy step to take at the time. Agitation for an independent party to represent the interests of the British working class had taken place for more than



twenty years prior to its formation. The Chartist movement of the 1830s and 1840s was the first independent workers' party in history, but had broken up with the economic upswing after 1850. From then on, the skilled unions representing the aristocracy of labour clung to the coat-tails of the Liberal Party, which represented the interests of the manufacturers. It was not until the organisation of the unskilled workers in the 1880s, that pressures mounted for some kind of independent labour party.

But this was not at all plain sailing. A battle took place every year at the Trade Union Congress, where young militants fought against the conservative outlook of the union leadership. Leaders like Broadhurst, head of the TUC, supported the Liberal Party. He argued that the "time was not ripe!" Different sectarians set themselves up as the workers' party, but remained completely isolated. Frederick Engels predicted in an article in the Labour Standard in 1881, "...the time is rapidly approaching when the working class of this country will claim... its full share of representation in

*Parliament. Secondly... the working class will have understood that the struggle for higher wages, and shorter hours, and the whole action of the trade unions as carried on now, is not an end in itself, but a means, a very necessary and effective means... towards a higher end... the abolition of the wages system altogether."*

### Class Politics

The time was ripe for independent class politics and a growth in support for socialist ideas amongst the working class. This would develop as soon as the capitalist politicians had shown themselves incapable of delivering the goods. The establishment of the Independent Labour Party (ILP) in 1893, which attracted a number of leading militants, was a promising start, but it still lacked a solid basis. The Victorian expansion of British capitalism had given way to periods of depression and unemployment for the working class. Real wages declined. Towards the end of the 19th century, strikes of unskilled workers and a growth of trade union organisation set the scene for developments on the political





# The giant step of American labour

front. Finally, in 1889 a resolution was passed at the TUC calling for the establishment of a Labour Representation Committee (LRC), which was founded the following year. It represented a federal structure of the trade unions, the ILP, the Social Democratic Federation (SDF), and the Fabians. However, in 1900, when the LRC was formed, little interest was shown by the bulk of trade unions; less than 50 affiliated. At the founding conference, there was a clash of opinions between the trade union delegates and the Marxists of the SDF, who wanted the LRC to adopt definite socialist aims. The Conference rejected the latter and the SDF walked out into the political wilderness. There are parallels with today's events. The recent abandonment of the socialist aims embodied in Clause 4 of the Labour Party Constitution has caused frustration and the splitting away of a small number of activists around Arthur Scargill to form the Socialist Labour Party. Such a venture is doomed to failure. They should have known that the swing to the right in the Labour Party is temporary, and that very rapidly on the basis of events, the ideas of socialism will be back

on the agenda.

The original indifference shown by trade unions to the party could have resulted in the party being still-born. But the vicious attacks on the unions through the Taff Vale judgment, where unions faced crippling damages for going on strike, transformed the situation. From then on, the trade unions needed the party to defend its interests on the political front.

## The Labour Party

Originally, the LRC decided to co-operate with other capitalist parties. However, this policy was dropped within a year or so, and by 1908 it had changed its name to the Labour Party, affiliated to the Socialist International and passed the following resolution: "...that in the opinion of this Conference, the time has arrived when the Labour Party should have, as a definite objective, the socialisation of the means of production, and exchange, to be controlled by a democratic state in the interests of the entire community, and the complete emancipation of labour from the domination of capitalism, and landlordism, with the establishment of social and economic equality between the sexes."

The American working class,

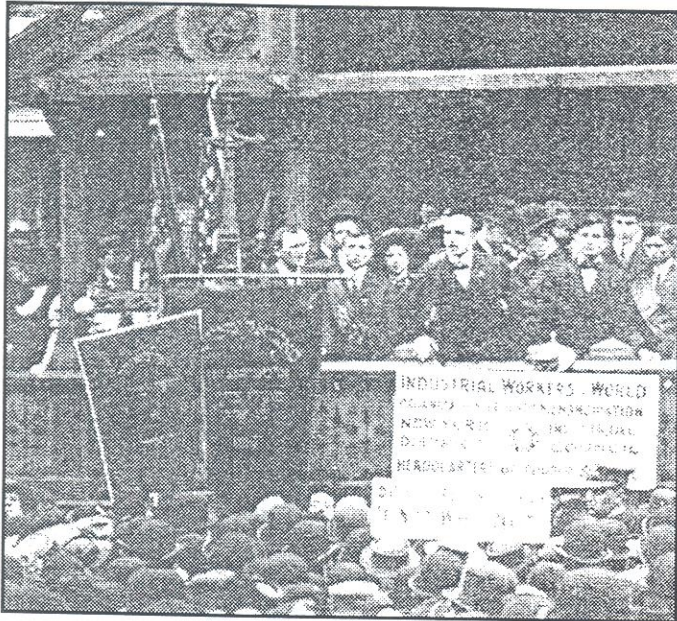
although lagging behind in creating its own labour party, has nevertheless a very militant history. The great upheaval of 1877, where pay cuts led to city-wide general strikes in Chicago and St. Louis, resulted in the Knights of Labor developing into a mass organisation of up to 700,000 workers. Again, the 1886 strike movement led directly to the creation of the first solid national trade union organisation - the American Federation of Labour. Each period of struggle saw a colossal movement of workers into the trade unions. For instance, in 1894, the anthracite miners' union grew from 8,000 members to 100,000, and between 1893-94 the American Railway Union signed up 150,000 members. In 1917 in Chicago, 200,000 workers joined the Slaughterhouse union.

The 1930s saw an unprecedented transformation of trade union organisation. Between 1933 and 1934, 300,000 workers joined the United Mine Workers; 60,000 workers joined the rubber workers union; the steel workers union went from 3,000 to 100,000 and the textile workers union from 50,000 to 300,000. With tremendous speed, the union movement tripled in size between 1933 and 1937, to reach 10 million members. With the economic recovery, the mass strikes in San Francisco and Minneapolis blazed the trail for industrial unionism and the organisation of the CIO. It was comparable to the period of the 1880s and 1890s in Britain and the growth of "New Unionism", but on a higher level. The CIO movement adopted the sit-down strike as a new method of struggle that spread like wild fire. In the wake of the victory at Flint, 170 sit-downs took place within a month. Picket lines were subjected to attacks from the cops and the bosses' thugs. But the workers fought back in their defence. At this time the trade union leaders were tied to the strings of the bosses' political parties, especially the Democrats, just as the British workers had been linked to the Liberal Party. Nevertheless, since the inception of trade unions in America, attempts have been made to establish independent labour

parties at local and state levels. As early as 1886 in New York City, after repeated bosses' attacks on the unions and the jailing of its leaders, the New York City Labor Council established a Labor Party just seven weeks prior to the Mayoral elections and won 31 per cent of the vote. At the same time, a labour candidate for Mayor in Milwaukee was elected, labour won 27 per cent of the vote in Chicago, and labour ran for congressional seats in 14 states and for the state legislatures in 10 states. In New York, the Labor Party standing on a programme aiming at "abolition of the system which makes beneficial inventions as the railroad and telegraph a means for the oppression of the people and the aggrandisement of an aristocracy of wealth and power," created 30 national campaign clubs for national minorities, as well as district and union-based campaign clubs. It raised its funds from the contributions of ordinary workers, and particularly from the unions. According to labour journalist John Swinton, "The campaign was by all odds the most formidable demonstration yet by the forces of organised labour in the United States."

## Democrats

As in Britain where the Tory and Liberal parties represented the aristocrats/landlords and the capitalists, so in America the Democrats and the Republicans represented the slave owners and the capitalists. Now these distinctions have completely disappeared. In the words of Eugene Debbs when he launched his first presidential campaign on a Socialist ticket: "The differences between the Republican and Democratic Parties involves no issue, no principle in which the working class has any interest... Between these parties socialists have no choice, no preference. They are one in their opposition to socialism, that is to say, the emancipation of the working class from wage slavery, and every workingman who has intelligence enough to understand the interest of his class and the nature of the struggle in which it is involved will once and for all sever his relations with both..."



The Socialist Party was formed in 1901 and by 1912, according to the official records, had "more than one thousand of its members elected to political office in 337 towns and cities. These included 56 mayors, 305 aldermen and councilmen, 22 police officials, 155 school officials and four pound keepers." From a between 5 and 10,000 in 1901, the Socialist Party had nearly 120,000 paid up members by 1912. In the presidential campaign of that year, Debbs polled nearly a million votes. He had a similar result in 1920. However, under the grip of the right wing the Socialist Party went into steep decline after this.

### Wall Street

The Wall Street Crash and the Great Depression marked a decisive change in the situation. Industrial production collapsed by more than 40 per cent. Millions were unemployed without any social insurance or benefits. The bankruptcy of capitalism was plain for all to see. The American ruling class were terrified of revolution. Along with the economic recovery came industrial militancy and a renewed interest in a party of labour. In April 1936, Labor's Non-Partisan League (LNPL) was established by leaders of the CIO. It was presented at the time of its formation as a broad step in the direction of independent political action. According to one of its founders Sidney Hillman, president of the Amalgamated Clothing Workers in a report to his General Executive Board,

*"We have had a policy, which was not to endorse either of the two political parties, and that if we took a position it should be along socialist lines."*

In July, this was followed by the formation of the American Labor Party as a New York State affiliate of the LNPL. This process however was cut across by the trade union leaders continued trailing after the Roosevelt administration. Hillman, for instance, summed up the position clearly: *"The position of our organisation is known: that we are for a labour party. We are today bound... to help bring about a labour or farmer-labour party - what is commonly known as independent political action. But in the last two years things have happened... since the coming of the Roosevelt Administration. We have participated in making the labour policy of the Administration."*

After the Second World War American imperialism assumed the role of world super power, and was able to impose its policies on the other capitalist powers. The economic upswing of the 1950s, in marked contrast to the inter-war period, allowed the ruling class to give concessions to the working class. As a consequence, the American workers had the highest living standards in the world. The rival union federations, the AFL and CIO fused under right wing leadership in 1955. It was the hay-day of class collaboration. According to its new president, George Meany, *"To be frank, we American trade unionists like*

*the capitalist system."*

Communists were expelled from a number of unions in the McCarthy period as the right-wing strengthened its grip on the apparatus. Corruption and mafia links dominated the tops of the official movement. The militant tradition of the CIO was little more than a memory. The question of independent political action for the bulk of workers was off the agenda for a whole period.

By the mid 1970s, American capitalism was facing growing difficulties. In the trade unions changes were beginning to take place. Reform movements sprung up in the United Mine Workers under Arnold Miller, the United Steel Workers' Union, amongst the Teamsters and elsewhere. These were symptomatic of the changed situation which was feeding through to the trade unions. Trade Union membership also peaked at 22 million in 1975. Since then there has been a steady loss. As the crisis deepened so the living standards of the American worker became increasingly under threat. The bosses moved to take back the concessions that the workers had won previously. The Reagan period saw a massive onslaught against the American workers. In September 1985, the *Wall Street Journal* concluded: *"... wages are just too high for us to keep competitive in the long run. We need permanent cut-backs."* It was the same everywhere. The bosses could no longer afford increased wages or better conditions. On the contrary, the bosses engaged in an offensive to drive down wages and conditions to restore their profits. Mass unemployment was used to bludgeon the working class. As a result real wages have been cut. The old trade union leadership have proved bankrupt in face of these attacks. Membership of the unions, as a consequence, had fallen to just 12 per cent of the workforce.

### Militancy

Today militancy has begun to revive, and with it union membership. The union membership stands at 16.8 million, up 3 per cent in the last two years. This has come from new recruitment drives amongst the low-paid. The new revival has

resulted in a number of struggles in the last period. Two years ago, the Teamsters were able to extend unionisation of truckers after a strike against the use of part-time labour. The Communications Union managed to stop plans by Nynex, the New York telephone system, to lay off 22,000 workers. The successful strike action in General Motors in Flint, Michigan, has also drawn more workers into the auto union. There have also been important dispute in Bridgestone/Firestone and at Caterpillar. Strike action has involved 34,000 at Boeing.

It was this situation that opened up a struggle within the trade union movement. The long-standing president Lane Kirkland was forced to retire and opened up the first contested leadership election for 100 years. This led to the election of new more radical leaders like John Sweeney, who has promised to turn the AFL/CIO back to its fighting roots. *"We must rekindle our movement's fighting spirit. The AFL/CIO must stop acting like a private club and become again a worker-based organisation"*, said Sweeney. He has promised to spend \$20 million a year on recruitment, a third of the AFL/CIO budget. This mood in its turn has feed into political questions, and the desire for a new party of labour.

The so-called "American Dream" is turning sour under the hammer blows of events. In America, as in Britain, whole areas of industry have been devastated by closures, while skilled workers were replaced by unskilled and semi-skilled labour, on lower wages. The replacements were often women, youth or immigrants, ruthlessly exploited by the bosses. And everywhere full-time workers have been replaced by part-time staff, with no pension rights, or sick pay and reduced holidays. There has been a squeezing of absolute and relative labour value from the working class. This is now called down-sizing, out-sourcing, casualisation, flexibility, competitive tendering, etc. But it means the same thing for the working class: increased exploitation, a better means for the bosses to squeeze the last ounce of sweat

from our labour. Even Robert Reich, the Labor secretary, commented: "Profits are up, paychecks are not." James Hoffa, son of murdered union leader, was more pointed: "A resurgent corporate greed takes from our pockets every day by the employment of scabs."

According to The Financial Times, "the US has created 31 million private sector jobs over the past 20 years - thanks to declining real incomes and deregulation of small businesses..." Clinton reneged on his election promises of "reforms", which resulted in a revival of the Republicans in the Congress and Senate. Without doubt, Clinton is no friend of organised labour. He has consistently supported big business policies, including NAFTA. The Democrats are staunchly in favour of deregulation and labour flexibility. Clinton has also announced that he intends to "down-size" 250,000 Federal government workers. However, the Republican's "Contract for America" has alarmed many sections. They want to abolish the National Labor Board as well as the minimum wage. Widespread disillusionment with the so-called "Republican Revolution" has served to boost Clinton's election chances in November. The Clinton Administration has managed to recover its dwindling support, despite its policies, because the Republican "alternative" offers even more savage cuts in welfare.

### Independent

It is ironic that as the representatives of the American working class are seeking to create their own independent party, Tony Blair has been attempting to change the British Labour Party into a version of the US Democrats. His advisers have great admiration for Bill Clinton, and have promoted the Clintonisation of the British Labour Party. It was no accident that it was on a recent visit to Clinton that Blair spoke of the British Labour Party being a "centre party." However, this nauseating mimicking of the US Democrats is creating a backlash in the Labour movement. Divisions are beginning to open up even at the top. According to a

rightwing Labour MP, Richard Burden, "Labour is drifting towards becoming a US-style party - a ruthlessly effective electoral machine as a vehicle for those who want to go into politics rather than a radical party with a definable ideological base." Workers are pre-



pared to tolerate this shift to the right for the time being to ensure a Labour victory in the General Election. However, with the coming to power of a Labour government in Britain, all those policies of attempting to patch up capitalism will be put to the test. The same thing took place between 1974-79. A shift to the left in the party is inevitable. Once again, the need for socialist policies will be put back on the agenda.

In the US, the Democrats are likely to regain the presidency in November. The new economic downswing over the next year or two, will have great ramifications in Britain and America. In Britain, it will serve to push the unions and the Labour Party further to the left, and open up the struggle for socialist policies. In the United States, it can result in the discrediting of the Democrats and prepare the ground for a big shift towards a new Labor Party. The consciousness of the American workers can take giant strides forward very rapidly on the basis of events. This can force a rupture of the union leaders from the Democratic Party. Just as the mass Labour Party in Britain was formed out of the crisis of British capitalism at the end of the last century, so the impasse of US capitalism can also provide an impetus in this direction. The "American Century" is now ending. The United States has suffered a relative decline over the last four decades. Now that US capitalism has reached an

impasse and can no longer deliver the goods, there will be an inevitable change in the consciousness of the working class. A new world slump in the next period will see protectionism emerge and the likelihood of a trade war between the rival trading blocs. This could end in another depression on the lines of 1929-33. Whatever the outcome, the working class will be forced to seek a way out of the crisis through the trade unions, and recognising their limitations, through independent political action. As experience has shown elsewhere, the movement in the US will express itself through the organisations of the working class - the locals of the internationals, the Labor Councils, the structures of the internationals and the AFL/CIO itself. This will not necessarily develop in a straight line. But the American workers will again and again turn to its mass traditional organisations, the trade unions, and if developed, its political expression, an American Labor Party.

### Working Class

Such a party will strive to champion the interests of the working class, the poor farmers and the oppressed generally, thereby winning its authority in the eyes of wide layers. With the attacks of the bosses and their political representatives, workers will increasingly look to the Labor party. The experience in Britain is an important lesson for worker activists in the US. We have had our party of labour for nearly a century. It has deep roots in the British working class. Labour has formed governments in 1924, 1929-31, 1945-51, 1964-70, and 1974-79. But each time the Labour government attempted to make capitalism work and failed. Only through the socialist reconstruction of society can measures in the interests of the working class can be implemented and sustained. It is important to win elections, but it is also important to be armed with a socialist programme of taking into public ownership the major monopolies, banks and insurance companies, under democratic workers' control and management. This will provide the Labour government with the real means to tackle the crisis in the

interests of the workers. It means the ability to plan the economy, freed from the shackles of private profit, and use the resources of society for the benefit of the majority. Whether a genuine mass Labor Party has this programme or not, will not be decisive in the first instance. On the basis of events, workers will come to see the need for a socialist programme. As Marx once said, "one real step forward for the movement is worth a dozen programmes." The key task is the founding of a mass party, independent from the two other capitalist parties. For the first time, US labour would have both an industrial and a political arm. This fact would have an enormous impact on the outlook of the working class. It offers for the first time, a real class alternative to the bosses' parties. Such a labour party can inspire the elan of millions, drawing into its ranks the bulk of workers, the youth, the oppressed minorities, and even drawing around itself the middle layers of society crushed by the giant monopolies and banks. A reformist party bureaucracy will not have time to crystallise in the same way as has happened with the Social Democratic and Socialist Parties of Europe. The US working class will take the road of class consciousness and then of socialism. The mass of workers will come to see the need for socialist policies to solve their problems. As Lenin once said, "an ounce of experience is worth a ton of theory." Armed with a socialist programme the 100 million strong working class will play an indispensable role in the struggle for socialism not only in the United States, but also throughout the world. It is possible that the US workers could be the first to take power and organise a democratic workers' state. A Socialist America would be a beacon for the oppressed and a turning point for humanity. As the workers move to take the fate of society into their hands, it would put an end to the rule of big business internationally. It would mean the collapse of capitalism on a world scale, and with it all the ills of unemployment, poverty, hunger and war.

Rob Sewell

# The 'Tiger' economies

## capitalist utopia or pipedream?

Through all the ups and downs of the world economy over the past two hundred years since the industrial revolution, one stark fact has remained true - the poor countries stay poor. The answer of socialists as to why this should be so is quite simple - the poor countries are being kept poor by the rich countries.

This is the kernel of Lenin's theory of imperialism. Marxists don't deny that industrialisation can take place in poor countries. After all it was the wave of industrialisation in Russia at the turn of the century that created a mass working class and so gave Lenin and his comrades their opportunity. What we do deny is that less developed capitalist countries can go through an independent and balanced industrialisation to join the big league of rich capitalist countries. Lenin's theory was powerful for so long because it explained the world around us. But is it still true? Since

the Second World War we have seen the emergence of the East Asian 'Tiger' economies growing at rates unprecedented in the history of capitalism. The Tigers are Singapore, Hong Kong, South Korea and Taiwan. Singapore has already caught up a long way, now turning in National Income per head figures on a par with poor West European economies such as Portugal.

### Growth

If this surge of growth in the region can be generalised - and it seems Thailand, Malaysia and stalinist Vietnam and above all China have caught on, then we could be in for a quite historic reversal of wealth and power in the world economy. More than that. Capitalism would have a whole lot of mileage left in it. The advocates of economic globalisation who proclaim that 'four billion people have suddenly entered the world economy' (see *Socialist Appeal* issue 41) would have quite a case to argue.

Moreover right wing magazines such as the *Economist* have dressed up the case of the Tigers as 'free market success stories.' The moral is clear. Open up to the capitalist world economy. It's good for you! Forget about the old ideas they had in development economics textbooks that told you the way to build up your 'infant industries' was to shelter them behind protective tariff barrier walls.

This is splendid advice from the rich countries such as Britain, Germany and the USA. Germany and America both used protectionism as a central hub of their industrialisation policy in the nineteenth century. Why? Because their then infant industries couldn't compete with the British under free trade conditions. And as for Britain - the first country in the world to have an industrial revolution? Well Britain protected its vital textile industry right up to 1800 against the perils of Indian hand loom weavers.

Back in the real world 'opening up' has been a catastrophe for the poor countries. For detailed examples look at the case of India (this journal, issue 32), Argentina (number 35) or Bolivia (number 41). For Latin America the whole of the 1980s has been a 'lost decade', starting with the debt crisis of 1982, with living standards of the masses falling by 30-40% over ten years. The whole of sub-Saharan Africa has been getting poorer for thirty years. And the devastation wrought in Russia and Eastern Europe owing to the 'magic of the marketplace' has no parallel in modern history.

Let's remember that the Tiger economies involve only 2% of the total population of the poor countries to put the picture in perspective with all the

boasting from pro-capitalist commentators. It seems that if their example in 'opening up' is copied it could lead to disaster. But are they free market success stories anyway? As we shall see they have had some economic success, and arguably precisely because they haven't 'opened up'. Clearly we need to take a closer look.

The first obvious fact that strikes you about the Tigers is that they are all in East Asia. What's special about East Asia? The first thing to take note of is that this is a region has fought the two most devastating 'hot wars' since World War Two - in Korea and Vietnam. This was devastating for Vietnam and North Korea, but it was very good news for their capitalist near neighbours. Quite small, poor countries had super powers squandering huge amounts around the region in the name of 'the battle against communism'.

### Protection

More than that, what American politician would complain about little Taiwan protecting its native industry when it was such a loyal ally in the battle against the red threat? After all, a country that size could hardly be a menace to the industrial muscle of the USA. And once the virtuous circle of growth had started up in the region, the pump primed by American war spending. The little Tigers were just swept around in the growth maelstrom.

A classic explanation for the success of the Tigers is Confucianism. Apparently the values of this philosophy are ideally suited to the rise of capitalism. The present writer is not an expert on oriental philosophy, and doesn't need



to be. This idealist argument founders against the central fact that people in the region have been Confucians for millennia, but capitalist growth only took off after 1960. Likewise the use of chopsticks in eating may or may not produce 'nimble fingers', but folk in the area have been eating that way for a hell of a long time.

### Free markets

That such patently ridiculous arguments have been advanced at all is an indication that our free market advocates have a real problem explaining the Tigers' economic success. The dark side to growth is terrible repression of the labour movement, a repression only now being challenged in countries like Korea by the new working class created by industrialisation. But repression in itself does not lead to economic growth. Low wages alone cannot make a country rich, otherwise the imperialist poverty trap which keeps the bulk of the poor countries at the bottom of the heap would have been broken out of a long time ago. So what keeps most poor countries poor? What they need most of all in order to industrialise is land reform. They need to raise the miserably low level of productivity in the countryside in order to send far more food and people to the industrial towns. That in turn requires the breaking of the power of the traditional landlord class. But under modern conditions the semi-feudal power of the landlords is buttressed by bank loans. A threat to the landlord class is therefore a threat to the banks and to the capitalist system as a whole. This is the foundation of Trotsky's theory of permanent revolution, based on the experience of Tsarist Russia. He showed that the tasks of land reform as a requirement for industrialisation could only be carried out by the working class as the ally of the peasantry. Modernisation in the modern age meant socialist revolution in the less developed countries.

### City States

But the land question simply does not exist in city-states such as Hong Kong and Singapore, the most densely populated places on earth. The peasantry does not exist, and neither does the landlord class,



as we shall see. If you want food, you have to import it. In Korea land reform was urged on the South Korean regime by the USA as the surest bulwark against the red menace. And Taiwan was a safe haven for the Chinese capitalist class defeated by Mao. When they arrived in 1949, they took not the slightest regard of the traditional local ruling groups.

### The Land

The state owns 70% of the land. So for all these countries the land question, the central precondition of capitalist industrialisation, was simply not a problem.

The second salient fact is that the Tigers are a long way from the 'free market' success stories they are cracked up to be. Japan is the big daddy of the region, and to an extent Japan is the model they adopt. And Japan, going back over a hundred years is actually a classic case of state-led capitalist industrialisation. While the imperialist powers were hovering up colonies throughout the world, the nineteenth century Japanese regime that if they wanted to preserve their independence, they had to match the artillery of the foreigners. And to match their artillery, they needed to build capitalist industry and a working class. The state actually brought big capital into being through its control over the financial sector. Industries were built up and vir-

tually given away later - like shipping to Mitsubishi for instance. In 1897 government operated factories employed 88% of all workers. At the same time a home grown textile industry sprang up - small scale and often located in rural areas. Like the Tigers later on, the Japanese state preferred to keep foreign capital at arm's length through accepting loans rather than outright foreign investment. It was in this period that the conglomerates called zaibatsu and the characteristic state-finance-industry pattern emerged. Even after the Second World War the Japanese state was able to ration the use of scarce raw materials, giving them an important lever of control over individual capitalist firms. In addition the Imperial household owned 25% of the stock of the Bank of Japan, which in turn had holdings in the big conglomerates. The state, with the aid of finance capital which it partly controlled thus set out to plan capitalism.

### Korea

These processes are more clear cut among the Tigers who have learned from and adapted the Japanese experience. The Korean government has an effective veto on inward investment by multinationals. They are heavily in debt to the advanced countries, especially Japan, but by taking loans rather than investment have

managed a more independent course of development. Like Japan, the state has acted as a hothouse for capitalist development, taxing the masses and using the resources to set up state enterprises, which were then sold off for a song when the time was right. Protectionism was OK with the USA because of the country's strategic importance - they still have a 177% tariff on imported cars. Korea during most of its 'miracle' years was running a balance of payments deficit. As fast as it was exporting consumer goods, it was importing capital goods to make them and borrowing from the advanced countries to pay for them.

### Miracle

The Korean miracle can roughly be dated to the Park regime from 1961. 'President Park Chung-Hee's first action when he became President of South Korea in 1961 was to arrest some of the country's leading businessmen under the Illicit Wealth Accumulation Act. They had been profiteering, he insisted, awarding themselves large personal bonuses, manipulating profits and refusing to invest. Only when they agreed to increase investment in those industries which the government prioritised were they released' (Will Hutton, *Guardian* 31/7/95) Even recently a captain of industry who refused to carry out a govern-

ment edict had the hairs of his moustache pulled out one by one. Other methods of direct rewards and punishment are used as often as market mechanisms. Firms that don't meet their export targets are likely to have their electricity cut off! Park began a series of Five Year Plans, evidently more influenced by Josef Stalin than Adam Smith. Make no mistake, this was capitalist planning, or at least planning to bring capitalism into being, and it was the workers and peasants who footed the bill. In Korea industry is even more concentrated than in Japan. Sales of the top ten conglomerates (called chaebol) amount to two third's of Korea's national income. This makes direction of industry by the state much easier. The firms are told what to produce by the Ministry of Trade and Industry. There is also an Economic Planning Board with the power to allot the budget, evaluate firm's projects and co-ordinate foreign investment.

### Inflation

In return big business get all the funding it needs. Park nationalised the banks in 1961. By 1970 the state controlled over 96% of all financial assets. Rapid inflation meant that the favours few big firms that got all the loans could pay them back at negative real

interest rates. Though finance has since been denationalised, all the old administrative links and attitudes between the state, banks and big business remain. Profit margins are ruthlessly shaved to sell goods abroad, while they are relentlessly marked up in heavily protected home markets. There are tax breaks and all manner of incentives for exporters. Individual capitalists have very few rights except the right to fill their boots - over one thousand laws exist to regulate individual industries. There is no speculation - capital flight is punishable by death. We have to ask the anonymous journalists on the 'Economist' - is this what you call a free market success story?

### Taiwan

As we've already pointed out the capitalist state began by expropriating the local landlords. As in Korea the state controls finance and there is an even more extensive state owned manufacturing sector, which has privileged access to credit. Typically three quarters of loans go to the big corporations and 30% to state enterprises alone. In the 1950s the state was responsible for over half of all industrial production. The independent sector of small private firms is made competitive on world markets by a system of refunds on

inputs they get from the government controlled heavy industry sector. In the 1950s the grateful Americans bought their loyalty with gifts of cheap cotton and oil - and allowed them to get on protecting their new industries.

Unlike Korea and Taiwan, Singapore is open house to foreign investment. In fact there are massive tax breaks for the privilege of investing there. Its wealth is based on the fact that, as a city state with a population of little over two million, it is one of the biggest ports in the world. Economic 'miracles' in cities, such as Aberdeen, Rotterdam or Hamburg are not difficult to explain in terms of their strategic trading position. As in the other Tigers there are five year plans and a degree of arm twisting of individual capitalist to make sure they do what the government wants. One powerful lever is a system of forced saving called the Central Provident Fund. This sucks up private funds and hands them over to the state to do with as it will. Since there is no social security system, all this money is played around with by the public sector banks.

### Hong Kong

Of the Tigers, this is the only one that could possibly be regarded as a free market success model. As usual the roots of the impressive economic performance lie elsewhere. For a start the state is the universal landlord. The rents it is paid allows the authorities to offer Hong Kong as a tax haven to foreign investors. Add history to geography. The city provided a bolthole (along with Taiwan) for the money of the entire Chinese capitalist class as they fled Mao in 1949. Again the city's location has given it a huge head start. Re-exports from mainland China routed through the port amount to more than 90% of National Income. But the port facilities didn't just emerge because of 'the magic of the marketplace.' Airports, railway networks, expressways, water and sewage treatment, education and provision of public housing for the workforce have all been provided by the state to allow this to happen. Moreover Hong Kong is losing its manufacturing base to the

Chinese hinterland, where workers get £1 per day, one third the Hong Kong level. More than 70% of the manufacturing jobs have disappeared over the border in the last ten years. Hong Kong is now more dependent than ever on facilitating trade between China and the rest of the world. So 'miracle' economies are precarious achievements at the best of times as capital restlessly searches for ways to make more profit. And the transfer of the colony to China next year places a huge question mark over the economic future of the area.

### Global Terms

So we have a few fairly insignificant national economies in global terms buoyed up by a regional boom and their own past history and structure. The experience can never be repeated throughout the less developed world. Even the present fever of foreign investment into China critically depends on political imponderables such as what happens when 91 year old Deng is finally declared to be dead. And the region has certainly had a leg up from the investment boom, an advantage which is definitely not on offer to the vast majority of poor countries on the globe. *'Of the total of \$126.1 billion of foreign direct investment going to the largest recipients of investment among the developing countries in 1988-92, \$47.3 billion went to just two countries, China and Singapore, and \$78 billion of the total was absorbed was absorbed by the top four countries' (Economist 1/10/1994)* The experience of the Tigers is a product of their own unique social history and the region's geography - and in any case they haven't made it yet. More important (though we have not had the opportunity to deal with it in this article) economic success has been based on the brutal exploitation of the majority who do the work. For the vast majority of the world's poor imperialism will keep them and their countries poor until they are saved by socialist revolution.

**Mick Brooks**



# Belgium: goodbye to social consent

*"When last December, France was paralysed by its public employees, everybody was delighted to see the countries who favour social consent, like Belgium and Germany, spared from similar movements. But today, in our country as in Germany, where Chancellor Kohl is being confronted with social protests after the failure of his pact for jobs, shouldn't we be seriously worried?"*  
(Echo de la Bourse, 2 May 1996)

The third attempt in three years in Belgium to reach an agreement between the bosses, the government and the unions on jobs, wages and conditions has failed. When, in 1993, the government tried to exploit the nationalist feelings following the death of the king by presenting a new "social contract", it sparked off a general strike of all the unions. The government was obliged to unilaterally impose a wage freeze and cuts in social security supposedly in the name of the fight for jobs. This time the socialist/Christian coalition is trying everything, together with the trade union leaders, to make a repetition of the 1993 general strike impossible. By the end of the year, the wage freeze is scheduled to end. The bosses and the government want to negotiate a new arrangement so as to put a check on any attempts by workers to regain lost purchasing power. In the name of saving jobs, the union leaders have accepted the idea of a wage-norm to be applied from 1997 onwards. This wage-norm would limit wage increases to the average levels of those achieved in neighbouring countries (ie. Holland, France and especially Germany). A part of this increase is also supposed to be redirected towards the creation of jobs. Apparently this measure, combined with

increased flexibility, part time working and tax incentives to the bosses, will cut unemployment by half by the year 2005.

However despite complex negotiations and the enthusiastic support of the union leaders for this "Contract for the future of jobs", the rank and file together with the shop stewards etc. have rejected the deal. The Christian union has also been effected by this mood with only a narrow majority in favour of the deal. The opposition inside the socialist union was spectacular. A few hours before the National Committee met, the main negotiators assembled to review the situation. The result was that instead of defending the deal as they had been up to that point, they presented themselves with a resolution in which they called for the contract not to be signed. A 180 degree turn to save their skins and the unity of the union. This resolution was carried with only one vote against.

## Contract

The socialist ministers have defended this contract with childish enthusiasm. One of these minister was interviewed on radio on the day the deal was presented. Asked for a song to illustrate his state of mind, he requested "*Happy days are here again...*" Workers were shocked by this. No wonder Surrealism was born in Belgium.

The most important feature of the recent shift in mood has been the pressure of the rank and file on the stewards and local officials. This reflects the intolerable pressure of 2 years of frozen wages, cuts in social security and increased hassle in the workplace. A textile union leader expressed it as follows: "*2 years ago I would have asked the shop stewards to vote in favour of this deal. the problem is that 2 years have passed by. The government imposed on us such a deal in*

*1994 and that didn't create any jobs.*"

2 years ago the average occupation time of a machine was 77 hours in Belgium (the European average was 66 hours), now it is 96 hours (in Europe 69 hours). These figures are an indication of the increases in the flexibility and the intensity of work imposed on workers. Meanwhile nominal wages have fallen by 0.2%, as against 0.8% and 1.7% increases in Holland and Germany respectively. The economy has stopped growing and increasingly even those with a job are now being included in the figures of those who are officially poor, accounting for 20%. This reflects the increase in "McJobs" and part time working. All this represents dynamite for the Belgium model of consent and negotiated settlements.

After this failure to get a deal with the unions, the government has decided to press ahead anyway. They will be applied using the device of special powers, by which authority is transferred to the government machine from parliament. The same device will be used on the budget of 1997 in order to gain entry to EMU, and with the social security reforms. Dehaene, the prime minister, has justified this by saying that "*the government cannot take any further risks.*" This method is intended to make impossible any interference by parliament in the process of attacks over the next 3 months. A mild form of parliamentary bonapartism.

It is true that the balance sheet of the government since its election a year ago is not very good even from their own standpoint. The bosses are complaining that the government is "out of breath". Others speak of the "blocked society." The truth of the matter is that the government has been obliged to manoeuvre so as to try and avoid a piling up of measures which would trigger a big

social movement as happened in France. Some "reforms" have been postponed until further notice. But the pressure to reach the EMU target and the worsening economic situation means that the government will have to go onto the offensive this summer. They expect social uproar, but more importantly, they expect this discontent to find an expression in parliament and in particular in the socialist parties. The French speaking Socialist Party is currently being described as the "weak link" in the government. Not without reason. The 3 month long teachers strike is already having an effect on its ranks. The teachers are fighting the government of the French community who decided to cut the workforce by 3000 teachers. This action has provoked the most determined social conflict of the last 10 years. Their anger is especially being directed against the leaders of the Socialist Party.

## Union

The socialist union leader of the union has already called for the Socialist Party to leave the government. The May Day demos were marked by anger with SP leaders having to run away in many cases from angry workers and youth. Only the union speakers got support from the crowds. The response of these leaders was to insult the workers. a paper next day described the divisions inside the SP as being "*an abyss between the party leadership and a part of its rank and file*" (le Soir 2 May 1996). The socialist newspaper even talked of things going beyond breaking point and of the SP leaders "doing the dirty work." A conference has been called for 29 June to get support for staying in the government.

The SP is in ferment. Activists are setting up discussion groups and campaigns (one is on a wealth tax, another to "go back to socialist principles") to resolve the crises.

The mood of criticism is being concentrated in the ranks of the unions although there is not yet a generalised move on the industrial front. But things could flare up in the next few months. Despite all the tricks and manoeuvres of the bosses and the union leaders this is unavoidable.

**Erik Demeester**  
(editorial board: **Vonk-  
Unite Socialiste, Belgium**)

# India's election of darkness

In 1996 we have seen, or will see, a series of elections around the world—Spain, Italy, Australia, India, Russia, Bangla Desh and the US amongst others. The results reveal a shift towards the left in some cases but at the same time we have also seen right wing victories in Spain and in France a year ago.

The most interesting result has been the creation of hung parliaments, creating more political instability and economic chaos. *"But what is the difference? They take our votes and will earn huge amounts of money. What is in it for us? We elect them into power, and what do they give us in exchange? We will carry on leading life the same way as we are now. Do you think that we are happy to see our children growing like animals? Will these politicians who are campaigning for the election say even a sentence about us after their victory? I try to keep away from me all these thoughts and questions. But this*

*hurts a lot!"* This is the opinion of a worker from the hard, dark and filthy streets of Bombay, expressing the feelings of millions of Indian workers.

The May 1996 elections in India resulted in turmoil and are a set back for the working class in India, because of the vote for the right wing Hindu fundamentalist BJP (Bhartia Janata Party). This will open new periods of the further collapse of society, more ethnic cleansing, more communal riots. After all, this was the goal the party was founded to achieve.

## Social conditions

The peoples of Africa, Asia and Latin America, representing two thirds of the human race have remained hungry spectators at the feast of world capitalism. Despite all the wonders of modern science two thirds of humanity live on the border line of barbarism.

The so called democracy in India for the last 50 years has offered nothing to her 940 million population but increasing pover-

ty, diseases and disgrace, economic slumps and breakdown of infrastructures. This has created even more contradictions amongst the social, economic and political forces of society. Every year 30 million people are born in India and 16 million die. The life of the vast majority of the masses is still that of a basic struggle for existence and survival. 40% of the world's desperately poor live in India. 350 million people live below the poverty line. India is divided as follows on religious lines—of the population, 82% are Hindu, 12% Muslim, 2% Christian and 2% are Sikhs. It is 1/3rd the size of the USA and is divided into 26 states and 6 union territories. It's population of 940 million represents the second largest in the world after China.

The bourgeoisie has failed for the last 50 years to solve any of the fundamental problems facing India: the elimination of castes, the unification of India, land reform, national independence. India today can be summed up thus: widespread unemployment, rampant disease, drug addiction, prostitution due to extreme poverty, child labour, bonded labour in the fields, the caste system and the existence of 'untouchables', religious murders, superstition, bad health care facilities, sanitational problems, lack of clean drinking water, the accumulation of rubbish, bad hygienic conditions for food, unrepaired roads, lack of electrical supplies, polluted environment, widespread shanty towns, lumpenisation, bad education facilities, extreme poverty and misery. All this has turned Indian society into a hell. There is massive corruption at state and district level and a large amount of foreign aid remains in the pockets of corrupt officials.

After almost 5 decades of Congress rule, literacy levels are still below 50%. Even today, 73% of the population still lives in rural areas with all the contradictions between rich and poor peasants, and between landlords and peasants. The majority of the population in these areas are landless labourers. There are 40 million children currently having to work.

## Economy

The Indian ruling classes are unable to compete with imperialism and the international monopolies. They have been unable to create a modern industrial infrastructure. Indian export levels are less than those of Malaysia. India has the second largest English speaking scientific and technological resources in the world. She has become one of the world's main exporters of technical skills, but cannot absorb the output of technical graduates herself.

The depreciation of the rupee has led to an increase in inflation which currently is between 9% to 14% according to official figures. Annual income per capita is just £310. From 1991 to 1995, import taxes decreased from 300% to 36% as a result of the pressure of international monopolies to get into the Indian market. Around 55% of the Indian economy is black market and corruption scandals regularly rock the economy.

The IMF and the World Bank has forced the Indian government to slash import taxes, trade barriers and to open the market to goods from capitalist monopolies. The signing of the GATT agreement by the Indian government was the final capitulation to the pressures of world imperialism.

Liberalisation has increased social disparities and division. Direct foreign investment in 1991/2 was \$150 million and this went up to \$620 million in 1993. As a result of the participation in the world market and foreign investment, foreign exchange reserves went from \$1.6 billion in 1991 to \$19 billion in 1994. The Foreign debt is \$85.2 billion. Half the Indian revenue goes to pay foreign loans and internal loans. Huge programmes of 'privatisation', 'liberalisation of trade' and 'free market' have been introduced. These policies have been accepted by Congress, BJP, the parties in the National Front-Left Front coalition and the Socialist Party.





In 1991 the BJP launched a campaign in favour of swadeshi (self reliance) and the Janata Dal called for social equality.

### Politics

The Indian bourgeoisie has had plenty of time to demonstrate its total inability to solve the problems of the nation on a capitalist basis. During the cold war period the Indian ruling class benefited by manoeuvring between US imperialism and Stalinist Russia. But this period came to an end. The collapse of Stalinism and the crisis of capitalism have had severe effects.

The fundamental contradiction faced by Indian capitalism is its inherent inability to generate enough surplus to develop a physical and social infrastructure which could lay the basis to develop society.

The corrupt nature of the bourgeoisie, its technological and social backwardness and its inability to feedback enough revenues to the State are problems which have become unsolvable. The three stages of the May 1996 general election are now completed with the result that no party could get a significant majority to form a government. This is the eleventh general election since independence from British imperialism. In the last 5 years Congress has suffered a reduction in its share of the vote. But in these elections Congress was doomed to its worst defeat ever.

### Congress

For the last 49 years, Congress has contested elections usually with a member of the Nehru-Gandhi family. Congress has ruled the country ever since independence except for a brief period of 4 years. Before the general election, Congress had already suffered defeats in simultaneous local Assembly elections held in five states. Congress was left ruling only 10 of 26 states.

As in the two previous elections in 1989 and 1991, there hasn't been a national trend in favour of one party or grouping. There has been a regionalisation of Indian politics.

Look at what this marvellous multifaceted country has accomplished in the last 49 years: nuclear bombs, launch satellites, defeating a weak monsoon, feeding 930 million people. But what it has been unable to do is to provide them with jobs, clean drinking water, schools, health service. People blame the politi-

cians who wear the simple khadi cotton of Mahatma Gandhi.

Congress was beset by a corruption scandal, defections, even the Prime Minister PV Narasimha Rao, was found to be involved in these scandals. Muslims abandoned Congress after the incident of the Babri mosque, where Hindu fundamentalists destroyed a Muslim mosque. In December 1992 Hindu fanatics destroyed the 460 years old Bahri mosque in Ayodhya, in the north of the Indian State of Uttar Pradesh. The riots which followed claimed 3000 lives all over the country. Even in the Southern and Western states, considered to be Congress strongholds, voters revolted against Mr. Rao's party. States like Maharashtra, Tamil Nadu, Kerala and Karnataka all fell under the control of Congress' opponents.

However, Congress alongside its allies, managed to retain 138 (down from 227) seats out of 543 in the Lok Sabha, and is still the second largest party after the election. The National front-Left Front is the third strongest force in Parliament with 117 seats.

The BJP has emerged as the largest single party after the present election. They campaigned on the theme of Hindu cultural nationalism, against the Havala scandal which involved Congress leaders, and argued for policies which would "appease" the country's 120 million Muslims. They also promised a "liberalisation" of the economy with the free market and foreign investment.

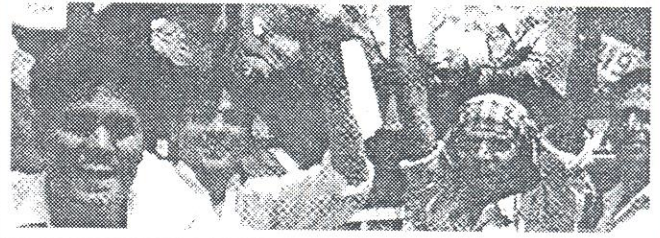
In 1984, the BJP had two seats in the Lokh Sabha but then the party president L.K. Advani capitalised on the Ayodhya temple issue to increase support for the BJP and won 88 seats in the 1989 election and 119 in the 1991 election.

Shortly before the 1996 elections, Mr. Advani was involved in a corruption scandal. Therefore the BJP candidate for Prime Minister is Mr Vajpayee, former Foreign Affairs minister in the Janata government in 1977-79. The resurgence of fundamentalism in the form of the BJP and other organisations in India is the result of the lack of alternatives due to the degeneration of the Stalinist and Maoist left especially after the collapse of the Soviet Union.

The BJP is a capitalist party which represents the section of the Indian bourgeoisie which has been attacked by Congress' lib-

## The state of the parties

	1984	1989	1991	1996
<b>BJP</b>	2	88	119	195
<b>CONGRESS</b>	415	192	227	138
<b>NF-LF</b>				117
<b>others</b>				84



eralisation policies. After 13 days in office, the BJP leader, Atal Behari Vajpayee, resigned shortly before an expected vote of confidence, fearing defeat.

The only parties whose leaders are not involved in corruption are the Communist parties, CPI and the CPI (M). But the most surprising thing is that they want to remain as honest politicians and at the same time they don't challenge capitalism which is the source of corruption.

### United Front

At the same time, the Congress, after its election disaster, wants to organise a coalition of all "secular forces" with the Indian left to prevent the right wing Hindus from forming government. The left wing parties and the Congress claim that the Hindu revivalists are threatening India's secular roots.

The main problem is that the traditional workers parties, the CPI and CPI(M) haven't learned any of the lessons of the last 50 years. They still defend the "national democratic revolution" rather than socialist revolution. This, despite the fact that the Indian bourgeoisie has been proved totally unable to perform its historical tasks and is unable to solve the basic problems of the masses. However the workers parties policies are based on an alliance with the "national" bourgeoisie instead of fighting for a clear programme of emancipation for the Indian workers and oppressed masses.

Congress has decided to support the newly emerged United Front which represents a coalition of disparate regional and "low caste" parties possibly together with the NF and/or the LF (this is as yet uncertain!) until

it feels strong enough to bring it down. The intention is that H.D. Deve Gowda will be the new prime minister. The Congress party promised support for him is conditional however on the "liberalisation" policies being continued.

The new prime minister started his political career with Congress in 1953. A decade later he had switched to join socialist groups before hitching his wagon to regional politics. Clearly a man of principle! He said that he "will not describe himself as an economic reformer but just a peasant." His chances of being able to maintain this motley coalition are somewhat slim. After this election there won't be any stability in India. If the electoral and political roads are being closed there will be big movements of the industrial workers to improve their conditions of life.

These movements will also have an effect on the communist parties, putting pressure on their ranks, changing the leadership in order to carry on a class struggle policy.

If the massive working class of India adopts these policies of class struggle it will be impossible for the ruling class to stop them. Only the struggle on these lines, through socialist revolution, can guarantee emancipation for Indian masses from capitalism, landlordism and imperialism. A victory for the Indian working class on this basis would change the whole fate of South Asia, which will be the beginning of the end of oppression of humankind.

Imran Ali

France June 1936

# Workers occupy the factories

*"There is no question of taking power at the present time...we have not yet got the rural population behind us, with us, determined like us to go the whole way. In certain cases it is even possible that we run the risk of alienating ourselves from sections of the petty-bourgeoisie and the peasantry. So, what next?...we must know how to end a strike when satisfaction has been obtained."*  
Maurice Thorez, General Secretary of the French Communist Party, 11/6/36.

We are all familiar with the revolutionary movement of the French working class in May 1968, the crest of a revolutionary wave which threatened to engulf all Europe as the 1960s drew to a close.

Less well known, however, is the titanic struggle of the French workers in June 1936. Through general strikes and occupations, the French workers groped in the direction of power.

As the 1930s opened, the main union federation the CGT was split in two, strike figures, although beginning to increase, were at all time lows, the CP was

pursuing Moscow's line of social fascism, portraying social democracy and fascism as twin evils. Half a dozen years later the CGT had been reunited, 3 million or more were on strike, the factories were in the hands of the workers, power was at the end of their fingertips. After the victory of the fascists in Germany, the CP had made a 180 degree turn, not only uniting with the workers parties, but with the so-called liberals of the Radical Party in the "Popular Front." This was claimed to guarantee the maximum unity of "anti-fascist action," and to win the support of the middle classes. But the middle classes could only be won by bold action and a clear socialist programme, not by deals with their "political exploiters."

## Conspiracy

In France, just as tragically as in Spain, the "strike-breaking conspiracy" of the Popular Front only served to push the middle layers and sections of the peasants in the opposite direction.

The elections of 1936 demonstrated a growing radicalisation. The Popular Front, with a programme of important reforms

such as the 40 hour week, won a big majority, gaining 5.5 million votes. The Radical party, the "Liberal" partners in the Popular Front fell to third place, losing half a million votes, while the Communist Party doubled its share to 1.5 million. In reality the Radicals only held on to as many seats as they did, because of the support of the workers for the Popular Front, thus the workers parties provided a cover for the Liberals, rather than exposing them.

The Radicals were meant to act as a break on any socialist "excesses," but the capitalist needn't have worried, it wasn't the leaders of the Socialist Party (SFIO), now the largest single party, or the leaders of the PCF that they needed to fear. R.Millet in his *Bilan du Communisme* points out that "the left wing was not the PCF, for the PCF had a very moderate programme, and it was at their express wish that the nationalisation of banks and industries was not included (in the governments programme)" In spite of its shortfalls, however, the mass of workers began to implement the Popular Front's programme without waiting for parliamentary decrees.

Management at an aircraft plant in Le Havre sacked two workers, known activists, for taking May Day off without permission, in order to participate in a May Day rally. Attempts to negotiate with management led nowhere, so the Engineers union called a strike for May 11th. 100% came out, or rather stayed in, because the 600 strong workforce occupied the plant. This was soon to become a familiar story. In Courbevoie, workers at the Bloch aircraft factory occupied the plant in a strike over wages and working conditions. They won significant gains in wages, paid holidays, and, significantly,

pay for the days they lost on strike, which became a tradition of the French workers struggle repeated in the massive public sector strikes at the end of last year.

May 24th saw the traditional demo called by the SFIO, the PCF and the CGT in memory of the martyrs of the Paris Commune. 600,000 workers attended a rally addressed by Leon Blum (SFIO leader) and Maurice Thorez. The restless workers were becoming conscious of their own strength. On the 21st of May, union representatives at the Nieuport engineering plant presented a list of demands to management including a minimum daily rate, a 40 hour week, and union recognition. The bosses refused to negotiate and on the 26th of May the plant was occupied. At Lavalette in Saint-Ouen, a strike began against an attempted cut in wages. Again the plant was occupied. In Levallois, the Hotchkiss plant was occupied in response to threatened sackings. In this case the workers won by 9pm the same evening, and left the factory singing the Internationale. More and more engineering plants were being drawn into the struggle, which was now spreading to the printers and quarryworkers. The struggle was becoming generalised and the workers actions becoming bolder.

The decisive moment came at 9.30am on the 28th when 35,000 workers at the Renault plant downed tools. From midday they occupied the plant. By the 29th over a dozen factories were occupied, including the Fiat and Citroen plants. Building workers occupied their sites, flying the red flag from their scaffolding. From defensive strikes the movement was now taking on revolutionary proportions. The ruling class were terrified, 100,000 workers were now occupying their workplaces.

## Radical

The "caretaker" Radical government of Sarraut considered sending in the troops but feared the consequences. They turned instead to the union leaders to act as conciliators. 150 delegates sent by the strikers met to consider the employers' proposals. They were to be guaranteed no victimisation, pay for days lost through strike, and negotiations on pay rises. Delegates agreed to put these plans to mass meetings in each plant to prepare a return to work.



Immediately the bosses began to back out of the deal they'd done. Their plan was to empty the plants with the promise of a deal, then after a three day cooling off, there being no work on Saturday, Sunday or Monday anyway, to regain the upper hand. What an underestimation of the situation! The Renault plant ended their occupation and this was seen as a signal for everyone else to return to work. Sure enough by the 31st of May the number on strike fell from 70,000 to 10,000. Nevertheless, on June the 1st there were still 15 factories occupied. As the others returned to work however, they began to question exactly what had been gained, the bosses were going back on their word. Next day as the Renault and Citroen workers went back to work, 66 plants were on strike, by the same evening 150 plants were again under occupation.

### Exploded

Now the movement exploded. On the 2nd of June, 200 factories were under occupation, and the strike was spreading to other industries, oil workers, chemical plants and textile factories were striking and occupying. The movement was beginning to spread across the country too, red flags hung from the windows of occupied factories in Lyons. Bosses were being locked in their offices with their phones cut off. The CGT leaders, still claiming that these were simple economic strikes, appealed to the strikers on behalf of management not to attack individual bosses. The CGT still claimed there was no general strike taking place and appealed to strikers to remain "calm and dignified." These "leaders" feared the movement as much as the bosses - it was out of their control. On the 3rd of June they appealed to the strikers delegates to reach plant by plant agreements with the bosses.

But far from turning back, the next day saw the strike spread even further to the gasworkers, pharmaceuticals, lorry drivers, even the restaurants and tailors. Now the whole country was being drawn in. There were strikes and occupations in Marseilles, Nice and Toulouse across the south, Lille and Rouen in the north. The workers were now feeling their own strength.

At just this moment the "workers government," the Popular Front of Leon Blum, took office. His first speech as Prime Minister warned of how little contact he

had with the reality around him. The people, he explained, had voted for the popular front programme not socialism. He intended to maintain a "legal" government within the confines of the constitution. If this failed, he explained, it would not mean that socialism had failed, but that the system could not be reformed from within, a lesson he failed to remember in the years which followed. Lastly he added that he would remain loyal to the party and the working class, in direct contradiction to the last three points. The President, Lebrun, immediately appealed to Blum to address the workers, illustrating the role the capitalists had chosen for the Socialist leader, "They will believe you...then perhaps the movement will come to a halt." And they were right to be so frightened, on the 5th there were strikes in almost every industry across the country. The Renault plant, you'll remember, went back on June the 2nd. But the workers couldn't understand why they'd gone back. Management were obstinately refusing to negotiate. On the evening of the 4th the plant was occupied again. The next morning Citroen and 15 other plants followed suit. Many of those who'd just returned to work were coming out again, strengthening those who'd stayed out, or rather stayed in, the Lavalette workers, for instance, were now into the twelfth day of their occupation. On the 7th they were joined by the railway workers, the Singer plant, the sugar refineries, and Dunlop. In the Nord Pas de Calais the miners came out, as did many of the large shops and even the music halls. The union leaders now desperately intervened to prevent the strike spreading throughout the public sector. Jouhaux of the CGT appealed to workers not to lose the sympathy of the middle classes by disrupting food supplies and so on. In reality the strikes now had the widespread backing of the population. The middle classes were being won over to the workers by their bold actions far more effectively than by the sugary words of their leaders.

The whole movement was out of the hands of the union leaders. They desperately manoeuvred to regain some authority. Firstly the Engineering union pointed out that the matter of the 40 hour week, paid holidays and so on would require legislation, and that the Popular Front government had guaranteed to intro-



duce these measures immediately. Therefore negotiations on a return to work should now be based on pay rises alone. And still the movement grew. In order to seize the reins once more the miners leaders called a 24 hour strike for the 8th of June. This strike was to involve only those already on strike, and the union even raised as a demand that if the strike were to go ahead it must be under the control of the official leaders. A similar situation prevailed in the construction industry. Everywhere mass meetings were organised for the "leaders" to address the strikers. On the 7th of June, the Engineering union leaders passed the most bizarre resolution, "In view of the widening struggle, the National Committee of the Engineering Workers Federation resolves to shoulder its responsibilities and to coordinate the strikes in order to give them the maximum effectiveness and discipline."

What does this mean? Like the famous film cowboy hero, these gentlemen were trying to mount the riderless horse to bring it to a peaceful halt.

### Terrified

The ruling class were likewise terrified. On the evening of the 7th, representatives of the government, the bosses and the union leaders met at the Hotel Matignon to negotiate a settlement. The more farsighted of the bosses now realised their only option was to cave in, to compromise on almost anything, in the hope of reaching a settlement, then after a time, claw back the concessions they'd given. Blum promised that the necessary legislation guaranteeing a 40 hour week was being rushed through. For their part, the union leaders demanded a 10-15% pay rise, while the bosses offered between 7 and 10%.

While the negotiations went on, thousands of workers packed into a nearby stadium to be addressed by Blum and Thorez. Blum assured them that they would win a 7-15% pay rise. A deal was signed to that effect, providing no individual plant's wage bill rose by more than 12%. It was agreed that a return to work in each plant should immediately follow the signing of the agreement by that plants management. The union leaders were forced to admit that they would try their best, but that matters were somewhat out of their hands, they could guarantee nothing.

They were right. The occupations continued as the workers tried to win additional wage rises before the 7-15% increase was added. As far as the workers were concerned "satisfaction" had not "been obtained." In fact between the 7th and the 12th of June the strike wave continued to grow, prompting Trotsky justifiably to write, "the French revolution has begun."

A new note was being struck. At meetings of striking engineers, delegates declared that they could easily organise production without the bosses. On the 9th, 700 workers delegates heard union officials call for a planned return to work, to no avail. Speaker after speaker raised that the agreement didn't go far enough, and that they should stay out until their demands were met in full. On the 10th these same delegates issued the bosses with a 48 hour ultimatum, if this deadline was not met the workers would increase their demands to include the nationalisation of the armaments industry and the normal running of the factories under the management and control of the workers. The Paris Engineering Employers caved in immediately in the face of such a threat. Still their con-

cessions were not enough for a new delegate meeting on the 11th. They had been guaranteed pay for the days lost through strike, but now demanded that all office staff and technicians be given the same terms.

In mass meetings of construction workers, shop workers, insurance workers, union leaders announced that the workers demands had been met in full. But still they stayed out. An agreement covering the miners was signed on the 8th, but they were still out. Catering union leaders signed a similar deal on the 9th, to no avail. So terrified were the bosses now that the bankworkers demands were met in full before they even went on strike.

Rather than a return to work, the provinces were now catching up with the cities, in the countryside thousands of agricultural workers joined the strike, making a lie of Thorez excuse that "we don't have the rural population with us."

#### 40 hour week

Blum was now rushing legislation through parliament to introduce the 40 hour week. In terror, he cancelled the demonstration planned for the 14th to celebrate the Popular Fronts victory, fearing that millions would descend on Paris, intent on taking power into their own hands.

Troops and riot police were now being concentrated in the capital in case of such developments. The Communist Party politely complained in Parliament. The continuation of the strike posed a problem for the PCF leaders, should they continue to support the workers demands as they had been doing, albeit from a safe distance, even raise the question of taking power, or should they stick by their pact with the government and try to

convince the workers to go back to work. According to Maurice Thorez "We were haunted by the memory of the tragic events of June 1848 and May 1871. At all costs we had to prevent the reemergence of such a situation."

He appealed to Lenin's advice "patiently explain," yet Lenin was referring to the need to patiently explain to the Russian workers that they should have no faith in their own version of the Popular Front, that they should be preparing to take power into their own hands instead.

On the 11th of June the entire country was paralysed. Before the strikes union membership had stood at 1.2 million, now it was 2.5 million, it continued to grow long after the strike reaching a high of 5 million in 1937.

Likewise membership of the SFIO doubled between May and October, while the PCF grew from 163,000 to 380,000 over the same period. This gives the lie to those sectarian elements who like to emphasise the spontaneous, unofficial nature of the movement. This was indeed very important, but from their own experience the workers saw the need for more organisation, and turned to the CGT and the two workers parties as a direct result. From an initial strength of the movement, the lack of overall leadership now became its ultimate weakness. Such a leadership cannot simply spring up overnight but must be consciously built in advance inside those same workers organisations.

The factories were now under workers control, but what would happen next? It is precisely at such decisive moments that the role of leadership becomes vital. And at just such a moment Thorez advanced the inspirational slogan, "we must know how to end a strike." He reduced the leadership of a revolution to

the ending of a strike. Leon Blum had commented that he was being described as the French Kerensky preparing the way for Lenin, but there was no Lenin to be found.

What an opportunity the workers had created by their own initiative to take power peacefully. French capitalism was paralysed. The police having surveyed the situation formally requested not to be sent into action. The army, full of young conscripts were, like the sailors, joining in the movement, demanding the reduction of army service to one year. Are we to believe that they would have fired on their brothers and sisters, on their fathers and mothers? Ah, but what of the fascists. The PCF warned continually of the threat from Colonel de la Rocque, wasn't that why they'd joined the Popular Front? As Lenin replied to the same threat of a "civil war" if the workers tried to take power in Russia, "To fear the resistance of the capitalists and yet to call oneself a revolutionary, isn't that disgraceful." In reality, the fascists had been driven into hiding not by the Popular Front but by the actions of the workers themselves. In fact it would later prove to be the inaction of the Popular Front which would lead to the victory of fascism.

A real Communist Party would have been pulling together the action committees of the workers, linking them up across the country, with the representatives of the agricultural workers, the soldiers and the sailors. Such embryonic soviets already existed in the shape of the delegates and strike committees which sprang up everywhere. A soviet at the end of the day is no more than an extended strike committee. If these committees had been united around a common programme based on taking power out of the hands of the 200 families who ruled France, and establishing a socialist planned economy, not only the threat of reaction would have been smashed, but the whole course of history could have been altered.

Already the strikes had spread to the colonies of North Africa. Just as with last years public sector strikes, the movement rapidly spilled over into Belgium. On the 2nd of June a general strike by Antwerp's dockers had been joined by public transport workers. Next came the miners of Liege, and the engineers until by the 15th the country was at a virtual standstill. Imagine the effect a genuine socialist revolution

could have had. It would have spread like wildfire. Hitler and Mussolini could have been overthrown. The victorious French revolution would have been joined by the Spanish workers, who rose up one month later. These examples could have electrified the continent, preparing the way for a Socialist United States of Europe instead of the Second World War.

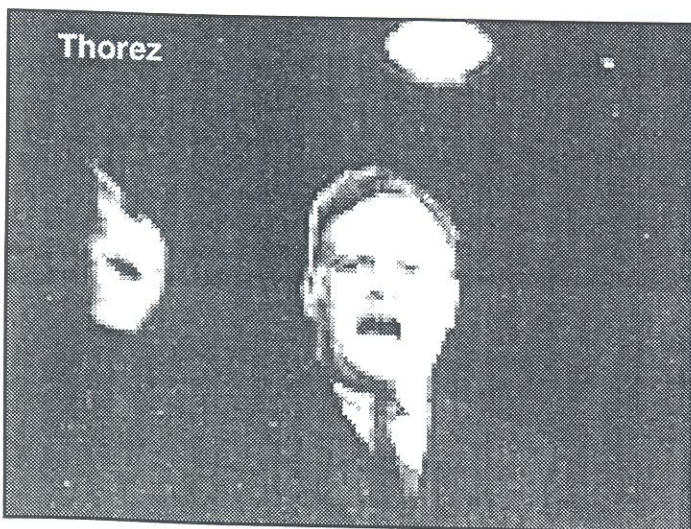
Instead, on the 12th and 13th while the movement was still growing in the provinces, in the cities it began to wane. On the 11th the engineers had rejected the bosses concessions on the 12th they accepted them almost unanimously. The moment was passing. On the 13th the occupations came to a close. By the 15th, all but a few thousand were back at work. Over the following week agreements were signed in the provinces. By the end of June, or the beginning of July the movement was over. Within two years the bosses had recovered most of their concessions. Many important reforms were taken back, which only goes to show the futility of the Popular Front remaining within the confines of the capitalist system. Blum had been correct when he said, "If we fail it would not mean that socialism had failed, but that the system could not be reformed from within."

#### SFIO

Blum's government fell on the 20th of June 1937, and a new Radical government led by Chautemps with the participation of the SFIO took office. In January 1938 Chautemps formed a new government this time without the Socialists, in April Daladier's new administration not only excluded the Socialists but now included elements of the far right. Just two years later the Nazis were in Paris.

The number of opportunities the working class have created for taking their destiny into their own hands and beginning the transformation to a socialist society is matched only by the ability of Socialist and Communist leaders to betray such movements. Herein lies the importance of theory, the vital necessity of studying the experiences of the working class internationally, to the workers movement. It is for just that reason that the Marxist voice of *Socialist Appeal* exists, only by learning the lessons of today and yesterday, can tomorrows victory be guaranteed.

Phil Mitchinson



# euro'96 OUR GAME?

As you read this the media will be building up to a frenzy of hysteria over "the biggest sporting event in Britain since the World Cup of 1966": The finals of football's European Championship or Euro 96 as it is generally called (mainly because that is the name they have been able to trade mark!).

Quite why it has taken thirty years to get an event big enough to be able to match World Cup 66 is another question. Still the official brochure screams out, "Euro 96 is going to be bigger and better than ever with: 16 national teams, over 350 players... 1.3 million tickets for sale, 7 billion TV viewers..." Maybe it was not such a good idea to shout about the ticket sales since some well publicised problems have already arisen with police swooping on companies for holding illegal tickets only to discover that FA officials had given them clearance to obtain them! Given that concerns have been raised over the authenticity of up to 10,000 Euro 96 tickets then this does not look very promising. However, don't worry about the fans—because the football authorities won't be, that's for sure—instead pay attention to the important things that matter in football today: the

sponsors and the TV companies. That is where the money is. Remember what the brochure said—"7 billion viewers"—that's a hell of a lot of potential advertising revenues waiting to be realised. Important sporting events can reap very high if not the highest viewing figures which mean in turn very high fees for adverts and sponsorships. The realisation of the tremendous amounts of money which can be summoned up on the backs of football represents the most dramatic change in the game over the last 15 or 20 years.

## Match of the day

Imagine that you are a modern day Rip Van Winkle who, after watching Arsenal on Match of the day in 1976, fell asleep for 20 years. Having awoken in 1996, and discovered that flares and sideburns are still in fashion, you decide to visit a top First Division game for old times sake. Only it's not the First Division any more but something called the Premier League, which is odd since Premier is French for First! When you arrive at the ground a few more shocks are awaiting you (not including the sight of homeless kids in every shop entrance). The cost of admission

can be put down to inflation which, checking out a chart of admission prices for the last 20 years, appears to have been rampant inside those parts of the country occupied by football grounds. But there is more. The little shop selling scarfs and rosettes has gone to be replaced by something called a "mega store" complete with 48 page catalogues. Inside everybody is wearing a club shirt made from cheapest polyester complete with a company's name on it. The cheap standing areas have gone to be replaced by seats of a sort. Depending on what ground you have gone into, there is even a giant TV screen suspended from the roof! Nothing is the same. What has happened?

What has happened is a total transformation of the profit making side of the game. The old days of relying on gate money as the main source of income has long gone. Now everybody is talking about the splendid commercial possibilities arising out of the game as if that was all it is about. However, few fans go to football to cheer on sponsors and commercial glory—but when have they ever been listened to? The fans are just there to be ripped off as usual—both directly and indirectly. When Spurs' shares shot up on the Stock Exchange it was on the back not of the improvement in results but rather on the basis of reported commercial developments.

Sales of merchandising represents the main growth area for direct exploitation (their words not ours!) of football. The income from merchandising has exploded over the last ten years as various sportswear companies have developed their goods into fashion accessories with potentially massive profits for those companies able to corner the market. For firms such as Adidas, Umbro, Nike, Puma etc. this has involved getting the required endorse-

ments from sporting personalities to gain the street cred required to generate sales. Having a club such as Manchester United or Liverpool wear your stuff ensures not only income from direct sales of club goods but also indirectly raises the standing of the company brand name in general. Until recently the main firms involved were Umbro and Adidas, however other companies having been trying to muscle in, such as Asics and Pony. In Britain the support of football has been seen as crucial hence the competition for and the signing of massive deals with the top clubs. Needless to say their has been a mad rush to copyright every possible name, crest, competition title, etc. possible in order to protect potential profits. The main area of indirect exploitation is that of television. Any study of US sports will show how much they have become reliant on television to make ends meet. Everything revolves around television and without television the sport does not exist as a commercial prospect. However that was not the case with football in Britain. The income from television was relatively low with the BBC and ITV acting as a virtual cartel to fix prices. To describe the twists and turns of football's relationship with television over the last 10 years would take an article in itself. Suffice to say that the arrival of satellite television provided the excuse for the cartel to be broken and some extremely lucrative deals to be brokered.

## Television

The next television deal with the Premier League seems likely to involve something like £500 million spread over a 4 year period. A highlights package will cost around £20 million a season. With Europe and the Endsleigh League as well, the sky's the limit (if you will excuse the pun). Looking ahead we can see the development of Pay-per-view on the back of the digital TV revolution by which, for a fee per game, fans will be able to "buy" the right to watch any Premier League game, home or away. In any TV deal, it is the fans who in the end will always end up paying. The premier league itself is nothing more than a device to obtain the maximum income for the rich clubs. It was formed so that the top clubs could negotiate separately on sponsorship (there is currently a league sponsorship deal with Carling) and television deals without having to



"worry" about the other clubs outside of the top flight. That in essence is the only real difference between the Premier League and the old First Division. Within the Premier League itself there has developed two groups: the haves, able to pay the massive transfer fees, and the have-nots, struggling to avoid relegation. Increasingly clubs promoted to the Premier League have gone straight down again unless like Newcastle, Blackburn etc. they are able to call upon large sources of finance. Meanwhile, the proverbial spanner in the works—the Bosman ruling—is still being digested.

If anyone still doubts the power of television then look what has happened to Rugby League. Here we have a sport which, under the direction of Sky TV, has switched from being a winter sport to a summer one.

### American

Clubs have changed their names to more American sounding ones and some new clubs have been created from scratch, reflecting the original aim of having just 'big city' teams, as exists in the US with baseball etc. Tradition and the desires of the fans count for nothing when put up against the sort of cash which TV can provide—at a price.

Television is also important in the winning of sponsors. Shirts are sponsored. Games are sponsored. Everything is open to sponsorship. So now we have England playing Green Flag internationals and clubs fight for the FA Cup, sponsored by Littlewoods. Without TV, the sponsors disappear.

The international scene together with competitions such as the World Cup and the European Championships are seen as important "shop windows" for players and as a second source of income and advertising for sponsors and merchandising firms. A successful run in Euro 96 for a team could, for example, mean millions for the company who supplies that team's strip. This is the reality of what it is all about. The idealism has long gone to be replaced with sales opportunities and success is no longer to be considered in terms of goals scored but rather Pounds and Dollars raised. Only when football, like other industries, is put into the hands of those who watch and work in it will we see an end to this ever ruthless exploitation in which those who matter most, count for least.

Steve Jones

# A different striker

## Interview with a footballing legend

**Jorge Valdano was one of the great strikers of the 1980's, both as a World Cup star for Argentina and for his main club Real Madrid (with whom he won many league and cup honours both as a player and later coach). He was recently interviewed in Spain by Mariano Neyra and Hector Jiménez from Spanish Marxist paper 'El Militante'.**

### EM. What do you think about the recent general elections?

Jorge Valdano. The elections have given an uncomfortable majority to the right wing, which is not what was expected and it makes clear something that, for me, has been a bit of a surprise: Spain is without doubt a left wing country, a centre-left country to be more precise. The centre-left is the machine that pushes the whole of the left wing. If after all the attrition the PSOE has suffered for the last 13 years it still maintains electoral support then I think it is something to feel satisfied about.

### EM. Do you think sports are encouraged at local level?

JV. I don't really know. The organisational labyrinth and the attention given to sports at a local level is something which is a bit outside the field I am usually involved in. Obviously, professional sports produce a desire to emulate. Apart from being a big source of consumer goods within capitalist societies, it also makes kids play football because they want to be like Iván de la Peña or Raul (two young players in Spanish football).

### EM. What do you think about football clubs becoming Limited Companies (nb: in Spain some clubs have functioned in the past as actual sporting clubs with members)?

JV. I think that this means recognising a reality. Within capitalist society, football is adapting itself to a situation where the supporter supports the team but not the businessman who is running the club, and this creates a certain demoralisation for the supporter, although the passion hasn't disappeared. For instance, without mentioning Spanish clubs, Milan is owned by Berlusconi, but people really still feel that the colours are theirs regardless of the massive economic power and publicity business of that tycoon over his club. There are obviously worrying situations where the mass media then tell you at the beginning of the season who is going to be first, second and third, and then the supporter starts to mistrust things.

### EM. Are there individuals or groups promoting violence within football?

JV. Yes, all groups of supporters have within them a small group with a definite political tendency and from there fanaticism spreads in a stupid way. However violence can have different roots depending on which part of the country you are talking about. For example in Cadiz, they keep using a Che Guevara flag and violence is related to the

problems around the shipyards; in the Basque Country it has nationalist roots, and in Real Madrid these violent groups have taken over the Spanish flag as a symbol of a clearly reactionary tendency. There is a certain impunity here, as it is difficult to identify individuals amongst the crowd, and everyday there are less and less avenues of representation for youth, and maybe they look in football for something they can't find in the streets.

### EM. What do you think about the "Bosman affair"? Could it be the end of home grown players?

JV. No, this is a factory of football players and obviously these are going to be needed. But since the Bosman affair, clubs are going to feel more defenceless. Bosman pushed football into legality and this will help players that until now were luxury slaves.

### EM. Some clubs are feeling under attack, but obviously not clubs like Real Madrid, Deportivo de La Coruña or Barcelona.

JV. That is right, those clubs with more resources will have an advantage because they will be able to benefit not only from their own players and those of 2nd and 3rd Division clubs, but also from those of Ajax, for instance.

### EM. There are people talking of organising a League of 7 clubs with Barcelona, Real Madrid, Atlético de Madrid, Deportivo de La Coruña and a few more.

JV. There is also talks about organising a European League as UEFA has proved unable to resolve this situation. Big European clubs feel free to organise an attractive League with the best ones through out the continent, and this could be a massive business due to the ever closer links between football and TV.

### EM. Do you think capitalism is the end of History as some say and that the existence of rich and poor is inevitable?

JV. I think rich people everyday have more powerful tools to make us believe so, therefore the struggle is increasingly unequal.

### EM. What do you think about socialism and Marxism?

JV. I think that class struggle, that was said to be dead after the fall of the Berlin Wall, is being vindicated by employers every time they talk about the right to hire and fire. What they are doing is an indirect affirmation of class struggle, therefore class struggle is something that it is always there potentially although with time it may suffer changes. But as Galeano (a Latin American left wing writer) says, they can ban water but they can't ban thirst, and that is a guarantee that things will go back to its place.

# The Great British Tradition



by Beatrice Windsor

## Massacre at St Peter's Field

At the turn of the century, the new working class faced appalling conditions. At the same time, the new bourgeoisie were in belligerent mood—they had survived the American, French and Irish revolutions and, as a counter revolution swept the country, they were determined to squeeze the life blood out of the new proletariat in order to maximise their profits.

Francis Place, chair of the radical London Corresponding Society, gave a graphic description of a Manchester mill owner, typical of the hard-headed new breed of capitalist of the period: "...when he goes around to see how much work his weavers have in their looms, he takes a well fed dog with him. He said some time ago that 'The sons of bitches had eaten all the stinging nettles for ten miles around Manchester, and now they had no greens to their broth'. Upon my expressing indignation, he said 'Damn their eyes, what need you care about them? How could I sell you goods so cheap if I cared anything about them?'"

With this intolerable backdrop, the movement for reform was building—although the male population numbered six million, only 839,000 of the rich and powerful had the vote.

The struggle for universal male suffrage was gripping the country. A monster meeting was called for August 16th, 1819 at St Peter's Field in Manchester.

80,000 turned up to hear the reform campaigner Henry 'Orator' Hunt. They were determined for a peaceful meeting and only the lame and elderly were allowed walking sticks. Hunt even offered himself up to the Magistrates had they—as was normal for the period—ruled the gathering illegal. Yet no bar was forthcoming. Instead the protesters were greeted with squadrons of cavalry and mounted Yeomanry, the 'black Hundreds' of the day made up of shop keepers, publicans and merchants, driven to a frenzy by the fear of revolution.

With the mass protest underway, the Magistrates then declared the meeting illegal. Hunt shouted out that the crowd should part to allow the troopers through to arrest him peacefully.

Instead, with a cry of "Have at their flags", the horsemen struck out in all directions with their sabres, causing mass panic and hysteria. The violence of the Yeomanry shocked even the regular Hussars present, whose officers attempted to restrain the frenzied attack.

It was butchery. Eleven were killed. Over 400 were seriously injured, 113 of the women. Of the injured, 161 had deep sabre slashes.

Historians have since argued that the 'Peterloo' massacre was the result of panicky local magistrates. But as E P Thompson wrote in 'The making of the English Working Class': "It was the panic of class hatred." Indeed, the Home Secretary, Lord Sidmouth, congratulated the Manchester Yeomanry on their actions.

But the brutal oppression backfired. An insurrection of vengeance by the Manchester workers only subsided when they saw the national outcry the massacre provoked. The liberal wing of the bourgeoisie, based around the Whigs, realised that unless the pressure building up was released, they would face an explosion.

As Lord Macaulay told parliament, in what could be the watch word of the reformists ever since: "We drive over to revolution those whom we shut out of power. Reform, that you may preserve."

**Next month: the great betrayal**

## Steakholder of the month



Living proof that Guinness is good for you

All will be relieved at the remarkable recovery of Ernest Saunders. The former Chairman and Chief Executive of Guinness, you may recall, was jailed in 1990 for illegal share dealing and misappropriation of company funds.

Despite a lengthy trial where the best lawyers in the land were brought in to put the proceedings in the record books, Saunders got five years.

Sadly, as Saunders began his porridge, he apparently developed Alzheimers Disease, the appalling degenerative illness that advances senility.

The British penal system has a hard reputation, giving no quarter. You may recall Guiseeppe Conlon, the father of one of the Guildford Four, died in his cell, despite nationwide protests at his ill health and before his innocence would eventually be grudgingly admitted by the British state.

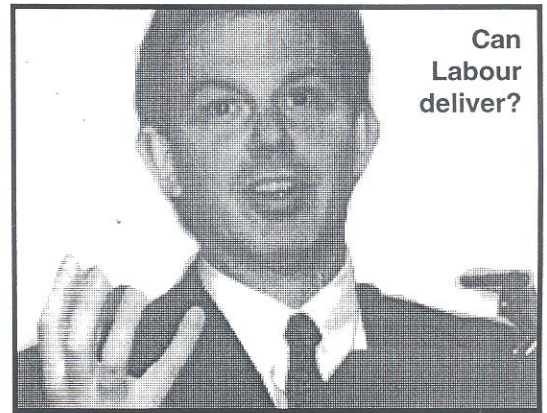
No such retribution for Saunders however. In a rare act of compassion—no doubt spurred on by sympathetic newspaper pictures of a tired and confused looking Saunders—his sentence was halved.

Then the miracle occurred. Saunders 'got better'. Rather than offering himself to medical research, he re-entered the rough and tumble world of high finance.

He is now a consultant specialist in marketing and a major shareholder in the Carphone Warehouse company. Last month he caused a row when he threatened to turn up at the Guinness shareholders AGM. As the Irish Sunday Independent commented: "No doubt some shareholders will comment on his rude health."

# socialist appeal

The Marxist voice of the labour movement



Can Labour deliver?

# Defend the welfare state

**"Patients' lives are being threatened by an NHS accounting system that punishes the most successful hospitals, according to senior consultants. They say the situation is so serious that care is critically impaired... such difficulties were putting patients' lives in danger... James Johnson, chairman of the BMA's consultants' committee, said the NHS was approaching meltdown." (Times 17/5/96)**

"A devastating indictment of the Government's flagship health care scheme, GP fundholding, is to be delivered by an independent public spending watchdog. The Audit Commission report... challenges the Government's claims that the system is providing better care to the patient and saving money for the taxpayer." (Independent 13/5/96)

These news items show once more what everybody who uses or works in the health service knows to be all too true. The Tory "reforms" of the NHS far from making things better, as they claim, have merely added to the general process of decline that has marked their stewardship. The only ones to gain have been the private companies, who have been rushing in to profit from the internal market system, and the army of administrators who have gained jobs to run all this. With

the onward march of privatisation, we have been dumped with a two-tier service with a persons bank balance being the deciding factor in who gets what. The NHS represents an important part of what is becoming an endangered species—The Welfare State. Built up by the post war Labour government, the reforms of the Welfare State did

The new Tory proposals on care for the elderly are just one more example of this. The Tories want to force people to buy private insurance policies to cover them for nursing care etc. when they get old. All that will be left from the state will be the proverbial 'safety net'. It is already reckoned that the cost of a decent cover arrangement will be very high—

have greeted with anger and concern the recent announcements that Labour is also intending to abandon aspects of the Welfare state. According to Chris Smith, the shadow social security spokesman, the state is now to be "the guarantor of all provision, the regulator of all provision—and the administrator of some." The Guardian was even moved to compare statements by Tory and Labour as meaning "The End Of The Welfare State." For Labour this represents an acceptance of the concepts behind the reactionary Borrie Report and Blair's call to "think the unthinkable". Well it may be alright for those in nice houses in the posh end of Islington to have these thoughts but what about those living in poverty at the other end of the borough and elsewhere. For them this is a life or death situation.

Activists should be demanding that the leadership sticks to the principles of the welfare state: a free and proper system of health care, real benefits for those who need it be they on low income or on the dole, decent care for the elderly with a decent pension, care for the young, free and full education with grants not loans for students, and so on. Such a commitment, as part of a socialist programme would be a real guarantor or a massive Labour victory and the ending of this hated Tory government.



Health: safe in Tory hands?

not fall from the sky courtesy of the benevolence of enlightened Lords and Ladies. It was won through struggle by generations of the labour and trade union movement. With the ending of the period of post war boom and the beginning of one of crises and slump, a different attitude has prevailed. To reduce the huge budget deficits which they built up, governments—both here and abroad—have been slashing expenditure on the welfare state with a vengeance.

no wonder the Insurance industry has given the proposals a "warm" welcome, especially since these care insurance schemes will not be covered by the Financial Services Act, which is supposed to protect people from unnecessary deals. Every aspect of the welfare state is either being cut back, run down or abolished depending on what the Tories think they can safely get away with. Unfortunately, it isn't stopping with the Tories. Labour movement activists would

## Labour to power on a socialist programme