

SOCIALIST

APPEAL

£1

The Marxist voice of the labour movement

ISSUE No. 5

September 1992

INSIDE THIS ISSUE

SOUTH AFRICA



Huge support for General Strike: eye witness report - see page 28

SHOULD WE LET THE ELECTRICIANS BACK IN?

- see page 6

TUUC

TIME TO FIGHT

- see page 7

THE CROWN SLIPS:

Right Royal bust up leaves monarchy in crisis - see page 12

A puzzle for the bureaucracy

- see page 21

C
H
I
N
A



YUGOSLAVIA

As the carnage mounts, what stand should Labour take?

See the Editorial - page 2

THE BOSNIAN NIGHTMARE

The "New World Order" of President Bush, reflecting the dominance of US imperialism, is in ruins. Africa is beset by wars and famine - and now a war is taking place in the Balkans, in the former state of Yugoslavia. The war is a crisis for the European Community and for Europe. German imperialism, in a new *Drang nach Osten* (drive to the east) imposed on its allies in the EEC recognition of Croatia. This opened the road to war between Serbia and Croatia as Serbia refused to recognise the new republic. By using the old Yugoslav army the Serbs seized about a third of Croatia, where there were Serbian minorities.

Memories of the Nazi genocide of Serbs by the Croatian puppet state in the 1940s were revived by President Tudjman's demagogic attacks on the Serbs and the Jews in his election campaign in Croatia. This opened the way for Serbian President Slobodan Milosevic to launch a campaign to "save the Serbs."

Under Siege

The heads of state of Germany, France, Britain and Italy through the EEC, in a bid to stop a new front opening up following the uneasy ceasefire in Croatia, granted recognition to the Republic of Bosnia-Herzegovina, with its population of Muslims (43%), Serbs (33%), and Croats (17%). These peoples had coexisted peacefully for decades. Now the republic is in ruins. As the *Financial Times* of August 18 wryly admitted: "The Republic of Bosnia-Herzegovina to which the EC solemnly accorded recognition in April, has all but ceased to exist."

The Muslims control part of the capital, some towns are under siege by the Serbs, one quarter of the inhabitants have been driven from their homes and their towns lie in ruins.

Thus the pious UN and EC resolutions have been shown to be meaningless because of the realities of force. This is a blow to the prestige of the EC and its main imperialist constituents.

Lightly armed forces, under UN auspices will escort only those convoys granted right of passage by the different sides and may be withdrawn at any time. But once troops are there it could mean a further military entanglement and escalation. Thus this prestige gesture is either meaningless or if backed up, could involve the western powers in a serious war. They are afraid of becoming involved as they fear the consequences. The small number of troops sent cannot be taken seriously when hundreds of thousands of Serb, Croat and Muslim troops are fighting on different fronts. The UN troops will be allowed to return fire if attacked. But then the dilemma will be: either commit more troops or turning tail by withdrawing. The imperialist powers are playing with the lives of western troops, who as always they regard as pawns in the of power politics.

The Labour leaders having learned nothing from the general election defeat have continued their policy of "me-too" to imperialist policy.

They have supported the sending of troops as a "humanitarian" policy. As if the Tory policies are not class politics both at home and abroad. It is what is in the interests of the banks and monopolies which dictates what the Tories do, not humanitarian considerations. A Niagra of Crocodile tears have been shed by the imperialists for the fate of the Muslims - two million Bosnians are now refugees. The irregular Serb troops are driving Muslims out by a policy of repression, fear and murder. The areas they leave will now consist mainly of Serbs. 70% of Bosnia-Herzegovina has been over-run by the Serbs.

Nightmare concentration camps or detention centres have been set up by the Serbs, Croats and even the Muslims. The western media has focused on Serb crimes by selective reporting.

The cynicism and hypocrisy of the west in the face of these grim events is shown by the fact that after the ceasefire between Croatia and Serbia, the presidents of both met secretly to decide on a division of Bosnia. The enemies co-operated to destroy the possibility of a Muslim state or a joint state of Muslims, Serbs and Croats. Now the Muslims only control about 5% of the area, the Serbs 70% and the Croats the rest.

All these horrors were opened up by the collapse of the Yugoslav Stalinist state. "Socialism in one country" did not solve the problems of a multi-national state, though for a time it seemed as if Tito had succeeded. Standards of living rose and there was a mingling of the different peoples. But bureaucratic privilege and corruption, together with isolation, undermined the Yugoslav state. The much vaunted "workers' control of industry" in reality never existed. Yugoslav Stalinism, through want and penury, in the words of Marx led to the "return of all the old crap!" This sowed the dragon's teeth of new wars and national hatreds.

Imperialism

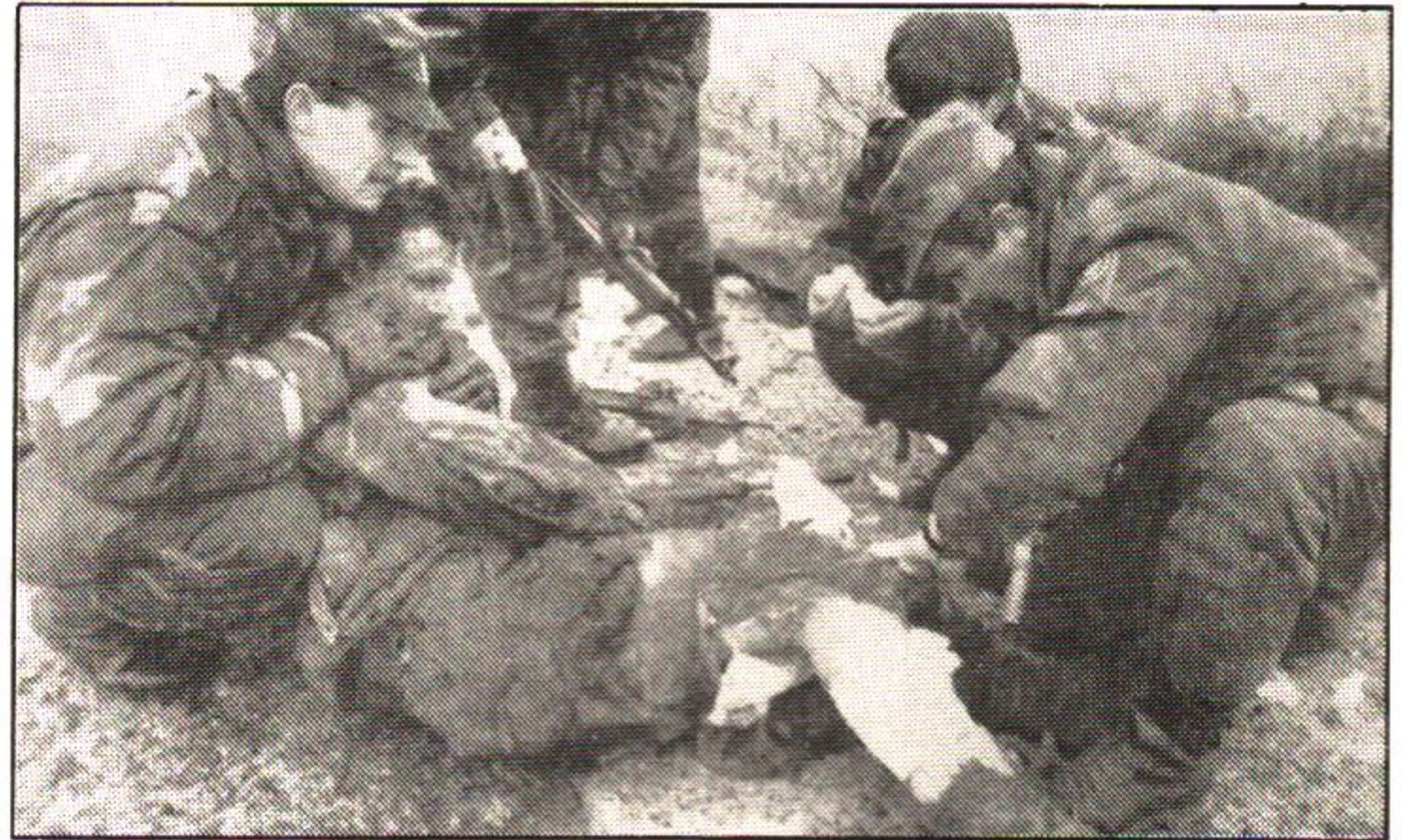
As is becoming clear in Iraq and the Balkans, the UN is becoming more and more the tool of US imperialism and the western powers. This has been reinforced by the craven endorsement of the nascent capitalist state in Russia and the acquiescence of China.

Now the EC and the US are desperately talking about "humanitarian" aid to Bosnia and its starving people. They are threatening to "defend" UN convoys of food, blankets and other necessities despatched to besieged cities and areas. The hypocrisy is blatant. They ignored the even worse plight of Somalia, where a big section of the

population are threatened by death from starvation. Only belatedly are they sending food and some armed guards to "defend" aid supplies.

Through the UN, the French have sent 1200 and the British are preparing to send 1800 troops to the former Yugoslavia to "defend" aid convoys. As a serious step this is nothing but a joke. The imperialists are dipping their toes in the quagmire. They are afraid of serious open military intervention. They fear the consequences. The terrain of mountains is ideal guerilla country. In World War Two fifty-seven German divisions, more than half a million men, with the repressive methods of the Nazis failed to subdue Yugoslavia. It is not humanitarian reasons but the inevitable outcry of workers and "public opinion" at what would become a war of attrition which makes them refrain from massive intervention.

On the other hand they are terrified of new Balkan wars in which they would inevitably be sucked in. The dis-United Nations is not an impartial body but the representative of big business and the imperialist powers. Their representatives are at cross-purposes. While Bush demands a restoration of Bosnia-Herzegovina, a US diplo-



EC and UN resolutions have been powerless to stop the fighting.

mat in Belgrade, cynically, if realistically, commented that it would be "naive to believe that 'ethnic cleansing' could be reversed or that the former status quo could be restored."

What is written by the sword can only be changed by the sword. The imperialists can threaten colonial countries by mass bombings to force them to accept the imperialists diktats, as with Libya. There is no way out of this maze except with clear class policies. The working class nationally and internationally can rely only on their own consciousness, strength and solidarity. They cannot rely on the bosses or their governments at home to serve their interests. Even less so abroad. Only workers solidarity through their organisations can serve their interests at home and abroad.

Since 1945 there have been a succession of wars in the ex-colonial world. Now the Balkans threaten to become a new cock-pit of wars, as it was before 1914. There is no solution outside the working class consciously taking control of their own destiny. The interests of the working class everywhere are the same. The only way out is a democratic Socialist Federation of the Balkans leading to a Socialist Federation of Eastern and Western Europe.

FIGHTING THE CUTS

GREENWICH

STEP UP THE ACTION NOW

Dave O'Brien, Greenwich Nalگو

The recent rolling programme of strike action which has involved over 1,000 Greenwich Council workers has been a successful first step in the fight against compulsory redundancies in the Borough.

Although the Council has not yet backed down, the amount of support given to the sacked Elmley Street workers has visibly shaken the Council leadership. Greenwich NALGO is now preparing to take the next step in its programme of industrial action.

At our most recent NALGO branch meeting, a motion was put forward on escalation if the Council was still unwilling to budge. The branch meeting overwhelmingly voted to sup-

HANDS OFF OUR BENEFITS!

Once again the Tories are threatening to cut our right to unemployment benefit. I have been unemployed for seven months and, in an area where unemployment is above the national average and still rising, there is little prospect of me getting work in the near future.

Now "nice" Mr Major and the cabinet are planning to stop people getting automatic unemployment benefit for twelve months and making us face a means test after six months. That means I may now have to claim the lower income support.

It may not amount to much money for Major and his friends but to me a couple of quid a week is vital.

The Tories after years of cuts in benefits are now trying to squeeze us even more - all to save £100 million a year! And yet at the same time Major and co are pumping in extra money to chase people who have not paid the discredited (and supposedly scrapped) poll tax. If they cut benefits even less people will be able to afford to pay it.

Some people will be badly hit by this change. Those who have received a redundancy pay-off from their last employment may not qualify for unemployment benefit because they will be deemed to have savings - even though for some older workers they may have paid their stamp for thirty years and now have no prospect of getting another job ever.

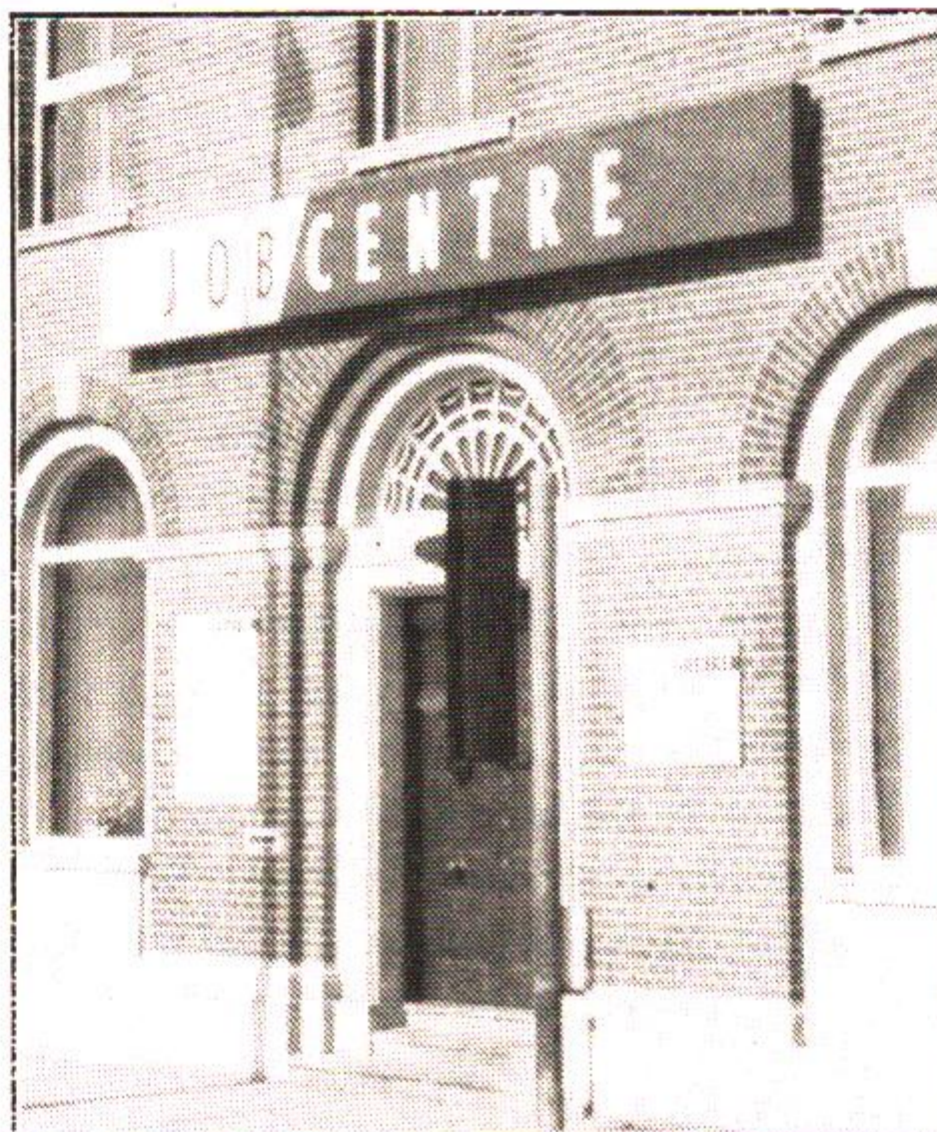
Some people I know voted for the Tories be-

NALGO

port this motion which called on the union to organise a branch-wide ballot for an all out indefinite strike preceded by a three week campaign for a 'YES' vote.

The Branch Executive Committee has now met to agree on a strategy. This will begin with the balloting of 200 workers in key sections to come out on indefinite strike as a fore runner to a branch wide ballot for all out industrial action. We shall also continue to lobby the National Union for their support. Greenwich has always proudly declared that it puts; 'People and Services first'. Now this Labour Borough is dealing out vicious cuts in these services to appease the Government.

- * Campaign for a massive 'YES' vote and lobby the National Union to support us.
- * Call on the local Labour movement to pressurise the Council not to make cuts, but to fight the Tories.
- * Continue to call for the re-deployment of the sacked Elmley Street workers, without breaking service, and on the same grade, with no loss of earnings.



cause they thought they would get the economy out of recession. But we're still sliding deeper into recession and my friends are wishing they hadn't made that mistake. The job centres seem to be Britain's only growth industry under the Tories. Labour recently said the highest unemployment figures for five years were "disappointing." They're more than that - they're a tragedy for many young people and families. Labour should be exposing the bosses high pay rises and rising unemployment and campaigning vigorously to defend our benefits.

BURY

TAKING THE FIGHT INTO THE LABOUR PARTY

Bury's Labour Council has locked horns with the council's employees and particularly NALGO.

The council has broken national agreements on travelling expenses, unilaterally changed the pay date from the middle to the end of the month, and suspended NALGO branch secretary Rob McLaughlin. NALGO has already taken some successful legal action; embarrassing compensation claims against the council are likely.

The councils behaviour has outraged many Labour Party members. At the July meeting of the Sedgley branch of the Party, two NALGO members moved a resolution calling for the reinstatement of the NALGO secretary, the resumption of meaningful negotiations with NALGO, and the resignation of the leader of the council. The resolution was carried overwhelmingly. At the same meeting the mover of the resolution was elected delegate to the District Party.

In other wards throughout the district NALGO activists who are also party members put the same model resolution to branch meetings in a concerted attempt to get the council to see sense.

At the July 29th meeting of the District Labour Party the resolution was put, and after the call for the resignation of the council leader deleted, the resolution was carried on the casting vote of the chair. This is an important victory for the left and for the local authority trade unions.

The Labour group must act on this and begin to act as a Labour council should. Over the past few years Bury has slashed education spending, threatened to sell off elderly people's homes and jailed poll tax non-payers. As a result of implementing Tory policies in Bury, Labour failed to win either of the two highly marginal seats in the general election and lost more seats in the council elections a month later.

Labour cannot survive in power by attacking its natural allies in the trade union movement. In so doing it merely erodes its natural power base. Far from attacking the trade unions Labour councils should be appealing to them to join a serious campaign against Tory cuts and in defence of local democracy.

Paul Gerrard, Bury South CLP
(personal capacity)

HARD TIMES**HOME SWEET HOME**

On August 11th Victor Dudley was due to have his home repossessed by a building society. On August 11th Victor Dudley died when he set fire to his home.

Thousands of families facing eviction, repossessions and mounting debt problems will understand the distress and pain Victor Dudley felt at the prospect of losing his home. In the vast majority of cases families were offered easy credit to tempt them into buying houses when prices were rocketing and the building societies and banks had money to lend. But the recession has seen house prices falling, mortgage rates rising and increasing unemployment causing many families to be unable to meet the demands of the banks and building societies.

Despite Tory pledges to help out those facing difficulties, the reality is that repossessions continue to increase. A recent survey showed that building societies are pushing down house prices by forcing repossessions leaving families with large debts. Many building societies are refusing to allow borrowers to sell their homes when they get into financial trouble if the value of the home does not cover the entire mortgage. Instead, they are allowing the debts to mount up and then repossessing the homes, selling them at even lower prices months later. This then allows the building societies to reclaim the difference on insurance policies which can only be claimed if the home is repossessed.

More than 35,000 homes have been repossessed by mortgage lenders in the past six months and the figures show no sign of letting up.

.....

TORIES MAKE US SICK

The sick and poor will be made to suffer as Chancellor Norman Lamont announced a rise in prescription charges to more than £4.

This is the second year running prescription charges have risen by more than the rate of inflation as the Tories try to shift the economic crisis on to working class people - again!

As Labour health spokeswoman Dawn Primarolo said: "Even allowing for inflation, prescription charges have already increased by a staggering 650 per cent since 1979."

Preventative medicine is one thing but preventing people from obtaining the treatment prescribed by their doctors is another matter entirely!

What's worse is that the Tories are planning the rises at a time when they are presiding over record bankruptcies, record long-term unemployment figures and high levels of personal debt - precisely the time more people visit doctors suffering from stress and depression related illnesses.

Health warning: Tory policies may damage your health!

DEFEND OUR SCHOOLS - OPPOSE OPTING OUT

John Patten's 30,000 word Education White Paper, "Choice and Diversity" does not give a single extra penny to Britain's hard-pressed schools.

What it does give is the green light to schools to "opt-out" of local authority control and democratic accountability.

Schools have been able to become "grant-maintained" i.e. funded directly by the government, since the 1988 Education Reform Act. Only 300 have done so and Patten is now seeking to smooth the path for the rest to opt-out.

At present school governors have to vote twice, at two separate meetings, if they want "their" school to opt out. Patten's White Paper says that once is enough. Schools can opt out jointly with other schools - previously they had to do so individually. The White Paper also makes it easier to "change the character" of an opted out school - for which read, turn it into a grammar school.

If Patten has his way 4,000 of the UK's 24,000 schools, including the bulk of secondary schools, will have opted out of local control by 1995. Presently education committees, made up of elected councillors, run local education authorities. Many of these, including some of the shire counties like Lancashire and Derbyshire, are Labour controlled. For the last few years most of them have abandoned any form of battle with the Tories and have done little more than pass on the cuts the Tories have imposed. Nevertheless, they are accountable to the public and in many instances anti-cuts campaigns involving teacher's unions, parents and trades councils have forced councils intent on doing the Tory's dirty work to reconsider. If Patten's plans are successful each school would be making its own decisions about cuts, staffing levels and so on and there will be limited possibilities of collective action to reverse unpopular decisions.

Consequences

But the consequences for children and parents will be even more dire. A school may opt out as a comprehensive, but rapidly change into a grammar school once it is grant-maintained. Research shows that over 30% of opted out schools have already introduced

some form of selection procedure. This does not have to take the shape of the hated 11-Plus, but might involve an "interview" with parents or else an "assessment" or "aptitude test" for prospective pupils. Very soon a pupil's performance in National Curriculum levels could be used for the same purpose. If an opted out school recruits actively in more middle class districts, or areas outside its traditional catchment area, it can refuse admission to local pupils on the grounds that it is "full". Opted out schools are already proving very wary about accepting pupils with any kind of special needs and are developing a reputation for excluding "trouble-makers".

The Tory council in Barnet has called for an investigation into one opted out school, where 13 to 15 pupils have been withdrawn or excluded this year; in one case parents agreed to withdraw their son who had been "*handing in homework late and cracked jokes in class a few times!*"

In some areas, ironically Tory LEAs like Kent, Bromley and Hillingdon, so many schools have opted out that it is impossible for the council to guarantee a place for all children and at the end of July some still did not know which school they would be attending the following September.

Incentives

Over the last two years some schools have been tempted to take the grant-maintained route by the considerable financial incentives offered by the government. It is now clear that this was a "loss-leader" to attract the interest of entrepreneurial head teachers. From now on opted out schools will be funded from a different source but will receive no more money than they would have had if they had stayed with the LEA.

The only possible gain is that they will receive money for the services they would have had for free from the LEA but are no longer entitled to services such as educational welfare officers, who try to encourage school attendance, or educational psychologists, who might be asked to assess pupils with behavioural problems. The only sure way to avoid spending money on these services is to make sure you don't have any pupils who require them!

Patten has tried to cover his tracks with the usual rhetoric about "standards" and "quality". He is allowing schools to specialise in certain areas of the curriculum, but has not given them any money to develop such specialisms, which

A RETURN TO THE FOLD?

The EETPU and the TUC

by a Glasgow
AEEU member

TUC or not TUC? That is the question thrown up by the merger of the EETPU and the AEU. Four years after the expulsion of the EETPU, the TUC is considering readmitting the merged union. Where do socialists stand on this question?

The inevitable conflict between the TUC and the EETPU came to a head over two relatively obscure single union deals. Not even the disgusting role of the EETPU leadership, which Hammond boasts about in his recent autobiography, in recruiting scabs to work at Murdoch's News International during the Wapping dispute, provoked the kind of response from the TUC that these two deals did. Predictably, the EETPU's strategy of securing single union deals at all costs meant an inevitable conflict with other TUC-affiliated unions.

These other unions, whose leaders were equally eager to participate in so-called "beauty contests" soon became alarmed at the ease with which the EETPU could snap up potential members at their expense.

"Sweetheart" deals are by no means unique to the EETPU but given that the employers will grant recognition to unions who concede the most, it is not surprising the EETPU do so well in these beauty contests. But the role of the TUC also has to be questioned. Even in the United States, the American TUC, the AFL/CIO, make sure that it is them who decide which union will operate in a particular plant - not the employer!

Right Wing Control

The iron control that the right wing has exercised recently over the EETPU is at the heart of the problem but it also serves to mask the political potential of the union's members. While mainly skilled and earning above average wages, many of these workers have been hit hardest by the current recession.

The president of the Building Employers recently predicted 300,000 unemployed building workers by Christmas. With the economy showing no real signs of recovery, such unwanted Christmas presents will inevitably affect the consciousness of those workers.

With a union leadership acting as lapdogs to the employers how can they hope to protect our members against the effects of privatisation in the electricity supply industry? This is just one

of the many areas where conflicts could arise both for the union against the employers and within the union. Based on these and other struggles, the emergence of a strong left wing within the union will be assured as workers find their efforts frustrated by the union leaders.

Breakaway Union

The mistakes of those members who split from the EETPU and formed the EPIU are now clear. Very few of the rank and file members joined the breakaway union, which now has around 4,000 members. However those who did simply left the right wing leadership temporarily strengthened. Socialists should always be where the bulk of the workers are - even if they are faced with the undemocratic structures of the EETPU and right wing leaders. With the creation of the AEEU, particularly if it affiliates to the TUC, EPIU members should now reconsider their position. In the past the main reason put forward for the creation of the new union, the EPIU (which became affiliated to the TUC) was that members of the EETPU needed a TUC-based union.

With the AEEU affiliated to the Labour Party and now seeking affiliation to the TUC, the EPIU (which is not affiliated to the Labour Party) should reconsider its position and come into the new union and fight alongside the Broad Lefts to transform it on democratic lines, and turn it into a fighting union.

The merger of the EETPU and AEU makes industrial sense. Members of both unions often work in the same industries and the same workplaces. But there are still many unresolved questions in the merger.

The EETPU has a centralised and undemocratic rule book in contrast to the AEU. But the right-wing leaders of the AEU like Bill Jordan and Gavin Laird would dearly love to hamstring their membership and accept the EETPU's rule book. It is imperative that the members of both unions fight for a democratic rule book.

Other trade unionists have rightly been suspicious of the activities of the EETPU leaders but at factory, trades council and local Labour Party level the majority are genuine workers trying to represent their members. That means a two-tier approach is needed.

The TUC must take a firm line with the EETPU should it attempt to rejoin as part of the AEEU. The TUC before allowing the affiliation of the AEEU must get cast iron guarantees that its electrical section will abide by the rules of the TUC and put a stop to its past "business-

union" activities. General secretary Gallacher, like Hammond before him will attempt to lead a trojan horse into the movement. So pro-market are they that they even attempted to join the CBI!

The predatory and unsuccessful actions of the union regarding their attempts to poach UCATT members show that the EETPU bureaucracy has not changed its spots.

Re-admittance

However it is not definite at this stage whether they will even apply to rejoin the TUC. Gallacher recently stated that he did not want to "rush back, particularly at a cost of more than £1.2 million per year."

In fact his recent actions have thrown the affiliation issue into the melting pot. Whereas the AEEU leadership is attempting to affiliate to the TUC on its own terms, and making a few possible concessions like the closure of its building section (which has proved a costly flop), the leaders of the electrical section are busy throwing spanners in the works.

Gallacher has issued a statement designed to inflame the situation and scupper the affiliation attempts by other AEEU leaders, by declaring that the EETPU is "now the major union in the British construction industry," adding that its building section "has consolidated that position." He then goes on to rub salt in the wound by stressing that the "EETPU looks forward to reaching further agreements with the major companies in the industry."

Attempts to allow the AEEU to affiliate to the TUC on its own terms were in progress, with meetings between AEEU officials together with those of UCATT to see if an accommodation could be reached.

The scene was set for a possible acceptance of the offer from the AEEU at the TUC's inner cabinet. A letter from the union gave a "guarantee" that it would act "honourably" towards other unions in the future - although completely ignoring all past misdemeanours. However it looks as if Gallacher's statement has blown apart this compromise deal. His intervention clearly reveals big divisions between the EETPU leaders and those of the AEEU section. Unless watertight guarantees can be obtained on the guidelines set by the TUC, then its affiliation will almost certainly be rejected by the full Congress.

In the meantime it is the task of socialists in the union to fight to democratise the structures, for the election of full time officials, to extend rank and file power through the district committees and so help build a strong left capable of changing the current leadership and building a fighting organisation.

TRADE UNIONS AT THE CROSSROADS

"There is no power in the world which could for a day resist the British working class organised as a body." - Fredrick Engels.

"The trade union question remains the most important question of proletarian policy in Great Britain, as well as in the majority of old capitalist countries." Leon Trotsky.

The trade unions in Britain are potentially the most powerful force in society. Arising from the defence of its interests, the working class has created and fused together these basic organisations. Their role has given them colossal authority in the eyes of millions of workers. In the last 40 years, in a period largely of economic upswing, new layers of the working class, previously unorganised, have been drawn into the movement. As a result, union membership, particularly in white collar unions has mushroomed in this period. By 1979 the British trade unions numbered an unprecedented 12 million strong, 53% of the working population. Never before were the unions so powerful numerically.

Union Membership

Today, the trade union movement is at the cross roads. After more than a decade of Tory Government, the trade unions appear to be in a parlous state. Membership of the TUC has fallen to 7,757,000, a loss of 440,000 over the last year - the lowest number since 1947. This represents 38% of the British workforce. The TUC, in big financial difficulties, is planning to cut its staff by 20%, while individual unions are searching for amalgamations to overcome their problems of falling membership.

Compared to the past period strike figures are at an all time low. In 1991 the number of days lost through strikes was the lowest since records began 100 years ago. In the 1970's an average of 12.9 million days were lost, in the 1980's 7.2 million, while last year only 800,000 days were lost. In the recent period the number of stoppages, although an underestimate, fell to their lowest level since 1932.

This picture represents a complete departure from the militancy of the 1970's, and has provoked bourgeois commentators, and their shadows in the labour movement, to write-off the unions as an effective force.

"By the end of the decade, union membership will be below 20% because of the growth in

services at the expense of manufacturing," predicts Professor David Metcalf of the London School of Economics. This is a superficial and fundamentally erroneous viewpoint, which fails to understand the class movements in society and their effects on the labour organisations. It is inseparable from the false view peddled by other "experts" that the Labour Party can never again win an election.

More serious bourgeois commentators are more astute. *"The bleakness of the outlook for the unions should not be exaggerated. There is no evidence that UK industrial relations is following the US pattern, where unionisation has fallen from nearly 40% of employees in the 1940's to about 12% today"*, comments the organ of finance capital, the *Financial Times* (8.6.92).

The degree of organisation will be determined

75, 1979/81, and 1990/91 resulted in the return of mass unemployment as a permanent feature of the capitalist system. Today in Britain the "reserve army of capitalism", to use Marx's words, has climbed to between 3 and 4 million. The destruction of 25% of manufacturing industry under the Thatcher government has driven down the numbers employed in manufacturing to 4,500,000 million. Skilled workers have been replaced by unskilled, full-time workers by part-time staff. This has served to reduce union membership. The greatest losses have been in private manufacturing industry. In the last twelve months these losses were mainly concentrated in four industrial unions - the TGWU transport, GMB general, engineering and MSF technical - where 300,000 members were lost. Nevertheless, despite the recession, the public sector unions emerged relatively unscathed, with NALGO actually increasing its membership by 15,000.

Potential Power

Even with these losses, the trade unions still remain potentially a force to be reckoned with. Overall 69% of public sector workers are unionised, and 27% in the private sector.

Nevertheless, the fear of unemployment has



Nurses and Ambulance workers fought to defend their services.

by the struggle of living forces, which serves to draw into the unions previously unorganised layers. The French General Strike in May 1968 took place with 10 millions workers seizing the factories, but only four million were organised in trade unions. The struggle itself drew these previously unorganised millions into the unions. This was part of the general turn by the French working class towards the traditional mass organisations.

The fall in union membership is a transient phenomenon which have arisen from a series of factors. The economic recessions of 1974/

also served to curb strike activity. Strikes now take place under more difficult conditions than in the past. The employers are armed to the teeth with a whole range of anti-trade union laws, developed over the last 13 years. An effective strike will inevitably come into collision with the state. In such circumstances the role of leadership is absolutely paramount. The anti union laws could be swept away, as in 1972 with the imprisonment of the dockers, if the necessary determination and solidarity was organised.

Unfortunately the trade union leaders have

moved sharply to the right and openly embraced the ideas of class collaboration, ie so-called 'new realism'. The weak right-wing TUC leadership, wringing their hands, has repeatedly grovelled before the Tory class laws.

The miners' strike of 1984/85 was a watershed. The defeat of the strike dealt a hefty blow to the morale of the working class. Although the strike demonstrated the tremendous militancy and deep-rooted reserves of this section of the class, which held out for 12 months, the ultimate victory of the Thatcher government undermined the confidence of large sections.

Miners Defeated

The miners were regarded, especially under Scargill's leadership, as the vanguard of the working class. The defeat, arising out of the failure to hold a strike ballot and the TUC leadership to rally effective support for the miners, made a deep impression on the class generally. "Is it possible to win if the miners were defeated?" became a general comment. These doubts were reinforced by the defeat of the print workers at Wapping and the seafarers.

Where the workers are defeated due to the false policies of the leadership, it takes time for them to recover their confidence. It may take an economic upturn to heal these wounds. Despite the war of attrition in the pits, the depth of the miners' defeat was indicated by the subsequent closure of 100 pits and the loss of 100,000 mining jobs.

Another factor which reduced the number of strikes was the ability of the employers in this period to grant wage rises above the rate of inflation. Throughout the 1980's boom, employers turned to increased intensification of labour through speed-up, productivity deals, continental shifts, 'natural wastage', etc. This resulted in record profits for the monopolies. While the rate of exploitation was enormously increased, the bosses bought industrial peace through granting concessions on wages. Average earnings rose by 7.75% p.a. in the recent period. Under conditions of high profits they could afford to make these concessions. Thus living standards for those in industry actually increased in this period, although those for the unemployed fell.

As Marx explained, there are definite material reasons for the movement of the working class. They do not strike, demonstrate, or take action for the sake of it. They will take the line of least resistance and will only strike when all other options have been closed. Whereas in the inter-war period and in the first half of the 1970's, many workers began

to draw radical and even revolutionary conclusions, this has not been generally the case in the 1980's. In this period the working class were not looking for the overthrow of the system, but attempted to solve their problems within the confines of capitalism. Although they were subjected to increased exploitation, they did not see it in that fashion. A layer have opted for voluntary redundancies as an opportunity to get out before things got worse. At the moment, British Telecom has its offer of voluntary redundancy over-subscribed. This is indicative of the situation at present.

The development of the economy throughout the 1980's played an important role in the reelection of the Tories in 1983, 1987 and 1992. The boom periods of capitalism, even those of a short duration, have an effect upon the population as a whole. "*Social being determines social consciousness*" (Marx). They tend to reinforce the illusions in capitalism. In the present period, with the collapse of stalinism, this was coupled with an ideological offensive against socialism. However these illusions are broken down in the working class by the experience of every day life under capitalism.

Participation

Those most directly affected by the boom were the labour and trade union leaders, who swung sharply to the right. The leadership, given their privileged position, are largely cocooned from the pressures of the rank and file. Over the past period activity in the movement has been at a particularly low level, with poor attendance at both Labour party and union meetings. This lack of participation of the



Scargill - One of the few union leaders prepared to fight.

mass, has reduced the pressure on the leadership, who succumb to the increased pressures of capitalism. Without theory, perspectives or understanding the leaders adapted to their immediate environment. This is the explanation for the rise of 'new realism'. As a further consequence the left reformists, both in the Labour Party and the unions, have also collapsed as a force. There is not a single left remaining on the TUC General Council.

Despite the strike statistics and the relative passivity of the working class at this stage, under the surface of this apparent calm exists an accumulation of bitterness and frustration. This is the "molecular process" developing in the minds of the working class, that Trotsky talked about. Sooner or later this resentment will break through to the surface. Already defensive strikes have taken place in the hospitals, schools, local government, civil service, British Airways, building sites, car plants and other sectors. The 2-1 vote by London Underground workers for industrial action against the management's "Company Plan" to sack 5000 staff and impose new contracts, reflects this position, only to be set aside by their leaders who saw it as a bargaining counter. These disputes indicate the early beginning of a shift in the general mood of the class.

The main brake on the situation has been the role of the union leadership. Given their social position, increasingly isolated from the pressures of the working class, they have acted as policemen over the union ranks. Their role as "mediators" in the class struggle, in a period of capitalist crisis, forces them to seek a compromise with the employers. The leaders of the EETPU and the AEU, which have merged into the new million strong AEEU, epitomise the new breed of business unionism. Unprepared to struggle, they are busy signing away the conditions and gains of the past through "sweetheart" deals and "flexibility" arrangements. The EETPU leaders scandalously cooperated with Murdoch's anti-union drive in Wapping, resulting in 6000 printers being sacked. At the Voscroft building site in West London, AEEU officials have signed a single union deal with the employers, resulting in the victimisation of four TGWU and UCATT shop stewards. They have trampled over the elementary principles of trade unionism.

These "new conditions" are being conceded by these so-called leaders. They have capitulated shamelessly to the pressures of the employers and swallowed the idea that the workers won't fight. Recently the unions at Rover - AEU and the TGWU - accepted proposals for Japanese-style working practices - eliminating all shopfloor demarcation and introducing flexible team working. At the Nissan factory in Sunderland, these new draconian methods have created a massive turnover of 20%, and despite a single-union agreement, only one in three are unionised.

A carworker's wife says her husband has lost 1.5 stone since joining. "I remember when he first started, he was falling asleep in the evening."

This is the stress and toil that is being imposed throughout British industry, at the expense of the workers health. It represents a managerial "counter revolution" against the conditions of the past.

State Pressure

In his unfinished work, "*The Trade Unions in the Epoch of Imperialist Decay*" Trotsky explained that there is a tendency for the trade union tops to fuse with the state. This process however has been cut across at the present time. The cosy relations of the 1950s have broken down. The employers are busy whittling away past gains. At B.P. Chemicals in Baglan Bay the bosses have ended collective bargaining, de-recognised the TGWU and the AEU, and announced 130 redundancies and new working practices.

This "counter-revolution" is preparing a massive recoil at a certain stage. It would be a serious error to conclude that the present relative lull in the class struggle and the quiescence in the mass organisations is of a permanent character. With unemployment continuing to rise, the bosses are now attempting to resist wage increases. The building employers made a zero wage increase offer to 500,000 building workers. A million local authority manual workers have been offered a 4.3% deal. Civil servants leaders have agreed a 4.25% rise. According to official figures, average earnings were shown to be growing at their slowest rate for 25 years in the year to May. This will increase the pressure on the union leaders to resist these attacks.

How and when the industrial movement will develop depends on a variety of factors. General industrial upsurges, as in 1919-21 or 1972-74, are more the exception than the rule. Again the movement does not take place in a straight line.

"*The political mood of the proletariat,*" stated Trotsky, "*does not change automatically in one and the same direction. The upturns in the class struggle are followed by downturns, the flood-tides by ebbs, depending upon complicated combinations of material and ideological conditions, nationally and internationally. An upsurge of the masses, if not utilised at the right moment or misused, reverses itself and ends in a period of decline from which the masses will recover faster or slower under the influence of new objective stimuli.*"

Further on he explains that "*the impetus for change*" is given by "*the change in the economic conjuncture... demands are forced upon the workers on the one hand by the rise of the cost of living and on the other hand by intensified physical exploitation.*" This is the process that is unfolding at the present time.

The partial move to the left in a number of trade unions: TGWU, UCATT, USDAW, NUM, the print, is the beginnings of a change in the mood amongst the union rank and file. It is a harbinger of future class battles and a further shift to the left in the unions. The victory of the Tories will after a certain time



The Unions should be fighting privatisations like British Rail

push the working class onto the industrial front in defence of its living standards. The Government is determined to reduce public expenditure and hold down wage rises. Already votes for industrial action have taken place against compulsory redundancies in the ballots and conferences of NALGO, NATFHE, NCU, and RMT.

Storms Brewing

The present protracted lull on the industrial front could prove to be the calm before the storm. Within six to eighteen months there could be big defensive movements. The present mood of despondency amongst wide sections will not last too long as the employers maintain their profit margins against competition in Europe. There will be a break in the situation. Quantity will change into quality. In the next few years British society will be rocked from one crisis to another.

On the continent after a period of relative social peace, big industrial battles have broken out, from the capitalist havens of Sweden and Germany, through to Spain and Portugal. They are a reflection on a European scale of what is to come in Britain in the next period.

The trade union leaders, "the labour lieutenants of capital" to use DeLeon's phrase, stumble empirically from one event to another. When the workers move into action through the unions these leaders will attempt to place themselves at the head of the movement, only to hold them back. The left wing will begin to revive under these conditions and begin to articulate the aspirations of the workers. New younger layers will come into activity to replace those burned out by the past period, and replenishing the 350,000 shop stewards that

exist at the present moment. The Broad Lefts will begin to take on real flesh and act as a spearhead for the transformation of the trade unions. Marxists will play a key role in these official and unofficial structures, "patiently explaining" (to use Lenin's words) the best tactics and strategy that will take the struggle forward.

It is essential that union activists avoid the pitfalls of impatience. There are no short cuts or panaceas for transforming the unions into fighting organisations. The new generation of worker-activists must learn the lesson from the mistakes of splitting the unions; of the experiences of the Blue Union on the docks, the Pilkington Glassworkers Union, the EPIU and the OILC - all of which were portrayed as "radical" alternatives to the established rightwing unions. Short term frustration is a poor councillor for work in the labour move-

ment.

While fully appreciating the countless difficulties encountered by workers being frustrated and blocked by the union officialdom, the fundamental task nevertheless remains the transformation of the existing trade unions.

Trotsky explained Marxists stand "*in the front-line trenches of all kinds of struggles, even when they involve only the most modest material interests or democratic rights of the working class. He takes active part in mass trade unions for the purpose of strengthening them and raising their militancy. He fights uncompromisingly against any attempt to subordinate the unions to the bourgeois state and bind the proletariat to 'compulsory arbitration' and every other form of police guardianship.*"

The mighty events which impend will provide many opportunities for the working class to transform the labour and trade union organisations into fighting weapons. A clear Marxist programme and perspectives will provide the leading activists with the necessary compass to wage their struggle and prevent the mistakes of the past. In the battle to defend the interests of the working class the British trade union movement, revitalised from top to bottom, will play a decisive role in the transformation of society on socialist lines.

By
Rob Sewell

The mood at this year's annual commemorative rally and march was one of determination not to give in to the Tories and further anti-union laws. This mood existed even though the Tories had just won the general election. There was recognition that the period ahead would not be easy and that unity in the movement now was more important than ever.

Bill Morris, TGWU general secretary spoke of the need for closer links between the unions and the Labour Party and not weaker or no links as the Labour leadership are seeking. It is important to remember that the Labour Party was founded as the political voice of the trade unions.

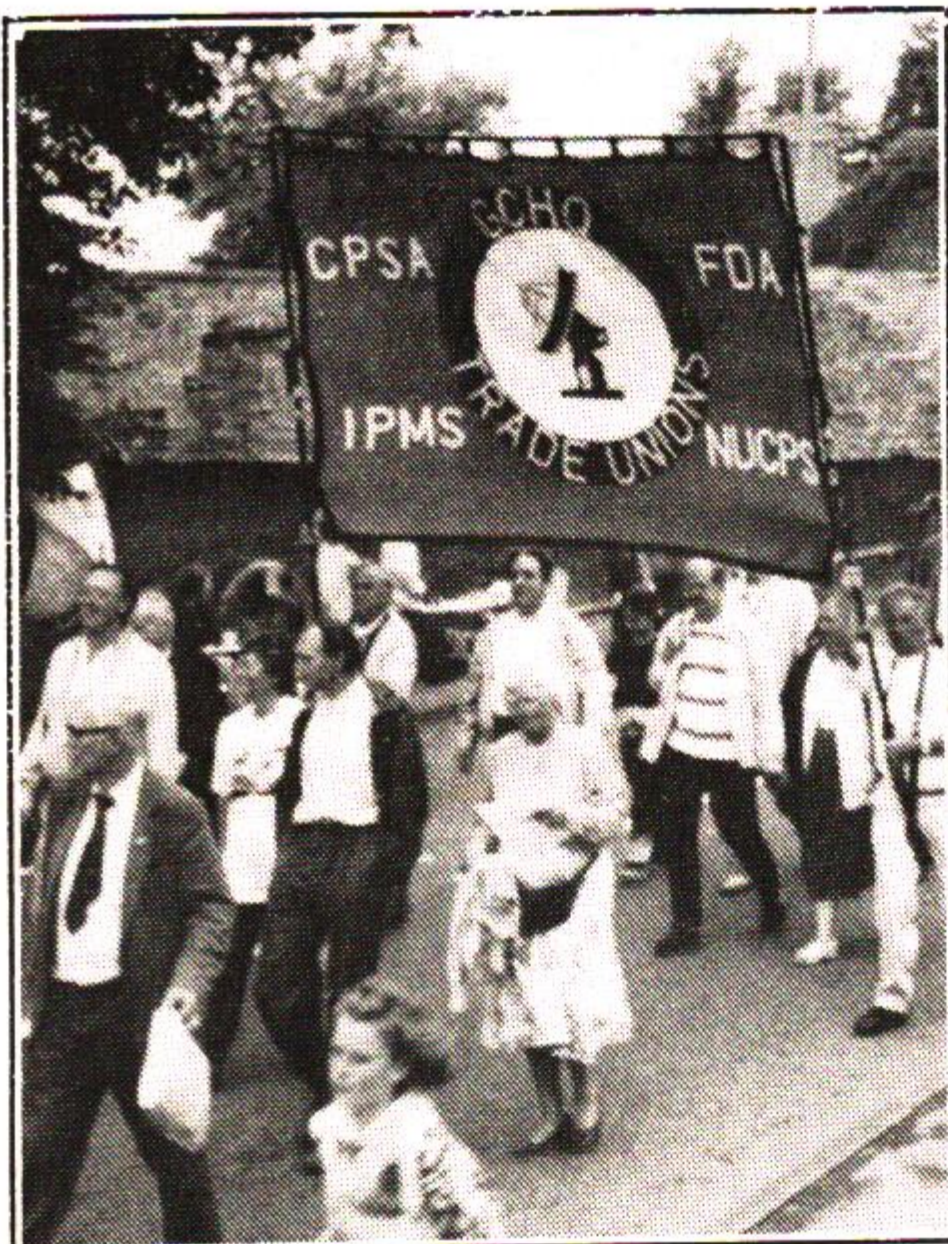
There are still important lessons to be learned by the labour movement about what happened at Tolpuddle in 1834. Six farm labourers, for the sole crime of defending themselves against starvation wages, joined a trade union, and were sentenced to 7 years transportation.

Industrialisation meant overnight fortunes for a few, but for working people it was accompanied by appalling living conditions, long hours and a criminal lack of safety and health provisions in factories. Children were often employed for over 12 hours a day.

Enclosure Acts

On the land, labourers lived in increasing poverty. The Enclosure Acts had taken the common lands from the people. Farm labourers were now completely landless and relied entirely on the wages from the landowners. Low wages and unemployment drove many labourers to the workhouse, to alcohol or to crime.

By 1833-34 economic slump and widespread unemployment gave the bosses the whip hand to organise their attack on the still infant trade



The GCHQ unions have faced bans on the right to join unions under the Tories.

THE TOLPUDDLE MARTYRS

SOLIDARITY FOREVER



Workers march to remember the role of the Martyrs in fighting for trade union rights

union movement. It was against this background that the Tolpuddle trial took place.

Agricultural wages were lowered. In the 1830's the average wage of a farm labourer was equivalent to 50pence a week. In Tolpuddle the wages were reduced to 40pence a week and then to 30pence. An appeal by Tolpuddle farmworkers to increase wages was rejected, so it was decided to set up a friendly society of agricultural Labourers, for protection against the landowners.

Trade Unions

The landowners and industrialists feared the growth of trade unions not only because they intended to increase wages, but also because of revolutionary implications.

Their existence challenged the myth that only a privileged class could govern society and that it was 'Gods Will'. Working people would be seen to be managing their own affairs and would see that they could run a society on a socialist basis.

The biased ruling class laws of that time were used to extreme harshness in Tolpuddle as an example to the rest of the trade union movement. The law today is still there for the interests of big business and the ruling class and is not impartial as some labour leaders would like us to believe.

Ruling Class Laws

The recent anti-union laws, decreasing the effectiveness of trade union action, and the banning of trade unions, in certain sectors of the civil service at GCHQ, shows the way the

Tories would like to go. It is time now to organise effective resistance against the Tories and build a viable left alternative to most of the present T.U. leaders.

It was the solidarity of the organised working class that achieved the release of the Tolpuddle Martyrs in 1837 after 3 years of slavery. This fighting spirit has been demonstrated many times since, notably in 1926, the miners and the printers.

Unfortunately, apart from a few honourable exceptions, this has not been matched by the movement's leaders. Looking back at Tolpuddle shows that only working class solidarity coupled with an equally determined leadership can halt the Tories' onslaught.

By Rick Fricker

Well Red Books

We carry a range of excellent books on the history of the workers' movement in Britain and internationally. Watch out for our catalogue in the next issue of *Socialist Appeal*.

ACTION NOW TO DEFEND LOCAL GOVERNMENT

North Tyneside district Labour Party's decision to drop its commitment to no compulsory redundancies on North Tyneside Council has prepared the ground for hundreds of job losses.

The council has been poll tax capped, rate capped and cut repeatedly since the Tories were elected in 1979. The latest blow was the recent House of Lords decision to ban the council's enhanced voluntary redundancy scheme, which has had repercussions for all Labour councils facing the venom of Tory ministers.

Budget Deficit

Faced with the likelihood of a £16 million deficit in 1993-94 the council leadership have proposed a plan to scrap all existing departments and replace them with approximately 30 'functional units' run by a group of 6 executive directors.

Advocates of the plan claim it will save £10 million in costs, whereas private estimates given to NALGO vary between £1 million and £12 million.

The likelihood is that due to the decentralized nature of North Tyneside council, where there are many small offices and depots, any gains through 'streamlining' will be limited. There are likely to be further voluntary redundancies and early retirements as workers come under more pressure.

However it is most unlikely that the council leadership will be able to balance the books without resorting to mass sackings.

NALGO leaders have pledged that they will fight to defend jobs and services but there is as yet no clear programme of action to stop the redundancies.

Tories in a Jam?

Tory backbenchers are clamouring to persuade John Major to throw money at the new council tax after newspapers revealed that miscalculations and the falling price of houses would result in the council tax being on average £60 higher per household than had originally been forecast.

So far the prime minister is resisting as the Tories continue to slash spending by trying to cut back on benefits and public spending in all areas. It is estimated the Tories would need to spend at least £1 billion just to ensure the tax remained at government estimated figures.

Some backbenchers are already predicting Poll Tax Mark II and as one Tory MP so eloquently put it: "We have climbed out of one treacle well into another!"

The past few years have seen NALGO attempting to co-operate with the council in identifying non-staff cuts but recent developments such as the council's unwillingness to consult the unions over the changes and the threat of forced redundancy will make this position less easy to maintain.

As a bottom line the unions in North Tyneside must fight compulsory redundancies, including strike action if necessary.

Additionally all workers displaced by 'streamlining' must be granted permanent protection of salary/bonuses etc;

Any campaign must be organised jointly by the trade unions in North Tyneside council, the council must not be allowed to try and play one union off against another.

North Tyneside council is rapidly moving toward a financial catastrophe. The result primarily of Tory policy but also of the failure of the right wing and former left leaders of the council and the national Labour Party to organise a sustained national fightback in local government during the mid 1980's particularly at the time of the struggles of Liverpool and Lambeth councils.

It is vital that unions in North Tyneside link up with branches in other authorities facing the same problems and those workers already on strike defending jobs to campaign for more resources from government and for the Labour leaders to organise effective action to defend local government.

Terry McParland
Newcastle-Upon-Tyne

NUCPS

BATTLES LOOMING

For the first time ever a pay offer to civil servants has been withdrawn by the Treasury.

Members of the National Union of Civil and Public Servants (NUCPS) voted overwhelmingly to accept a 4.1% pay offer, but in a separate vote the result was three to one against accepting the strings attached to the offer. Now negotiations have broken down and the Treasury has withdrawn the offer completely.

But we face a difficult situation. The union leadership held a ballot for industrial action against the pay offer but failed to really campaign to secure a YES vote and consequently members, feeling the union was being halfhearted and remembering the actions of the leadership in past disputes, voted two to one against strike action. We then held a second ballot on the two separate issues. The results were in favour of the pay offer but against the strings which will introduce departmental pay, more intensive performance related pay, and sideline the union in pay negotiations in the future. But without having won a mandate for industrial action the Treasury know we have lost our strongest weapon to defeat the strings. It also appears likely that the other civil service unions will accept the strings (the CPSA have already settled) before our next round of negotiations with the Treasury.

It may appear as if all is lost but bigger battles are looming as privatisation and contracting out comes to the fore. The union is completely opposed to moves to split up sections of the civil service and privatise them, which will affect NUCPS members especially. The union must start a vigorous campaign now to oppose the moves and build links with the other civil service unions to protect jobs and pay. That way we will be in better shape to fight privatisation when the time comes.

by a London NUCPS Member.

WATER TORY CON!

First North West Water staff are given a final pay offer from management of 4.5%, conditional on union negotiators recommending acceptance, then abhorrent rises are announced for the Chief Executive (31.25%) and the Chairman (15.2%). This is life in the water industry post-privatisation.

Add to the pay insult, 1166 job losses in the past twelve months and insulting statements from management such as "the £230 million profit increase recently announced is not a direct response to the productivity of employees" and you can see that we really do live on different planets. Take this statement in conjunction with the fact that each employee made a £41,000 profit per head and you will reach the same conclusion as Nalگو - that management are treating their staff without consideration. Contrast this to the treatment of shareholders who have just received dividends of over 9%.

Morale has never been lower in North West Water, and that is really saying something! The move to centralisation in the coming twelve months will no doubt mean more job losses and worse services to the public who themselves are being ripped off paying 4% more than the inflation rate in water rates.

The sooner our industry is taken away from these profiteers and returned to public control with a committed direct labour work force, the better. Then both employees and the public will receive what they deserve - decent pay, adequate staffing levels and proper services.

Chief Steward, Nalگو North West Water Branch.

MONARCHY IN CRISIS

The continuing crisis ripping through the Royal Family is the most serious for more than 50 years. Not since the scandal surrounding the abdication of Edward VIII has the monarchy been thrown into such turmoil.

The on-going press revelations of Royal scandal - from the Yorks break up, the divorce of the horse-lovers, through to Princess Di's suicide attempts, and now picture headlines of Fergie's frolics - have sharply undermined the carefully cultivated image of the Royal Household.

"This is not just a nail in the coffin, it's a whole handful of nails," croaks the publishing director of Burke's Peerage and staunch royalist Harold Brooks-Baker, "How much shrapnel can this family take?"

Capitalist Press

The capitalist press, which has constantly hushed up previous scandals and defended the pampered and privileged position of this parasitic aristocratic elite, are now falling over themselves to publish the latest dirt on the Windsor family.

The new generation of press barons, all in the Murdoch mould, are prepared to sell their grannies for a song. They have no scruples in publishing lurid stories about the Royals if it means booming sales, accompanied by booming profits.

The Daily Mirror on the first day of the Fergie photographs, sold nearly 3.5 million copies before 9am. The terse statement from the Palace: "We strongly disapprove of the publication of the photographs," simply boosted sales even further!

The on-going revelations have shaken the establishment and resulted in Tory Royalists demanding tougher laws against the invasion of privacy.

Above all for them the Royal Family must be shielded from public scrutiny - maintain its historical role as guardian of private property and free enterprise and the bulwark against "subversive" socialism.

Workers will be justifiably sickened by the millions of pounds squandered on the upkeep of these Royal parasites, while in particular hospitals and schools are closed and the government carries out further cuts amongst the poorest sections of society. While pensioners

and the unemployed receive a pittance, the Royal Family and their hangers on receive nearly £10 million a year through the Royal "wage claim," the Civil List. When Labour MPs attempted to raise questions on this matter they discovered the Tory government had settled payments for the next ten years! Added

to this is the handout for the upkeep of palaces, estates, yachts, planes and so on.

At the same time the crown has accumulated a massive fortune. The Queen herself has a personal fortune estimated at over £4 billion and does not pay a penny in tax! What a terrible mockery of the plight of the poor and homeless.

Nevertheless, although this squandering of wealth is disgusting, it is not the main question. As Leon Trotsky explained, "For a socialist the question of the monarchy is not decided by today's book-keeping, especially when the books are cooked."

There is a more serious concern linked to the

at Royal weddings, the investiture of the Prince of Wales, the state opening of parliament and so on were all introduced or revived in the recent period. This is not for any sentimental or economic reasons, but is directly linked to a conscious political strategy.

This strategy was clearly defined by the 19th century constitutionalist Walter Bagehot in his book, *The English Constitution*. "The use of the Queen," writes Bagehot, "in a dignified capacity is incalculable. Without her in England, the present English Government would fail and pass away."

Role of Monarchy

Although somewhat exaggerated, he argues the vital importance of the monarchy as a reserve weapon of the ruling class. His view of the working class is little different from the secret view of the present day representatives of capital:

"We have in a great community like England crowds of people scarcely more civilised than



At the taxpayers' expense - but there are more dangerous aspects of the monarchy

monarchy. Particularly since the beginning of the century, the monarchy has been deliberately built up as a unique mystical institution standing above politics. Millions of pounds have been spent to cultivate this image. The public spectacle of Royal pomp and ceremony

the majority of two thousand years ago." Bagehot then asserts that the means of controlling this "mob" is the Crown. A subservient attitude to the monarchy must be promoted by building up the mystique that surrounds this elite.

"A family on the throne is an interesting idea also. It brings down the pride of sovereignty to the level of petty life. No feeling could seem more childish than the enthusiasm of the English at the marriage of the Prince of Wales...They treated as a great political event what, looked at as a matter of pure business, was very small indeed...The women -one half of the human race at least- care fifty times more for a marriage than a ministry. A princely marriage is a brilliant edition of a universal fact, and as such, it rivets mankind."

Pomp and Glamour

It is as if Bagehot was writing of the spate of Royal marriages of the 1980s with all their pomp and glamour, serving to promote the image of the Royal Family. However, the real purpose of the Crown for the ruling class is revealed by Bagehot when he says: *"The nation is divided into parties, but the crown is of no party."*

Put in a different way, the monarchy is portrayed deliberately as being *"above politics."* Of course this is complete nonsense. They hold reactionary views and will do all in their power to maintain the capitalist system, from which their privileges and income is derived. In the mid-1930s King Edward VIII supported the Hitler regime in Germany.

However these reactionary views are generally kept under wraps. At all cost the idea of standing above politics must be promoted, especially amongst sections of the politically backward workers and the middle class. Why is this the case? What is the real aim of the capitalist class?

"The king too possesses a power, according to theory, for extreme use on a critical occasion, but which he can in law use, on any occasion. He can dissolve; he can say to his Minister, in fact, if not in words, "This Parliament sent you here, but I will see if I cannot get another Parliament to send someone else here."

Here Bagehot cynically explains the use the monarchy, as well as that other feudal relic, the House of Lords will be put to as an extra-parliamentary weapon to be used against a Labour government that threatens the capitalist's power.

Today, in theory, the Queen appoints the Prime Minister, the government is "Her Majesty's", and she is privy to Cabinet decisions and discussions. She has the right to appoint or dismiss governments.

Constitution

This is no decoration or out-dated concept. This exact Constitutional power was used in November 1975, when the then Governor-General of Australia, Sir John Kerr, appointed by the Queen, used the Royal prerogative to



The Queen and Prince Philip arrive in Australia. The monarchy's constitutional powers have already been used against the Australian labour movement.

bring down the Labour Government of Gough Whitlam. Due to the obstruction of the Capitalist parties, Whitlam went to see Kerr to get "Royal Assent" for half-senate elections to bolster his parliamentary position.

Kerr, the Queen's representative, not only refused but sacked him and placed the Liberal leader, Fraser, as Prime Minister in his place! All this without an election or popular mandate, but simply by use of the "Royal Prerogative."

According to one commentator, *"if there remained any lingering doubt about the class nature of Australian politics, the events of 1975 must have resolved it. There is hardly a clearer case in the recent history of the "Western democracies" of the way a threatened ruling class is able to mobilise fragments of state power, business connections, financial resources and legitimacy given to them by a dominant culture, in a campaign to remove an offending government."*

Focal Point

If this was the case with the mild-mannered Gough Whitlam government, what would the ruling class do when faced by a left Labour government prepared to challenge its power?

There is no question that the monarchy would be used as a focal point for all the reactionary forces in society.

Its reserve constitutional powers would be used to sabotage a left Labour government. That is the main role of the monarchy in the period of monopoly capitalism; a reserve weapon of big business to be used in times of crisis.

The Labour Party right wing, echoing the Tory leaders, have always sung the praises of the "wonderful" British monarchy. They simply grovel before the establishment and their sacred institutions. In contrast, the early pioneers of the British labour movement were republicans.

"The throne represents the power of "caste" rule," thundered Keir Hardie.

During his "left" phase, Stafford Cripps in the early 1930s hit the nail on the head when he stated, *"when the Labour Party comes to power they must act rapidly and it will be necessary to deal with the House of Lords and the influence of the City of London. There is no doubt that we shall have to overcome opposition from Buckingham Palace and other places as well."*

Labour Leaders

The Labour leaders should stop fawning over the Royal Family or limit themselves to tinkering with the system. They should have used the present crisis over the monarchy to expose its reactionary role and its danger to democratic rights.

The existence of the monarchy is a dangerous trap for the working class in the future. The Labour movement must campaign for nothing short of its abolition.

By
Dave Sims

CRISIS FOR SCOTTISH NATIONAL PARTY

by Dave Cartwright, Dumbarton.

The April General Election result was a severe disappointment for the Scottish National Party (SNP). Despite an increase in their vote to 22% they ended up with only 3 MP's - much worse than they expected.

Since the election, the SNP has failed to materialise as a major force on the political scene despite the pre-election forecasts of the SNP themselves, sections of the Scottish media and even on the left.

One of the biggest setbacks for the SNP was the defeat of Jim Sillars who previously won the Govan seat for the SNP in 1988. Jim Sillars, an ex-Labour Party MP, is part of the radical socialist-leaning wing of the SNP and yet he was defeated by Jim Davidson, a Labour member of the Strathclyde Regional Council which has attacked poll tax non-payers with wage arrestments, bank account seizures and threats of warrant sales (ie. forced auctions of personal goods).

Jim Sillars showed his frustration after the election in a series of outbursts where he accused his fellow Scots of being "90 minute patriots". And yet he has very quickly set himself up in his new career jetsetting as an international oil consultant!

SNP Conference

The annual SNP conference take place in September. It will show the battle taking place within the SNP. There is pseudo-radical wing which includes the Party leader Alex Salmond MP and then there is also a more conservative wing represented by the ex-Party leader Gordon Wilson. He has accused the party of being a "rather tired 'me too' cut-down version of the Labour Party". The internal battle shows the crisis faced by the SNP because it failed to come any where near their target of 37 seats.

At the beginning of 1992 in the months leading up to the election, the national question dominated the press and media. There was a growing movement for constitutional change. In January, one poll showed 50% in favour of independence. In later months this was never repeated but the figure still stayed between 30 and 40%. A pressure group was formed called Artists for Independence in-

cluding musicians from Deacon Blue and Hue and Cry.

The SNP brought out the big guns when they had the millionaire actor, Sean Connery, presenting one of their election broadcasts. Even the Sun newspaper had the gall to enter the fray. This anti-working class rag which previously attacked the Scots (in the English editions of course!) with headlines like "Stop your snivelling, Jocks!"suddenly became an advocate of Scottish independence.

The front page on the 23rd of January 1992 screamed out at you with a large Scottish flag and the slogan "Rise now and be a nation again". This was a cynical attempt to try and get Labour voters to vote SNP as well as an attempt to improve their poor sales in Scotland using any means available.

Nationalists Growth

The increased support for the SNP showed a disillusionment with the Labour Party especially amongst the middle class. Although most workers remained loyal to the Labour party, there were many workers including genuine socialists who had become frustrated with the failure of Labour to offer an alternative to the Tories, and the way that Labour Councillors implemented the hated Poll Tax.

The Labour leadership bears a heavy responsibility for the growth of nationalism. The heightening of the constitutional debate forced



Donald Dewar - has attacked local campaigns.

sections of the capitalist class in Scotland to declare their position.

The Chairman of CBI Scotland, Alasdair McCallum said in February that "some change is inevitable and many people believe, desirable".

This triggered a strong response from Sir David Nickson, chairman of the Clydesdale Bank (now owned by the National Australia Bank) who said "If, as seems to me likely, devolution implies higher personal taxation, higher business rates, and higher capital taxation for business in Scotland as against England, then we can say goodbye to growing more global companies in Scotland, and goodbye to retaining some of our remaining Company headquarters in Scotland".

On the other hand, a group of mainly small businesses in favour of a Scottish Parliament was formed and called itself "Business Says Yes". The big financial companies in Scotland represented by Scottish Financial Enterprise (SFE) came out strongly against devolution. Scottish Widows, the big Edinburgh based insurance company went so far as to send letters to all employees which implied that independence or devolution could threaten their jobs. It was a blatant attempt to obtain support for the Conservative Party policy against any form of devolved power.

Big Business

According to the *Independent* of 21.02.92 "As well as the schism between the financiers and the employees, there may be another between small and large Scottish business. Business says YES draws its support from small and medium-sized firms. Scottish Financial Enterprise's members rely much more heavily on the English for their business".

So despite the appearance of organisations like Business Says Yes, the big capitalists in Scotland are dead set against the economic break-up of the United Kingdom.

It shows that on a capitalist basis, the workers of Scotland would not reap any benefits from independence. Rule would still be by the big capitalists, motivated only by profit.

Socialists stand for the right of all nations to self-determination. In Scotland, this means that if the mass of the population wishes complete separation then they should have that right. Socialists must fight to maintain the unity of the working class in Britain which has been built up in struggle for more than a century. The socialist transformation of Britain by the working class would end all privilege and exploitation and is the only real guarantee of national rights. A struggle based on workers unity and socialism is the way forward and, therefore, socialists should not be supporting any arguments for independence on a capitalist basis.



The poll tax is still more important than devolution to most Scots

Since the election, the constitutional question has died down. The media almost totally ignores it now, even though they hyped it up at the beginning of the year.

Scotland United

However, immediately after the election a new organisation was formed called Scotland United to keep up the fight for constitutional change. The initial rallies only attracted thousands rather than tens of thousands. The campaign has not really taken off but there are signs of increased activity in some areas.

The SNP leader, Alex Salmond is involved in the Scotland United campaign. He is in favour of the SNP working with the other parties which is an approach criticised by Gordon Wilson. Salmond declared that the campaign should be pro-Scotland rather than anti-Tory!

But the whole reason for the emergence of Scotland United is that workers in Scotland blame the Tories for the Poll Tax, the high poverty levels, the poor state of the health service and the destruction of jobs. They see constitutional change as a means of getting power to improve the conditions in Scotland.

The Scotland United campaign is broad based including the Liberals, the SNP and the church. These other groups will use their influence to restrict the campaign to the constitutional question. Nevertheless the main leadership of

Scotland United at the moment comes from the labour movement. It includes Labour MP's like George Galloway (Glasgow Hillhead) and John McCallion (Dundee) as well as the STUC General Secretary, Campbell Christie. The campaign has attracted a small layer of Labour movement activists.

Socialists should intervene in the rallies and demonstrations of Scotland United and strengthen the socialist aspect of the campaign.

The main demand is for a referendum with three choices, the status quo, devolution or independence. The Tories are currently adamant that they don't need to concede any devolved powers. However, under pressure they would be forced to make concessions and, in fact, at the beginning of the year they were obviously considering some sops to head off the movement.

Labour's Response

Tom Clarke and the other Labour leaders in Scotland have distanced themselves from the Scotland United campaign, preferring to rely on pressure for an official referendum. Whatever the immediate outcome on devolution the main task facing socialists in Scotland is to continue the fight for socialist policies within the labour movement. With or without devolved powers the capitalist system will mean continued hardship, misery and

instability for the working class.

The SNP is now in a crisis. There is an internal struggle between the left and right wings. They are failing to lead the main movement around the constitutional question, Scotland United, because of the major influence of the Labour Movement in that campaign.

Nevertheless, a recent poll showed that the SNP has managed to retain the support it had in the general election of 22% (System Three Poll, July 1992).

The national question has died down but it has not gone away. It could easily grow, especially if Labour fails to give a lead with socialist policies. For that reason it is vital that the fight continues not only for democratic changes such as devolution, but for socialist policies on jobs, health, education and for the socialist transformation of society in Britain and throughout the world.

COAL FIRED!

The Tories have announced the closure of two of the three remaining pits in Wales.

The coal industry, once employing over 40,000 workers in the Rhondda Valley alone, will now employ only 44,000 in the whole of Britain and only hundreds in South Wales.

When NUM President Arthur Scargill warned in 1984 that the Tories were planning to close dozens of pits he was ridiculed - unfortunately for the miners his predictions have been borne out. Over 100,000 miners have lost their jobs since 1979. The result has been whole towns and villages economically devastated as shops, opened to satisfy the demands of the mineworkers have closed.

With this latest closure British Coal have given no guarantees about alternative employment at other sites. The Tory government, fearful of the power of the miners would rather import cheap coal from South Africa, extracted at starvation wages, rather than invest in the mining industry.

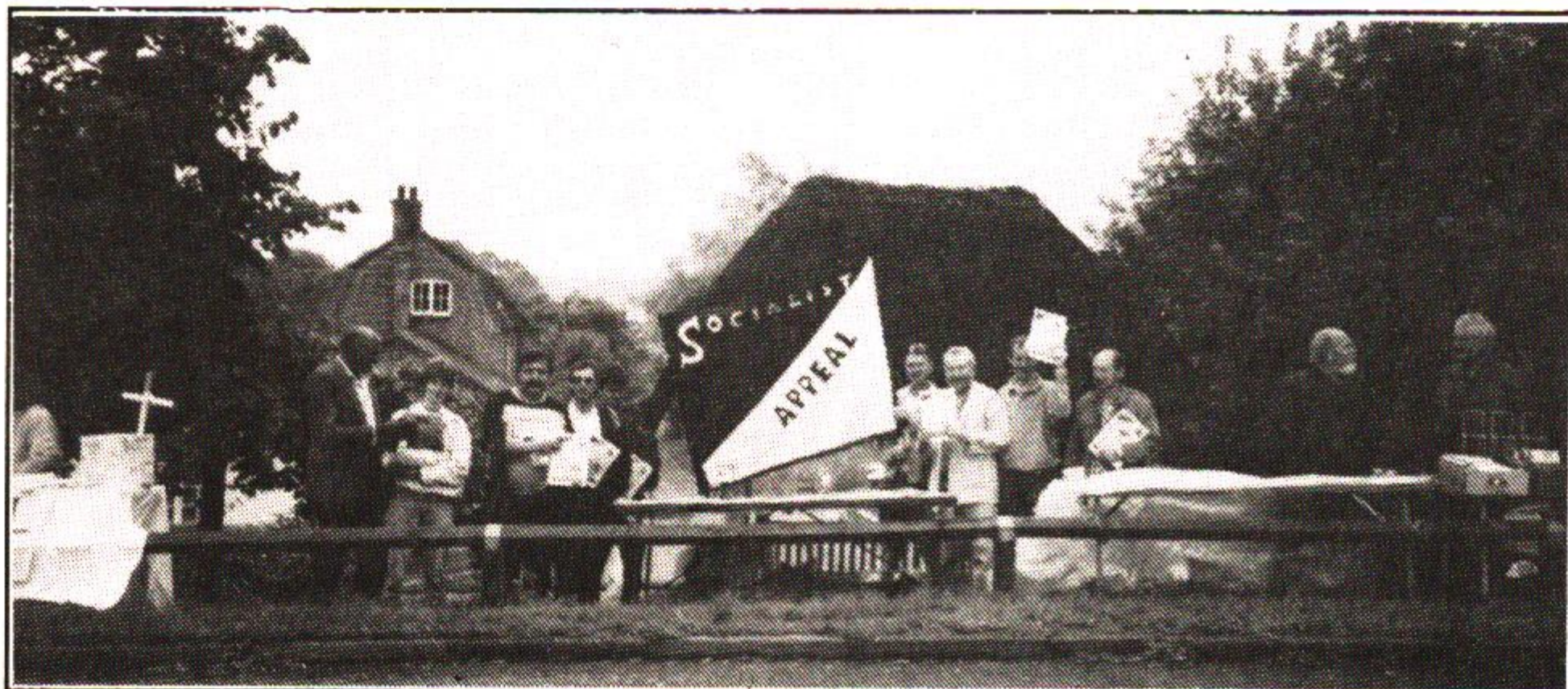
A SOCIALIST APPEAL PAMPHLET

Scotland - Socialism or Nationalism?

by Ted Grant

Available from Well Red Books, PO Box 2626, London N1 6DU, Priced £1.30

SELLING SOCIALIST APPEAL



A number of excellent public sales of the journal took place over the summer period. At this year's annual Tolpuddle Martyrs' commemorative rally, which was attended by over 1,000 trade unionists from throughout the country, *Socialist Appeal* supporters handed out 100's of leaflets defending Labour's union links, and sold over 40 journals. A similar success was to be found at this year's Durham Miners Gala, where our supporters sold over 35 journals. Well done!

Sellers keep those reports coming in - we need to know how OUR journal is being sold.

If you wish to have bulk copies of *Socialist Appeal* to sell then don't hesitate to write to us or telephone our Birmingham office. We need your help to increase the sales of our journal and spread the ideas of Marxism inside the Labour and trade union movement.

On an Internationalist note we regularly receive copies of Marxist papers published in Spain, Italy, Sweden, Belgium, Pakistan, Greece, Cyprus and elsewhere. If any of our readers would be interested in obtaining any of these publications then please write to us stating interests. We hope to publish further information including possible subscription details on some of these papers in a future issue. Meanwhile a reminder to foreign based readers that you can subscribe to *Socialist Appeal* at a cost of £16:00 for Europe or £20:00 for the rest of the world - for this pittance you will get 12 issues sent by the fastest available means! Don't forget also that back copies of *Socialist Appeal* are available for only £1:30 (UK) or £2:00 (Elsewhere).

Steve Jones, Journal Manager

BUILD OUR PRESS FUND!

Many thanks to all those readers and supporters who have contributed over the past few months to our Press Fund.

Supporters in Andover have produced local *Socialist Appeal* supplements and charted their progress in collecting cash for our Fund.

Supporters in Birmingham have approached regular readers of *Socialist Appeal* to explain the need for cash to help build the resources of the journal. Supporters in other areas have set up stalls at local labour movement events and taken collecting tins to meetings and out on the streets.

Socialist Appeal urgently needs cash. Why not set up a regular journal sale and collection at a local factory or trade union meeting or in the town or city centre.

All monies collected will go towards improving *Socialist Appeal* and making it the most widely read Marxist journal in the labour movement.

Please make a donation today!

All cheques should be made payable to *Socialist Appeal* and sent to PO Box 2626, London, N1 6DU.

A SOCIALIST APPEAL TO WORKERS

For just £12 you can receive a year's supply of *Socialist Appeal*, the Marxist monthly for the labour movement. It will be delivered to your home every month post-free.

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

Each month *Socialist Appeal* will analyse the trends in modern capitalist society, comment on recent events in the class struggle, and provide the latest news from the labour movement, from correspondents in Britain and internationally - people who are not just commentators but are personally participating in the struggle for socialism.

Socialist Appeal is written by members of the Labour Party and trade unionists at all levels in the movement. *Socialist Appeal* is the essential journal for the activist in the labour movement - you cannot afford to be without it.

Fill out the subscription form now and send it (no stamp needed) to *Socialist Appeal*, Freepost, PO Box 2626, London N1 6DU, and we will dispatch your first issue immediately.

THE STRUGGLE

Issue 3 - OUT NOW!

Articles on the Asylum Bill, 500 Years of Exploitation, Walter Rodney and more.

Available from: PO BOX 977, London SE11 6XA.

Subscriptions: £3 for six issues.

GET THE MARXIST VOICE OF THE LABOUR MOVEMENT

Please send me 12 issues of *Socialist Appeal* to my home, post free.

I enclose a cheque/PO for £12, made payable to *Socialist Appeal*.

Name _____

Address/Postcode _____

Phone _____

Return to: *Socialist Appeal*, Freepost, PO BOX 2626, London N1 6DU

SOCIALIST APPEAL MARXIST EDUCATION SCHOOLS

SOUTHERN

London, October 10 - 11th.

NORTHERN AND SCOTLAND

Newcastle, October 17 - 18th.



The leaders of the labour and trade movement in Britain and internationally are rushing to embrace the market economy just when it is in its longest crisis post-1945. The former Stalinist states of Eastern Europe are in complete disarray. The working class, hit by unemployment and partially disorientated by the boom of 1982-90, is not yet moving in a co-ordinated way. Never has the need for leadership been greater.

Socialist Appeal has organised these two schools to enable socialists to come together to discuss the ideas of Marxism which alone can provide a way forward in the 1990's. We encourage all socialists, whether you are a trade unionist, a student, or an activist in the labour movement to come along and participate in the discussions and exchange ideas.

LONDON - 10th & 11th October 1992.

BEORMUND COMMUNITY CENTRE

Abbey St/ Druid St, London SE1.

Nearest Tube - Tower Hill/London Bridge.

The school is organised into three courses of three sessions each, running at the same time. You can go to whichever sessions you wish, but you may get most out of following a course. Recommended reading is on the booklist/booking form.

The courses:

a) Socialists and the Trade Union Struggle

This course will examine the role of socialists in the trade unions and the changes and developments that have taken place in the 1980's and 1990's.

b) Three Marxists Classics

This course will show how modern the classic writings of Marxism are, whether written 140, 75 or 50 years ago. It will give a basic introduction to Marxist philosophy.

c) Marxist Economics

This course will introduce the basic concepts of Marxist economics and then move on to apply these to the modern world economy which faces very old fashioned problems. It will make the jargon understandable and de-bunk the myths about Marxist economics.

Saturday 10th. October:

10:00am - 12:30pm a1) The Role of a Marxist Shop Steward. Speaker: Jeremy Dear, NUJ NEC.

How to organise in the union, what to do in a non-union workplace, fighting privatisation, taking up grievances, negotiating, getting political ideas across to your members.

b1) The Communist Manifesto. Speaker: Kevin Ramage

Written over 140 years ago and yet still one of the most modern books. Explains the role of class struggle in the development of society.

c1) An Introduction to Marxist Economics. Speaker: Rob Sewell.

Relative surplus value? Labour Power? Rate of exploitation? Now you can find out what Marxist economics is really all about.

2:30pm - 3:30pm a2) The Trade Unions Under the Tories. Speaker: Roy Wenbourne (NCU)

What are the lessons of the 1980's? From the lorry drivers strike through the epic struggle of the miners to the battle of the printers at Wapping. Do the Tory laws mean that the unions will never be as strong again?

b2) The ABC of Materialist Dialectics. Speaker: Mick Brooks

What is a philosophy? Why do we need one? Understanding how all developments in society and in science are a process of change, how struggles link together.

c2) The Causes of Capitalist Crisis. Speaker: Micheal Roberts (*Socialist Appeal* economics correspondent).

What is a double dip recession? What happened in the 1931 crash? Is another one likely? What causes overproduction and overcapacity?

4:00pm - 6:00pm Socialism and the Labour Movement. Speaker: Ted Grant.

A meeting for everyone. What are the consequences of the Labour Party conference? When will Labour move to the left? What are the prospects for socialism?

Sunday 11th October

10:00am - 12:30pm a3) The Unions into the 1990's Speaker: Dave Conway (NALGO)

Union amalgamation - for better or worse? Links with the Labour Party and the block vote. Fighting redundancies.

b3) State and Revolution Speaker: Phil Mitchinson

What is the state? How did it arise? Can it be reformed or must it be 'smashed'? is it invincible?

c3) The World Economy Today Speaker: Michael Roberts (*Socialist Appeal* economics correspondent).

High or low interest rates - or so what? ERM, GATT and G7? Devalue or not? What is happening in the world economy and why the capitalists have no real answers.

1:30pm - 3:30pm International Rally 'Workers of the World Unite' Speakers: Alan Woods, Kevin Fernandes, and guest international speaker.

Marx said it over 100 years ago, but is it relevant today? How can workers internationalism be built in the 1990's?

For further information contact Socialist Appeal: 071-354-3164, PO BOX 2626, London N1 6DU.

NEWCASTLE -17th & 18th October 1992.

Venue: WALLSEND COMMUNITY CENTRE.

Vine Street, Wallsend. (next to Town Hall).

The school is organised into two courses of three sessions each running at the same time. You can go to whichever sessions you wish, but you may get most out of following one course. Recommended reading is on the booklist/booking form at the back.

The courses:

a) Socialism and the Trade Union Struggle

This course will examine the role of socialists in the trade unions and the changes and developments that have taken place in the 1980's and 1990's

b) Three Marxist Classics

This course will show how modern the classic writings of Marxism are, whether written 140, 75 or 50 years ago. It will give a basic introduction to Marxist philosophy and economics.

Saturday 17th October:

10:00am - 12:30pm a1) The Role of a Marxist Shop Steward Speaker: Steve Davison (President Keighley Trades Council.)

How to organise in the union, what to do in a non-union workplace, fighting privatisation, Taking up grievances, negotiating, getting political ideas across to your members.

b1) The Communist Manifesto Speaker: Robin Jamieson.

Written over 140 years ago and yet still one of the most modern books. Explains the role of class struggle in the development of society.

2:00pm - 3:30pm a2) The Trade Unions under the Tories Speaker: Terry McParland

What are the lessons of the 1980's? From the lorry drivers strike through the epic struggle of the miners to the battle of the printers at Wapping. Do the Tory laws mean that the unions will never be as strong again?

b2) The ABC of Materialist Dialectics Speaker: John Pickard

What is a philosophy? Why do we need one? Understanding how all developments in society and in science are a process of change, how struggles link together.

4:00pm - 6:00pm Socialism and the Labour Movement Speaker: Ted Grant

A meeting for everyone. What are the consequences of the Labour Party conference? When will Labour move to the left? What are the prospects for socialism?

Sunday 18th October:

10:00am - 12:30pm a3) The Unions into the 1990's. Speaker: Graham Wilson (NUPE).

Union amalgamation - for better or worse? Links with the Labour Party and the block vote. Fighting redundancies.

b3) Wage Labour and Capital Speaker: Dave Cartwright

What is surplus value, labour power. How does capitalism rob the workers? An introduction to Marxist economics with the jargon explained.

1:30pm - 3:30pm International Rally 'Workers of the World Unite'. Speaker: Rob Sewell

Marx said it over 100 years ago, but is it really relevant today? How can workers internationalism be built in the 1990's?

Booking Form and Details.

All meals, teas and coffee will be available on site and at reasonable prices. A creche will be provided at both schools, but must be booked in advance to guarantee places. If you cannot arrange accommodation with friends or relatives, *Socialist Appeal* supporters in the area will be able to put you up, but please let us know on the booking form and bring a sleeping bag!

Please book us for the:

- * London School. I enclose £10:00 (£6:00 unwaged) for each booking.
- * Newcastle School. I enclose £8:00 (£5:00 unwaged) for each booking.

Name:..... Address :.....

..... Accommodation needed?

Total enclosed £..... (Please make cheques payable to Socialist Appeal).

READING GUIDE

	<u>Price.</u>	<u>No. of copies.</u>
<i>The Trade Unions Under the Tories</i>		
Socialist Appeal Number 1. (articles on union amalgamation)	£1:00	
Socialist Appeal Number 2. (articles on union links with the Labour Party and OILC).	£1:00	
<i>The Communist Manifesto.</i>		
The Communist Manifesto by Marx & Engels	£1:20	
Principles of Communism by Engels	:45p	
Communist Manifesto Today by Trotsky	:50p	
Letters on Historical Materialism	:50p	
<i>ABC of Materialist Dialectics</i>		
The ABC of Materialist Dialectics by Trotsky	:50p	
In Defence of Marxism by Trotsky	£5.95	
Introduction to Marxism (South Wales Bulletin of Marxist studies)	£1:20	
<i>State and Revolution</i> (London School)		
The State and Revolution by Lenin	:95p	
The State by Lenin	:45p	
Origin of the Family, Private Property and the State by Engels	£1:20	
<i>Wage Labour and Capital</i> (Newcastle) and <i>Introduction to Marxist Economics</i> (London)		
Wages and profit (Marx)	:75p	
Wage Labour and Capital (Marx)	:75p	
Genesis of Capital (Marx)	:75p	
Introduction to Marxism (South Wales Bulletin Of Marxist Studies, Woods & Sewell)	£1:20	
On Marx's Capital (Engels)	£1:50	
Causes of Capitalist Crisis		
Will there be a slump (in 'The Unbroken Thread, Grant)	£6.95	
Imperialism - The Highest Stage of Capitalism (Lenin)	:95p	
Socialist Appeal Number 4, article on World Economy	£1:00	
<i>Capitalism in the 1990's</i>		
Socialist Appeal Number 4, article on World Economy	£1:00	
<i>Socialism and the Labour Movement</i>		
Socialist Appeal Number 2, article on the ILP split from Labour	£1:00	
Socialist Appeal Number 3, article Where is Britain Going?	£1:00	
Socialist Appeal Number 4, article Labour Right Offer No Solutions	£1:00	

Total order value: Please add 10% (30p minimum) for postage up to £15:00. Above £15:00 post free.

I enclose £. (Cheques payable to Well Red Books)

Name Telephone Number

Address..

Please return this form to: Well Red Books, c/o PO Box 2626, London, N1 6DU.

DEFLATION OR DEVALUATION

According to official government figures unemployment is now 2:75 million. Unemployment has been rising now for 26 consecutive months and most experts believe that it will continue to rise for probably another year, so that the question is when, not if, unemployment reaches 3 million. And these are just the official figures. When all the changes and fiddles that the government has made with statistics are included, plus those on employment programmes and those who want work but have not signed on are included, then already there are four million out of work in the UK.

What is the government's answer to this? First, it is to say that "a little unemployment is a price worth paying if it means that inflation is conquered" (Norman Lamont). And second, it is to plan further cuts and restrictions on unemployment pay. So according to the Tories, the recession is not hurting much, and anyway those who are suffering from it should pay to put it right! The government's economic policy solution for the recession is to make it worse. The government blindly believes that if it gets "inflation under control" then by some miracle an economic boom will begin.

Deflated Economy

The economy is already "deflated" with inflation down to less than 4% and falling. Yet the government proposes even more deflation with huge cuts in public spending, the maintenance of high interest rates (with rates now about 10% against inflation of under 4% that means real interest rates - the real cost of borrowing - are now 6% which is even higher than last year). Major now even talks of achieving "zero inflation". How many unemployed will there be before that chimera is reached - five or six million?

Why is the government tied to this policy? Because it believes that low inflation means high growth of production. But this is crazy economics even in capitalist terms. Germany and Japan have had much lower inflation in the last 30 years than the UK. But they have also had much lower unemployment, higher wages and shorter hours. They can achieve higher growth and lower inflation because they have sustained higher productivity - every German worker produces many more units of product than in Britain. This is because of heavier investment in machinery and technology and better organisation of production than in the UK.

Lower inflation will not be achieved and certainly not maintained by cutting invest-

CAPITALIST SOLUTION FOR THE BRITISH ECONOMIC CRISIS?

ment and spending on industry, education, transport and communications as the government proposes. This merely destroys the technical and industrial base of British capitalism so that it cannot compete in home and as well world markets.

For the first time in Britain's industrial history it is running a deficit on foreign trade in the middle of a recession. Usually a recession means that British companies and workers buy more from abroad so there is a surplus. Now because the UK industry is so weak, it cannot export enough to cover even the reduced imports that are coming in. When recovery begins the balance of trade will be even more one-sided.

Even worse, because the government insisted on entering the ERM at a high value for sterling (DM 2:95/£1), UK exports are being priced out of European markets. But under the ERM regulations, the Tories cannot now boost exports and lower interest rates by letting the value of sterling decline more than 6% against the Mark. The Germans because they are spending so much on Eastern Germany, have run up a large government deficit, so they must borrow. This has kept interest rates high in Germany.

The German currency is therefore worth having, because if you lend with it you get a high interest rate in return. A high interest rate in Germany makes the German mark strong and so forces all the other EC economies to keep their interest rates up to make sure the value of their currencies remains within the ERM range.

This is a serious obstacle to the recovery in the UK. High interest rates means high unemployment in the absence of any other stimu-

EXCHANGE RATE - The value of a particular currency is established by buyers and sellers of that currency, usually banks and big corporations who are exporting and importing. If there is a demand to hold sterling more than there is a supply, then the price rises. The exchange-rate of the pound against other currencies rises, and vice versa.

FIXED and FLOATING EXCHANGE RATES - In a "free" market government and central banks do not interfere with the market and the value of currencies move up and down accordingly to the demand and supply of buyers and sellers. Sometimes governments decide to "fix" the rates between their currencies at certain levels. So if the value of the pound starts rising, the Bank of England will sell off some of its stock of sterling to increase its supply and so lower the price back to the agreed fixed level. Alternatively the Bank may lower interest rates so that it is less attractive to hold pounds in bank accounts, and in this way lower its value - vice versa.

DEVALUATION or DEPRECIATION - Assuming rates have been fixed by governments by agreement, then a government may on its own decide to sell off its currency or lower interest rates and in so doing reduce the value of the currency - devalue. In 1967 the UK government devalued the pound from \$2:80 to \$2:40. In a free market for currencies a fall in value would be a depreciation not a devaluation, because it would happen without government interference.

EMS (EUROPEAN MONETARY SYSTEM) - This was set up in the early 1980s to regulate the currencies of the Common Market. The governments agreed to keep the value of their currencies fairly fixed using the ERM (see Below) and also created a European currency for measurement and for some transactions - the ECU (European Currency Unit).

ERM (EXCHANGE RATE MECHANISM) - Under this scheme, the EC government agrees to keep the exchange rates for each country within 2:25% (6% for the UK and Spain) of the central rate. The figure for Britain is DM 2:95. If the pound looks like falling more than 6% below DM2:95, then the government must boost its value by buying sterling or by raising interest rates to make holding sterling more attractive. In this way currencies are brought closer together, which is supposed to help trade and investment.

REALIGNMENT - Another name for devaluation or re-evaluation of existing rates but this time by agreement. Instead of just doing unilaterally (devaluation), Britain is supposed to negotiate with other countries to reach a Europe-wide agreement to re-value the German mark up against other currencies.

lation to the economy through spending on industry and investment. And Major even talks of making sterling stronger than the German mark in Europe - that's the recipe for 10 million on the dole and turning Britain into an industrial wasteland with just the City of London left high and dry like an island.

No wonder sections of the ruling class are beginning to rebel against this policy. First, there are the Thatcherites. Thatcher reluctantly agreed to Britain tying its currency to the German mark by joining the ERM, but her personal advisers were against it, and now she is openly opposed. They oppose the policy because fixing currencies and the whole ERM integration strategy is against the "free market" and also against British "sovereignty", as they see it.

They are opposed to Euro integration and prefer a close relationship with US imperialism. The Thatcherites used to represent the wing of finance capital which wants internationalism, free enterprise and tight money. But that wing has now decided to throw in its lot with Europe. The Thatcherites advocate a break with the ERM and Maastricht and in a short term want to "float" the pound, which would mean a sharp depreciation or devaluation of sterling.

Now the Thatcherites have strange bedfellows. The Keynesian wing of the Labour Party also advocates devaluation. The new guru of the Keynesians, Cambridge economist Wynn Godley, who had predicted the current recession, argues correctly that the UK is too weak to sustain any growth at such high un-co-operative ERM rate. Therefore he argues that the government must devalue the pound even if it means coming out of the ERM.

Labour's Dilemma

This poses a dilemma for the Labour leaders. John Smith and Kinnock both supported Britain going into the ERM and support Maastricht. Kinnock recently advocated no devaluation but a "realignment" of the EC currencies ie. the Germans would raise the value of the mark by agreement with the other governments of the EC. But this is a wild hope. The Germans do not want to raise the mark's value any more because it will price German industrial goods out of world markets. So there can be no agreement to realign. Even John Smith's new economic adviser, Meghdad Desai concedes that while realignment would be nice it is not possible.

But would devaluation work anyway? Lowering the value of sterling means that UK exports are cheaper. Also it would be no longer necessary to maintain the same level of interest rates to preserve a high value for sterling against other currencies.

However, unless UK industry also raised its productivity, eventually higher import prices would feed through and drive up inflation and

the deficit on the balance of payments. Then the UK economy would be back with the same problem as before. That is what happened when Britain devalued in 1949 and 1967, and when it allowed the pound to "float" (or sink) in the 1970s. The Keynesians argue that inflation can be avoided if there is a freeze on wages. In this way workers will pay for higher import prices out of their living standards and profits can rise. The Keynesians hope that extra profits will be an incentive for British

Instead of deflation or devaluation in the free market, a socialist government would take over control of currency movements and trade, so that the value of sterling could be fixed at a level that would benefit industry and consumers, and not just the whims of the international bankers and investors.

Such a programme of state control of trade and the currency could not succeed indefinitely (although it could for some time) without similar policies of co-operation being adopted



Beleaguered Norman Lamont may be forced to devalue.

capitalists to invest and raise productivity.

But why should they expect British capitalists to invest more when they have never done so in similar situations before? While Tory deflation means unemployment and bankruptcies, Labour devaluation would mean inflation and a balance of trade crisis. Neither capitalist policy is a solution, because it depends on the market economy and individual capitalist companies being prepared to invest, train and spend on their plant, machinery and labour when they see fit.

Only real control over the investment and production decisions of the key sectors of the economy could provide the opportunity to guide investment, and train and educate for skills needed in a high tech economy. That means government intervention, and more importantly public ownership of the leading financial and industrial combines under democratic control of the labour movement. Then a plan for investment and production could be drawn up to expand the economy and use the wasted resources of four million unemployed and idle plant and equipment. A socialist government would make as its prime objective full employment for all at a decent living wage - the original demands of the labour movement, now sadly missing from the programme of the current Labour leader.

in Europe to introduce socialist control of trade and currencies. If socialist governments there also took away the power of finance and industrial capital and joined to develop a real Europe-wide socialist plan for production, investment, trade and employment, then the so-called Social Charter would really mean something.

This is a practical alternative to the capitalist "solutions" of deflation or devaluation. The resources are there. There are four million unemployed (who are costing the economy millions each day to keep them out of work!); there are empty factories and idle equipment; and there are millions working on wasteful products like military equipment, banking and advertising who could be diverted to producing better transport, communications and productive technology. Only a socialist plan based upon the nationalisation of the major monopolies under workers control and management can do that.

**Michael
Roberts**

500 Years of Exploitation

As the media celebrate the 500th anniversary of Columbus' arrival in the Americas *Kevin Fernandes* reveals below the true nature of the "Age of Discovery" and right, we reprint the statement on the alternative commemoration of Columbus' voyage.

"They started to take them out one by one....My mother went closer to see if she could recognize her son. Each of the tortured had different wounds on the face. But my mother recognized her son, my little brother, among them....He was very badly tortured, he could hardly stand up. All the tortured had no nails and they had cut off part of the soles of their feet. They were barefoot. They forced them to walk in a line.

"Everyone was weeping....The captain devoted himself to explaining each of the different tortures. This is perforation with needles, he'd say, this is a wire burn....And the woman campanera, of course I recognized her; she was from a village near ours. They had shaved her private parts. The nipple of one of her breasts was missing and her other breast was cut off....she had no ears. All of them were missing part of the tongue or had their tongues split apart... They lined up the tortured and poured petrol on them; and then the soldiers set fire to each one...."

This is not a description of a distant past, but a present period. They are the words of a Quiche Mayan woman in her memoirs, 'I, Rigoberta Menchu', it is a description of a massacre by the military in Chajul, Guatemala, in 1979.

The 500th anniversary of Columbus' arrival in the Americas, has brought about certain celebrations on the part of various governments. The Statue of Liberty in New York, and Columbus in Barcelona, are to be 'married'. A regatta of tall ships travelled from New York, arriving in Liverpool in August. (A grotesque reminder of the triangular slave trade). Plans were laid (now cancelled) to erect a statue of Columbus on the Thames Embankment in London!

These celebrations are an insult to the indigenous peoples of the Americas, and to the descendants of Africans forced into slavery.

The Columbus legacy is a history of colonialism, genocide and exploitation. The Columbus myth therefore reinforces a system of discrimination and poverty that exists today. The testimony of Rigoberta Menchu could be repeated by many others in different parts of the Americas. The issues of the Columbus

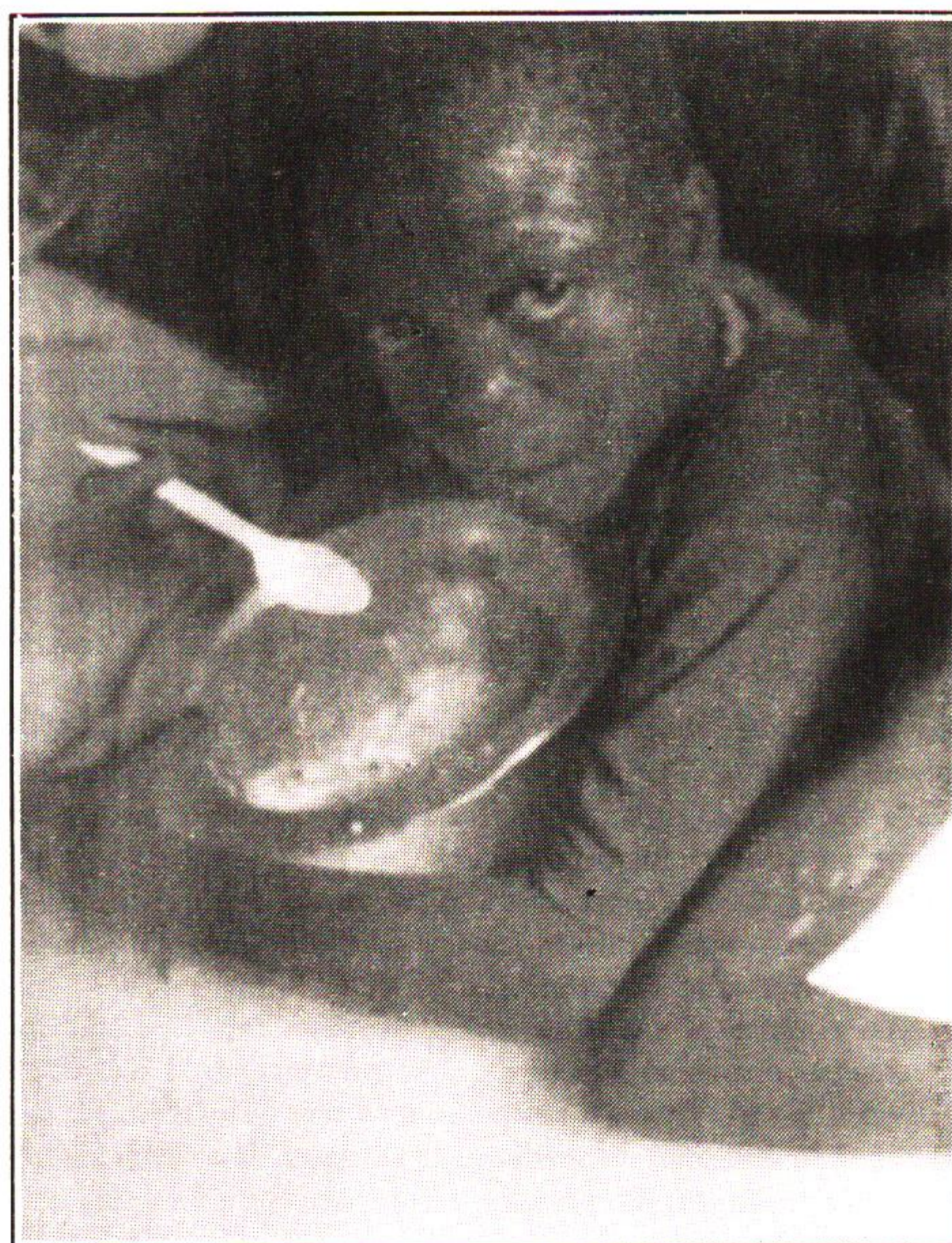
quingentenary are not just of historical interest, but are part of living reality.

Westward Voyage

Columbus' voyage was to find a sea route westwards to the Indies - so that traders could avoid the costs of goods exchanging hands many times on their way to Europe. In the disintegration of the old feudal society there was a search for new lands, raw materials, spices, minerals, and not least gold and silver.

Portugal was navigating a route via Africa (in 1488 Diaz had rounded the southern tip of Africa) and so it was Spain who backed Columbus. In 1492, about 100 million people lived in the Americas, then one-fifth of the world's population. It was not an empty continent. Great civilisations (for example of the Mayas, Aztecs, and Incas) had been built up. The Mayans had made mathematical and astronomical calculations more advanced than those of the European invaders. The Inca Pachacutti, is known by historians as the Great Civic Planner. In 1492, the indigenous Arawak people discovered Columbus and his crew on their Island (later called Hispaniola, and today known as Haiti and the Dominican Republic). The Spanish, and later other invaders, took advantage of the friendliness of the people of the continent.

To quote Columbus' own words on his meeting the Arawaks. *"They do not bear arms, and do not know them;....They would make fine*



For millions in the Americas starvation, war and disease continue today.

servants and they are intelligent, for I saw that they repeated everything said to them. I saw 2 or 3 villages, and their people came down to the beach calling to us and offering thanks to God. Some brought us water, others food, and still others jumped in the sea and swam out to us".

Columbus additionally records, *"....should your Majesties command it, all the inhabitants could be taken away to Castile, or made slaves on the island. With fifty men we could subjugate them all and make them do whatever we want"*.

Those who did not accept domination and defended themselves were killed and later condemned as 'savages'. In 1514 a special proclamation (requerimento) was invented, which would be read in Spanish to any group of native peoples, commanding them to become subjects of Spain and accept Christianity. If they did not accept this, they became enemies who could be enslaved. A campaign of genocide, and exploitation of the people and their natural resources followed. Diseases came with the Europeans which killed millions. Small pox, measles, influenza, bubonic plague, yellow fever, cholera and malaria, were transmitted to the indigenous peoples who had little or no immunity to them. It is thought that 'Old World' epidemics killed half the populations of the Mayas, Aztecs and Incas, before their civilisations were overthrown. By 1600, less than one-tenth of the original population remained.

Columbus introduced the slave trade to the Americas. (He himself forcibly took back six Taino Arawaks on his first return trip to Spain). In 1515 there was the first shipment of slave-grown Caribbean sugar back to Spain. In 1518, came the first cargo of slaves from Africa to the Caribbean. This was the birth of the 'triangular' slave trade. Goods were sold by European traders to African merchants, in exchange for slaves. The slaves were transported across the Atlantic in horrific conditions; the slaves were exchanged for produce (mainly sugar) which was shipped to Europe. The native American peoples were decimated by diseases, and their relationship to the land ruthlessly broken. The colonisers could not force them to adapt to the new regime of slavery. Slave labour from Africa was the planters' solution. Britain became the main slave-trading country, and Liverpool, the main European slave-trading port. Racism, as an organised system of oppression, grew as a justification for this mass slavery - the captives were, after all, 'inferior'.

The plunder of the Americas, by the colonialists, plantation owners, and merchants, provided the wealth and resources to develop Europe and the industrial revolution. (This in particular was the case with sugar production in the Caribbean) The cotton industry - which above all others spearheaded the industrial revolution - was provided with raw material from the slave plantations in the Americas and the Caribbean. Introducing food plants from the Americas doubled the food supply available in Europe after the fifteenth century, and contributed to growth.

Private Property

The exploiting of the continents peoples and their natural resources therefore played no small role in the future development of capitalism. The indigenous peoples' societies were based on collectivist practices (albeit on a basic economic level). Before the coming of the Europeans, no person anywhere in the Americas could stand on a piece of land and say "this is my personal property". The Europeans brought with them a system of social organisation rooted in private property (of land, goods, and human beings), production for exchange etc. They also brought with them the arms necessary to shape this so-called "New World" in their own image.

Part of the transformation of Europe from a feudal society into a capitalist one, was the searching outwards for new areas of operations - for exploration, trading, colonising. The raping of the Americas was a continuation of this European revolution, on the 'new' continent. This new, capitalist, system was to reach every corner of the globe. Transforming every society, culture, people, in order to fully consolidate itself.

How has this left the original peoples of the

Americas and the descendants of the African slaves? They have the worst economic and social conditions, and face racism and discrimination. The recent events in Los Angeles are a testimony to the poverty conditions of the blacks and 'Latinos' of the US (the world's richest nation!) There are about 1.5 million native North Americans in the US, and 0.5 million in Canada, who live as second-class citizens. Some of the problems of Latin America, the Caribbean and Africa are those of poverty, starvation, high percentage of child mortality, lack of health and education services, unemployment, homelessness, civil wars, continuous destruction of forest and land, a massive debt crisis, and unequal trade relations with the metropolitan world. These are the results of the world capitalist economic system ushered in by the colonisers. Given these conditions, what is there to celebrate?

In the words of the official US Columbus celebrations commission, Columbus was "*the first great entrepreneur*". No doubt he is the first pioneer, followed by the Pilgrims, the cowboys, and now US troops guarding the global frontiers of the 'New World Order'!

This distorted history is written by those with the wealth and power to spread their ideas. It is a pro-colonial history. Rigoberta Menchu, quoted earlier, gave an interview in 1990. "*I think we have begun moving towards a new conception of development, a different kind of development. Until now development has*

been part of the mentality and the interests of minority groups who have enriched themselves upon our territory - in Guatemala's case, two percent of the total population hold sixty-five percent of the most fertile lands. Through control of the agro-export business, and the nation's wealth, they have enriched themselves and have set up, very much at the elite level, their own idea of 'democracy'. But what does this kind of democracy mean for us? Is it democracy to live in the worst kind of housing? To receive a wage that barely allows you to starve, that is virtual slavery on our own lands? And so many dead, so many murders, so much destruction, so much damage to our culture....In short, the quincentenary has to focus on the great wounds on our continent".

For socialists, genuine democracy and the ending of poverty conditions can be achieved only by ending the economic and political system which is based on greed and profit, ie. capitalism. It is this system which has grown on the backs of the colonial and ex-colonial peoples of the world. It has fed off genocide, and racial and national oppression. We support the creation of a democratic, socialist society - a truly equal society - in which wealth and power rest in the hands of the vast majority. This should be the aim of a movement of all the oppressed. Such a society will lay the basis for ending race and national conflicts, and allow for the true development, economically and culturally, of mankind.

The following statement was passed unanimously at the 500 Years of Resistance Conference held in South London attended by activists from a number of organisations:

Various governments are celebrating the 500th anniversary of Columbus' arrival in the Americas. For the peoples who were already there, the coming of the Europeans brought death and destruction. The celebrations are an insult to the indigenous people of the Americas, and to the descendants of Africans forced into slavery.

The Columbus legacy is a history of colonialism, genocide, slavery and exploitation. The Columbus myth of "discovery" reinforces a system of discrimination and poverty which still exists today. In 1492, about 100 million people lived in the Americas, then one-fifth of the worlds population. It was not an empty continent.

Having defeated the indigenous people with a campaign of genocide, (and helped by diseases originating in Europe) the colonising powers set about exploiting the people and their natural resources. Millions of African slaves were transported across the Atlantic to work on the plantations.

The plunder of the Americas, by the colonialists, plantation owners, and merchants, provided the wealth and resources to develop Europe and the

industrial revolution. The new, capitalist, system which was formed reached into every corner of the globe, transforming (if necessary by force of arms) every society, people, and culture.

The original peoples of the Americas, (inclusive of the US and Canada) and the descendants of the African slaves today have the worst economic and social conditions, and face racism and discrimination.

The countries of Central and South America, the Caribbean, and Africa, face massive problems of poverty, starvation, unemployment, homelessness, huge debts, and unequal terms of trade with the metropolitan countries. These problems are not a cause for celebrations.

The South London 500 Years of Resistance Conference will continue a campaign throughout this year, and after, exposing the so-called "New World Order", Columbus celebrations and all, for what it is, capitalist exploitation, colonialism, racism and discrimination.

The Chinese government has "opened up" the economy since the late 1970s. they encouraged foreign investment, the development of an internal capitalist class and private incentive amongst the peasantry. An alliance of pro-capitalist social forces have gained a powerful hold on the state apparatus and are pushing the whole economic policy on the road to capitalism.

For the first time since the 1950s an article appeared in the Chinese press calling for the official abandonment of socialism and for the adoption of the free market system. Splits have re-opened within China's leadership reflecting the material and social bases of different sections of the bureaucracy.

The so-called reformers support a far more rapid transition to capitalism, the so-called hardliners, a slowing down or halting of these processes. Whilst economic growth in China is the envy of the world, the growth figures conceal uneven and contradictory growth in different sectors of the economy.

In March this year the National People's Congress endorsed what China's press called "an unusually strong call for more drastic reforms...obviously inspired by Deng Xiaoping's recent remarks," which praised the capitalist experiment in Shenzhen and called for China to continue its current path for 100 years.

On the 71st anniversary of the founding of the Chinese Communist Party, the People's Daily called on all party members to "emancipate their minds further" and warned that those who "fail to free themselves from the shackles of 'leftism' will not be able to build China into a modern socialist country and will be abandoned by the people and history."

Calls have been made for all officials who oppose reform to stand aside or resign.

Reform is focusing on what is known as the three irons - the egalitarian wages system amongst the workers (the iron wages), lifetime employment (the iron ricebowl) and secure posts for enterprise officials (the iron armchair).

In state industry wages will be linked to productivity, all workers will be put on short term contracts as will all officials, directors, managers. Free markets for health, housing and labour will be established.

China's bureaucracy did not grow out of the degeneration of a relatively healthy workers' democracy as it did in the Soviet Union. In China, the People's Liberation Army was already a bureaucratic regime before it seized State power. In the Chinese civil war Mao's army set up 'liberated areas' wherever they conquered.

Liu Bin Yan, former reporter for the People's Daily wrote, in his book *China's Crisis, China's Hope*, "The first order of business for the military was to gain an understanding of the

SOLVING THE CHINESE PUZZLE?

by our Chinese Correspondent

situation in the new area and determine who were its potential enemies; to do this it was necessary to reorganise the people's lives and issue new government decrees. In as much as officials of the previous regime were not to be trusted, activists willing to work for the new regime came to the assistance of the military and the party, and the most loyal and competent among them were recommended or appointed by military or party officials as local officials... the Chinese party established a system of control over a nation of one billion people based upon its experiences in military control, in which a given area might be abandoned at any time. It is not a complex system: political loyalty to the party is the prime consideration in appointing an official, far more important than abilities or cultural level; the reinstatement, promotion or demotion of an

individual is invariably determined by how an official higher up feels about him, rather than by his character, morals, abilities, or achievements or by how the masses feel about him. The bureaucrats' children often intermarry, establishing a blood relationship or what is called a kinship relationship. School ties and such things as the place of birth unite the bureaucracy together. If one man commits a crime, the network is mobilised to form a protective cloak around him; it is very effective. In 1957 Mao revealed that 'there were at the time 1.8 million officials throughout China.' There are now 27 million."

Bureaucratic Planning

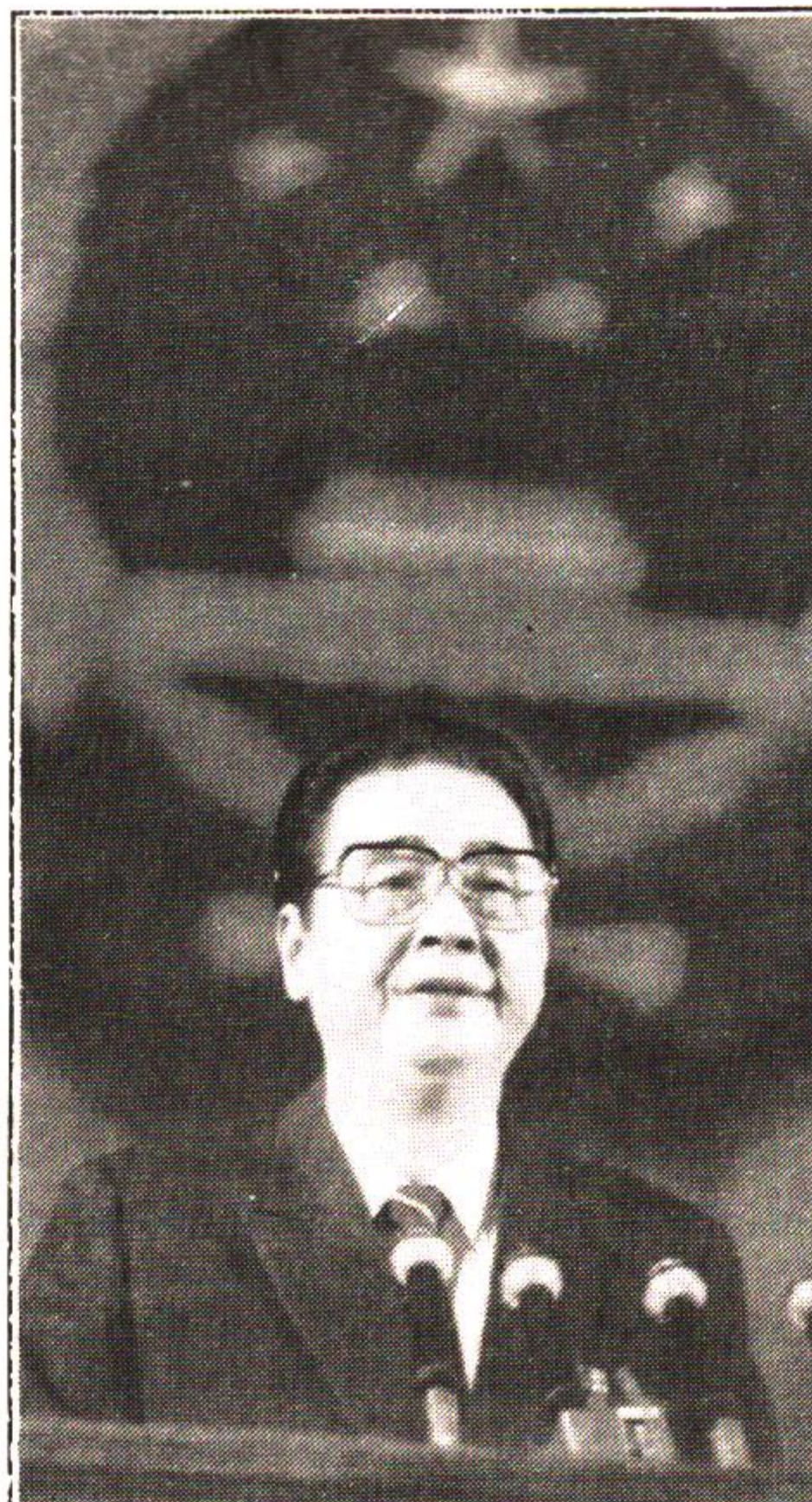
In the bureaucratically planned economies bureaucrats are not driven by the profit motive because they do not own capital, they derive their privileges and perks, often legally, from state coffers. To expect the bureaucracy to behave like capitalists is like painting a donkey with black and white stripes and expecting it to behave like a zebra, which no appeals to "emancipate the mind" can achieve.

A main base of the hardliners is the 95,000 large or medium sized state owned industries, the basis of the planned economy and the urban welfare system. They provide 43 million jobs as well as creches, kindergartens, pensions, housing, health care and recreation facilities for the workers and their families.

The top 100,000 state firms account for only 2.5% of total industrial businesses, yet they create over 45% of the nation's industrial production value and pay 60% of total taxes and profits from industrial businesses to the state.

As in all bureaucratically planned economies the quality of products is often poor, only one third of the equipment is up to the international level, 36% of state industries are loss makers and only one third of the products made are of world standard. The various branches of industry are not effectively co-ordinated, resulting in colossal disproportions in the economy, oversupply here, shortages there.

"Stockpiles of unsold goods have devoured large amounts of working capital and put more pressure on enterprises that are under heavy financial burdens. About 200 billion Yuan



Chinese Premier Li Peng

(\$36.5 bn), one quarter of the total amount of working capital in the country has been locked in warehouses since the end of last September," writes Lui Li from the State Statistical Bureau.

Furthermore, as in Eastern Europe every region of China has set up a form of "socialism in one province" replicating the industrial structure of other provinces. Inadequate infrastructural development paralyses harmonious economic development. Central planners in Beijing estimate that an increase of over 20% in electricity supplies is needed just to eliminate present shortages. In Guangdong private enterprises have precedence in electricity allocation, often leaving state industry idle.

China is the world's biggest coal producer, some 70% of electricity comes from coal power stations, vast stockpiles accumulate outside coal mines. The railway system will not be able to cope for at least six years, railway goods carriage shortages cripple the entire economy. Access to carriages is often sold to profiteers. The telecommunications system is wholly inadequate. The target for 1995 envisages one telephone for every one thousand people in the major cities. The per capita amount of water in China is only one quarter of the world's average. 75% of China's cities want more water to meet the demands from industry and individuals.

The paralysation of the economy is illustrated in the following excerpts from the China Daily (CD): "Statistics show state owned enterprises usually employ 15 to 20% more labour than they actually need." (9.7.92) "

"Because the system (of accounting) is highly centralised enterprises do not have the right to use funds without submitting applications to higher authorities. Even such small matters as building a lavatory require special permission." (10.7.92)

"...Only 30% of scientific and technological results have been put into production in China, 40% points lower than in that of developed countries." (11.7.92)

"A sample survey of 3489 mines shows 70% of cultivated mineral reserves are wasted. Worse still, the Lan Ping lead and zinc mine in China's Yunnan province, the biggest in the country, squandered no less than 5 million tonnes of lead and zinc ore to produce 310,000 tons in the last five years. A survey of 200 factories recently conducted by the Ministry of Chemical Industry, indicated that just one-third of the total raw materials they consume every year is turned into products." (14.7.92)

The 1989 protest movements which focused on democracy was crushed in the name of a campaign against the "right" deviation of bourgeois liberalisation. In the campaign to smash 'the three irons' Deng's clique forced Premier Li Peng to rewrite his report to the

NPC several times and include the warning that "major attention must...be given to guarding against (the) "left" deviation."

The main danger is now regarded as the resistance of the state industrial and government officials, the threat of worker discontent and strikes, or a combination of the two. This is the essence of the "left deviation."

The official government unions reported in March 1991 that some 80,000 workers had taken part in strikes since the massacre of

anonymous "letter from the masses", director so-and-so has come under scrutiny from superiors." (CD, 9.7.92)

The plight and success of Lui Nian Su, chair of the board of directors of the Shanghai Ek Chor motorcycle company is presented thus: "His first attempt to vitalise the old inert state owned enterprise included installing a closed circuit TV system monitoring the work of the assembly line and implementing a new pay scale which ensures workers doing different work get dif-



Chinese students demonstrating for human rights

1989, the causes were the failure of management to guarantee basic living conditions, the refusal to pay wages and the cutting of pensions and other benefits to retired workers.

The managerial bureaucracy is squeezed between their "superiors" and the workforce. some 50,000 people in 10 provinces and municipalities have been laid off during the first three months of this year by state owned industries equal to the total number in the last three years. However, in Sichuan, where 40% of state enterprises lost money in the first six months of this year an experimental shake-up of 105 state enterprises employing more than a quarter of a million people only managed to lay off 100 people.

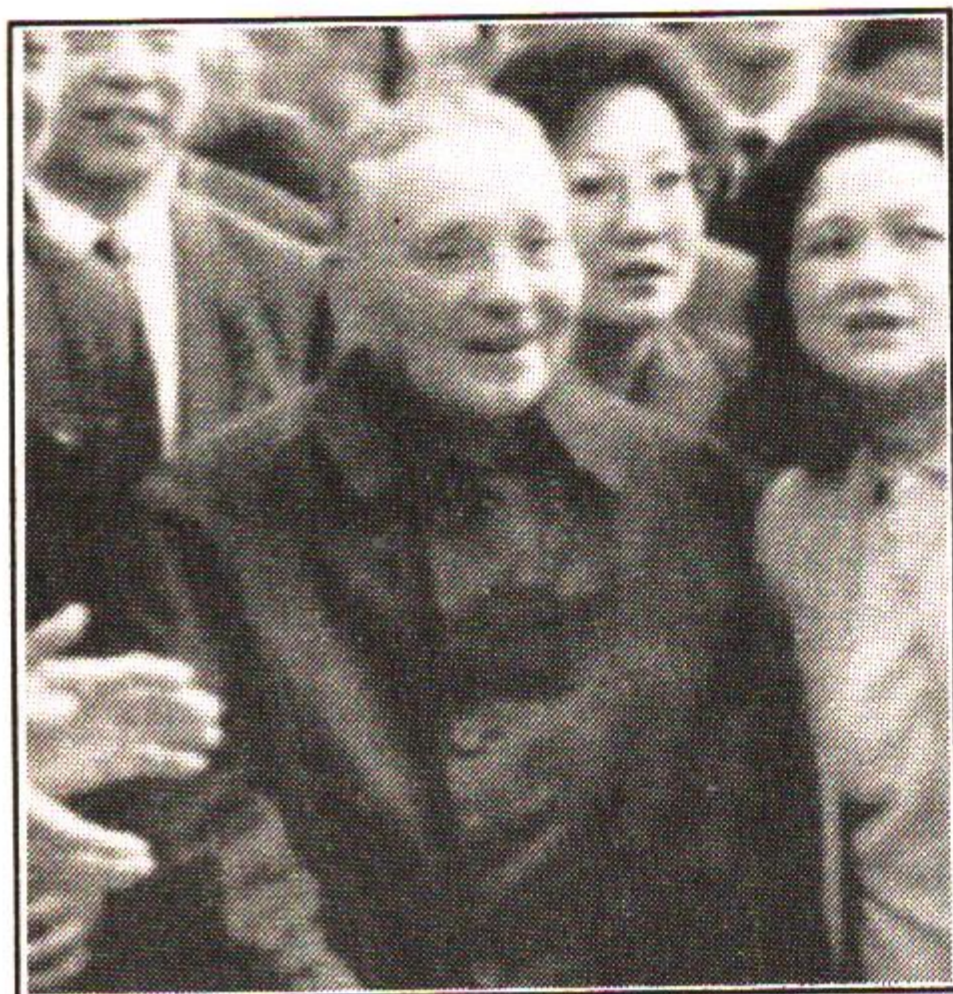
"It is the concern of almost every director and manager in China that someday they might be misunderstood or wronged, or become the target of criticism and even be sent to prison for a trifling matter, for an inexplicable reason or for no reason at all...In addition to enterprise management they have to deal cautiously with all kinds of trifles, especially relations with their superiors, their colleagues and even their subordinates, in order to avoid unaccountable troubles and underhanded strikes. It is often heard that because of an

ferent pay. However these actions were strongly opposed by the workers who thought they were being insulted and their dignity was being undermined by having to work under the supervision of the boss. Neither could they accept the fact some workers would get more than their colleagues overnight. Those who got more felt uneasy, those who received less were angry." (CD, 7.7.92)

It took the intervention of the Party Trade Union and Youth organisation to persuade the workers to accept the new conditions.

Not all restructuring has been so peaceful in Chongqing in Sichuan province plans to close the knitting mill were halted after workers besieged the plant, taking the head of the city's textile department hostage when he came to negotiate. The Communist Party secretary in Chongqing Xiao Yang, had to intervene promising nobody would lose their job. "I told them that if the factory goes bankrupt, it does not mean they will starve. It does mean they may not eat so well, however," he said.

The managerial bureaucracy many of whom were victims of the cultural revolution fear that rapid reforms will catalyse a movement which will drive them from their seats. The workers



China's leader Deng Xiaoping

see the cause of economic problems in the mismanagement of the economy and the all pervasive corruption in the bureaucracy.

Furthermore, in a survey in 1987 it was found that the ratio of non-producing employees to workers in factories, is often one out of three or even one out of two. This lowest level of the bureaucracy is the first step in the bureaucratic ladder; each layer of the bureaucracy secures their livelihood, privileges and perks out of the surplus produced by the workers and peasants. The higher up the ladder the more corrupt and wealthy the bureaucracy is, its upper echelons enjoy standards of living just as high as officials in foreign governments. Their basic salary is supplemented by bonuses, gifts from their hometowns or places where they have worked, foreign travel, housing and holiday accommodation in the finest resorts in China and across the world, chauffeur-driven cars, fine banquets, servants to cook for them, clean for them, look after their children, women to cater for their sexual urges - all these things and a myriad of other privileges and perks mould the consciousness of the upper layers. The position of the bureaucrats enables many to use their public positions and public funds to purchase subsidised scarce raw materials or commodities and make huge speculative profits by reselling them at exorbitant prices.

In an incredible article in February 1992 in the China Daily, the State Land Administration (SLA) discovered that State enterprises and institutions have sold or transferred land use rights to foreign investors and Chinese business people for "huge profits", the rents are illegally going to land users and traders rather than the State.

The loss to the State and gain to these bureaucrats and 'entrepreneurs' is 10 million yuan (\$1.9 U.S.) per year in each of the 59 cities with over 500,000 inhabitants, and 500,000 yuan per year in each of China's 1903 counties. A grand total of 1541,500,000 per year (\$290,301,318 U.S.).

The stock exchange riot in Shenzhen in August erupted because the stocks for sale don't meet

the demand for stocks. One million people crammed into Shenzhen to get lottery tickets with only a 10% chance of winning the right to buy stocks. Corruption was rumoured and violence erupted. Shares are already vastly overvalued, with foreign investors recommending caution in getting involved in the stock markets in Shanghai and Shenzhen, wait for the crash they say. Indeed the riot and police violence have raised fears amongst the hard-liners of many more such incidents on the road to capitalism.

The Peoples Daily recently reported that nearly one fifth of China's 1.16bn people said they planned to buy stocks and other securities.

Regionalisation and Nationalism are rearing their ugly heads, contradictions exist between the richer and poorer urban areas, within the rich eastern areas between the north and south, between the 91.2 million members of national minorities and the Chinese authorities, and between the cities and countryside.

"Wang Yu Zhao deputy director of the development and research centre under the State Council said that 60% of the nations 2000 counties rely on state subsidies and that some provinces have given more attention to urban development while counties were overlooked. The difference between counties in

Riots have also affected minority nationalities in Yunnan province. The Chinese army will be able to contain the national minorities as long as the dominant Han Chinese remain united. The military have been dragooned in to back the reforms, 61 Generals were taken on a tour of Shenzhen following Deng's footsteps. The Lieutenant General for the Lanzhou military district Cao Fan Sheng is stated as having said that *"...pivotal socio-economic transition is inevitably accompanied by ideological dispute...It has long been taken for granted in China that 'leftist' tendencies are safer than 'rightist'. Now the time is ripe for changing the conventional way of thinking". "Emancipating the mind...is an obvious must in military coups so that officers and soldiers can keep abreast of the times"* China Daily News 08:07:92

In other words there are powerful leftist tendencies in society and in the army, who dispute the present moves towards capitalism. The police force which was largely useless during the '89 protests now have specially trained units to deal with civil disorder. The government have called for the re-introduction of ranks into the police force to establish a satisfactory command structure for times of crisis. The abolition of the militia system and the re-establishment of ranks in the army took place after the fall of the Gang of Four. It may



A beggar on the streets of Beijing - Begging is an increasingly common sight in parts of China.

the east and the inland provinces are becoming greater with gross output in a typical North Western province valued at less than 100 million yuan (\$18.2m), last year, while annual output value in some other counties had jumped as high as 15bn yuan (\$2.7bn)".

Over the past few years there have been regular nationalist clashes between the Tibetans, Xingbiang Turks, and the Chinese army.

well turn out that the military will be the power broker when Deng departs from the present world. A military regime is also conceivable, in the name of social stability and national unity.

The general increase in living standards since 1978 has been the lowest amongst the mass of workers and peasants and highest amongst a

minority of bureaucrats, capitalists and rich farmers. Whilst 8.3 per cent of the population live below the official poverty line of 200 yuan (\$37.6 US) per year, barely able to keep body and soul together, the richest ten per cent often spend the same amount on one meal. Whilst a tenth of the population are underfed 13.5 billion kilograms of high quality food is thrown out by restaurants every year, enough to feed 34 million people.

The reason for the waste, banquets for bureaucrats paid out of public funds and lavish dinners is to woo businessmen. "It is said that 80 billion Yuan (\$15 bn) is spent on banqueting at public expense" (China Daily.) In addition the cost to public funds of the bureaucracy was estimated by the State Statistical Bureau to exceed 100 billion Yuan annually, nearly half the national revenues.

To many Deng's actions in moving against Li Peng seem in contradiction to policy supported since the Tianamen bloodshed. Deng appeared to be keen on recentralizing political and economic power, attacking 'bourgeois liberalisation', and strengthening the 'hardline' faction. In reality Deng was solely interested in strengthening the position of the privileged officials and functionaries that he represents through terrorizing the population. Now that his death impends he wants to ensure that the children of the ancient bureaucrats inherit the earth. This problem of inheritance can only be solved by providing them with a base in property relations.

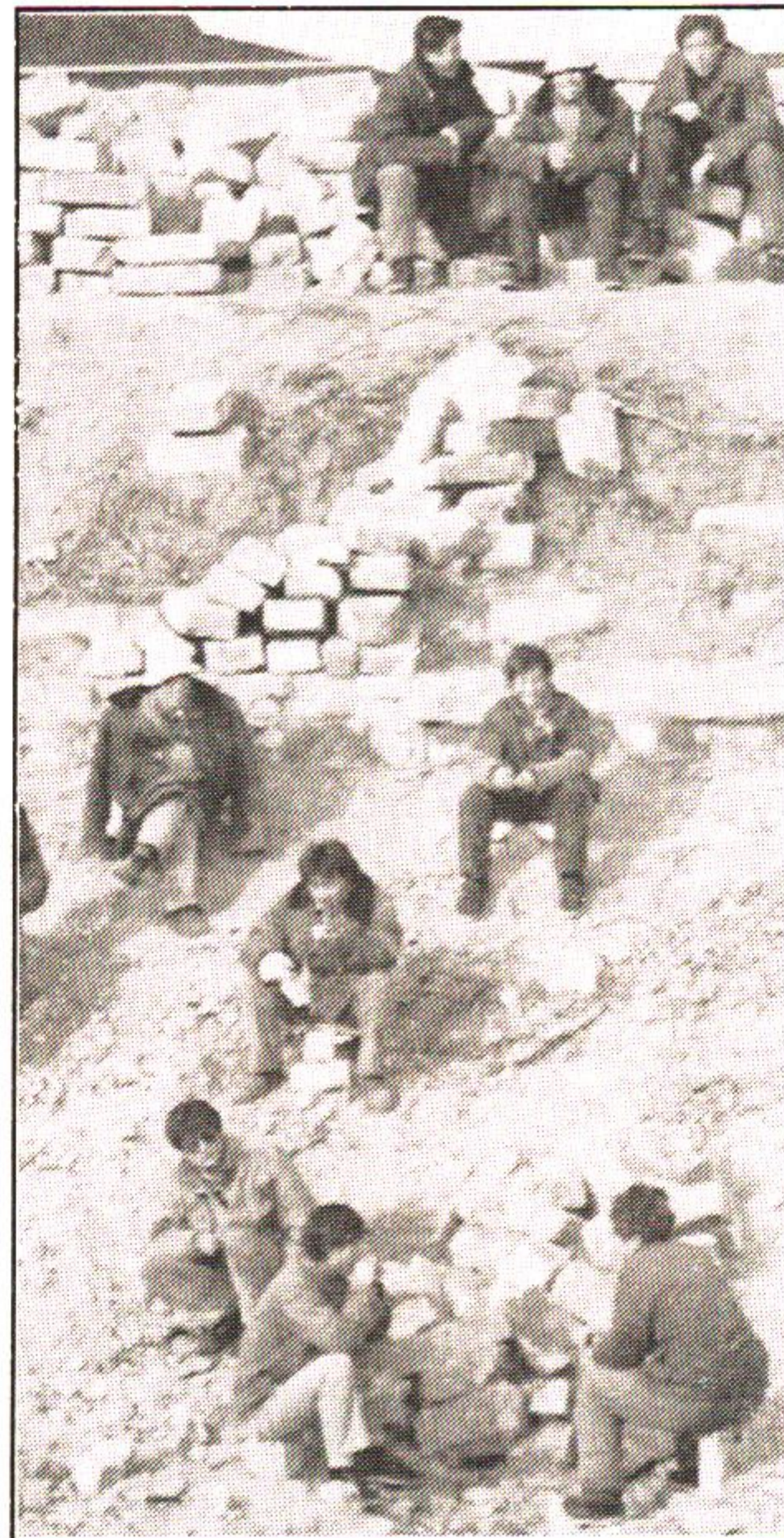
Military Fear

Events in the other planned economies have added weight to the pro capitalist wing of the bureaucracy whilst also spreading fear amongst the military and industrial bureaucracy in particular of chaos like that in the former Soviet Union taking place in China. A new coup or coming to power of the hardliners in Moscow could strengthen the hand of the military hardliners in Beijing. In such circumstances some form of new Sino-Soviet pact would be conceivable.

The economy is moving in the direction of

"Deng appeared to be keen on recentralizing political and economic power, attacking bourgeois liberalisation and strengthening the hardline factionDeng was solely interested in strengthening the privileged officials and functionaries that he represents through terrorizing the population."

capitalism, goods produced by the private sector account for 40% of total sales. In June 1991 there were already 13 million private industrialists and businessmen all over China employing 21 million workers. In Guangdong province bordering Hong Kong and Macao there are 97,000 private firms employing 150,000 people spanning commerce, services and manufacturing. It is estimated that half of the Hong Kong dollars in circulation are in Guangdong.



Chinese construction workers - the threat of unemployment now hangs over many workers.

In China as a whole it is estimated that about 5 million households have an annual income exceeding 50,000 Yuan (\$9060). The new capitalists flaunt their wealth, China Youth News reported that on January 14th 1992, 50,000 yuan was paid out at an auction in Chongqing - the object of obsession a 'lucky' number for a cellular phone - 908888.

But even this market is cornered by those who are well connected. "Before the auction, those with relatives or intimate friends in the telephone bureau usually had exclusive access to the most favourable numbers" China Daily, February 1992.

The world recession has had its impact on small businesses even in China, some closed shop in order to get in on what is possibly the most lucrative market in China - postage stamps. With a population increasing by 17 million (the population of East Germany) each year, if

one or two per cent of the population collect stamps demand will constantly rise for stamps in circulation, prices have risen rapidly on what were nationwide stamp markets in the major cities organized and monopolized by speculators with huge wads of bank notes and cellular phones connecting them to other markets. The police swooped on the markets closing them down in mid 1991, the government warned that "people will not get rich by collecting stamps".

Private Industry

The contract responsibility system (R.S) introduced in 1978 enabled peasants to lease land from the state. Once they have fulfilled state purchasing quotas they can sell their surplus on the free market. Land was divided up on the basis of household numbers, individual incentive promoted a rise in agricultural output. Peasant incomes rose from an average of 133 yuan in 1978 to 463 yuan in 1987. Some farmers grew rich by establishing private rural industries or by contracting businesses and plants they have been strengthening their political influence in countryside towns and villages.

Deng has established a powerful base of support within the village committees through making concessions to the individualistic tendencies of the peasantry.

In Zhejiang, the province with the most developed rural industry some 40 per cent of the 70,000 elected village leaders were such farmers, amongst the 300,000 members of village committees they constitute 70 per cent. They promote political and economic policies to further enrich the minority. One such committee chairman Jiang Lin You is quoted by Xinhua news agency saying "In the past I was poor. It was the policies of the Party and Government that made me rich and now it is my duty to help others become wealthy. And I would not be able to do this if I had no powers".

The appetite comes with the eating, the rich peasants are demanding more; more money, more power and above all more land. It is an illustration of the dialectic of history that a central demand of the supporters of the Chinese road to capitalism is "land to the peasants", the very demand by which the Bolsheviks gained peasant support for a socialist revolution in Russia.

Economic Expansion

Whilst the expansion of the economy has brought science and education to hundreds of millions of peasants, in many areas life is little different to that under the Emperors for thousands of years. Not here the universities of Beijing or Shanghai but 200 million illiterates, not here space technology but humans working as beasts of burden, not here the modern medical facilities of the cities, but witch-doc-



Portraits of Mao on sale at a market in Beijing.

tors. Peasants feel that the urban areas are promoted at the expense of the land, rich peasants have profited on the basis of local economy and the bureaucracy has met with difficulty in collecting taxes.

"Nationwide statistics for 1987 through 1991 showed 12,415 cases where persons used violence to avoid paying taxes; 11,146 tax collectors were beaten, of whom 1,221 were seriously injured, 26 were disabled and 21 were killed". China Daily February 1992.

Village bureaucrats are often corrupt and abuse their power, when there are good harvests state officials try to lower state purchase prices, when harvests are bad they try to force peasants to sell as much as possible.

The Peoples Daily in 1989 urged township governments to *"insure the houses, livestock, trees, young crops, property and personal safety of village cadres"*.

Increasingly there are reports of peasant hostility toward cadres, including verbal abuse, spitting and rock throwing. During last summers floods vast armies of peasants were mobilised to help the repair and relief operations. In an incident in Hubei province, hundreds of thousands were brought to flooded fields to work on drainage, there were no sanitary facilities, there was no clean drinking water and no modern equipment, a riot broke out with peasants demanding to be sent home, army trucks were burnt out and the peasants were allowed to leave.

Since 1978 there was a rise in the living standards for most farmers alongside a massive polarisation of wealth, 15% of rural farmers have become affluent, with every family member earning at least 1,000 Yuan (\$180) a year.

The Ministry of Labour admits that rural la-

bour surplus now exceeds 100 million per year, by the end of the century 200 million labourers will be unemployed.

The reformers plan to introduce a social security net in the cities but talk about such a scheme for the countryside remains as talk about the distant future. At the rural development unit at the Chinese Academy of Science, Chen Ji Yuan and Yu De Chang suggest *"abandoning the existing household registration system which they say, has prevented many rural residents from moving into cities and as a result saturating the labour market in rural areas."* (CD 10/7/92)

Such moves would promote a migration unprecedented in history. Tens of millions would move to the cities, the purpose of the proposal is to create a huge pool of surplus labourers who would undermine the resistance of the urban working class to capitalist reforms. Deng's policy of leasing land to the peasants and giving them greater individual incentives through sales on the private market saw the communes split up into tiny plots of land averaging 6 mu. Yet agricultural specialists the world over recognised that in China greater yields could be secured on the basis of larger units averaging 20 mu.

From over centralization the bureaucracy swung to excessive decentralization. To be sure the gross value of agricultural output grew from an average of 4.3% between 1971-1978 to 7.5% between 1980-1982 and 13% between 1982 and 1986. Much of this growth was due to the irrigation projects and fertilizer supplies undertaken and made available in the mid 1970's.

Reform Plans

The so called reformers bemoan the failure of

the peasants to invest in irrigation machinery and fertilizers, increased output is attained by working longer hours and employing extra labourers. This they conclude is due to the fact that the land belongs to the state and therefore the farmers don't invest.

However, the exact opposite is the root cause, the fact is that the state largely abandoned agricultural investment, instead relying on the rich peasants who spent their money on building mansions and accumulating consumer durables. Peasant incomes poured into consumer goods inflating prices, the incentives to produce more characterizing the early 1980's disappeared and agricultural production fell.

Basic infrastructural development which could have encouraged greater output has suffered criminal neglect. The fruits of the government policy culminated in peasants constantly demanding more money for their produce prior to the student protests of 1989.

Further moves towards capitalism in the countryside may precipitate a clash between the workers and peasants, not just as buyers and sellers on the market but as classes. The tens of millions of surplus labourers enables peasants and rural enterprises to pay slavery wages, work them from dawn till dusk and pay them irregularly, after long delays, or not at all. One such incident was recounted to me from Nanjing, a worker stood opposite a restaurant watching in silence, a student went to ask him if he had eaten, when pressed he admitted he had not eaten for a week. He had been unemployed as a construction worker after coming to the city, the workers were fed whilst working and promised wages on completion of the job, when it was done they didn't get any pay. He couldn't pay his train fare home and hadn't heard from his family for months. The surplus labourers pour into the cities to look for some means of getting money, apart from begging, and prostitution, gangs organize the maiming or killing of enemies for a fee.

Marxist Policies

A genuine Marxist government, run on the basis of elected workers and peasants councils accountable and recallable at any time would release the enormous initiative and knowledge of the whole people, freed from the shackles of bureaucratic rule, the economy could expand far more harmoniously and rapidly.

The poor peasants would be systematically supported by state credits and the position of modern agricultural equipment, encouragement would be given for peasants to voluntarily combine their tiny plots of land into collectives on a scale most suitable to secure maximum output and minimum ecological damage. The poor would be freed entirely from taxation and a part of the unemployed provided with work in irrigation projects, agricultural machinery and repair workshops, and fertilizer plants.

Local agronomic institutes would be estab-

lished whose purpose would be to apply the most advanced scientific technique to agriculture, developing hybrid strains able to resist diseases and be grown in unfavourable climatic and soil conditions, and to utilize bio-technology which enables extra or multiple annual cropping. Science, technology and industry would be brought to the peasant poor, middle income peasants could be welded together in their material interests to such genuinely voluntary peasant co-operatives.

The rich exploiting peasants would face a steeply progressive tax system, and the strictest supervision and control by elected bodies of the organized poor. The exploiting peasants must be barred from participation in the collective farms, from the local peasant committees, and from holding office in the state.

A solution to the problems posed by the surplus population on the land alone would require a radical distribution of tens of millions of people among various branches of the economy, and the gradual elimination of the contradictions between the city and village, but on the basis China alone it is impossible to construct a socialist society.

The idea of a Chinese road to socialism as advanced by the leaders of the bureaucracy is pure utopia. Central planning and state ownership of the economy do not constitute socialism although they are the economic prerequisites for it. The victory of socialism is only possible on the basis that the productivity of labour equals or surpasses that of the most advanced capitalist countries.

Leon Trotsky wrote in 1929 in *Next tasks for the Worker Correspondents*: "*Socialism, after all, does not consist only in the abolition of the exploiters. If people lived more prosperously under the exploiters, more abundantly and freely, and were materially more secure; if they lived better with the exploiters than without, then they would say, "Bring back the exploiters."*

The gross national product of China is about \$300 US per head, that of the United States is 50 times larger. According to official Chinese estimates they will catch up with the U.S.A. towards the end of the century, the twenty first century. This too is utopia because internal and external contradictions will blow their plans apart.

Thus on the basis of China alone it is impossible to establish a socialist society. It is criminal that the former Soviet bureaucracy and the Chinese bureaucracy instead of integrating their economies on the basis of one plan and a mutual division of labour, which could have given a colossal boost to both economies, squandered this potential even fighting border wars for their national privileges, power and prestige.

A genuine workers democracy in an economically backward country such as China would participate in the world market and advance the idea of a Eurasian federation of workers democracies.

California Dreamin'

The sun appears to be going down on the Sunshine State!

California, the one time economic boom area of the United States is suffering worst in the current recession. The state is grappling with a \$6 billion budget shortfall and 20 banks including the Bank of America have stopped honouring loans to the state. Some workers, paid in IOUs, are unable to cash their wages because the banks have refused to extend the state any more credit. California has borrowed \$2 billion from one bank alone since July this year. Local governors are proposing \$2.3 billion of cuts which will fall mainly on those on welfare, as well as sweeping cuts in health care. Universities may not open their doors next academic year because of lack of cash. Pollution has caused the state authorities to close down a record number of beaches and house prices in the area have plummeted. Added to this 600,000 workers have been made redundant in the past two years and a further 17,000 job losses have already been announced.

So much for the American dream!

WALSALL BOROUGH LABOUR PARTY MARCH AGAINST RACISM AND FASCISM

SATURDAY OCTOBER 31

Assemble 12.30 St George's Park, Bloxwich

March to Walsall Town Hall

National Speakers to be announced

For further information ring 0922-22586

BOOK OF THE MONTH

SEPTEMBER

THE AUGUST COUP

by Mikhail Gorbachev

On the anniversary of the failed coup in the Soviet Union, Rob Ward casts a critical eye over one of the central figure's account of the tumultuous events.

Trotsky once wrote that digesting Stalin's literary polemics was "like trying to swallow cotton wool".

The bureaucracy that inherited Stalin's mantle also perpetuated his rambling, empiricist writing style - and Mikhail Gorbachev is no exception.

His book *'The August Coup'* should have been an exciting insight into what went on at the hub of the bureaucracy during the 1990 coup attempt. Instead a glass of water is recommended when reading his prose, such is its dryness.

Even so, his explanation of the tumultuous events do give backing to the analysis of the Marxists - that the coup represented a clash between different wings of the bureaucracy; that they were all moving towards the re-establishment of capitalism; and that the mass of the Soviet working class did not enter the arena of struggle.

August Plotters

In August 1990, Gorbachev was on holiday in the Crimea with his family and entourage of 32 bodyguards, working on the forthcoming 'Novo-Ogarevo process' - the break-up of the Soviet Union into independent republics - when the coup took place. Although he talks vaguely of the "forces of progress and reaction", it is clear that the August plotters were not some alien outside force but were spawned by the same system that beget Gorbachev: "*The danger of the putsch lay in the fact that its organisers were at the very centre of the leadership (of the Soviet Union)*".

On the leading plotter Lukyanov he writes: "*For 40 years from our student days we had enjoyed comradely relations*". It is clear from Gorbachov's book that the drama of the August days was in the main confined to the upper echelons of the Soviet Union's monolithic bureaucracy, like a Palace coup on a large scale. Gorbachev did not look to the masses to save him, but instead his allies and fellow thinkers within the bureaucracy, and the world capitalist order.

The book tends to become a long appreciation exercise; you can almost imagine him sitting at his desk knocking out thank you

cards like a child after Christmas. He thanks Yeltsin, General Shaposhnikov and the Army, the KGB, the Russian Deputies and the journalists. He then moves on to thank Bush, Mitterand, Kohl, Major, Andreotti, Hawke, Mubarak etc.; Oh yes, and he adds: "*At the same time I must mention the position of principle and courage taken by the people of Moscow, Leningrad and many of the regions of Russia.*"

Even leaving aside the Soviet bureaucracy's lack of penchant for the masses, it is no accident the Russian 'people' warrant only one sentence. They stayed at home demoralised and uninspired they sat back and watched the various wings of the bureaucracy slug it out.

Indeed, Gorbachev shares the plotters fear of the masses. In the chapter, 'I see no other way but democracy', the 'people' are seen as a dangerous obstacle rather than an ally: "*The democrats are celebrating the victory, but life demands action.... People are discontented with the fact that their daily life is so hard.... All of us have a lot to learn, so as to govern within the framework of democracy, of political and in particular economic pluralism. Otherwise people's patience will simply be exhausted. Then there would be an uncontrolled outburst of discontent and chaos - and then just expect the worst. No less dangerous for the realisation of our plans would be a reaction resulting from the people's fatigue, the spread of frustration, indifference and apathy. This might simply stop our movement towards a market economy*".

Dire Warnings

The August Coup also carries Gorbachev's 'Crimea Article', the tome he was writing days before the coup. Despite all his muddled thinking about the future of socialism, he does however give a dire warning to the masses of the former Soviet Union: "*But among those who call upon the people to halt and think again have appeared also 'leftists' of the neo-Stalinist persuasion. They appeal to the people to call a halt so as to restore order by means of dictatorship which would abolish or at best suspend all rights and freedoms that have been won in the course of*



Gorbachev on his return from the Crimea following the coup

Perestroika. And once, they say, order has been restored then we shall advance to the market economy, democracy and all sorts of liberties...."

"Praise for Pinochet and Franco is being offered up in earnest and publicly; just a few short years of real dictatorship, they say, and then there will be the market and democracy and prosperity and full stomachs. The disease of populism has infected even many of the new democrats...."

There were those in the labour movement who saw the defeat of the August coup as some sort of progressive 'revolution', as a victory for the 'people' over the old Stalinist reactionaries, rather than - as the Marxists pointed out - two vehicles of counter revolution vying for control on the same road to capitalist restoration. Such a confused analysis is dangerous as it can create the illusion that Yeltsin and company are somehow 'democratic' - the Marxists have repeatedly warned that, no matter which wing of the bureaucracy is in control, they will have to resort to dictatorship to achieve their joint aim of capitalist restoration.

Gorbachev's writings, from the very heart of the old bureaucracy, give credence to this warning.

Published by Collins

Priced £13.99

Also available from all good libraries.

Massive Protests Rock South Africa

Following the general strike and street demonstrations a South African Marxist charts the way forward for the workers movement and, right, Zola Ngubane gives an eye-witness account of the Cape Town demonstrations.

Following the massive protests of August 3-7, it has become clear that there is no quick and easy way back to the negotiating table.

The ANC leaders are faced with a dilemma. This mass action was a hugely impressive display of working class unity and black determination to bury minority rule. Yet it did not force De Klerk to make the concessions they had hoped for. On the contrary, evidence is piling up that the regime is digging itself in.

The security forces remain a law unto themselves and De Klerk shows no intention of curbing their murderous activities. Two and a half years after Mandela's release seemed to promise freedom, and two months after the negotiations broke down, there is deep frus-

tration among the ranks of the ANC and the trade unions. In the Southern Transvaal many black areas are in a state of virtual civil war as state-backed gangs and under-cover units try to wipe out the ANC's active forces on the ground and terrorise the population.

ANC Leaders

According to press reports, "moderate" ANC leaders Ramaphosa, Zuma and Thabo Mbeki's meeting with a government team immediately after the week of action was angrily rebuffed by "hardliners."

Now "moderate" Ramaphosa, Secretary-General of the ANC, together with Constitutional Development Minister Roelf Meyer are



Police arrest demonstrators in Cape Town

will involve substantial compromises. There are clear differences however, between those who want to carry the process to its logical conclusion and those who are held back by the pressure of the rank and file.

The problem is that even the "hardliners" have no viable policy for defeating the power of the state. They want to step up the pressure and keep the masses in a state of permanent mobilisation to extract the maximum concessions, but they stop short of calling for an all-out struggle for power.

The "moderates" on the other hand, accept the capitalists' argument that disruption should be minimised and a settlement reached to smooth the way to economic recovery and the hope of reform.

State Machine

But all the signs are that De Klerk, relying on probably the most reactionary state machine in the world, is holding out for a capitulation by the ANC leadership which even the "moderates" could not swallow.

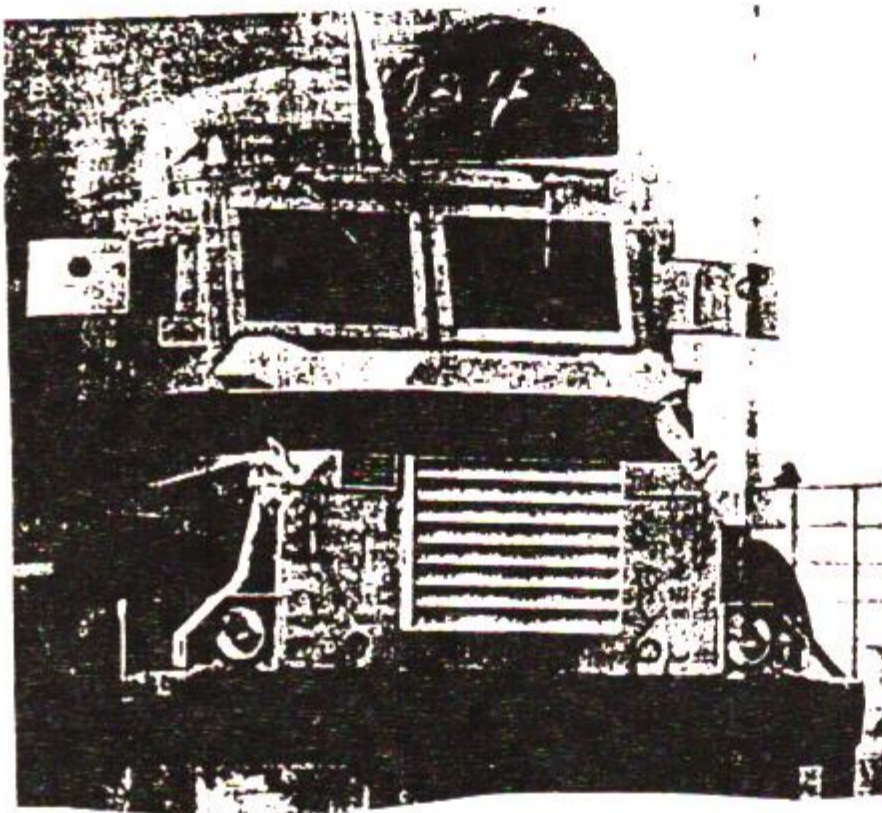
The first barbed wire entanglement in the way to a settlement is De Klerk's insistence on blocking mechanisms in any new constitution that would leave an elected government hamstrung by minority rights, i.e. privileged white rights - the so-called "loser takes all" option.

Then there is the minefield of "regionalism," intended to restrict the power of central government and give entrenched powers to ethnically based "regions."

Finally, behind all this lies the real bastion of capitalist rule - the undefeated power of the white state. Nobody would suggest that there is

on and demonstrations in city centre

mass march



ANDREA WEISS and DENNIS CRUYWAGEN
Staff Reporters

BETWEEN 5 000 and 10 000 ANC supporters plan to march to the city along the N2 from Guguletu and Langa tomorrow in a re-enactment of the 30 000-strong march to Caledon Square led by the Pan-Africanist Congress in 1960.

The Cape Town City Council, which initially opposed the idea, has "very reluctantly" given the go-ahead, as it was felt the march should take place in a controlled way.

The ANC has dropped plans to occupy the Receiver of Revenue's offices after some "hard bargaining" with the city council, says deputy city administrator Mr Alan Dolby. ANC spokesman Mr Willie Holmevr said protest at the Receiver's office would go ahead, but whatever we will do it will be symbolic. We will not really be able to occupy the building.

The ANC will hold a rally on the Grand Parade before marching to the office in Plein Street.

Mr Dolby said the N2 march was first mooted on Friday and it became clear after a second meeting yesterday that there was a lot of support and this march was going to take place whether there was agreement or not.

Workers from the factory areas of Salt River and Woodstock are also expected to converge on the city centre tomorrow. People are expected to gather on the Grand Parade from 9am for the 11am start of the rally, during which a "flame for democracy" will be lit. The ANC expects about 25 000 to attend.

A second march will then take place around the city via Darling, Adderley, Bureau and Spin streets, ending outside the Receiver of Revenue's office in Plein Street.

A memo will be issued to the council and the marchers will



DEFIANCE: A view

South Africa's press breaks the news

meeting at a secret venue. However, there has been no indication of what was on the agenda.

"Discussions will focus on identification of steps to be taken to address the issues raised in earlier memoranda exchanged between the government and the ANC," said a joint statement. There is no real opposition among the ANC and Cosatu leaders to the policy of seeking a negotiated settlement with De Klerk that

tration among the ranks of the ANC and the trade unions.

Despite the deep recession, now in its third year, a series of hard-fought strikes have been taking place. Over 100,000 engineering workers are on strike now for a wage claim of 16%, equal to inflation. The employers are only offering half that.

The report of the march shows the militancy in

any easy way to penetrate those defences. What is possible, however, is a serious campaign by the ANC leadership to clarify in the minds of workers and youth what exactly the obstacles are and what is needed to achieve majority rule.

There has to be a class appeal to the white working class, and to the black police and soldiers. They will not come over unless they are offered a viable alternative.

Socialists argue that the political mobilisation of the working class, not just to pressurise De Klerk but as an independent force, is the key to the situation. Workers in their millions would support a programme to bring the economy as well as the state under democratic control to end violence and use the country's squandered resources for the good of the population.



ANC leaders are still relying on negotiations with De Klerk.

30,000 Marched To Cape Town

Eyewitness Report from Zola Ngubane

The national general strike on 3 and 4 August was the biggest in South African history. It was followed by massive demonstrations in the major cities. This report describes the events in Cape Town on August 5th.

It was the biggest march since the release of the ANC leader Mandela. It was also the most peaceful one that ever took place in central Cape Town with such a big crowd. The police were present but, compared with previous occasions, far from the marchers and some inside buildings. I think this contributed to the peacefulness of the march because to us, the oppressed blacks, police are ferociously hated.

Police Repression

They are seen as linked together with the army in the repression in the townships. They have committed murder through the death squads and are linked with the thugs and murderers of Inkatha. So immediately we see them around or next to us the feeling is to fight back which ever way we can - throwing stones or bottles.

It was as early as 8 am when the people started toyi-toying in Kayelitsha. You could hear different songs in different areas. You could smell the whole area was angry.

The students moved out of their schools as early as nine o'clock, toyi toying to board trains to the march. It seemed as if they organised to meet at school so that they could

move together. The whole area was under thick black smoke from the barricades which started to burn from August 3, the first day of the strike.

The first train that came to the first station looked as if it couldn't take anyone from the crowd. There was no way it could stop at the next stations.

There was toyi-toying in all the carriages, there were different flags in almost all the carriages with different slogans like: "De Klerk must resign", "Gatsha and his police must be disbanded", "We want a Constituent Assembly now", "Jobs for all", "End minority rule", "We want a living wage".

Revolutionary Songs

Youth didn't forget to bring their mock AK47s along or sing their revolutionary songs like *Sicela Kuwe Tambo Sineke Izibam* (We ask you Tambo give us arms) or *Nazi Izibam e Angola* (There are arms in Angola). There was also a song, *Asiwazi Lomobulu Afunantoni* (We don't know what these whites want). This one had come just after the negotiations had broken down. There was also one I heard for the first time from a group of about 100 ANC Women's League members: *De Klerk Khausuke endleleni Awuboni Ube Siyazabalana* (De Klerk can you give up the way, don't you see that we are struggling forward.)

The composition of the march was 90% Afri-

cans with many workers. I remember talking to two railway workers who said all SARHWU (South African Railway and Harbour Workers' Union) workers were not going to work all week. They will go to their places of work on August 5 and 6 but just to sit there doing no work.

One thing not in good condition was the loudspeaker system. It was very difficult to hear what the speakers were saying. As a result we ended up toyi-toying while the speakers spoke.

Wide Support

Nationally the stay-away and the day of action were well supported. I think it revealed again the irreconcilable differences between the working class and the government. The breakdown of negotiations also revealed what Marxists have always been saying - that the ruling class would never hand over power as long as they have the means of keeping it - ie armed bodies of men.

The support of the working class for the stay-away and the march also signified to me that unless negotiations provide us with a decent life - i.e. houses, jobs, living wages and other needs they are useless.

This system of capitalism has revealed worldwide that it cannot provide a decent life to the majority of people.

It is the duty of the working class together with their leadership to fight to the end to defeat the state and its exploiting system and to replace it with democracy and socialism.

CZECHOSLOVAKIA - AFTER THE "VELVET REVOLUTION"

Brian Davidson

As Czechoslovakia splits in two, *Socialist Appeal* looks at the causes behind the division and the prospects for the independent republics.



For the Federation the bell tolls, was the headline in the Czech press in the aftermath of the June general election.

For many workers the dreams of the 'velvet revolution' have evaporated.

Civic Forum the party of the counter-revolution is no more, many of its leading figures failed to get elected and Havel the President has been forced to resign. And the government has set a deadline, the 20th September, to produce proposals for a complete split of the Czechoslovakian federation.

Disillusionment

No wonder there is disillusionment. Over two years after the revolution and many peoples dreams lie in the dust.

Rents have climb ten-fold, unemployment is rising, inflation has reached 700%, while wages are static. There is food in the shops, but the problem is that many people can't buy it.

However, because of the confusion that exists, dissatisfaction has been expressed in a number of ways.

Over forty years of Stalinism has temporarily discredited the ideas of Socialism among large sections of the population and therefore despite the deteriorating social conditions many still see the only solution to their problems in a move towards capitalism.

For example, in the June elections, the largest party in the Czech republic was the right-wing Civil Democratic Party, whose leader Vaclav Klaus wants to move quickly to capitalism. They got 34% of the vote.

In Slovakia, the largest party was the Movement For a Democratic Slovakia (HZDS), whose demagogic leader Vladimir Meciar put forward a mixture of Nationalism and left rhetoric.

He was able to play on Slovakian workers fears of what the market would mean and resentment of what they see as years of discrimination at the hands of the Czech bureaucrats.

For every job lost since 1989 in the Czech republic, there has been four lost in Slovakia and for every Western dollar invested in Slovakia there have been \$20 invested in the Czech republic.

Velvet Divorce

Slovakia is a largely agrarian society with large parts of heavy industry grafted on to it. Under the plans of Klaus, these firms would be the first to go to the wall.

The outcome of the election has led to the possibility of the break up of Czechoslovakia, the press is full of talk of a 'velvet divorce'.

Although Marxism supports the right of nations to self-determination, a separate Czech or Slovak state would not solve the fundamental problems that workers face. Like many other small nations they would be completely dominated by imperialism, mainly German in

is breaking up into smaller units.

Yet there is a high level of interdependence between both economies. Slovakia exports raw materials and intermediate goods to be finished in the Czech factories.

Unemployment

Both countries would be harmed by a split, it would immediately affect 12% of products manufactured in Czechia and 25% in Slovakia. A recent survey by the Czech and Slovak trades union confederation suggests that unemployment in the Czech lands would increase to 10% and Slovakia to 25% by March 1993.

Not surprising many Slovaks are having second thoughts, according to the *Guardian* (26/06/1992):

"over his foaming half litre at the mamut (a tavern), Milan Tomso is bewildered, genuinely sorry, and apprehensive. I voted for Meciar....lots of people voted for Meciar. But they definitely did not vote for a split". It is very difficult to imagine our company (which is in both republics) working in two separate countries. I know there is a political split, but I hope - and most hope - that some kind of union remain".

Independence

According to Bratislavas centre for social analysis, polls reveal that in the Slovak republic there is only 13% support for an independent Slovakia and 60% favour a unitary or a federal republic. More than half think independence would mean lower living standards. Similarly there is a lack of enthusiasm in the in the Czech republic. Although Meciar's initial enthusiasm has now waned when it became apparent what a separation would mean, he has been trying to postpone things until 1994.

Even if a split occurs this will only be the start of things. At present Meciar opposes the plans of Klaus for restructuring etc. But as the leader

"Having used the pressure of the workers against the capitalist class, the Stalinists will dispense with all elements of workers' control.

The economic basis for a workers' state has been achieved. But for a state to act in the interests of the working class expropriation of the capitalists by itself is not enough. Democratic control of the state apparatus is an essential prerequisite for the march towards a communist society....All the rights which the workers still possess will be strangled and an uncontrolled bureaucracy will ride roughshod over the masses as in Russia."

Ted Grant - *Czechoslovakia: The Issues Involved*, 1948.

this instance. Even from a capitalist point of view it would be a separation without logic. While the major trading blocs are trying to integrate to achieve greater economies of scale, Czechoslovakia and the rest of central Europe

of an independent Slovakia he would be forced by imperialism to adopt the same policies in return for 'aid', and 'assistance' from the west, which will be meagre in any case.

Such a path would be a nightmare for workers in both republics. Meciar might try to divert



Support for Havel's reforms is waning.

attention from the social problems by playing the national card against the 600,000 ethnic Hungarians inside Slovakia. Such a policy could lead to conflict with Hungary and cause further instability in the region. This is one of the reasons why imperialism is opposed to a split.

Dictatorship

It would be extremely difficult to introduce capitalism in either republic and also maintain a 'democratic' state. Despite the fact that prior to World War Two the Czechoslovakian state was a bourgeois democratic one, they would attempt to move in the direction of a military police dictatorship as a means of imposing the market.

In the coming months and years, the workers of Czechoslovakia will learn many lessons. They will find out what capitalism means and any illusions in the market will be dispelled. Eventually they will draw the conclusion that only a democratic, socialist Federation of Eastern Europe and the Balkans can offer a lasting solution to their problems.

YOUR LETTERS

ANGER FUELS OUR FIGHTING SPIRIT.

Dear Comrades,

After the breakdown of the negotiations between the government and the ANC leadership most of the people were very shocked and welcomed the ANC/COSATU call for the mass action as the only solution. The Boipatong massacre made many people very angry. Workers are now starting to talk about the need for their interests like wages and housing to be raised in Codesa. They want to be sure that their interests are being dealt with. The numbers of strikes which are now taking place shows the mood for the workers that they will fight to the end for their rights. The general feeling is De Klerk can be pressurised to step down and Mandela rule the country.

A shop steward from one of the striking hospitals told me that if the government does not give in to their demands, and the union leadership settle for a low figure like last year, he will resign as a shop steward.

In Cape Town the march which was organised by the COSATU and the ANC on July 1st, was attended by more than 15,000 people. Most of them were workers. Despite the fact that it was during working hours many workers did not go to work even though there was no stayaway call. The speech by the deputy general secretary of COSATU, Sam Shilowa, was very militant. He even appealed to the police who were standing by to join the movement and refuse their orders but to use their weapons against their generals. Most people were shouting slogans like: "Interim government now" and "ANC government by December".

From a South African comrade.

US Opens Its Doors: To the Select Few!

Dear Comrades,

A recent advert hidden deep inside the Independent invited applications for American Citizenship. A lottery is to be held among the applicants with 40,000 to be granted US citizenship.

The selection is to be random, the advert states, implying a "fair" selection with only a processing fee to pay and no points system or discrimination. However only citizens of certain countries are eligible. And all these countries are predominantly white!

What is clear is the fear that the US government has of Mexican, African, Asian and other "non-white" populations. Racism often has its basis and origin in social class relations. During the recession and multiple debt crises of the 1980s up to now, the US government has moved to avoid the immigration of cheap labour, preferring to "protect American jobs." Actually there has been

CONNED BY MAASTRICHT

Dear Comrades,

Last issue's article on Maastricht hit the nail right on the head.

Although many of the labour and trade union leaders attempt to portray the treaty, and especially the Social Charter as a massive step forward for workers in Britain, in reality the treaty, especially on social rights is weak and ineffectual - exactly the way the Tories and the employers want it to be. Since the first draft of the social charter it has been amended out of all recognition so that now all the clauses on discrimination, the right to strike, the right to collective bargaining and free trade unions now have a sentence at the end stating that they will not take precedence over laws in the member country. In other words for British workers, the EEC will no more deliver back our trade union rights than the Tories will. Labour should not be going along with Maastricht but exposing it as the bosses charter it really is!

Jeremy Dear, Birmingham

a lot of in-migration and the Hispanics have become the scapegoats, blamed for urban unemployment. Mexicans face continual harassment from the state even when they have lived and worked in the

US for years. The bourgeois governments use racist ideology to split the working class and to hide their own failure to provide a decent standard of living for all.

In Britain, the Tory government is always trying to discourage immigration. The claim is made that the UK cannot even employ all its current residents much less a fresh influx of immigrants. Although socialists have to fight racism in immigration policy, we also have to address the basic issues such as jobs and housing for people in search of work. The right to travel must extend across current national boundaries.

Only a socialist world economy can reduce the international inequality found today which makes "non-white" countries seem a threat to western governments..

Wendy Olsen, Salford

SOCIALIST

APPEAL

The Marxist voice of the labour movement

Islington Nalgo Strike Against Redundancies

NATIONAL CAMPAIGN TO DEFEND PUBLIC SERVICES!

Islington Nalgo is striking in response to a £12 million cuts package and drastic changes to staffing arrangements which would allow the council to make compulsory redundancies. Education, youth and careers services will be affected and several neighbourhood offices will close. Total job losses are estimated at 300 to 400.

The cuts, announced shortly after the general election, provoked industrial action by NUT and NATFHE towards the end of the summer term. A proposal to end discretionary grants to 16-19 year old further education students was dropped after walk-outs and demonstrations by NUS in conjunction with the teaching unions. Nalgo refused to negotiate over the proposed changes to staffing arrangements.

If implemented, they would mean no guaranteed offer of redeployment. Another major change would be the introduction of new selection criteria for choosing those workers to be made redundant, replacing the current last-in-first-out principle. These criteria would include sickness and disciplinary records, unauthorised absence (including industrial action) and performance, with local management given the power to decide what level of weighting should be given to each criterion.

Unfortunately, the other major unions, GMB-Apex and NUPE, offered little resistance to the new proposals. They argued that accepting compulsory redundancy would give them more power to negotiate centrally over the selection criteria and the retention of enhanced payments for voluntary redundancy and early retirement.

At the moment the council, in an attempt to split the unions, seems ready to retain enhanced payments. However it is obvious that once they have the power to carry out compulsory redundancies, when staffing arrangements come up for renewal next year they will no longer be prepared to offer the carrot of enhanced payments to carry out redundancies.

There is undoubtedly a feeling of despair and impotence among a section of the blue-collar unions, who have borne the brunt of the cuts in recent years. There is also a feeling of "them and us" as regards white-collar workers, who are seen as relatively privileged. Many Nupe members for instance, are low-paid part time workers. Cleansing has the largest GMB shop in the council. There, dustmen and sweepers have seen their pay and conditions seriously eroded. A 30% increase in their workload was imposed when the service was put out to tender to enable the council workforce to win the contract. Recently, sweepers have had their overtime cut, and manning levels are at crisis point. However, the new proposals will affect every single council worker.

This dispute is a golden opportunity to strengthen inter-union ties and raise the confidence of all workers, particularly those who in the past have had to suffer in isolation. Despite the position taken by the Nupe leadership, an angry branch meeting during the course of our dispute demanded to know why they had not been instructed not to cross

picket lines.

A motion calling for Nupe to withdraw from negotiations over the staffing arrangements while Nalgo was in dispute and calling on Nupe members not to cross picket lines was carried overwhelmingly.

The following morning, a Nupe official turned up at cleansing, which also has the largest Nupe shop, and called a shop meeting -not to explain the branch decision but to overturn it. She "explained" to the shop that cuts had to be made, that this was a purely Nalgo dispute, and that if job losses were not carried out in the white-collar section they would have to be made in blue-collar jobs.

Ballot Underway

At present Nalgo is engaged in selective strike action, with poll tax, housing benefit and housing advisory workers out on indefinite strike on full pay, financed by Nalgo nationally. As well as this, there have been eight days of branch-wide strikes. Nalgo's NEC has now agreed to finance a strike of all neighbourhood offices on full pay, and a ballot is currently underway. Whether or not this kind of selective action can be effective is an issue which needs full discussion within the union. There is certainly a feeling that the Nalgo leadership sees it as a soft option as opposed to organising a serious national campaign against local authority cuts. Co-ordinated regional and national action would put enormous pressure on Labour local authorities to refuse to implement cuts and demand more funding from central government. (It is interesting that in Islington only two councillors initially voted against the cuts. As our dispute got underway that figure rose to ten.) It would also then be easier to extend the action to other public sector unions. Large-scale strike action would boost confidence and help to cut across the feeling of despair that exists in the public sector, particularly given the ineffectual nature of the union leaderships.

If the TUC were worth its salt it would organise a campaign involving all unions in the public sector and nationalised industries, with demands for a restoration of public sector funding to pre-1979 levels, no further privatisation, an end to CCT and the return of all contracted-out services to the public sector.

Active trade unionists need to urgently discuss whether such a campaign can be initiated from below, with local, regional and national conferences to formulate a strategy and co-ordinate action.

ON OTHER PAGES:

**Czechoslovakia -
After the Velvet
Revolution**

**China - Can Deng's
Reforms Succeed?**

Union Reports

SNP in Crisis

And much more...

Pam Woods, Islington Nalgo, personal capacity.