

socialist appeal

inside this
month

★ *Flexibility*

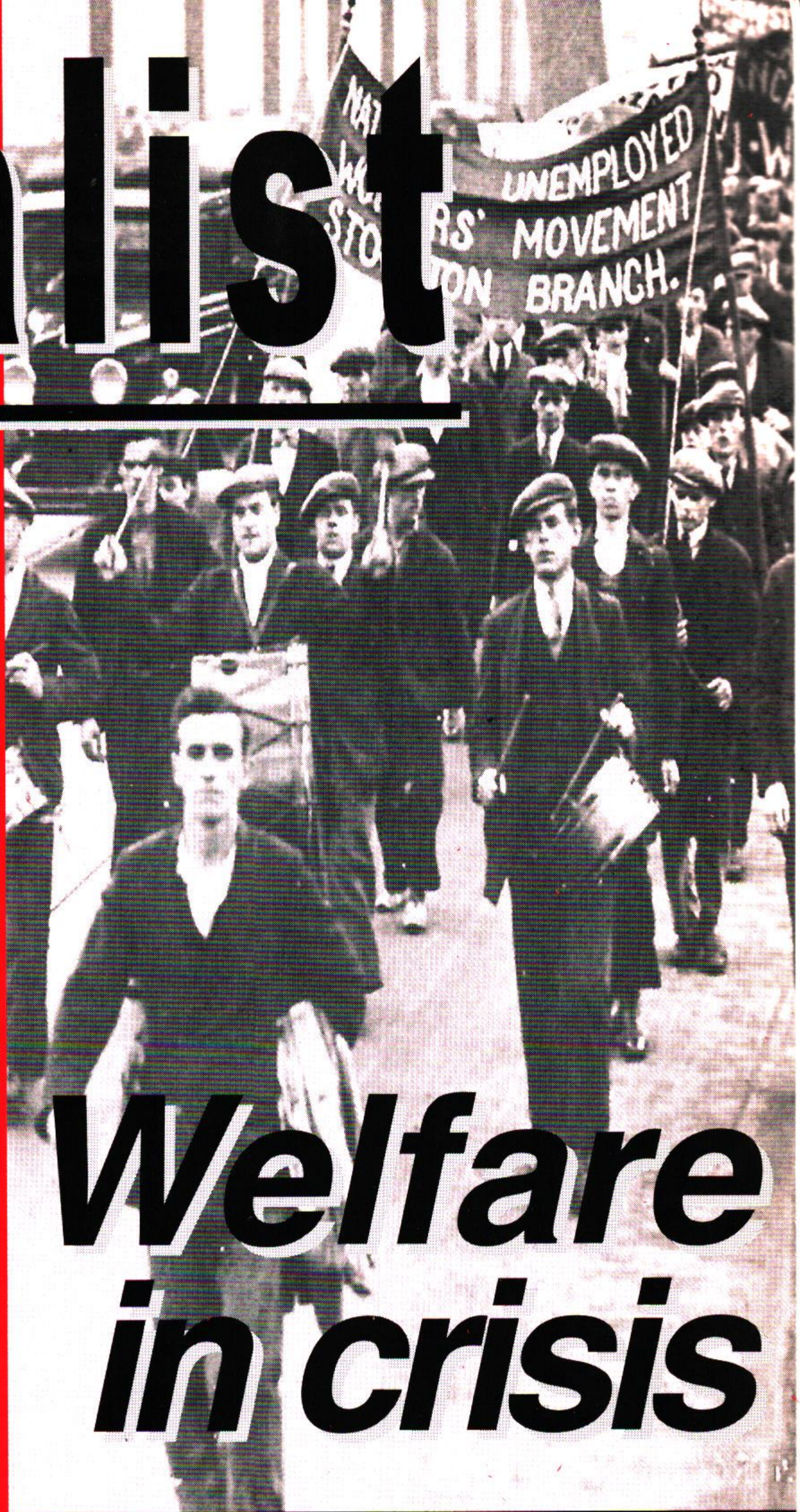
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elections*

The Marxist voice of the labour movement
issue 52 June/July 1997 price: one pound



Welfare in crisis

fight for socialist policies

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Labour in Ireland

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□ **Editorial**

Low wage Britain: Europe's new model?

Bill Clinton's recent trip to London was hailed by the media as the rebirth of the 'special relationship' between the US and Britain. Clinton became the first US president since the war to address the British cabinet and in the hours of talks a new 'accord' was created - just as Margaret Thatcher and Ronald Reagan had pushed their ideology of free market's and monetarism onto the rest of the world, Blair and Clinton agreed to push their model of capitalism, a 'shared agenda' is how they described it.

They will use their consecutive presidencies of the G7 to promote their economic strategy of flexible labour markets, welfare reform, 'partnership' with business and investment in training and education. On Europe, Clinton was keen for Britain to take centre stage, attempting to influence the other European states to follow the path of 'flexibility.'

They claimed that the US and Britain were leading the big industrialised nations in the field of job creation, while countries like France and Germany were stuck with record levels of unemployment, and that other countries would have to look towards the anglo-saxon model of flexible markets, as opposed to the so-called 'social market' model of mainland Europe, if they were to 'succeed' in the next period.

All this may sound like rhetoric, but it has very serious implications. Britain and the US have spearheaded the so-called 'management counter offensive' over the last ten years or so, where the balance of power in the workplace has shifted dramatically away from what existed back in the seventies towards a situation where employers have the supreme right to hire, fire and pay low wages, whilst employee rights have been driven down more and more through successive waves of legislation.

In Britain, as well as being one of the lowest paid workforces in Europe, workers now work the longest hours and have the shortest paid holidays. The right to strike and even the right to basic union recognition has been drastically curtailed.

The argument goes that this has allowed the British economy to be far more compet-

itive in the new 'global' market. Japanese and American companies have queued up to take advantage of this 'flexibility.' In fact the bulk of inward investment into Europe has been into Britain, with Ireland close second. The apparent success has been to rid ourselves of the infamous 'British disease' of the sixties and seventies - the strikes, the closed shops, the demarcation disputes. Now they talk of the 'German disease' and 'eurosclerosis' as the great economic enemy.

What the Blair-Clinton accord does is to try and push all the big capitalist countries down this road. Organisations like the IMF and World Bank have long pushed the model, now the US and British governments will use their clout to parade it's so-called benefits. But in reality what it all means is that capitalism can no longer afford the high wage, high welfare economies of mainland Europe. If we are going to compete with the South East Asians and other developing economies then we are going to have to accept their wage levels, their social provision and their employment rights.



Unemployment levels in Britain have been going down. But in the year up to December 1996, the official level dropped 360,000, however the number employed (including those on training schemes) only went up 220,000. That means 138,000 came off the dole but never got a job. Flexible statistics more than flexible labour markets!

And of the new jobs being created? According to the *Labour Force Survey*, 43% of new jobs created since 1992 are part time, and 50% of the full time jobs were on temporary contracts. 25% of Britain's workers work part time, compared to the European average of 15%. The 'flexible' market means many more people working part time, on short term or temporary contracts or on a self-employed basis. We have seen an explosion in the 'grey' economy with many more people working for themselves and with more than one job.

Of course, the ultimate in 'flexibility' is the notorious 'zero hours' contract where workers only come in to work when required and only get paid for the hours on the job. This means widely fluctuating hours on usually extremely low hourly rates. You are quite literally at the employers beck and call.

If workers are prepared to move around in the jobs market, accept the fact that there is no more 'job for life,' and accept varying pay rates throughout their working lives then this will be an 'encouragement,' according to the theory, to companies to expand their business. Companies can set up quickly, close down if necessary, move location, all to take advantage of the flexible labour market and make them more 'competitive' in the new global economy.

The argument seems to imply that everyone is a winner. Even if you are on a low paid, temporary contract, there will be many opportunities to 'shift up' because the economy is 'dynamic.'

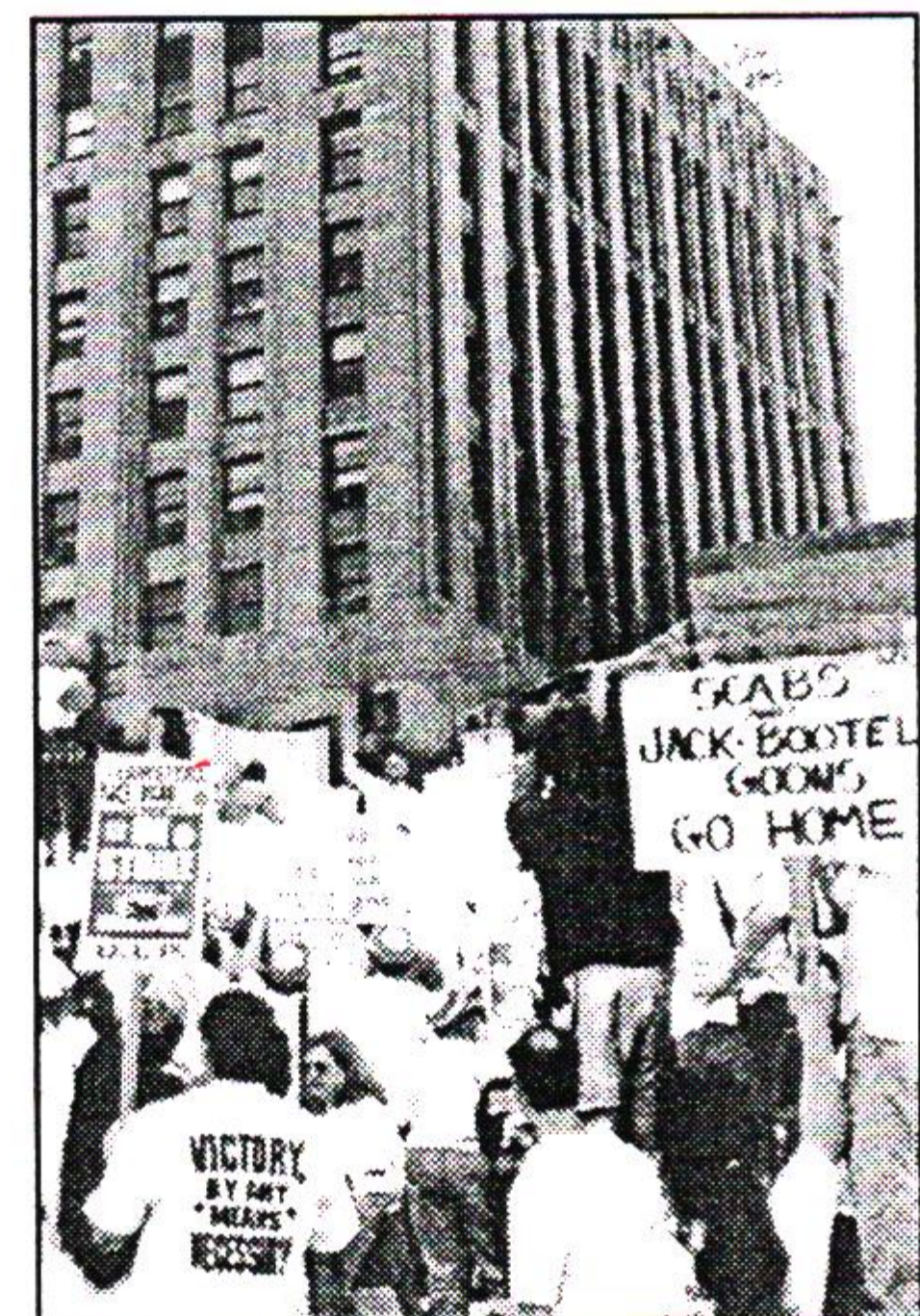
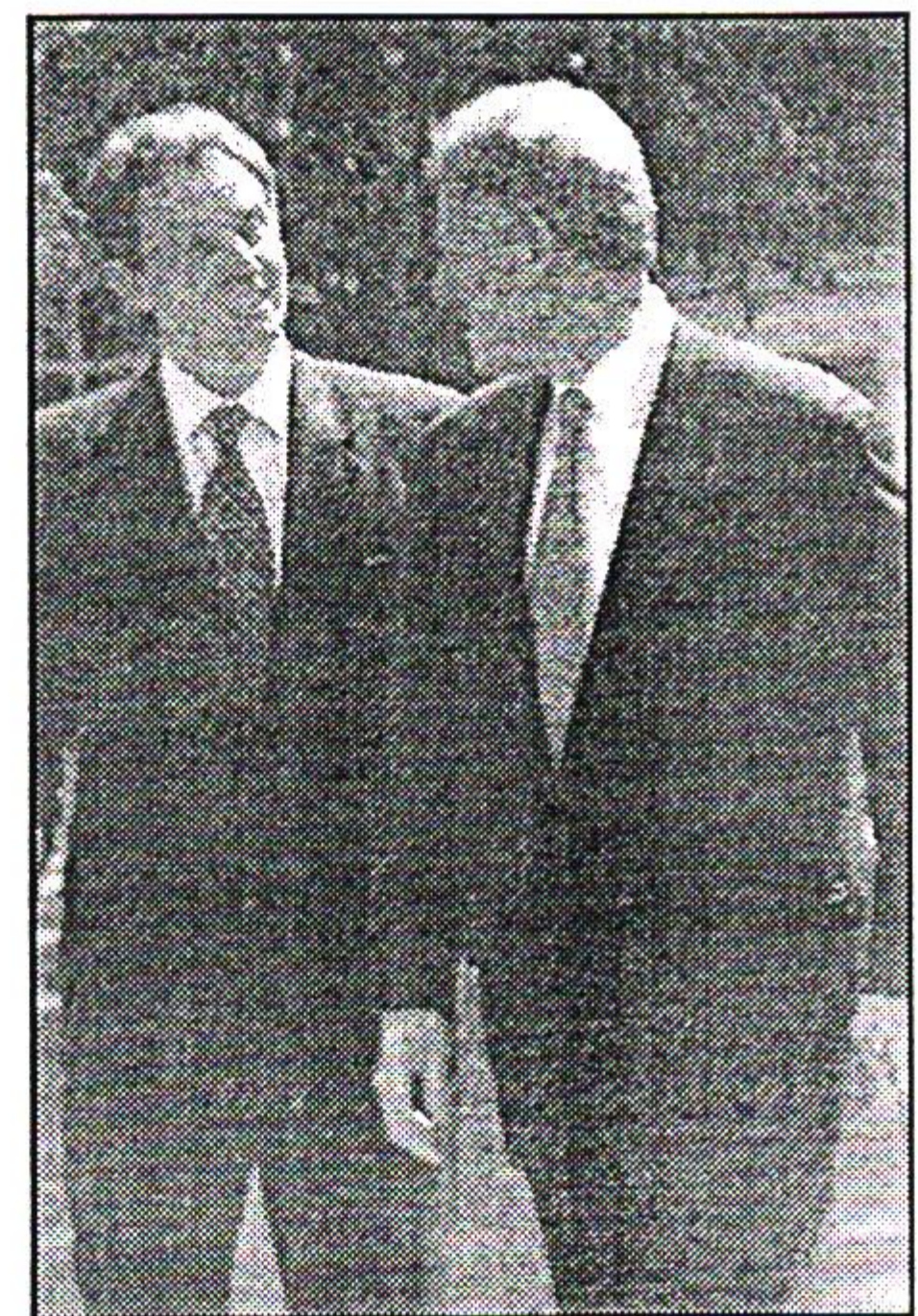
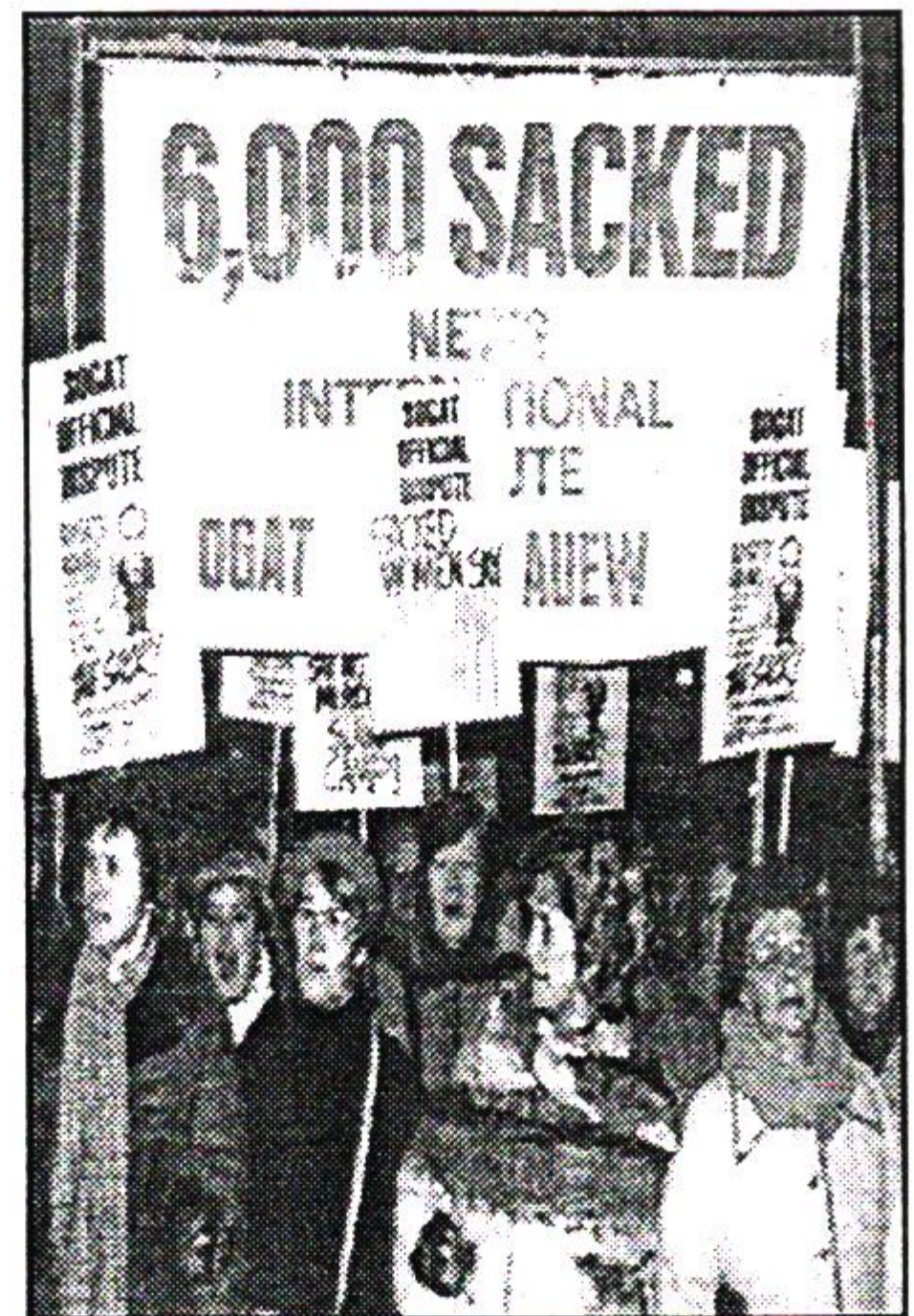
Of, course there are flaws with the theory. The biggest one being that it is complete garbage. In fact, rather than creating a 'dynamic' society, Britain and the US have transformed themselves into the two

most unequal societies amongst the big industrialised nations. Growing sections of the population are now excluded from what was once taken for granted. The creation of what Tony Blair has called the 'workless class' has gone on at a pace. Poverty, unemployment and underemployment have all risen dramatically over the last period. Bill Clinton himself has pointed out to this terrible downside of the new situation - but that has not stopped him hailing it all as the way forward.

Along with their drive for flexibility, Blair and Clinton are championing welfare reform. For how can a workforce be truly 'flexible' when there still exists what Frank Field has called a 'dependency culture.' At the end of the day all this talk of flexibility is no more than a sophisticated version of the crude 'on yer bike' strategy put forward by Norman Tebbit in the darkest years of Thatcherism.

In the actual workplace too, 'flexibility' has become the norm. Teamworking, multiskilling, and a whole host of other so called new management techniques have turned most people's jobs into nightmares. Basically a lot less people are being asked to do a whole lot more work. So the 'new deal' offered by the Blair-Clinton accord is little more than a rehash of eighties Tory ideology. If workers accept low pay, few rights and do what their told, big business may offer you a job.

The new Labour government, rather than championing this favoured 'anglo-saxon' model of capitalism, should be championing workers rights, decent pay and conditions and real jobs with real training. Flexibility is little more than a sham covering up big business's low wage, anti-union strategy followed religiously over the last few years in Britain and America. Now they want to export it worldwide. Labour was not elected to be ambassador for the very system that has caused so much pain. It should be adopting a genuine socialist programme, one that can really begin to tackle all the problems stoked up over the last twenty years. ☆



Minimum wage: introduce £4.42 now!

The eradication of poverty wages and high unemployment should be a priority for any Labour government, certainly this one! The immediate introduction of a statutory minimum wage would clearly act as a good starting point. Unison's existing policy on this question would certainly be a step in the right direction.

by Steve McKenzie

Unison argues for the immediate introduction of the minimum wage set at the level of half male median earnings (currently about £4.42 per hour) rising to the level of two thirds of male median earnings (£6.63 per hour) within the first term of the governments office.

At today's prices this would still be pitifully low (a minimum wage is not a living wage) but at least it would be a start.

Unfortunately this start—or any start for that matter—does not seem to be on the cards at present. What we have instead is the prospect of the establishment of a low pay commission whose job it will be to determine at what level the minimum wage is to be set.

At best this will mean an unacceptable delay for those workers currently trapped on slave labour wages.

It seems that the employers organisations will be heavily represented on this commission. How sympathetic will they be to the plight of the low paid?

The original favoured (favoured by whom?) suggestion that the retired chairman of Whitbread, Peter Jarvis, be the chairman of this body does rather seem to prove the point. As it happens, Jarvis has been dumped in favour of an 'academic', George Bain, who is supposed to be independent. But how independent is independent? Relief that Jarvis has not got the job should not blind activists to the limitations of the successful candidate. Surely this body should be positively biased in favour of the low paid rather than seeking to see 'all sides', a formula which usually means seeing just the bosses side! More to the point, why do we need a commission at all? The facts of poverty and low pay are already all too well known. We need action not more talk.

Already figures such as £3 or £3.50 are being raised as the likely result of this commissions deliberations. Such a level would be wholly inadequate. True this would represent an advance for those thousands of workers who earn below this but it would represent a pitifully small improvement for a relatively small section of the worst paid workers.

Whilst any gain however small should be supported, the movement should be fighting for a decent level. This is why people voted Labour and they expect real results and a real minimum wage.

For 18 years the Tories pursued the disastrous policy of turning Britain into a low wage economy by using the whip of high unemployment, attacks on trade union rights and the cynical use of fear and intimidation to drive down wages and conditions whilst maximising profits for themselves.

Investment in research and development, new machinery and technology declined as employers looked instead for 'get rich quick' options on the backs of the low paid. As the employers have striven to get more out of less, stress and anxiety amongst those in work has reached epidemic proportions. No wonder the Tories couldn't find the 'feel good factor' that was supposed to exist during a boom - for those who live in the real world outside the charts and figures of the City of London it did not exist.

On May 1st, The Tories paid the price and were chucked out of office by workers who had seen enough and wanted a government that would fight in their interests. That is the task facing Labour.

Health, education, welfare, homelessness, the environment: these were the issues that won Labour the election and the promise of a minimum wage will be seen by workers as central to this. If Labour does not deliver on this then what hope will there be for progress on the other issues?

It has been said time and again by bosses representatives and the Tories that competitive i.e. low, wages means more jobs (or jobs saved) and therefore imposing a minimum wage will directly affect numbers in work. This argument, which underpinned the discredited Tory economic policy of the low

wage economy and which has been used as the main reason for opposing the minimum wage, must be rejected. Other countries have a minimum wage without employment levels being affected one way or another. In the main employers employ the minimum number of workers required to do the job. They will not employ more because they are cheaper (since the alternative is simply to take the extra profits) nor will they employ less because of any extra wage costs unless they can cut numbers by getting more work out of the workers (which they will try and do anyway). The bosses oppose the minimum wage for the same reason they oppose any and all wage claims. They see their profits under threat and seek to maintain them at whatever the human cost. If these enlightened spivs had their way we would all be working in Victorian conditions and on Victorian rates of pay! The movement should therefore take the same attitude and fight for a decent minimum wage in the same way that they would or should fight for any other claim. If these firms are so hard up then let the unions have a look at their books (the real ones by the way!) and their profits so we can see for ourselves the actual state of play. Given the high payout of premiums to shareholders over recent years you cannot help but suspect that this 'poor old firms' excuse will have little basis in reality. The public sector certainly has no excuse not to meet the minimum wage levels.

The movement should not wait on the no-doubt lengthy deliberations of any commission but be pressing straight away for the immediate implementation of a minimum wage starting at £4.42 an hour. Labour should listen less to the demands of fiscal capital and more to those who actually elected them.



Engineers need fighting union

The AEEU's 1997 Policy Conference was the first trade union conference to be held following Labour's spectacular election victory. The mood was set from the very beginning at the pre-conference 'socials,' where each region was visited by an EC member who warned delegates that they mustn't do anything to 'embarrass' the Labour leaders.

It was clear how the conference would proceed the next day when the Standing Orders Committee was elected. The right wing won, by around 2 to 1, but the most significant fact was that, for the first time, they distributed a slate, and admitted that they were organised, calling themselves AEEU United. Of course they've always been highly organised, but this is the first time that this organisation has been publicly announced. This gives the left the green light to organise an open, democratic Broad Left, to stand candidates in elections, and to fight for socialist policies in the union.

To date the left has only been secretly organised, inevitably restricting itself to handfuls of activists 'in the know,' but now there is a real opportunity to call a National Broad Left Conference open to all AEEU members.

This takes on an added significance since the conference endorsed the rule changes which create a lay executive. There was a sizeable minority opposed to these rule changes, which take away much of the unions democracy.

Nevertheless, they were passed, and an important part of the struggle to restore that democracy will be winning positions on the new EC. That is why calling a National Broad Left is such an urgent priority. To gain seats on the new EC, the left must begin a serious campaign now.

At the same time, too many times at this conference left delegates were prepared to withdraw their motions without even a debate. A Broad Left must also discuss policies and fight for a programme, and not restrict itself to being an election machine.

Meanwhile other delegates discovered that their motions weren't even tabled, because of 'lack of time,' according to the Standing Orders Committee. This was never put to the conference floor, it

was simply 'decided.' In the debate on the Minimum Wage, for example, the one motion which answered the right wing objections to a minimum wage of £4.42 an hour, that is that it would erode differentials, was never withdrawn or remitted, nonetheless it was not debated either. The motion called for a National Minimum Wage to be combined with a set of minimum standards in the engineering industries, including a minimum hourly rate of £9.00 an hour and the introduction of a 32 hour, 4 day week. A delegate from the region responsible for the motion said that he was 'disgusted that the conference wasn't able to hear the case for a set of minimum standards at work.'

Conference overwhelmingly endorsed maintaining the Trade Union-Labour Party link. This position was backed by the right wing leadership too. However they are already trying to dampen down our expectations, calling for patience, and incredibly arguing that we shouldn't rock the boat because we need to win the next election.

We can be patient, but not forever. After 18 years of the Tories we only want a Labour government to act in our interests, in the same way that the Tories acted for their friends in big business for all those years. Is that really too much to ask? Labour can only really expect, and deserve, to win the next election if it improves the lives of ordinary working people now. That is a big task, and therefore requires big solutions, not tinkering.

Don't ask us to wait another 5 years, we've waited long enough. The mood of expectation demonstrated here guarantees that if Labour fails to deliver, this union, along with many others, will be up in arms.

This is a very powerful union, in the hands of the current leadership, with all their talk of social partnership - they even invited our employers to attend the conference, placing some members jobs in jeopardy - it isn't fulfilling its potential for defending and advancing the conditions of our members. The opportunity exists now however to change all that by fighting to transform the AEEU into the powerful force it could be.

A conference delegate

CPSA: merger plans back to drawing board

The election of a Labour government was welcomed by delegates to this year's conference, as was the news that the government would restore trade union rights at GCHQ. However, the CPSA still has no voice in the Labour Party and the NEC came under fire for not carrying out previous conference policy in seeking affiliation.

Now more than ever, with Labour in government, the CPSA needs that link with Labour to press for policies in the interests of our members, such as a decent minimum wage, the end of privatisation, and job losses.

One of the biggest issues facing this year's conference was the terms of the proposed merger with PTC.

Although a clear majority support the idea of merger, the proposed move to a biennial conference, and other infringements of democracy were clearly rejected, and a position was adopted similar to that in the PTC, that is, that the terms of the merger should be renegotiated and then put to a special conference. Many delegates were anxiously awaiting the results of the General Secretary and NEC elections. Unfortunately, despite a significant increase in support for the Left Unity candidates, the right wing managed to cling on to their positions, while not increasing their vote. They won by only a thousand or so votes, on what was a relatively low turnout. The results were a disappointment to many on the conference floor, which, as ever, was well to the left of the leadership.

In spite of this setback over 200 people attended a Left Unity rally which pledged to continue to build support for the left in branches around the country. A key demand in that campaign must be for the union to affiliate to the Labour Party, in order to be able to influence it in the interests of our members. This demand could also help to cut across the propaganda of the right wing, who claim to stand in the name of Labour as opposed to some of the left's candidates who, they point out, support other parties.

30 copies of Socialist Appeal were sold at the conference.

Leadership contest exposes Tories 'dark side'



Now is the winter of our discontent, made glorious summer...As the hangover faded on May 2nd, the realisation dawned that, no, this was not a dream. The Tories really had been reduced to a rump in parts of the south of England.

by Phil Mitchinson

For them it is a living nightmare. No Tories left in Scotland or Wales, and not that many in England either. Labour's majority is larger than the number of seats that the Tories won. The reasons for Labour's remarkable victory are dealt with elsewhere.

This page is reserved for gloating. The Germans have a very good word for this, "schadenfreude", taking pleasure in the discomfort of others.

In 1979 the Tories had 339 MPs, 12,100 councillors, and 1.5 million members. Today they have just 165 MPs, 4,400 councillors and less than 300,000 members. So much for the "natural party of government." As Marxism explains, the only thing eternal is change, things which seem permanent fixtures can suddenly crumble to dust.

How bad is this defeat? Can the Tory Party survive it? To answer the first question, it could hardly have been worse for them.

As for the second, well, things which seemed unimaginable now appear possible. As this journal has pointed out for some time now, they could even split apart. In 1945, when Labour won a landslide victory, the Tories still had 43 MPs in the North of England, 29 in Scotland, and 4 in Wales. Today all bar 17 Tory MPs are in seats in the South, or the Midlands. Even then, the Tories have no MPs in Birmingham, and the biggest swings to Labour were in the south. In 1945 they won 40% of the vote, compared with just 31 % this May. Not since 1832 have the Tories suffered such a defeat. That is a very significant date.

It was the birth of the modern Conservative Party. This result could sound their death-knell.

The Tory Party is the oldest political party in Europe, tracing their roots back to the Cavaliers. The nineteenth century Tories were defeated by the Whigs on a programme of reforming Parliament. Earl Grey's 1831 Whig government introduced a Reform Bill to enfranchise all householders rated at £10 per annum, thereby extending the electorate from 500,000 to 1 million, while still excluding the working class. More seats were proposed for the growing cities and metropolitan areas, passing more power to the industrialists and manufactur-

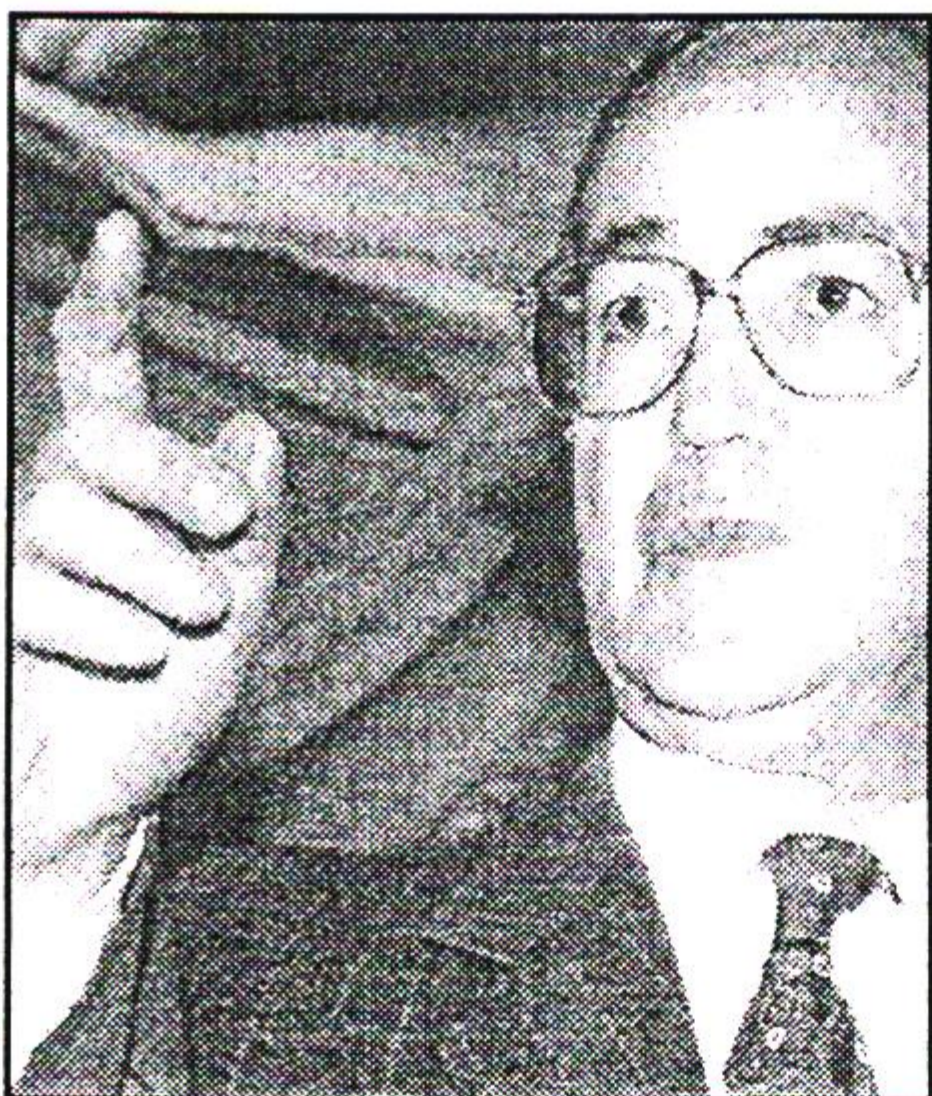
ers. In the best traditions of British "democracy" this was reform from above to prevent revolutionary upheavals from the bottom of society. This was illustrated by Lord Macaulay, speaking in the Commons on March 2nd 1831, he warned, "Unless the plan proposed be speedily adopted, great and terrible calamities will befall us...At present we oppose the schemes of revolutionists with only one-half, with only one-quarter our proper force...We do more. We drive over to the side of revolution, those whom we shut out from power...Turn where we may, within, around, the voice of great events is proclaiming to us, Reform, that you may preserve!" The widened franchise saw the Whigs take 500 out of the 658 seats in the new Parliament. The lords, industrialists and manufacturers, hoped the Reform Bill would prevent revolution. The workers expected it to be followed by real reforms in their living conditions. It solved nothing. Elections in themselves never do. But they can reflect the mood developing in society at a given moment. The failure of the new government to solve the problems of the working class, led to the explosion of the Chartist movement.

At each stage working people have had to fight, through their own organisations, for every reform they've ever gained, including the right to vote. Eventually, they had to create their own political party, the Labour Party, out of the unions. That whole process began with the defeat of the Tories under the Duke of Wellington. The Whigs renamed themselves Liberals, while the Tories became the Conservatives.

That was a turning point in British politics. This could be another. But could this actually mark the death of the Tory Party? Well, their members are certainly dying out like proverbial flies. According to Jim Breakell a Tory and former council leader from the South Ribble constituency, himself 66 years of age, "a considerable proportion (of our members) are over 60. Very few, perhaps 10%, have got 20 years ahead of them. I always classed myself as one of the young ones." (Quoted in The Observer 25/5/97)

According to the BBC's exit poll, 84% of Tory members are over 45, 65% of their votes came from the older half of the electorate. This year's Young Tory conference was actually cancelled due to lack of interest!

Not satisfied with the battering they suffered in the elections, their decline in membership, and numbers of elected representatives, they are now suffering from what the Americans euphemistically call "friendly fire," the civil war over the race for the lead-



☐ Tories in crisis

ership. This had already begun well before the election, of course.

However the favourite for the job, Michael Portillo, was a casualty there too, he lost his seat, along with 7 other cabinet ministers.

Michael Heseltine got so excited that at last the opportunity he'd been awaiting all his life had come, that he promptly ruled himself out by having a heart attack. With Portillo out of the running, the fight for the right wing candidacy was opened up. Peter Lilley joined the fray, along with Redwood, Howard, and Hague, with ex-chancellor Clarke fronting the "left," left being a very relative term in the Tory Party. Remember what Clarke did to our schools when he was at Education, and what he did to the NHS when he was at Health, without even mentioning his role as Chancellor. But, he does support a single currency, which has led some of his opponents to announce that they would leave the party if he won. Not to be outdone, the "pro-Euros" have made a similar threat if one of the anti-Europeans (i.e. all the other candidates) were to win.

Meanwhile, Michael Howard, a frontrunner for the job, has been denounced as sinister by one of his own former ministers, the bride of Frankenstein herself, Ann Widdecombe, and she should know!

At present William Hague, largely through having not been around as long as the rest, and therefore having created less enemies, seems a favourite to win. In any case, it is a pleasure to watch them tear themselves apart. "Just rejoice at that," as Thatcher once remarked. Indeed, there may be more to come, they could even split in two, if not immediately then, in the long run, it is hard to imagine them remaining as one, united party.

Just a few short years ago, many commentators, even on the left, firmly predicted that Labour would never again win an election, they would have to unite with the Liberals, and so on. Now it's the Tories turn. In the same way, the French Socialist Party was written off when the Right won the biggest parliamentary majority in France for 150 years. Yet, the French SP have just swept back in, and incidentally, on a programme including the introduction of a 35 hour week. Though not a thorough-going socialist programme, it is to the left of Labour's pledges, which serves as still further evidence that it wasn't the lack of, but in spite of the lack of socialist policies that Labour won a landslide here. In both countries we see once again, that when working people attempt to solve the problems they

face, they turn in the first place to their own, traditional organisations and parties.

That such dramatic election results should not be confined to Britain, signifies that something more profound is at work than just our own understandable hatred of the Tories. At root, it is a political reflection of the fundamental change which has been taking place in the world in the last few years, a change which "Socialist Appeal" has consistently attempted to trace. Essentially, while things have been going from bad to worse, the idea that it would be possible to go back to the so-called "good old days," has been dispelled. Therefore, the mass of ordinary people, and not just in this country, are demanding change. That should act as a warning to those in the labour movement who want to serve up the reheated leftovers of the Tories.

Elections provide us with a snapshot of general opinion at a given moment. The opinion they've captured in this vote is that we've had enough of unemployment, of low pay, of privatisation, of attacks on the welfare state. Added up this clearly amounts to a rejection of the market, not just in the NHS, but in our lives.

This deep-seated change through which society is passing also has its effect on the ruling class, who lose confidence in their ability to simply rule in the same old way, and tend to split. We've seen this in Italy, Japan and elsewhere in the last few years. This explains the current splits in the Tories.

One thing is for sure, an historic turning point has been reached in this election. We have entered a very turbulent period in politics, internationally. All the old certainties have gone. The opportunity exists now to fundamentally transform the lives of ordinary people. What a waste it would be if having brought the Tories to such a low ebb, a Labour government were to be so slow off the mark as to allow them time to recover. What a crime it would be, if everything the Tories stood for having been so dramatically rejected by the mass of British people, Labour failed to implement a programme of fundamental change, a socialist programme.

Watching the Tories self-destruct is revenge indeed for the last 18 years, but the only way to finish them off once and for all, is to do away with the rotten capitalist system they represent. ☆

On the buses

There has been widespread anger in the Midlands following news that the Chief Executive of National Express, Phil White, has received a "bonus" worth nearly one million pounds—for slashing nearly 600 jobs.

White has received a bonus of £830,000 on top of his £200,000 plus salary, and has immediately been dubbed the "Fat Cat Controller" by workers in Birmingham.

National Express say the money was to "reward Mr White's special contribution to the group, in particular the rationalisation of West Midlands Travel and successful disposal of non-core businesses." Translated into English this means sacking people.

National Express have been swallowing up the privatised rail and bus services in the region. Mr White's "special contribution" has included:

- * 200 redundancies at the headquarters of Central Trains.

- * 20% staff reductions at Midland Mainline.

- * 197 redundancies at the Travel West Midlands bus company.

Meanwhile, National Express continues to receive a government subsidy of £543 million of taxpayers money every year.

Unfortunately Labour was unable to capitalise on this latest 'fat cat' scandal as the story came on the day that news broke of the Labour leadership's U-turn on the privatisation of air traffic control. Yet National Express shows the reality of privatisation - mass redundancies, worse services for the public while the bosses laugh all the way to the bank.

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119 women MPs: will they make a difference?



Women have been flavour of the month for the media since Labour's May 1st landslide catapulted 101 Labour women into parliament, most of them for the first time. Five women in the cabinet, a woman leader of the house and 119 women MPs altogether, certainly add a new look to the stuffy old boys' club of the House of Commons.

by Elizabeth Short

Photographs of women MPs, all smiles as they cluster around Tony Blair, newspaper profiles of the potential stars of the new intake, analysis of the careers of the women cabinet ministers, all create the impression that the world is suddenly a women's oyster.

Certainly the world of parliament is now likely to be changed by the presence of the Labour women, starting with their own working conditions by reforming the hours and archaic procedures. Ann Taylor, leader of the house, has declared herself committed to making parliament a "more family-friendly kind of place". But just how much impact they will have on the living and working conditions of women outside the narrow world of parliament, remains to be seen, for it depends not on their gender but on their policies, and their willingness to fight for their class.

Already on day 2 of the new government, the promised ministry for women was unceremoniously ditched and responsibility for women was tacked on to Harriet Harman's brief as Social Security Secretary. Any murmur of protest from the Labour women was so faint as to be inaudible.

A few brief weeks before, Shadow Minister for women, Janet Anderson, writing an election campaign article for UNISON's Labour party affiliated members, predicted a "huge visual and practical impact from an increased number of women joining the Labour benches". "Those women MPs," she wrote, "will be backed up by a minister for women and a team of civil servants working at the heart of women's issues and concerns - from low pay and safer public transport to better childcare and training opportunities". Post-election, Ms Anderson was made a whip, while the ministry was wiped ruthlessly off the government's map.

Unfortunately, making a decisive improvement in women's lives is as little likely to be influenced by a change of gender in our representatives as it was by a

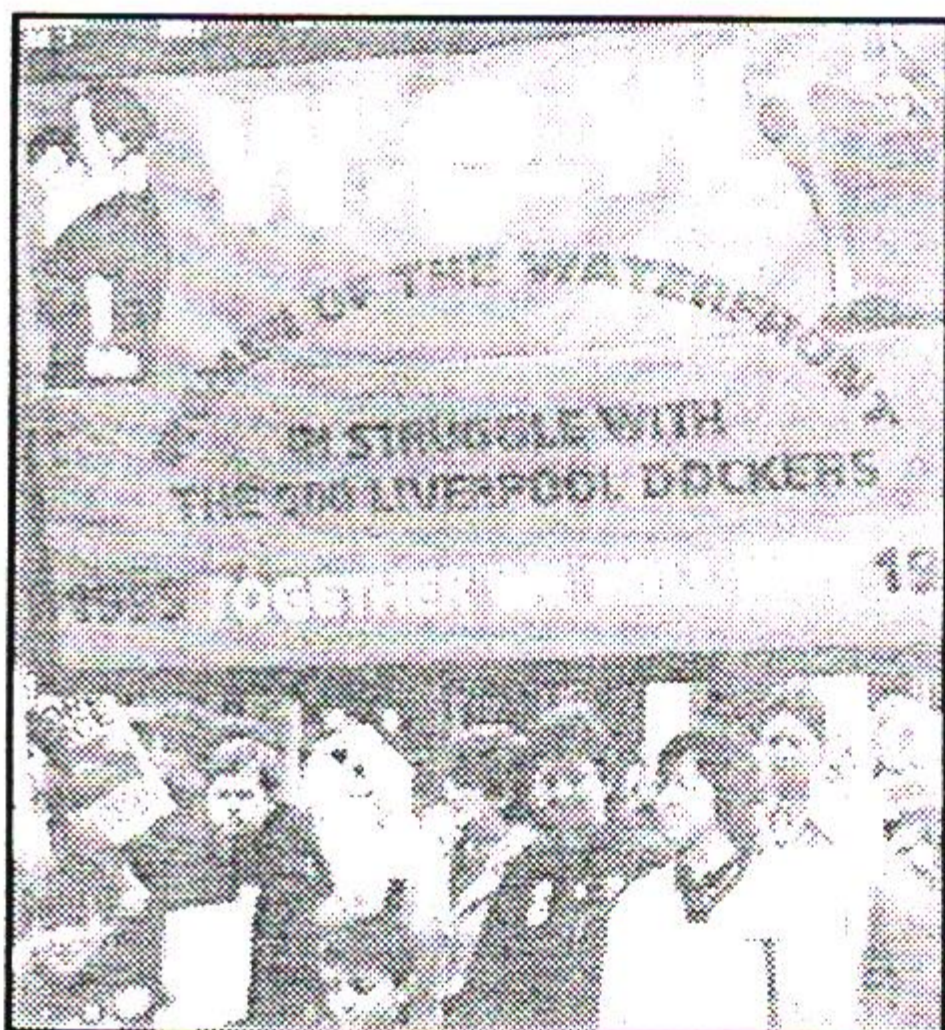
toothless and tokenistic ministry for women. It requires tackling the fundamental economic conditions of our society, to provide jobs and a living wage for everyone.

Two of Labour's main policies, *welfare to work* and the *minimum wage* will have a direct effect on women but it is open to question whether this will be for the better. All the proposals tinker with the system but are unlikely to be of much concrete benefit to women. Though the presentation would have you believe otherwise, overhauling the welfare system is designed to save on public expenditure.

Single women with children have been prioritised (or targeted) to save the country the £7.1 billion they are paid in benefits by "making themselves available for work or training when their youngest child has started school". A "package" of job search, training and after-school care to help lone parents off benefit is all very well if the jobs are there and if local authorities are not simultaneously pruning play-centres and holiday play schemes to make budget savings. The government's plan is apparently to "encourage more after school clubs funded by lottery and private sector cash". This hardly sounds like a national plan for child care, more a hotchpotch of ad hoc provision. And if private enterprises are expected to provide, they will want to make a profit from the fees from the service. Unless there are well-paid jobs enabling them to afford such charges, single parent families will remain in the poverty trap. There are many "ifs" about this scheme, not least, if there will be compulsion.

Tory ideology directly laid the blame on women, whether single parents or working mothers, for the social decay caused in reality by British capitalism in decline. With so many working mothers now in parliament and Downing Street, this group will no doubt escape any blame from the new government.

But single parents on benefit look set to continue as scapegoat number 1. The Tories scapegoated single mothers for living on benefits and jumping housing queues. The new Labour rhetoric talks of "empowering not punishing" them and helping them get themselves out of the "dependency culture". But in the new, as in the old regime, they are seen as too expensive for the country to afford. The ideology is given a new 'moral' slant; singling them out is supposedly from concern for their plight. But the net effect is the



☐ Women

same. Capitalism, with its waste and inefficiency throwing millions onto the scrapheap of unemployment, is let off the hook again.

It was not only on the ideological front that women came off worst in the 18 year battering the Tories gave the working class. As workers, they suffer most from low pay and the lack of good, affordable child care. More dependent on public services as carers or public transport users, they have been hardest hit by cuts, deregulation and privatisation.

18 years of Tory government saw a doubling in the proportion of part-time workers. Two out of every five women workers (40%) work part-time compared with just 4% of men. Most of them do so to juggle the need for an income with the need to care for their children. Making ends meet on part-time wages is hard, if not impossible, so the Tories also oversaw a massive rise in the number of second job-holders.

Labour's election pledge to establish a minimum wage should benefit the 800,000 people, most of them women, currently earning under £2.50 an hour. Labour's manifesto only committed them to a "sensibly set" minimum, aiming merely to "remove the worst excesses of low pay". A figure of around £3.50 is emerging as the likely compromise between business and the unions, which will indeed only raise the most scandalous wage rates. The likelihood of the unions' modest claim for a rate based on £4.42 being accepted by the low pay commission looks remote.

Yet this is the measure which would have most impact on women's lives, getting so many of them off poverty pay. With a majority of 179, Labour could set a minimum wage immediately at any level it chose and ignore the howls of outrage from the employers. The women in parliament could fight for this course of action, but to do so they would need to acknowledge that Labour's vision of working in partnership with big business is a pipe-dream.

It remains to be seen how all the MPs, both men and women, will react when there is a conflict between the interests of business and the interests of the working-class. Highly paid women earning enough money to buy their way out of everyday problems of child care and running a home, may view the arrival of so many women in parliament as an end in itself, another glass ceiling starting to crack.

But working class women will only gain from their election, if they fight for concrete improvements in economic conditions and force capitalism to pay for them. Unless that

101 Labour women MP s are prepared to fight for a living minimum wage, or for massive investment in public transport, decent housing, child care, and community care for dependent relatives, then their impact on women's lives will be minimal.

A change in the style of enacting legislation may be more attractive to watch on television, but it is the substance of the legislation that matters. Despite all the rhetoric about strengthening family life and getting the unemployed from welfare to work, the serious measures required to bring these improvements about are right off the government's agenda.

The unions will not be liberated from the shackles of the Tory anti-union laws to fight for better pay and conditions for their members or to reduce the working week. Public service workers, the bulk of them female, have been sternly warned that "unreasonable" public sector pay demands will be resisted. Lip service is paid to a more equal relationship between men and women and helping parents balance work and family. But lifting the burden of responsibility from women's shoulders can only be done by a radical transformation of society, with technological advance being used to reduce the working week for both men and women. The lunacy of mass unemployment co-existing with stress and over-work amongst the employed could be redressed.

With a shorter working week for everyone, people would have time to spend with their children, time for leisure and continuing their education. New Labour contents itself with approval of the maximum 48 hour week in the EU working-time directive. Part-time hours is not pie-in-the-sky, it is the only way to make Tony Blair's new deal for the jobless a reality. The shorter working week for all, on a living wage, is in the end, the only way to achieve the economic liberation of women. With productivity geared to catering for need rather than profit, child care could be geared to catering for the developmental and emotional needs of the next generation instead of being, as it so often is today, subordinated to the demands of parents' work schedules. "Labour to power" is only the first part of the equation. Women will undoubtedly be at the forefront of the struggle to get Labour to implement even the feeble pledges in the manifesto and in so doing they will understand that "partnership with business" can never deliver a society run in the interests of all its members. Only "Labour to power on a socialist programme" can make the changes which will really improve women's lives. ☆

Islington workers strike

As we go to press Islington's dustmen look set to strike over proposals to hand their jobs over to a 'joint venture' company. Under CCT, the refuse collection and street sweeping contract was won in-house three years ago (and still has two years to go). Now some councillors and senior officers, seemingly seduced by private enterprise and the possibility of cash benefits from the Tory inspired Private Finance Initiative, are hell-bent on privatising anything that moves.

The joint venture idea was first proposed at the end of last year. To say the workforce was gobsmacked would be an understatement. After shedding jobs and accepting considerably increased workloads in order to win the contract in-house, they could barely believe that they could be repaid with such disloyalty. At first, management ducked and dived, gave out half-truths and piecemeal information, and generally gave the workforce the runaround. The lack of information led to a good deal of confusion and probably helped delay any industrial action until now.

It is proposed that the purpose-built depot at Holloway (a highly valuable capital asset in an inner-London borough) be handed over to the new company. As well as dustmen and roadsweepers, motor mechanics-who won their contract under CCT only ten months ago - will also be transferred as will admin and supervisory staff. At the beginning of this month (June) we discovered that the council had agreed to a request from the interested companies to hand over the lucrative trade waste section, fleet management (which would mean the council effectively renting back its own transport fleet from the private company) and recycling.

Unison members have now returned a 95% vote in favour of industrial action in a consultative ballot. GMB members are also set to return a similarly overwhelming vote. The mood is one of anger and determination but also euphoria because at last we're beginning to fight back.

**Pam Woods, Unison steward
(personal capacity)**

Bronte Foods workers take up struggle

On May 7th, 24 process workers were sacked and duly escorted off the premises of Bronte Foods, a chicken processing firm in Howarth near Keighley, Yorkshire. The reason for the dismissals, according to the company, was for taking part in industrial action. The workers, all Asian, refute this and have lodged claims for breach of contract, unfair dismissal (only for three that have had more than two years service) and racial discrimination.

*by Steve Davison
President, Keighley TUC*

The issue that brought things to a head was the company's insistence on the men raising production from boning 400 chickens per day up to 600 with a reduction in their potential bonus earnings from £10 down to £8.60. These workers earn a miserly £120 basic rate for 40 hours work. This company is a notorious anti-union firm that has for years exploited the most vulnerable workers in the district, employing predominantly Asian workers and young whites, often straight from school. Because the jobs are soul destroying and dirty the company pushes the workers to the limit and replaces them with more cheap labour as they leave.

All the sacked workers are now members of the TGWU and at a meeting attended by 100 or so Bronte Foods workers the majority voted to join the union and demand that their union be recognised at the plant.

Nevertheless the majority of the Asian workforce are in the process of becoming union members and some of the white workers have taken application forms and are considering joining. Two successful demonstrations have been held outside the plant, attracting media interest from the likes of Yorkshire TV and the BBC. The plight of the workers is now firmly in the minds of thousands of workers in the region which will make the task of raising funds for the dispute easier.

A breakthrough must be made with the white workers in order to avoid a situation of Asian workers on the picket line and white workers being bussed through to work, thus increasing racial tension. Racism is institutionalised in the company and Asian workers can relate incidents of a daily nature from being on the receiving end of abuse to being given the worst jobs. One young Asian woman was dismissed for "chewing" whilst her white colleague remained unpunished for the same

offence.

The common thread is that all the workers are poorly paid and exploited with the worst excesses meted out against the Asian workers. The Keighley TUC approach has been to support absolutely the Asian workers and publicly condemn the racist practices whilst at the same time holding out the hand of friendship to the better elements amongst the white workers and appealing to them to join their Asian colleagues in the trade union. This approach has been made on the basis of advancing demands that will unite the workers and emphasise the fact that they have far more in common than that which divides them. A minimum wage of £4.42 per hour, proper disciplinary and grievance procedures with union representation, improved safety standards and full trade union recognition.

The die has now been cast and the struggle is on to win union recognition. One of the worker's demands is now for Labour to bring forward immediate legislation on employment rights and union recognition. The tactic of keeping the new union members in work at this stage whilst simultaneously demonstrating outside the factory, allows agitational work to be done amongst the non-union members. Winning an important section of the white workers will be crucial to winning union recognition in the long term. At a certain stage industrial action will almost certainly be required to win the sacked workers their jobs back. The essential difference then will be that the workers will be outside the gates when they think the time is right as opposed to being sacked.

This dispute has highlighted yet again the draconian anti-union laws and lack of employment rights in Britain today.

The willingness to struggle by the most exploited sections of society should be a warning to the trade union officialdom that they are sitting on a time bomb and that expectations have been raised and workers expect support from their trade unions. More and more disputes like that at Bronte Foods are likely to develop in the future and these workers need the maximum support now. A victory for the workers at Bronte Foods would be a major stimulus to further action both locally and nationally.

**Donations should be sent to:
Keighley TUC
Keyhouse Building
23 Low St
Keighley, BD21**

Letters Matters correspondence



*From Alex Grant,
Brighton*

Dear Comrades,

After the landslide Labour election victory I have been looking forward to the first Labour budget to see what our party could do to reverse the miserable legacy of 18 years of Toryism, where the rich-poor gap is equivalent to that of the 19th century. This would be a great opportunity to lay the first bricks in the foundation of a society organised in the interests of the common working people that put Tony Blair where he is. In light of this I have viewed with some alarm the call by a variety of bosses institutions for the cancellation of mortgage interest tax relief, and the inability of the Labour front bench to deny any such plan. With the scourge of negative equity still hanging over the heads of many working class people surely such a plan would only serve to increase the burden and push these people over the edge into repossession and homelessness not to mention fetching a tidy profit for the banks in the process.

For a Labour government to pursue such a policy would be scandalous. During the May 1st election exit polls showed that 74% of voters were in outright opposition to any form of privatisation and 54% were in favour of policies that lead to the redistribution of wealth from rich to the poor, does this sound like a mandate from the people to attack the standard of living of the working class?

Attacks like this from our own party cannot be allowed to happen, all socialists in the Labour party and the wider labour movement must vigorously oppose this measure and call our leadership to account should they go ahead with it. ✧

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French Socialists sweep to power



The left in France has won a clear majority in the second round of the election, putting an end to 4 years of right-wing rule. Chirac's strategy of a premature dissolution of the National Assembly has backfired on him and on the ruling class as a whole. Instead of allowing the right-wing to remain in power for another five years, in order to carry out further cuts in the living standards of working people, Chirac's manoeuvre has been seized upon by the population to inflict a defeat on the right 12 months earlier than expected.

This victory is a clear reflection on the electoral plane of the growing militancy and class consciousness of the French workers, which has been shown in a whole series of major strikes and protest movements over the recent past, and in particular since the second half of 1995. These struggles developed under the impact of the so-called "Juppé Plan", which was a policy of uncompromising hostility against the past gains of the labour movement.

The victory of the left has further lifted the mood and confidence of trade unionists, socialists and communists. But this is no repetition of 1981. Jospin, the socialist leader, does not enjoy the same blind confidence that Mitterrand was able to take advantage of in the early eighties. Workers are very wary of the moderation of the socialist leadership, which is still composed of essentially the same personalities who, after a brief period of social reform, applied the austerity measures which paved the way for the return of the right-wing parties to power.

As Jean Castilla, the CFDT leader in the Renault factory explained in the marxist paper "La Riposte" on the eve of the elections: "The problem was that we didn't press for reforms in the way we should have done. Of course we argued for further measures in the workers' interests, but we didn't go into the streets and struggle for them. We gave them a blank check. That was our mistake. This time round, if the left win, we must develop a social movement which will ensure there can be no retreat." This attitude is no doubt shared by a great many workers.

The CGT has already placed a series of

demands on the table, including wage increases, the application of the 35 hour week with no loss of pay as promised in the election campaign, and a cut in VAT.

The first signs are fairly positive. Privatisations which were underway have been "frozen" although not yet definitively canceled. But pressure from below will be matched by pressure from above. Jean Gandois, the president of the CNPF employers association, made a declaration from Rabat in Morocco where he was attending an international businessmen's forum as soon as the left victory was confirmed. "We will have to engage a struggle to change the thinking of the socialist government on a number of points," he said. This can only be understood as a polite way of declaring a war of sabotage and obstruction against any significant reforms the new government may attempt to introduce.

The Communist Party has entered the government as in 1981. At the time, after having supported the austerity measures applied between 1982 and 1984, the CP finally withdrew from the government and attacked it "from the left", although without providing any serious alternative programme. The present situation is somewhat different. Evidently, the CP leaders have learned nothing from their previous experience, since the policy of the present government is far more moderate than that of 1981. But the CP is in a stronger parliamentary position, at least potentially, in that this time the socialists do not have an overall majority, and depend on CP support in the National Assembly.

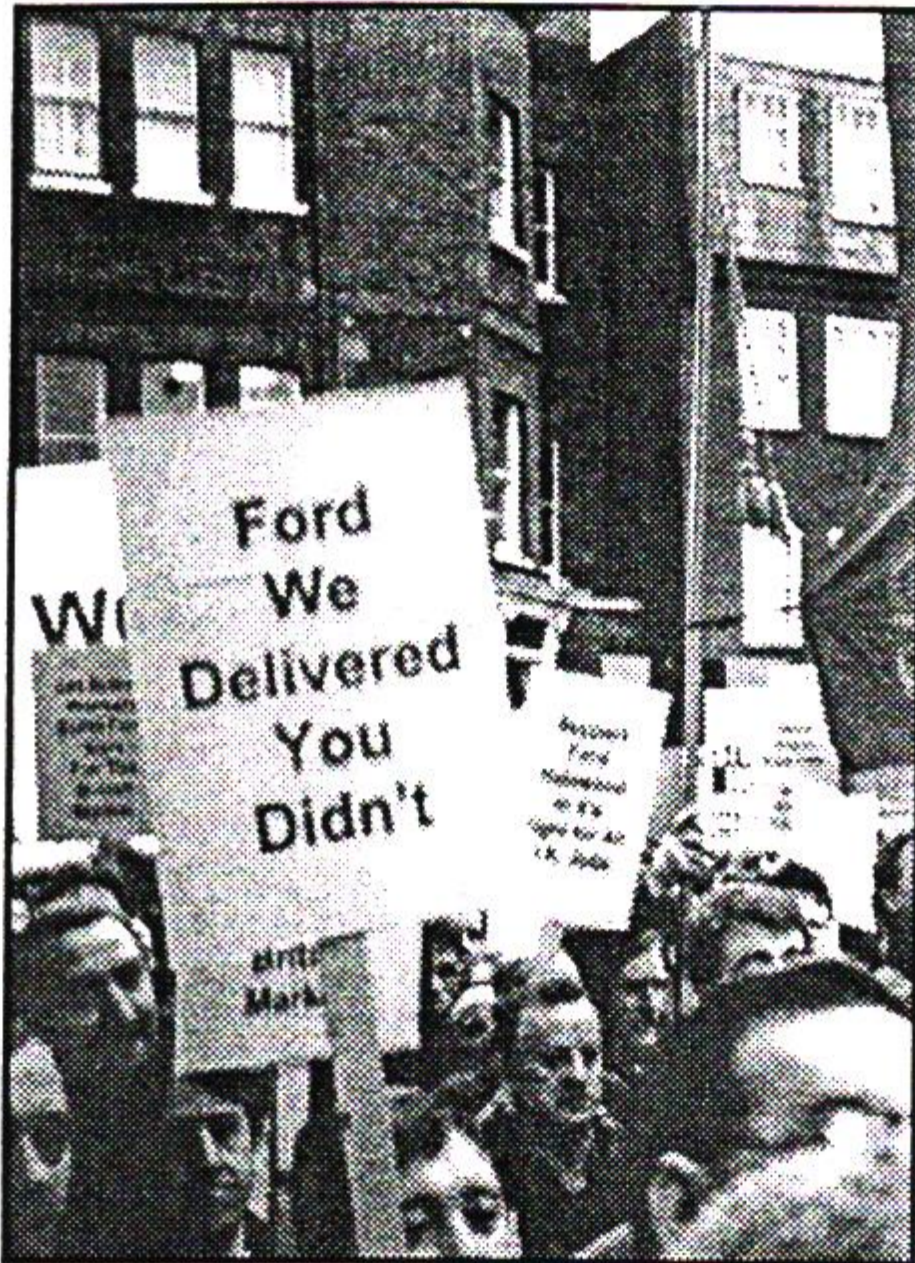
A "honeymoon" period cannot be excluded. But it will in any case be short-lived. The economic situation is far too serious, and the pressure of big business for cuts too strong, to allow for any easy compromises.

The struggle of the French working class will no doubt rise to a new and higher plane over the next year.

Greg Oxley
Parti Socialiste Val-de-Marne
Syndicat du Commerce de Paris
CFDT
(personal capacity)

"This victory is a clear reflection on the electoral plane of the growing militancy and class consciousness of the French workers, which has been shown in a whole series of major strikes and protest movements over the recent past."

Can the 'anglo-saxon' model be reformed?



Will Hutton's previous book, *'The state we're in'* was one of the most important political books of the 1990s in terms of its influence. It could well be regarded as a manifesto for 'new Labour.' In the journalistic mainstream Hutton has been the most devastating critic of the radical right, who have made all the running in bourgeois economics for the past twenty years. It has to be said that his successor title *'The state to come'* is a pretty thin reprise of his basic themes. But a look at it can help in understanding the ideology that drives Labour's right wing.

By Mick Brooks

Hutton is by no stretch of the imagination a socialist. *'One lesson of our times may be that capitalism has triumphed for the moment in the great battle with socialism,'* (State to come). Where Hutton disagrees with the Tories is that he realises that not all is well in the 'triumphant' capitalist world. In particular he is acutely aware of a persistent theme dealt with in *'Socialist Appeal'* - the relative decline of British capitalism. Why do other capitalisms do better?

He agrees with us that the root of the British disease is lack of investment. *'In 1992, the last year for which comparable figures are available, the capital stock per head in Germany was \$50,116, in Japan \$41,286 and in the United States \$35,993. In Britain it stood at \$22,509. The value added per worker in Germany was £30,200, in Japan £31,212 and in Britain £17,556'* (State to come).

But why don't British capitalists invest enough? Why do German capitalists invest more? According to Hutton there are several different forms or variants of capitalism, all with their own characteristics.

If we want to know why they don't invest enough, first ask where they might get the money from. They could borrow it from the banks. They could issue new shares to raise money. Or they could plough back funds from existing profits. In Britain from 1970-1989 bank finance was responsible for less than a fifth of new investment. What about shares? The vast bulk of activity on the Stock Exchange is dealing in second hand shares. Buying a second hand Ford share no more helps Ford than buying a second hand Ford car. As for new share issues they were responsible for MINUS ten per cent of investment over the period. In other words, so far from using the stock exchange as a way of raising funds, companies were buying back their own shares to get the speculators off their backs. The lion's share of investment came from retained profits - 97.3% to be exact. This is where Hutton's thesis fits in. If the Stock Exchange is just a casino and finance capital is only prepared to lend piffling amounts, industrial capitalism in Britain is bound to be limited as to what it can invest, and will fall behind.

So what we have is a split between finance and industrial capital. *'Above all, it is the nature of the financial system in which ownership is located that is central to the character of any given economy's firms. This is what dictates the cost of capital and commercial priorities; it is the driving, mobilising part of the economy.'* (State we're in). So why don't the banks get stuck in like they do in other countries - it's their system too isn't it? *'The answer lies in the dominance of financial values over British corporate life and economic policy'* (State we're in). Hutton's new book is less sweeping in its generalisations about finance capital, for reasons we shall see.

The thesis continues: not only do banks not lend enough, they lend short term. In Britain most bank loans have traditionally taken the form of overdrafts, which in principle can be demanded back at any time. But investment needs a long pay back period. In Germany (Hutton's 'good' capitalist country) banks not only lend long term, they may also own shares in the firms they lend to. So they are committed to their success.

But why don't British financial institutions wise up? The answer to that goes back a long way. The City's ascendancy dates back to the end of the seventeenth century, long before the industrial revolution. They made a

bomb out of financing world trade and acting as a global banking centre, not from lending to industry.

The second strand to Hutton's argument is how the ownership of capitalist firms influences their behaviour. Four fifths of all shares in this country are owned by institutions, such as pension funds and insurance companies. In the UK only 16% of big firms have a single shareholder who owns more than a quarter of the shares (effectively a controlling interest). In France and Germany four fifths of top companies are controlled in this way. Hutton argues that this 'insider' ownership by families produces a management committed to the long term future of the firm. British companies are owned by 'outsiders,' particularly the institutional investors, who are driven by one aim - to maximise shareholder value.

'Over the five years between 1989 and 1993 dividends grew by a cumulative 7 per cent in real terms; capital investment fell in real terms by 14 per cent. And while profits in 1994 rose to a post-war peak of around 17 per cent of national output, output itself will barely have climbed back to pre-recession levels. The financial armlock on the economy grows ever tighter' (State we're in).

In 'nice' old capitalist Germany, because of the chainmail defence of family ownership of shares and interlocking directorships and share holding between companies that are each other's customers, there have been just four hostile takeovers since 1945. Without this possibility of long term planning and investment, British capitalists go for a return of 20% a year, meaning get your money back in just four years. The relentless pressure of the institutional investors is the origin of the notorious short termism rooted in British capitalism.

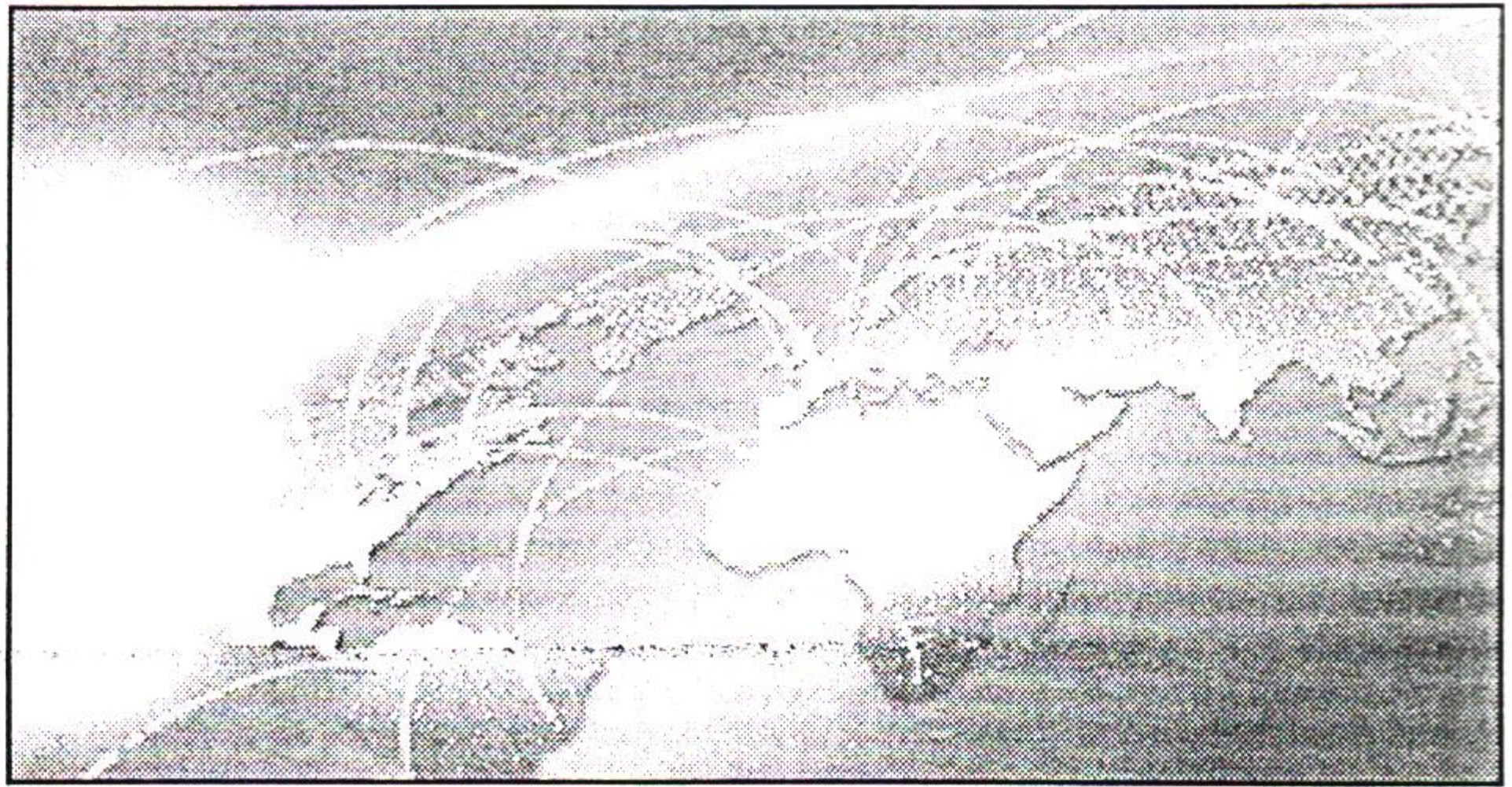
Profits

But if profits are driven up, those who live from profits rake it in - at the expense of the rest. This is the source of the huge increase in inequality in the Anglo-Saxon capitalist countries (the USA, Australia and New Zealand as well as here) over the past twenty years. Hutton passionately denounces the winner-takes-all markets with huge rewards for the winners and a miserable casualised existence for the poor.

This all sounds very plausible, but clock what it means. The problem is not capitalism but the British way of capitalism. The task ahead is not socialism, but 'modernisation,' institutional reforms to make capitalism work better here. Hutton's thesis lets manufacturing capital off the hook for their miserable failings.

Is the theory right? First of all the City, a major source of export earnings for British capitalism in its own right, has been carrying on like this, and making pots of money in the process, for a hell of a long time. Before the First World War the City had placed the huge sum of £4,000 million abroad, at a time when the price of a pint of beer was about 1p. But even then they were putting very little in the way of industry. Is it really conceivable that for over a hundred years industrial capitalists have been too shy to ask for the finance they so desperately needed? The Wilson Committee dealt with this question some years ago. In its evidence, the CBI submitted, *'The clear conclusion of an overwhelming majority of our members is that it has not been a shortage of external finance (for example bank credit) that has restricted industrial investment, but rather a lack of confidence that industry will be able to earn a sufficient return.'* In other words manufacturing capital through this century of relative decline has not been bothered to ask the banks for money. William Keegan recently commented in the Guardian, *'It is a bit rich blaming the banks for not lending to industry when they have been forced during the last recession to write off billion against bad debts. They might argue that, far from taking too few risks, they took too many. Now that the banks have money coming out of their ears, they are finding it hard to find takers.'* Not only the banks, but industrial capital as well, is awash with profit, but still manufacturing investment was actually negative last year.

Also it is not true that much bigger portions are handed over by other countries' banking system for investment. While British banks provided one fifth of investment funds between 1970 and 1989, the figure for the USA was less at 16.6%, while German banks coughed up a measly 11%. Not much commitment there! In all the main capitalist countries the main source of investment funds is retained profits. And, though there have been so few hostile takeovers in Germany, when one comes up the banks don't *'stand by their man'* but help themselves after the fashion of profit maximising capitalists all over the world. In the past French banks have coughed up more for investment. Why? Not because they're nicer people, that's for sure. Because they were protected and regulated from international competition. The 1980s saw a deregulation of French finance (under a Socialist administration) and a dramatic fall in bank funds for investment. Now French industrial firms have to stump up much more from retained profits, after the Anglo-Saxon fashion. Seems the



British disease is catching, from the tidal wave of global competition in financial markets.

Nor are the financial institutions quite as flighty as Hutton would have us believe. The 1995 edition of *Pension Fund Indicators* shows that they held on to their shares for an average five years. And increased institutional shareholding is an international development. Germans, with their ageing population, are being urged to take out private pensions, just like us. The delicate tracery of the *'social market economy'* is being torn up by relentless pressures, not an *'Anglo-Saxon'* invasion but the universal logic of capitalism. Hutton himself has an inkling of this. *'Under the pressure of globalisation and intense cost competition the Mittelstand (the nexus of German small and middle sized companies) has begun to lose ground, and there are fears that large German firms are being compelled to get their supplies in low-cost countries while overseas producers - notably the Japanese - are winning business in the Mittelstand's heartland.'* (State we're in). And as for short termism - Gyllenhammer head of Swedish firm Volvo pointed out, *'capitalism is short term.'* Capitalism is the problem, not the attitudes of *'Anglo-Saxon'* finance.

Criticisms

Actually Will Hutton has had to modify the broad sweep of the thesis of *'State we're in'* because of detailed criticisms from legions of academics horrified at the suggestion that British capitalism may not be the best of all possible worlds. But what does he propose? His vision of a stakeholding capitalism is vague, but the central idea is class collaboration. Workers and capitalists should recognise that their interests are one! A few reforms will have finance and industrial capital pulling in the same direction. We have to say that, beside the vision of a world gone wrong offered by Hutton, his proposals for change are pretty pathetic. *'The state to come'* proposes that the *'floating charge'* a bank is entitled to levy on all the assets of a failing debtor firm should be abolished, and finance made to wait their turn in the queue like everyone else. But Will cannot be serious that such petty measures can change the whole culture of capitalism in this country. First such measures come a bit late - they may make sure less firms fail, but will not create winners. As we have seen in any case German banks act no differently from

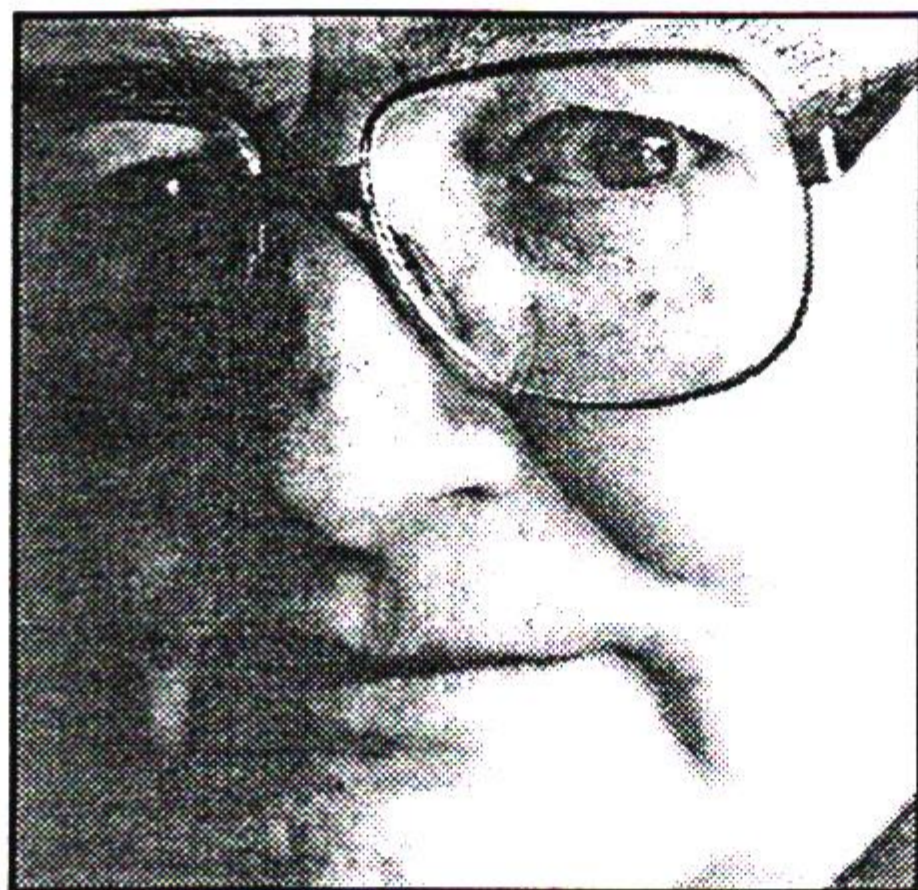
predatory British finance capital. When it comes to shipwreck they help themselves. We could make hostile takeovers more difficult so bosses spend less time worrying and throw smaller dividends at their shareholders, as Labour's new competition bill proposes, by forcing predators to make a case that merger is in the *'public interest.'* But nine in ten mergers occur with the consent of both management parties. Hutton proposes that Labour reform the Treasury, but it seems that the Treasury is determined to reform Gordon Brown!

Mucking about with company law is all very well, but what is the utopia that Hutton hopes to achieve? Unemployment is actually higher in French and German capitalism than in Britain. Will's thesis just MIGHT have been plausible when global mass unemployment could be passed off as a temporary blip. But the crisis brings ALL the capitalist nation states to their knees. And in extremis they all start to look very similar.

Will Hutton holds out conditional hope for the new Labour government. *'Conservative philosophy remains in the ascendant... The risk, however is that New Labour will remain imprisoned by the ideas it has learned to ape, and will govern too much within the parameters laid down by its predecessors'* (State to come). We need more than well-meaning advice from the editor of the *Observer* to stop this happening. Capital will strive might and main to bring the Labour government to heel. A Labour government that carries out the dictates of capital will be too subservient to its interest groups to contemplate radical reform. For an attack on the City would be seen as the start of a general attack on the rule of privilege. Hutton has an inkling that this is the case. *'The City's reaction, though, can be relied on to be hysterical'* (State to come). Hysterical maybe, but flights of capital and runs on the pound have brought previous Labour governments to their knees.

Of course capitalist systems in different countries have evolved different characteristics but they all follow the same basic laws. In any case it is not possible to buy in the whole culture of German capitalism as easily as importing a Mercedes. But the drawn out crisis of the system inevitably brings an onslaught on the special features of *'Rhenish'* capitalism that Hutton admires. *'Nice'* capitalism is an illusion. The only way forward is to socialism. ☆

Who elected the Bank of England?



"We are not the masters. The people are the masters and we are their servants". So said Tony Blair in his first speech as prime minister to the massed ranks of Labour MPs. Yet almost at the same moment, Gordon Brown, our New Labour Chancellor, was revealing who the real masters were—and they were not "the people." As his first act as the people's minister in charge of economic policy, Gordon handed over operational powers to the Bank of England to decide interest rates.

by Michael Roberts

From now on, our mortgage rates, hire purchase and loan charges will be decided, not by the democratically elected representatives of "the people"—ministers and MPs—but by the appointed leader of the City of London and British finance capital. Thus, the true masters of Britain are the bankers—something not a surprise to Marxists, but now publicly recognised by a Labour government in its first week.

The bankers, stockbrokers and financiers were cock-a-hoop. The government bond market and the FTSE share index boomed. New Labour had bent its knee to the masters of Britain. The leaders of finance capital were quick to explain why this was such a good move. And they have been backed by such 'radical' Labour 'experts' such as Will Hutton, editor of the Observer and author of two recent books on how to reform the British economy.

They have two arguments to justify ending democratic control of monetary policy. First, it is argued that interest rates cannot be controlled by national governments anyway. Globalisation of financial markets means that decisions by pension and investment funds and big banks to switch money from one currency to another or from one government bond to another without control means that interest rates in any one country are at the mercy of 'market forces'. If a currency comes under pressure, like sterling did during the infamous 'black Wednesday' in September 1992 when the pound was forced out of the European exchange rate mechanism and was devalued by 25%, then governments are forced to raise interest rates to extraordinary heights to defend the cur-

rency. That was an extreme example demonstrating that interest rates cannot be fixed by governments at any level they would like to stimulate or dampen demand or investment if financial markets (international banks and institutions) want to do something different. So if you can't beat them, join them. That's seems to be the gist of this argument to end monetary democracy.

But if that argument holds true, it holds true as much for a national bank in an ocean of international national banks as it does for national governments. Why would a national bank be any more able to follow a national monetary policy or defend the currency from the 'forces of globalisation' than a national government?

The second thrust is to argue that it will actually benefit the people if the interest rates are decided by unappointed leaders of finance capital. It goes as follows: if businessmen and international investors believe that interest rates in the UK are decided by bankers not politicians, they will feel more confident in providing funds for investment. The resulting increase in supply of capital will lead to a fall in its price. So getting interest rates up—which is the plan of the Bank of England governor, Eddie George—will eventually get them down lower than they otherwise would have been! Now, there's a piece of logic for you!

It's ironic that former Tory Chancellor, Ken Clarke, should have to point out that if Eddie George had been in charge of interest-rate setting under his reign, interest rates would be much higher than now. He had opposed demands by the bankers to raise rates on several occasions, and had been proved right later when the economic data on growth and inflation were revealed. But New Labour is determined to be more 'orthodox' and more financially 'correct' than even the Tories.

But is it true that handing over powers to the bankers will get interest rates down and make Britain a more prosperous place. Well, it depends who will become more prosperous! High interest rates do not benefit workers trying to make ends meet on mortgages and hire purchase loans. They do not benefit businesses, especially small businesses with limited access to loans. They benefit only one group in society: bankers.

The role of banking in capitalism is to pool the surplus profits created by work-



ers in the productive sectors of the economy and appropriated by the owners of industrial capital. These pools of money are then made available for lending on to those who need to invest or spend larger sums than they have available at any one time.

There are two cardinal rules for bankers—first, only lend to someone who can pay it back. Default is the dirtiest word in banking language. And second—make as sure as possible that when the money comes back, it's worth as much as it was before.

That means inflation is the banker's biggest enemy. If a banker lends you £1000 over ten years at 10% a year, at the end of ten years, you will have paid back the £1000 and paid approximately another £1000 in interest. But if inflation has been 20% a year, then the real value of that £2000 to the banker has been reduced to zero (this is not accurate but you get the idea!). That's why borrowers (particularly governments issuing bonds to cover deficits) often like inflation and bankers hate it.

And bankers rule the world. Finance capital dominates and the economic ideology of the banking class is obsessed with inflation. So economic policy globally concentrates almost exclusively on 'getting inflation down', not on economic growth, full employment or decent living standards.

So interest rates may not be lower than otherwise when they are under the control of bankers not politicians. The German central bank, the Bundesbank, has independence over monetary policy. Its interest rates are relatively low, but so is German economic growth (under 2%) and employment (over 4m out of work). The US Federal Reserve Bank has independence over setting rates. Its rates are much higher, but economic growth is also higher and employment much better.

The truth is that the Bundesbank's rates are far too high given the weakness of the German economy. Such is the obsession of the bankers there, that they kept rates too high for too long, helping to prolong the slump in Germany. The same action was taken by the Major-Lamont regime in the early 1990s, when they kept interest rates high during a deep recession in order to keep the pound up with the German mark.

What this shows is that the level of



interest rates is not determined by whether bankers are in control or not. It really depends on the pace of economic growth and the overall health of the capitalist economy. However, bankers won't help with those matters. They will squeeze up interest rates to get inflation down and protect the value of their loans even if it helps drive an economy into slump. And now Gordon Brown is to let them have their way!

And are governments really powerless in the face of financial markets, making democratic control of monetary policy irrelevant? Of course not. A socialist government pledged to boost growth and get jobs for all at decent wages could exercise clear control over interest rates and its national currency. To do so, it would have to eliminate as far as possible the influence of international capital on its policies. That would mean state control of trade and currency exchange to ensure that export revenues come back into the country and are used for productive investment and employment and full control over the banking system by a democratically elected government. That inevitably would mean the public ownership, not just of the Bank of England, which is still formally the case, but also of the major clearing banks and big financial institutions, along with the top exporting companies.

Naturally, that would provoke an attempt to move as much capital out of Britain by international investors and by British capitalists. But exchange and capital controls could put a stop to that, combined by public control of the banking system. In fact, more capital would come back into the UK than would go out. British capitalists have total company investments abroad of £226bn. That's profits made by workers in British-based companies that have gone overseas. In 1996, another £28bn went overseas. On top of that financial institutions invested overseas another £60bn in stocks and

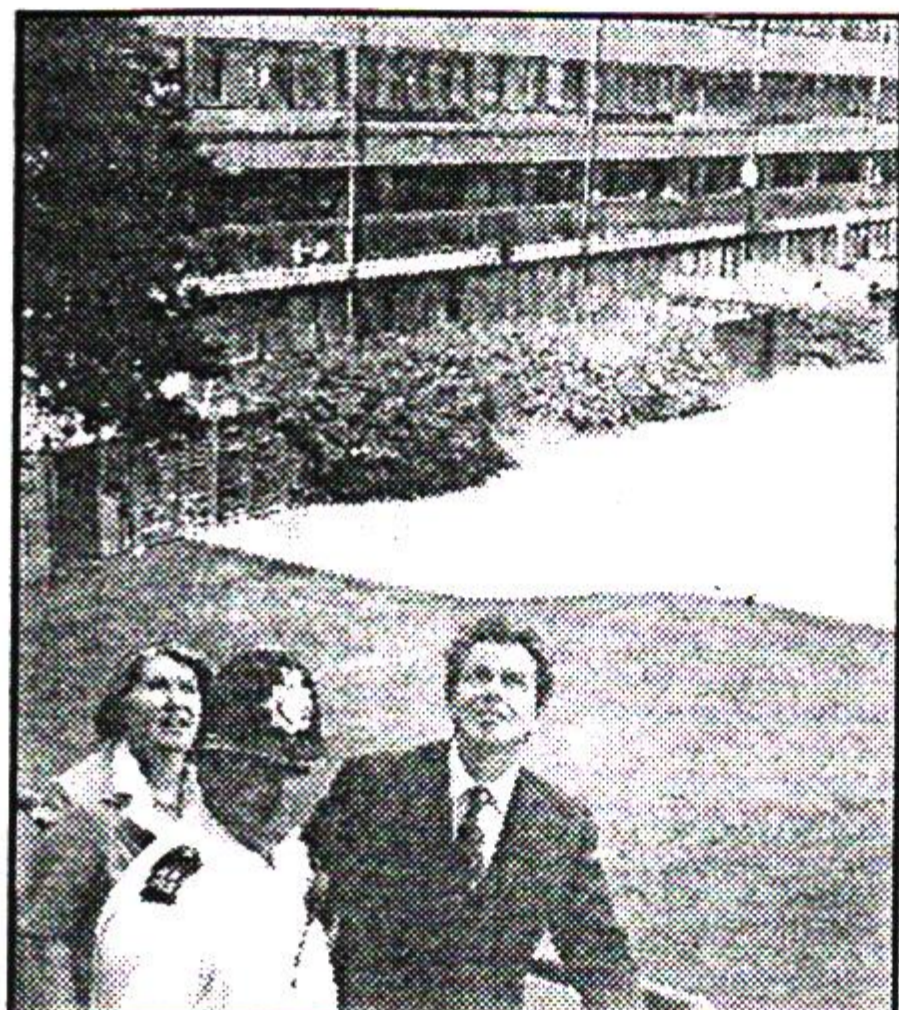
bonds abroad, while UK banks lent another £65bn across borders. This totals around 25% of annual British GDP! If these sums were used instead on productive investment at home, they would make a dramatic difference to growth and employment.

New Labour has come into office accepting the Tories public spending programme for two years. That means no real increases in health, housing or welfare services. Yet that means no improvement in growing inequality which has seen the top 10% of income earners in the UK gain 65% in their real incomes under the Tories over the last 15 years, while the bottom 10% have suffered a 13% decline. The number of people earning less than the national average income has more than doubled from 9% in 1982 to over 20% now. Now just 5% of the population own 50% of the productive wealth of Britain (that means excluding houses).

At the same time British workers work the longest hours in the European Union, an average 46 per week for men and 41 for women. And 40% get no paid holiday! There are 35.5m in Britain able and willing to work. But 7.8m are inactive. Apart from those registered unemployed or seeking work, there are millions that have gone into further education in the hope that they can get qualifications in order to get a decent job. This level of 'inactivity' in the workforce is the biggest in Europe.

These are the issues that New Labour needs to address. They require a radical programme of action on jobs and economic growth. That means more, not less, democratic control and planning of the economy. It certainly does not mean handing over what controls there are to the bankers and city financiers as almost the first act of government. ☆

Welfare: thinking the unthinkable?



Welfare reform has been pushed high up the agenda since the new Labour government took office. The manifesto pledge to get 250,000 young people off welfare and into work, the ideas being floated about single parents being 'helped' into the jobs market, and, of course, the development of the so-called 'shared agenda' on welfare with US president Bill Clinton, have given a new prominence to the issues.

by Alastair Wilson

On May 1st people were quite clear what they were voting for. They gave the Tories their biggest defeat since 1832 precisely because of what they had done on health, education and welfare. People not only want to keep the welfare system we have, they want to develop it and extend it.

Under the Tories, Britain became a nation of mass unemployment, decaying hospitals, decrepit schools, homelessness, collapsing infrastructure and a failing benefits system.

One of their last acts was to bring in the bizarrely named Job Seekers Allowance. This had little to do with people seeking a job, and everything to do with the Tories massaging of the unemployment statistics. It has got thousands of people off the dole - unfortunately many of them have not found a job. How they live we can only imagine.

In the past we were proud of the welfare system that we created, in many ways an answer to the poverty, unemployment and sheer desperation that existed in the inter-war period.

But the 'cradle to grave' approach was long ago ditched by the Tories. Welfare is truly in crisis.

Euphoria

Alongside the euphoria of Labour's landslide victory there is a tremendous mood of expectation. Tony Blair talked about preparing the country for the twenty first century. We would therefore expect the problem of welfare to be tackled head on.

But, firstly, Blair and his chancellor, Gordon Brown, have accepted the Tories budgetary restrictions for the next two years. This seems rather strange as the Tories had no intention of meeting them in the first place. Also, on other issues, like the minimum wage, they have asked for time to consider what is possible. But on the budget they went straight in and accepted Ken Clarke's figures, assumptions and targets, before they even saw the books for themselves.

Secondly, when Blair and his team now

talk of welfare, they talk about *welfare reform*. Now we are all in favour of *reform* if it means a more effective system, reducing red tape, cutting back the huge management and quango-like structures created by the Tories. But the biggest reform of all - that is a massive injection of cash into the system, is nowhere on Blair's agenda.

The *welfare to work* proposal for young people is reliant on a one off windfall tax on public utilities. Well, our experience over the last twenty years is that youth unemployment is not a one off phenomena. Why is the Labour front bench being so timid, if the public utilities windfall can be taxed, then what about all the other big companies. What about the City Of London, there are people there who have a windfall every day!

Beyond this proposal there will be little or no new money. New plans will have to be paid for out of existing budgets, through savings in other areas or through the development of private investment through things like the PFI (Private Finance Initiative).

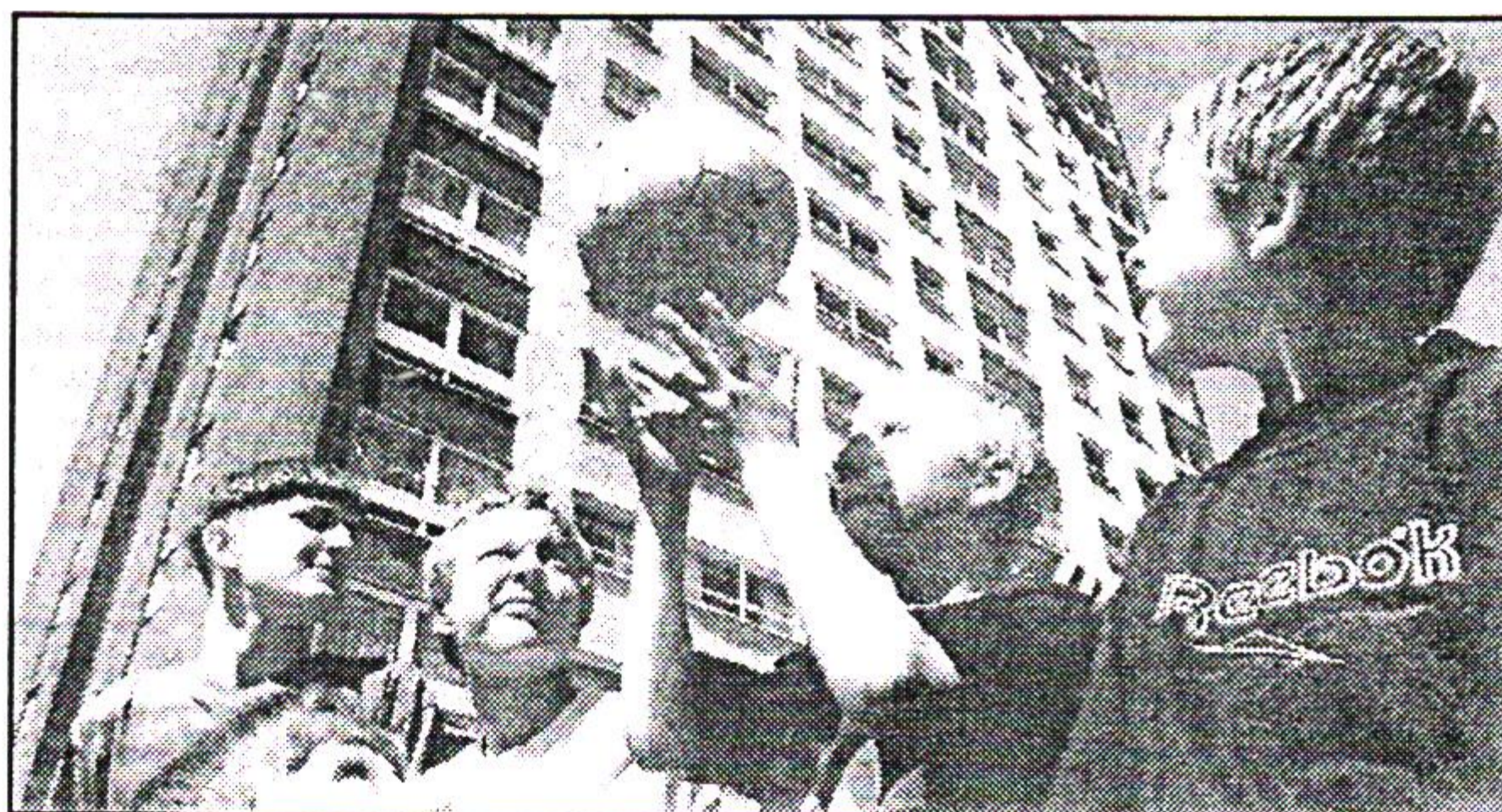
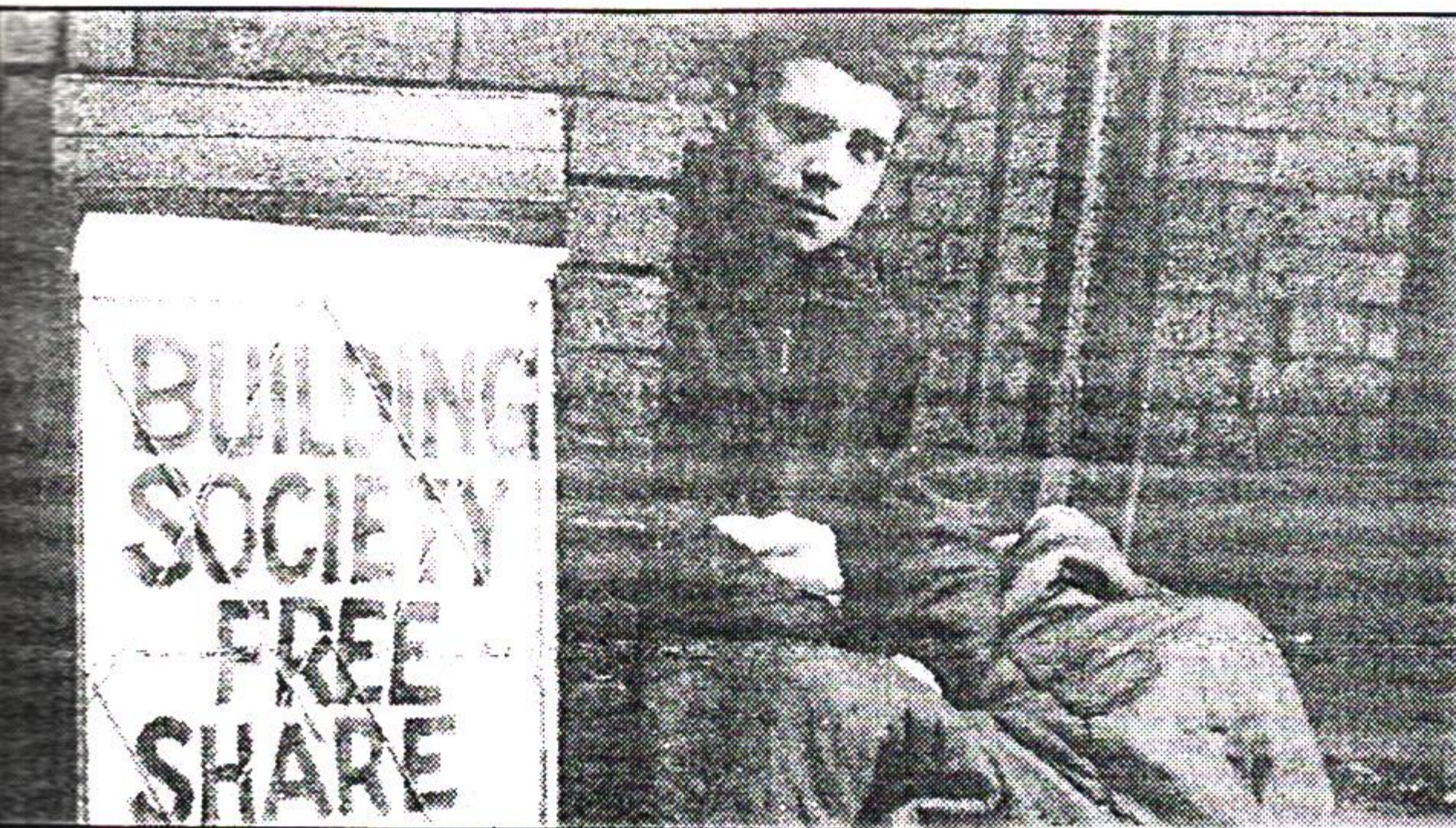
David Blunkett has suggested that one way to start sorting out Britain's decrepit school stock, which has a potential £3 billion repair bill, is through PFI. But is this really what Tony Blair meant when he talked about 'new Britain'?

Go down to Guys hospital on the south bank of the Thames, and we can see where schemes like PFI lead - in the middle of the hospital there is a big McDonalds burger joint. Just round the corner one of the admin blocks is called Ronald McDonald House. Sick joke maybe, but can we really link the financing of our healthcare with the sales of Big Macs, or anything else for that matter?

One of the first acts of Tony Blair as Prime Minister was to appoint Frank Field as a minister for Social Security. If this is an early indication of the thrust of the welfare reform policy then we are in for trouble. As someone else has said, putting Field in charge of Social Security is like putting Dracula in charge of a blood bank, a career maverick up until now, he has been rewarded with the task of 'thinking the unthinkable.' Well, Field has been thinking the unthinkable for a very long time. His reactionary views and vicious comments about the unemployed, the homeless, the lone parents are there to be seen. His first comments as minister were an attack on 'dependency culture.'

What he means by this is that the availability of a wide range of benefits is a disincentive to work, as if anyone would want to live a life of poverty on the dole! This approach to welfare reform, is totally negative.





Before the election Blair talked openly of his admiration of the Singapore model of welfare. Singapore has built up a modern welfare and health infrastructure through a compulsory insurance scheme. Workers pay 10% of their salaries straight into the scheme, which then, theoretically, covers their healthcare costs, their pensions and any benefit needed to cover periods of unemployment.

Insurance

Of course, how this could operate in Britain we can only guess. For a start the biggest problem in welfare facing the incoming Labour government is not those who could afford to pay into such an insurance scheme, but those hundreds of thousands who have never worked, the million people who have been out of work for more than a year, and the millions of people who live on poverty wages totally reliant on benefits like income support and housing benefit.

A Singapore style insurance scheme would create a two tier system on a huge scale. Those who have been in long term, fairly well paid employment would have the 'benefit' of such a scheme, while those who had suffered lengthy periods of unemployment or low paid work would have to rely on the much reduced minimum state provision.

Frank Field has already gone on record that Britain should move rapidly to a scheme of compulsory private insurance to fund old

age pensions. Such a scheme could only leave more poverty and desperation for those excluded.

And we are not talking of a tiny minority. 13 million people live under the poverty line in 1997 Britain - how could they ever hope to reap any benefits from private insurance schemes. More and more they would be forced back into despair.

This is surely the lesson of the various welfare reform experiments that have taken place in the US. Rather than alleviating any problems faced by the unemployed, the sick, the old or the homeless, it has exacerbated them. Clinton has admitted just that. In the process of *reform*, America has become probably the most unequal society amongst the advanced industrial powers with a massive and growing 'underclass.'

But Blair seems set on emulating the American approach, basing himself on the phony philosophy of 'communitarianism' rather than the real ideas of socialism.

Blair's keynote speech on his visit to a rundown council estate in Southwark has highlighted this approach. He talked of the 'workless class:' *"For a generation of young men, little has come to replace the third of all manufacturing jobs that have been lost. For part of a generation of young women, early pregnancies and the absence of a reliable father almost guarantee a life of poverty, and today Britain has a higher proportion of single parent families than anywhere in Europe."* Despite his reference to the

demise of manufacturing industry, Blair is really treading on the safe territory of condemning young unemployed working class males and single mothers on benefits - both sectors long stigmatised by the Tories. He went on to outline some of the frightening statistics, 150,000 homeless, 100,000 children not attending school, he talked of "households where three generations have never had a job," and of "estates where the biggest employer is the drug industry."

Blair set out his aim of 'inclusion,' rather than 'exclusion' of the 'workless class.' What exactly this might mean we have yet to see.

If we look at the welfare to work proposals for young people we may get an idea. The scheme will offer a) a job in the voluntary sector with a top up on the dole of £20 per week, or b) a full time education course, or c) joining the proposed new environmental task force and getting the £20 top up, or d) a job in the private sector where the employer will receive the sum of £65 a week tax incentive for every worker taken on. However the young worker will still only get the £20 top up - for a full weeks work!

And if the young person refuses they will have their benefit docked 40% - that means trying to live on something like £22.50 a week. Hardly a policy of inclusion.

This along with the failure to introduce a minimum wage at anything approaching a decent level, will still exclude millions from what most people would expect from life in the late nineties.

Compulsion

On single parents, the element of compulsion will be removed. People will be merely *encouraged* to take part.

Blair rightly says that "work is the best welfare." Has that not been the basis of our long term commitment to full employment. But work on poverty pay, with no rights and in crap conditions can be just as demoralising as being on the dole.

The welfare system is in crisis, and not just in this country. Basically, the capitalist system can no longer afford what we all got used to. The years of the long post war economic upswing when the welfare system was built have long gone.

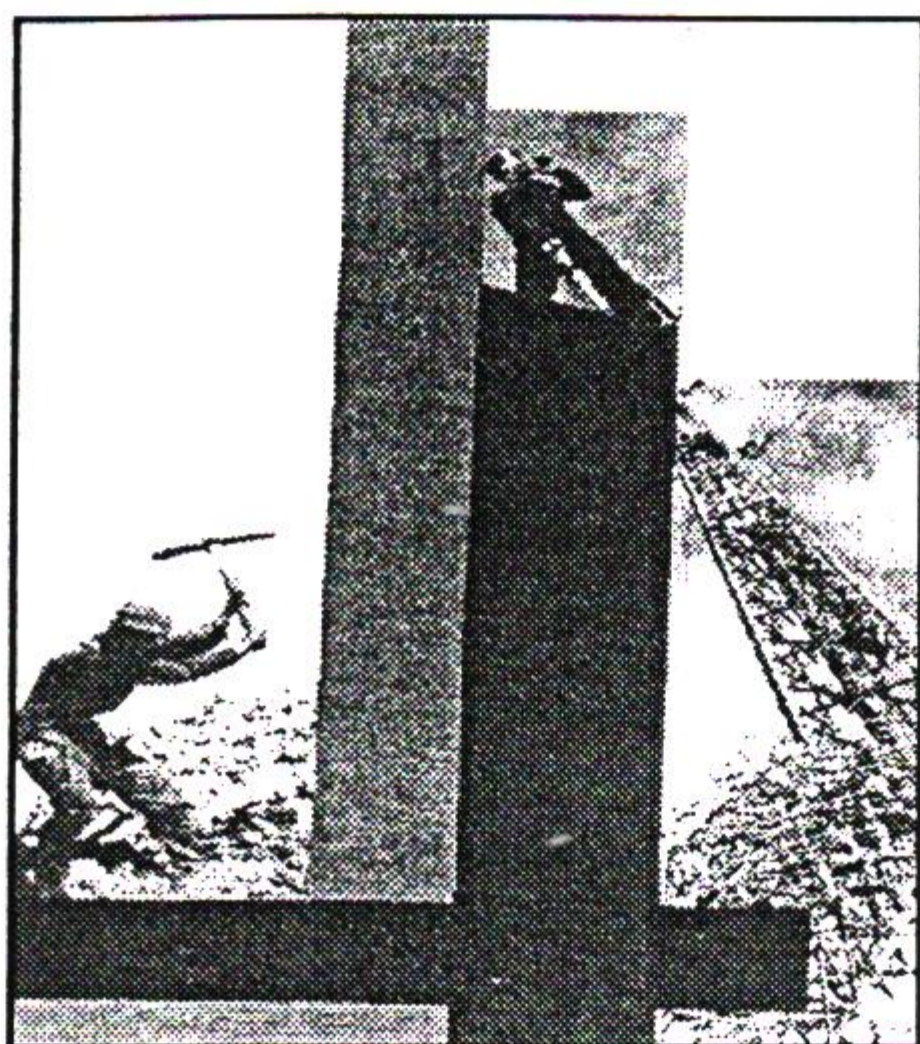
Welfare reform in the present era is at best a reshuffling of the pack or at worst a smokescreen for real cuts in provision.

Poverty and unemployment cannot be cured through the type of schemes on offer. We need a real policy of full employment with a 32 hour week and a decent minimum wage. On healthcare and education we need a massive influx of cash to begin to really develop a system we can be proud of.

Is the money there? Of course it is. That's why such a programme must be linked to the nationalisation of the big monopolies, the banks and financial institutions, to be run under workers control and management. That's the only way we can free all the finance and resources necessary to prepare this country for the twenty first century. That's the only 'welfare reform' that will work. ☆

Russia's turmoil

an eyewitness account by *Alan Woods*



May Day in Moscow. A mass of red flags in brilliant sunshine. The demonstrators—mainly members of the Communist Party (CPRF), numbering about 50,000, made quite an impressive showing as they streamed across the river Moscow up to the ancient walls of the Kremlin. The entrance to Red Square was blocked by a row of burly policemen. Yeltsin does not want the Square used for demonstrations—at least, not anti-government ones. The meeting is held outside the walls, next to the onion-shaped Byzantine domes of the Cathedral of Saint Basil and a huge poster announcing that “Christ is Risen”.

There were several May Day demos, of which the two most important ones were called (separately) by the CPRF and the “official” trade unions (FNPR). The tactic of splitting up the demos was clearly intended to pour cold water on the mood. On the day of action on March 27th, there were big demos all over Russia. Now I estimate there were about 50,000 on the CP demo, and from what I hear about the same with the unions. It also seems that relations between the CP leaders and those of the FNPR are bad. The majority are old or middle aged, with only a sprinkling of youth, which reflects the composition of the Party. The mood is strangely subdued. Apart from snatches of old Civil War songs, the demonstration proceeds in silence. The same atmosphere prevails at the mass meeting at the end. Only one of the orators succeeds in arousing the crowd, when he calls out the slogans “Factories to the Workers! Land to the Tillers! Peace to the Peoples! All Power to the Soviets!” The last phrase is taken up by the demonstrators and echoed repeatedly. This detail is more significant than it may appear at first sight. There have been many reports of the setting up of “Committees of Salvation” in the Kuzbass and other areas.

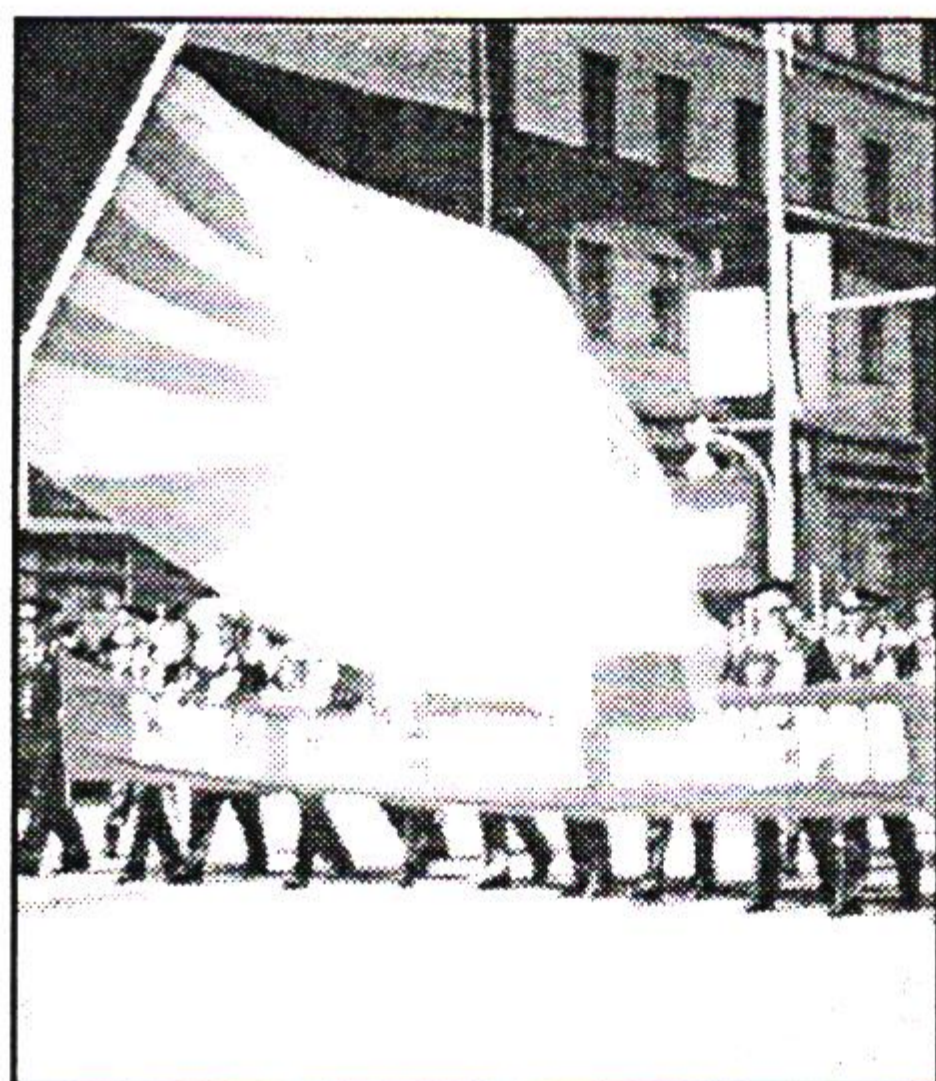
The old CPSU, as we always explained, was not a party at all but an arm of the bureaucratic-totalitarian state, which was made up mainly of spies, toadies and informers. The same was largely true of the old “unions.” But since 1992 the link with the state has been largely broken. The collapse of the USSR transformed the situation. The old CPSU had 8 million members, mainly careerists looking for jobs in the state. Now the link was broken,

they left in droves. The present CPRF has about half a million—which means that a big de facto purge has taken place, and a lot of the worst elements have been removed. The turning point was the August 1991 coup. After this, the CP was illegalised for a while. The leaders were threatened with a trial. It is therefore not correct to say that nothing has happened, that these organisations remain as before. Nevertheless, it is natural that, because of their history (and also because of their present conduct and policies) many good workers and youth do not trust them or are openly hostile.

The picture one gets of the CPRF is that of a numerically large party led by that wing of the bureaucracy that gained nothing from the Reform and finds itself marginalised, and tries to lean on the working class for support, while manoeuvring with the tops of the state and particularly the army. The membership is mainly old, with very little youth and not many workers. However, the CPRF is only serious mass party that could act as a point of reference in the struggle against the nascent bourgeoisie. And despite the class collaborationist policies of the leadership, in its ranks there are many honest communists who would like to back to the old days, not in the sense of Stalin but the best days of Brezhnev, but with reforms.

Faction

Moreover, the Party is not homogeneous, even at the leadership level. While the leading faction of Zyuganov is prepared to accept capitalism, while appealing to Russian nationalism (he publicly announces his membership of the Orthodox Church!), these views are not shared by everyone. There are apparently three main factions: 1) the “National Reformists” (Gennady Zyuganov, Yuri Bely); 2) The Social Democrats (Valentin Kuptsov) and 3) the “Orthodox Communists” of the Leninist Platform in the Communist Movement. That there are tensions in the CPRF leadership is clear from the following: the CPRF leaders decided to vote for the State budget a few months ago, although it was a slashing attack on living standards. Just one detail: expenditure on culture and education is to be cut by 55%. But one third of the CP Duma deputies defied Party discipline and voted against. This shows that the pressure is building up and is at least partially reflected in the leadership of the CPRF.

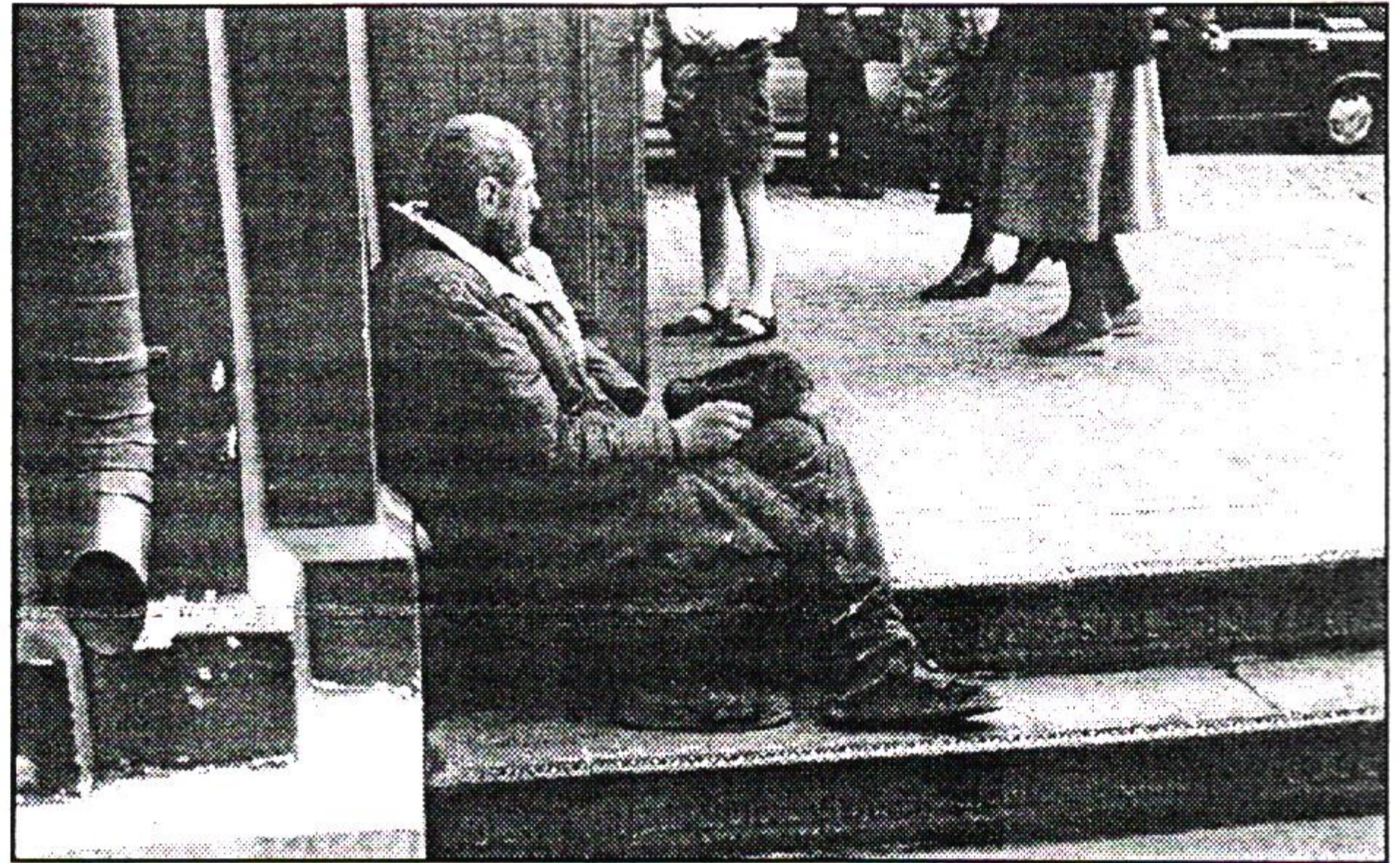


I spoke with Kirill Buketov, full-timer for the main trade union fed. (FNPR) a left-winger who started as member of the anarcho-syndicalist movement, but later decided it was better to work in the mass trade union movement, who explained the recent evolution of the Russian trade union movement.

In the period of the break-up of the USSR, there was an attempt to set up "independent" unions. These got some kind of base in areas where the "official" union was particularly rotten. They were anti-communist and got funds from the CIA, channelled through the AFL-CIO. At first, some of them did quite well out of CIA money and cuddling up to the government, but are now being hammered by Yeltsin. Only a few are viable—like the air traffic controllers and airline pilots). Once the workers saw that the "independents" were in reality completely dependent on the bourgeoisie, they abandoned them. The FNPR—the heir to the old state unions—now has the overwhelming majority. This showed the complete falsity of trying to base oneself on the so-called independent unions, as some so-called Marxists tried to do, with predictable results.

Collapse

Overall trade union membership remains high despite the terrible economic collapse. In 1993 the figure for all union membership was 90.7%. In 1995 it stood at 89.9%—an insignificant variation. However, within this, there was a certain shift away from the FNPR, which, however, retained the overwhelming majority. According to published statistics, the FNPR went from 69.8 million in 1992 to 48 million in 1995. RC puts the present level at 42 million. So the decisive sectors remain in the FNPR. However, the leadership believes in "social partnership", that is class collaboration. The statements of the union leaders suggest that they are as frightened of the movement of the workers as the government. One spokesman—Gennady Khodokov commented that "Spontaneous actions among workers all over Russia are on the increase and there is a serious danger that things could get out of hand. Increasingly workers are raising political demands, calling for the resignation of the country's leaders....We want the March 27th protest to be successful, but we are trying to contain extremist efforts to give it a political character.



Threatening social peace and stability is not our purpose."

By all accounts, there is not much active participation of workers in the FNPR at present. Bear in mind that, like the CPRF, this was mainly composed of the remnants of the old state bureaucratic structure, though it also experienced a purge and a partial renovation with the entry of new elements. However, in many factories the union still includes the directors, and is regarded with suspicion especially by the most radical elements. In 1995 there was a poll of the metal industry which revealed that 44% of the FNPR rank and file, 41% of the activists and even 32% of the full-timers admitted that they remained in the union either from "inertia" or "didn't really think about it". Only 20% said that the union "had obtained the confidence of the majority of workers". One half observed that the rank and file workers were disappointed with the trade union membership. Another survey showed that in 46 regions, up to 60% stated that they had not participated in a single event organised by the unions.

This indicates the low level of participation in the unions at this stage. But this will inevitably change in the next period as the pressure from below grows. Already the pressure from the class has compelled the leaders reluctantly to call the day of action on March 27th, where millions of workers participated. True, subsequent "days of action" were less well supported, as the leaders are clearly trying to give them a merely symbolic character, and calling them separately from the CP. In addition, the terrible economic crisis, the fear of unemployment and the fact that many workers have not been paid for months, militates against widespread strike action. Small-scale economic strikes do not make much sense in this situation. The only thing that would make sense is an all-out general strike, linked to the slogan, Down with the government. But neither the FNPR nor CP leaders are willing to campaign for this. The central problem therefore remains the problem of leadership. But even in the absence of leadership, the

process of radicalisation continues, and is expressed in the creation of soviet-style "committees of salvation" in the Kuzbass and other regions.

The collapse of the planned economy and the movement towards capitalism has meant an unparalleled collapse of production which is still continuing. Many workers have not been paid for three, six or more months. The consequence has been a nightmare of poverty, beggary and even actual hunger. In the army, there have been cases of soldiers starving to death. The fact that one of the main tasks of the Salvation Committees is the distribution of food speaks for itself. The depth of the economic crisis is one of the main reasons why there has not so far been a generalised movement of the Russian working class. Stunned and disoriented by developments, and in the absence of a serious revolutionary alternative, the workers have, in general, kept their heads down. The strike movement has still continued, above all in mining areas like the Kuzbass, but under such conditions, partial strikes for economic demands make little sense. The only possible slogan in such a case is an all-out political general strike to bring down the government. That would get a response from the class. But neither the leaders of the CP nor the unions are prepared to launch such a slogan.

Key

The key question is the subjective factor—the absence of leadership. This has undoubtedly played a big role in holding back the movement. But this cannot go on forever. Visiting Moscow gives one a completely unreal vision of Russian life. Superficially there is an air of prosperity and bustling activity, from the old women selling cucumbers outside the Metro to the sleek Mercedes sweeping along the road and the families of "novo rishay" (new rich) self-consciously indulging in their Big Macs as if they were taking tea at the Ritz. Of course, there is another, grimmer side even in Moscow. The hoards of beggars on every street corner, the prostitutes—

mainly poor girls from the provinces, who form a large queue on the corner of Tverskaya street, waiting for the next big car to pull up, the crime, the drunkenness, the "Mafiya".

But Moscow is not Russia. Just travel 100 miles outside the capital and the picture changes dramatically. The real situation in Russia was graphically described to me by Kirill Buketov, in the following way. Recently he went to visit the town of Ivanovo, only a few hundred kilometres from Moscow. Historically, this was the centre of the textile industry, and he was staying at the house of a man and woman who work in a textile factory. As a small present, Kirill brought a couple of bars of chocolate from Moscow. The couple have two small daughters, the elder aged eight. When they saw the chocolate, the elder burst out crying, because she had not seen chocolate for years, and her small sister did not know what it was. From this small anecdote, one can see the huge gulf separating Moscow and Petersburg from the rest of the country, although it must be added that even in Moscow there are huge differences between rich and poor, and the most appalling conditions can be seen even at the end of the metro line.

In mid February, teachers only received their pay in three provinces out of 89 (Moscow, Samara, and oil-rich Yamal-Nenets). There were protests in the other 86 provinces. There have been a rash of local strikes and demonstrations. For example, the central Siberian town of Salair 3,000 miners from the gold-silver-lead mines occupied the offices of the administration and were only persuaded to leave after three days of tense negotia-

tions. These workers had not been paid for a year, and were living on bread doled out by the company, but even this ran out on February 25th. There are many such examples.

The savage cuts in state expenditure threatens even the most basic services. The latest victim has been the supply of energy and water in the far east of Russia. Recently, there were reports of serious disturbances in the far-eastern Russian city of Vladivostok, where a state of emergency was declared on May 8th. Blackouts had lasted as long as 20 hours, leaving people without heat, light and in some cases, water. An article in the Moscow Komsomolskaya Pravda (15th May) commented that: "The people are protesting the endless power cuts, which have assumed the character of a disaster. The city's dermatological and venereal disease clinic poured untested blood into the sewerage system—it had gone off in the hospital's switched-off refrigerators. After which the health and epidemiology service warned of possible encounters with syphilis pathogens in the waters of the Amur Gulf."

Chaos

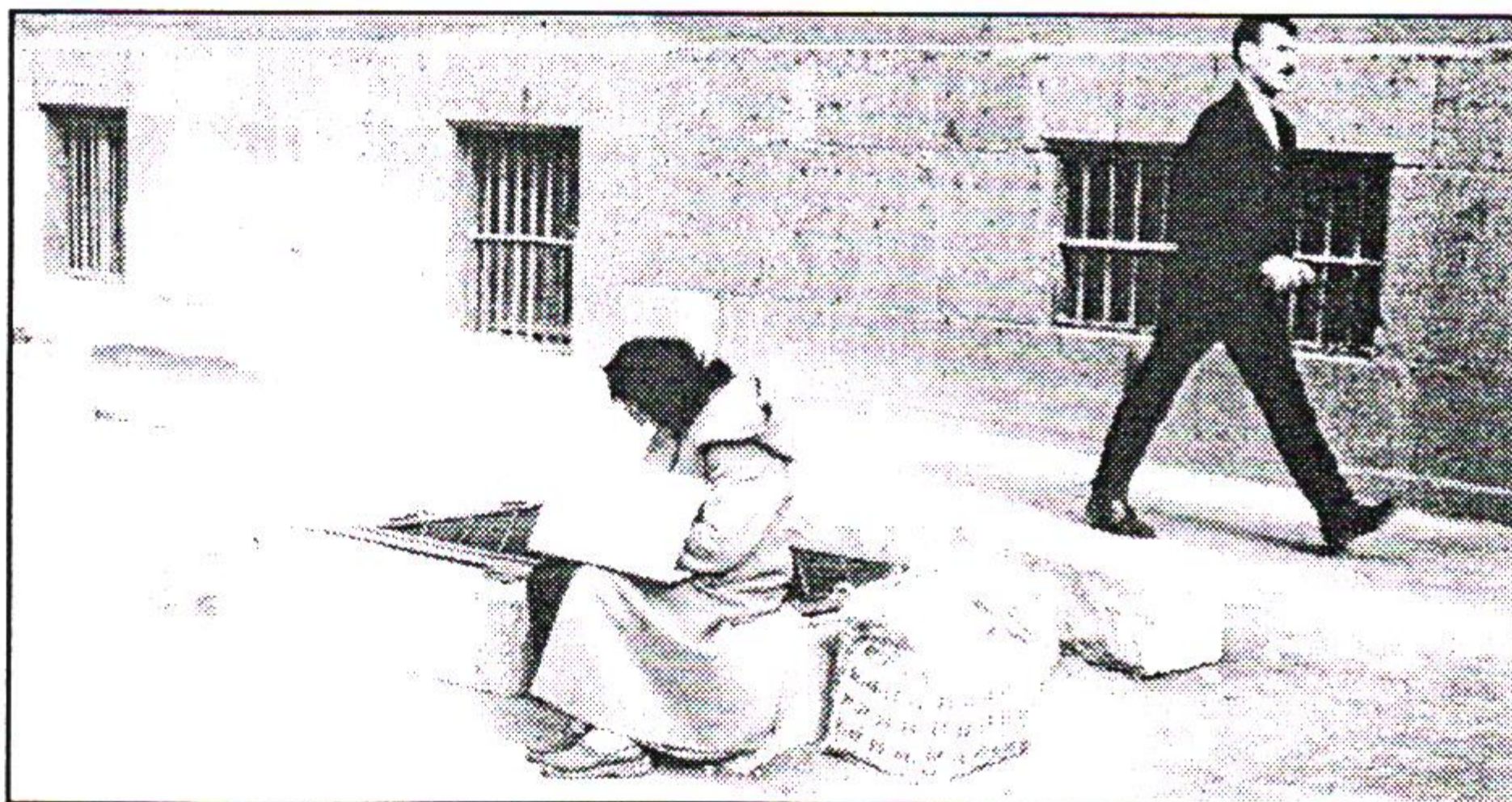
This is only one example of the kind of chaos and disintegration caused by the attempt to impose the rule of the "market". The power workers, according to this article "have forgotten what money looks like." The same is true of the miners of nearby Maritime District, who are still sending coal to the power station, although they have not been paid for six months. But the patience of the workers has its limits. The anger of the populace boiled over. The

people of Vladivostok poured onto the streets, blocking the main highway and chanting slogans such as "Down with the Mistery! Bring back the Comrades, and electricity at two kopecks!" The miners have announced that they will block Vladivostok airport, the Trans-Siberian railway and major highways in the area. Meanwhile, the power stations in the area are running out of fuel altogether.

Whereas the miners of the Maritime District have misguidedly appealed to Yeltsin to intervene. The miners of Kuzbass in Western Siberia have long since abandoned any illusions in the gang that sits in the Kremlin. On May 19th they returned to the struggle with a street demonstration of 15,000, protesting against job losses. As we have already explained, the Kuzbass workers have set up Committees of Salvation, which are soviets in all but name.

In towns like Prokopyevsk the committees, elected at workshop level, have a city-wide co-ordination and have a permanent character, existing alongside the town councils. They "overlap with the trade unions, and moreover have a tendency to spread". The same people are active in the committees and the unions. They have different functions. The workers understand the need for a nation-wide permanent organisation—and that can only be the FNPR. The committees are not restricted to the Kuzbass, but also exist in other areas where the working class has a strong tradition. This is an extremely important development. It is the first time since 1917 that such committees have been set up in Russia. The future battles of the Russian workers will propel them to the first rank. After all, and in spite of everything, there is a long revolutionary tradition in Russia which decades of totalitarian rule have dimmed, but not extinguished.

The ruinous consequences of the movement towards capitalism are felt by wide layers of society, not just workers and collective farmers, but scientists and artists, old age pensioners and women, soldiers and intellectuals. Recently, the trade unions of the Russian Academy of Sciences, state science centres, colleges and universities, have come out in favour of a struggle against the Yeltsin government. In the last few years, this government has reduced the funding of science from 2.5 per cent of GNP to only 0.3 per cent. Now it is planning to reduce the fund-



ing of science further by a factor of three. This means that proportionately, Russia will spend less on science than Uganda! Already, the life expectancy of Russian men is about the same as Pakistan—57 years. The birth rate is falling, and is now lower than the death rate. These figures represent a terrible collapse in all the most basic indices of civilised existence. And there is a growing realisation of the fact.

Beneath the surface of apparent calm, a storm is brewing in Russia. It is not just the economic collapse and the poverty. It is something much, much deeper. An all-pervading sense of anxiety, bitterness and loss that extends far beyond the working class. The years of nationalised planned economy were years of tremendous advance which transformed Russia from a backward, semi-feudal country, heavily dependent on foreign capital, into the second most powerful nation on earth. The present catastrophe signifies not only misery for millions, but a deep sense of national humiliation. Such sentiments can, and do, give rise to all kinds of reactionary phenomena, such as the resurgence of Pan-Slavism, the Orthodox Church and a number of sinister Russian nationalist parties and groups with openly racist, anti-Semitic and quasi-fascist tendencies in the spirit of the old Black Hundreds.

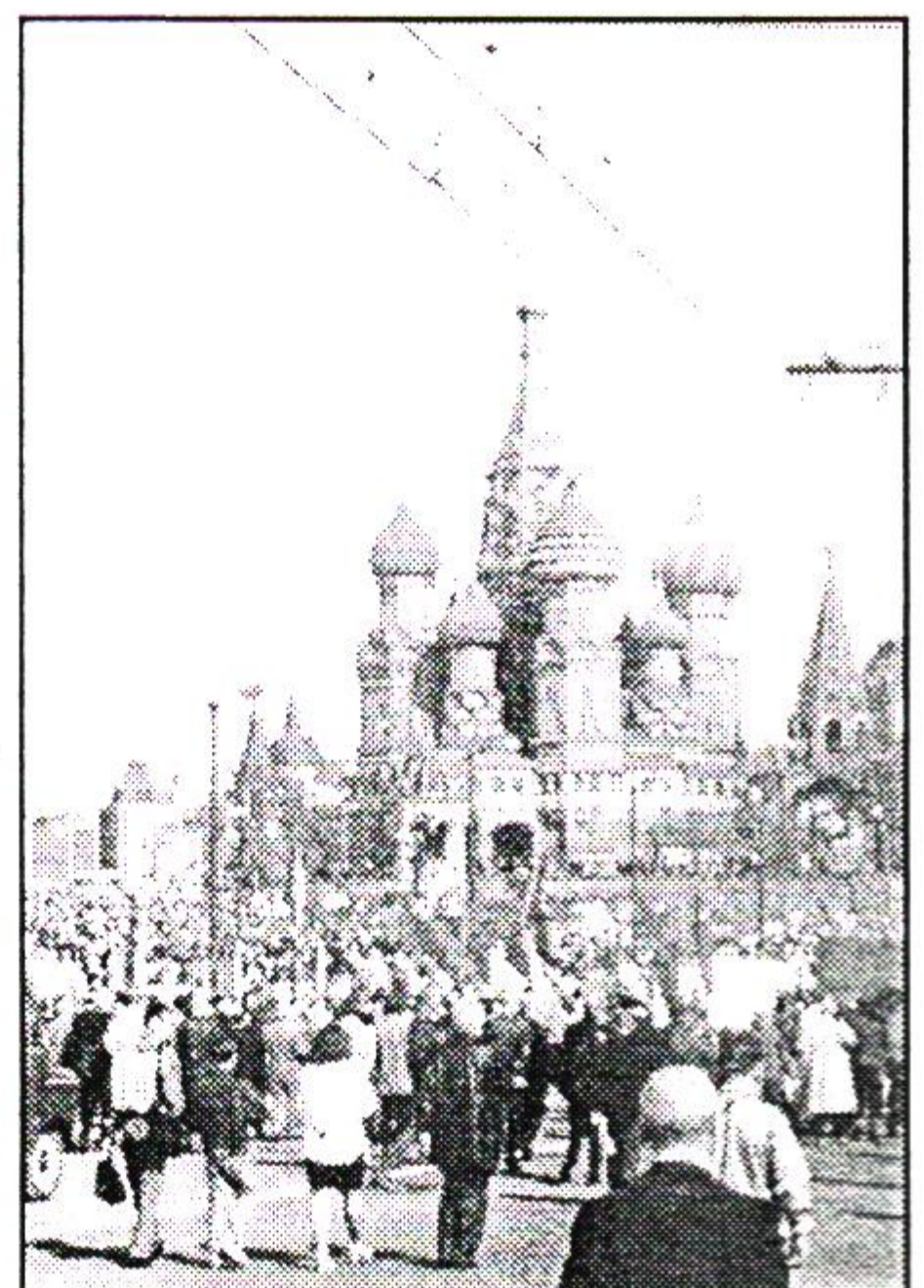
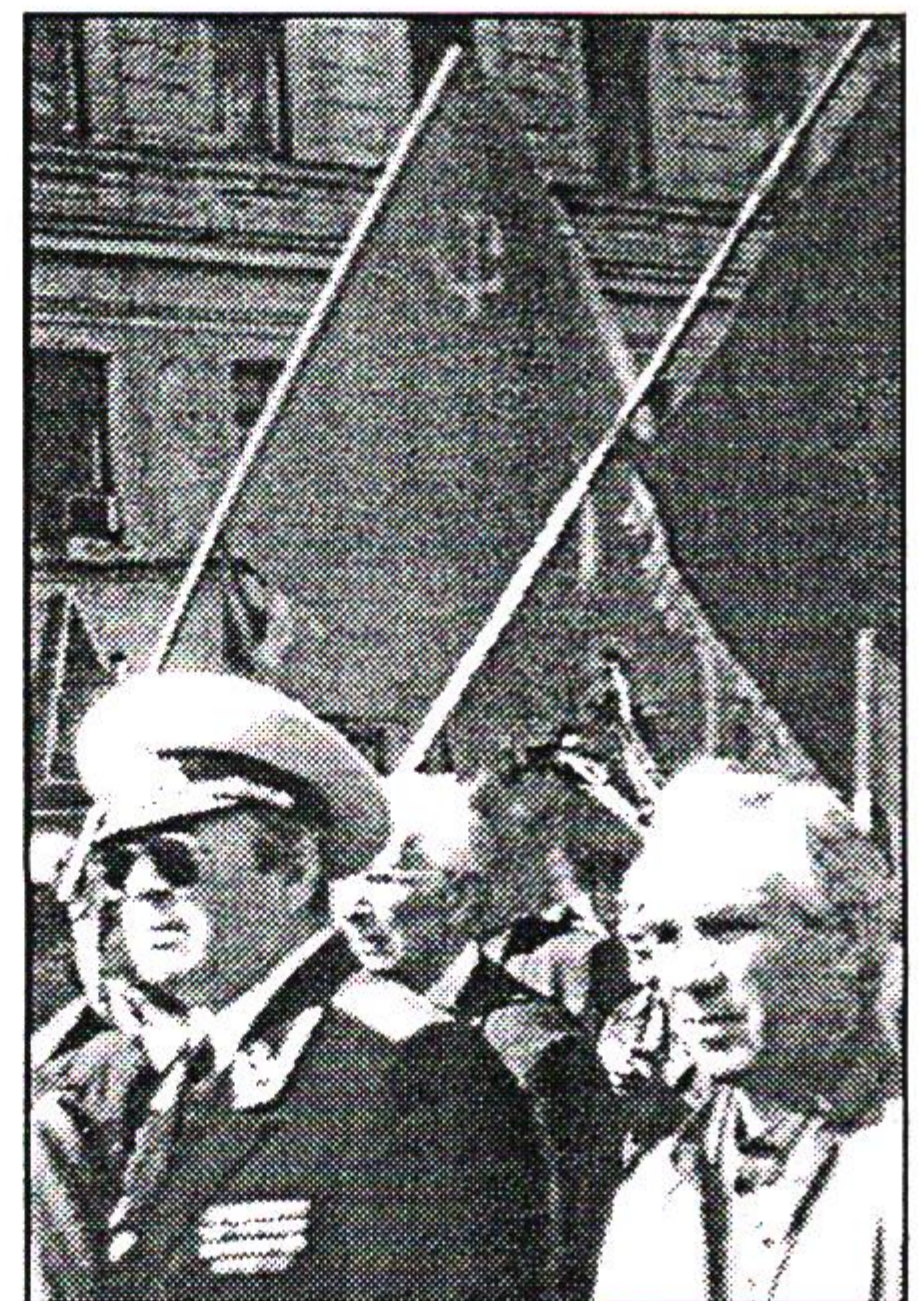
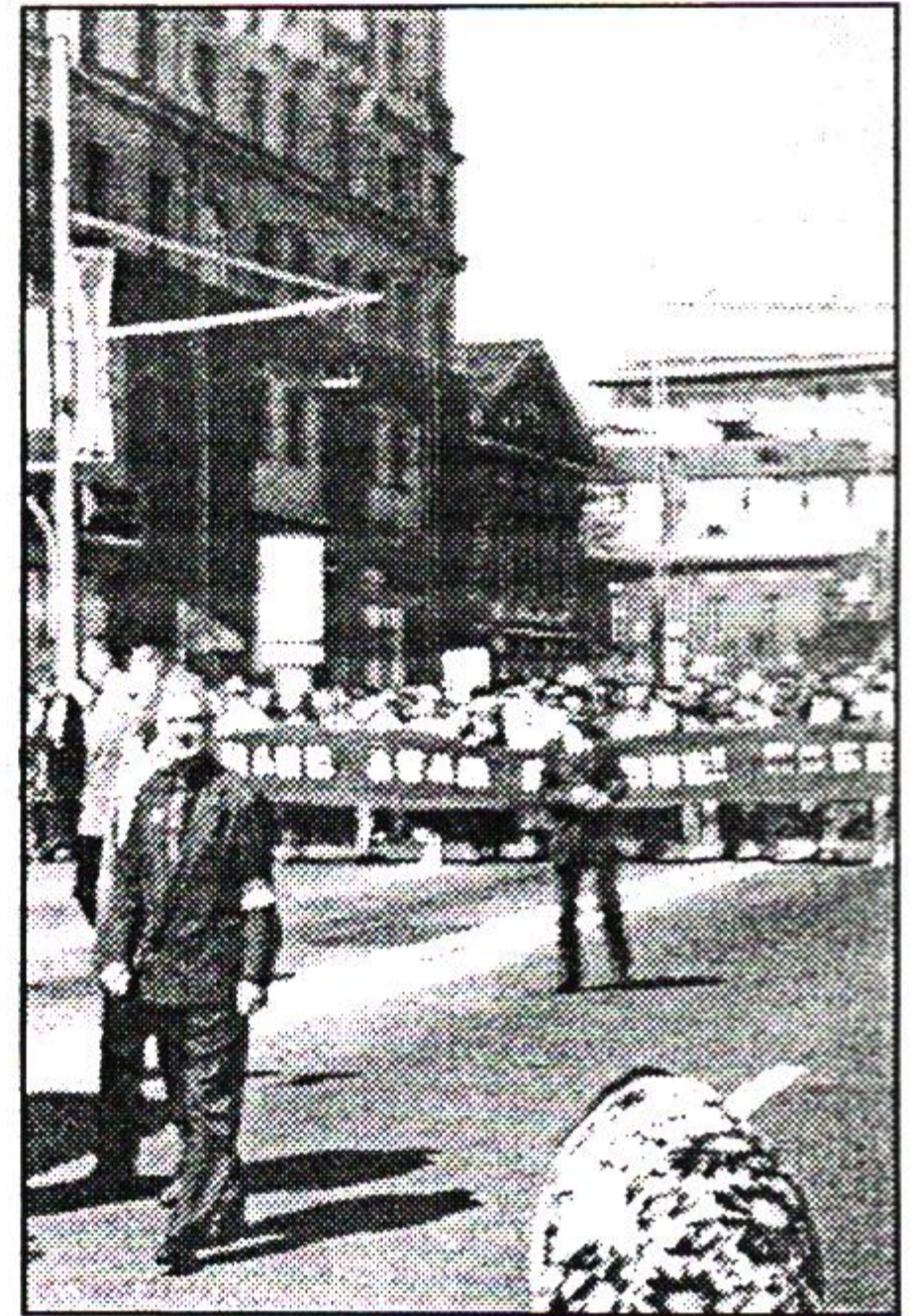
However, it would be a mistake to confuse these reactionary manifestations with the widespread feeling of the masses that Russia is being destroyed. This is most often reflected in the demand for the reconstitution of the Soviet Union, and specifically for the immediate reunification of Russia and Belarus. I saw this clearly on the demonstration on the 9th of May. This was Victory Day, the anniversary of the victory of the Soviet Union against Hitler Germany. In the past, this was celebrated with a big official parade with tanks, guns and rockets. Now the Yeltsin government, as part of its attempt to cuddle up to the West, has reduced the official parade in Red Square to minuscule proportions, while the CPRF and other opposition parties hold a separate demonstration outside the Square.

The demonstration on May 9th is the traditional Victory Day demonstration—the anniversary of the victory over Hitler Germany, which in the past included a formidable display of tanks, guns and rockets in Red Square. This year all that was suppressed. But in order to steal the thunder of the CP, who organised their own demo., Yeltsin ordered a small military parade in Red Square, which, as on May Day, was

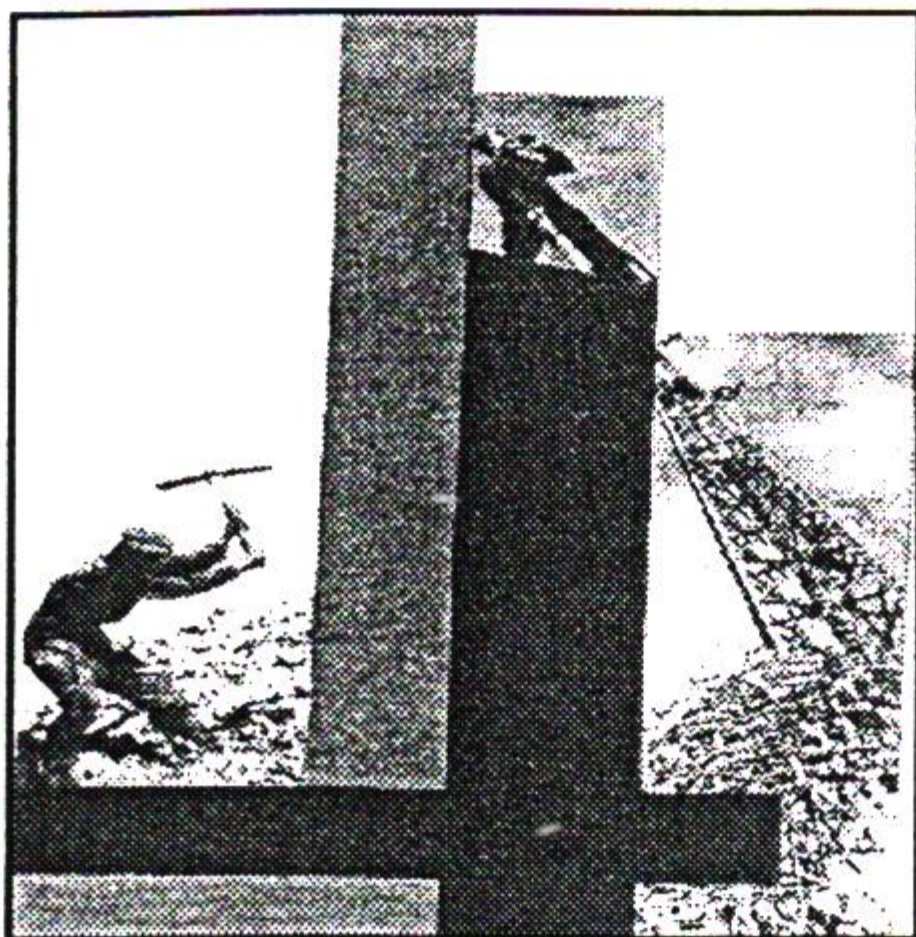
closed to the CP demonstrators. The government parade was short and perfunctory. The press agreed that the opposition had effectively out-classed the government and stolen an advantage. The CP demonstration was big—bigger than May Day, in fact. The first thing that struck you was the number of army uniforms present: a large number of serving and retired army officers and soldiers, tough-looking commandos, even Cossacks, filed past the applauding crowds. The Union of Soviet Officers carried a big banner. It is clear that the CP leaders are making a big play for the support of the army officers, who are seething with discontent over the loss of their customary power and prestige. Things have got so bad that there have been cases of soldiers starving to death. To these officers, Yeltsin's sell-out to NATO is only the latest in a series of national humiliations since the fall of the Berlin Wall. Sooner or later, the accumulated bitterness and discontent in the barracks must lead to new explosions.

In a whole series of discussions I had with people of different views, from anarcho-syndicalists to hard-line Stalinists, I was struck by the extremely unstable nature of the situation. Beneath the superficial façade of feverish economic activity in Moscow, where every street corner seems to be a building site, there is a profound sense of unease and insecurity. Every year at least \$20 billion are stashed away in foreign currency, while investment languishes. The total deposits in commercial banks is only half this amount. Promstroy, a special bank set up to promote investment for "patriotic" purposes in 1994 devoted 20% of its total portfolio to credits for industrial development. By mid 1996, this had fallen to only 8%. No wonder the Russian economy continues to fall!

Evidently, even this fall must come to an end. It is possible that by the end of the year, or next year, there will be some kind of growth. Paradoxically, this will be the signal for an explosion of the class struggle in Russia. Even a slight upturn in the economy will be enough to encourage the workers who still have their heads down to pass over onto the offensive. Those in the West who imagine that everything in Russia is resolved are in for a big surprise. In reality, nothing is resolved. Russia is set to enter a new and turbulent period. Once the mighty Russian working class begins to flex its muscles, the whole world will sit up and take notice. ☆



New book on Russia launched



This month sees the publication of Ted Grant's new book, *Russia: from revolution to counter revolution. Socialist Appeal interviewed Ted, asking him about the book and the ideas behind it.*

Why did you decide to write this book at this time?

EG: We felt it was necessary to write an extensive book on Russia as we need to have an understanding of the situation that has unfolded, particularly with the advance of the capitalist counter-revolution under Yeltsin. The process, however, has not finished. It is not certain which direction Russia will go. It could be either way: towards the complete restoration of capitalism or a possible new October revolution, or even a move towards neo-Stalinism. This latter variant would not be like the regime of old Stalinist totalitarianism, but of a far weaker character. The reason for this is that the Communist Party is not in a position to establish a regime like Stalin's after 1930. Therefore the victory of a neo-Stalinist regime would prepare the way for a victory of the working class.

Why is Russia so important for socialists?

EG: The book I believe is essential to understanding the processes taking place in Russia at the present time. Russia has always been a key question for Marxists and the Socialist movement generally. On the one hand we had the blind and fanatical arguments that "socialism" had been achieved in Russia by the Communist Parties. On the other hand there were the

ultra-lefts who argued that capitalism (or state capitalism) had been established in Russia and the gains of 1917 totally lost. However, Trotsky and those who stood for genuine Marxism argued for the defence of the gains of the October Revolution against the Stalinist regime, explaining that the USSR had abolished capitalism but had degenerated into a deformed workers' state. Nevertheless, the state ownership and the plan - all that remained of the October Revolution - had to be defended from imperialism which wanted to destroy it and turn Russia into a new field for exploitation. Trotsky, however, had predicted in his marvellous book, *The Revolution Betrayed*, that the Soviet bureaucracy would attempt to restore capitalism in Russia. Recent events show that to have been absolutely correct. It is a crushing argument against those who held that the USSR was already a variety of capitalism.

The process as explained by Trotsky was shown to be correct. The Soviet bureaucracy abandoned the planned economy as a result of the impasse that it faced. But this impasse was due to the stranglehold of the bureaucracy on the economy, which resulted in the productive forces for the last period of the USSR growing less than under capitalism. As Marx explained, the key to the development of society is the development of the productive forces. This led to the crisis of the Stalinist regime.

You base yourself on Trotsky's analysis, but was Trotsky wrong in his estimation of the USSR? That is after the war there would be a political revolution or the victory of capitalist counterrevolution.

EG: Trotsky had expected that during the war that there would either be a successful political revolution in the Soviet Union or it would be defeated by the imperialists who would carry through a capitalist counter-revolution. Although this prognosis was falsified by events, Trotsky was right that the Second World War would be followed by a revolutionary wave. It was precisely this revolutionary situation that sustained the USSR. It could have led to the victory of genuine socialism in Europe, but was derailed by the Communist Parties. Also the superiority of state ownership and the planned economy allowed the USSR to defeat Hitler, despite him having practically the combined forces of Europe behind him. The Russians out produced Germany in guns, tanks (which were of a higher quality) and planes (of an equal quality). That was a test of the regimes.

So Trotsky's analysis and method was cor-

rect, but no one could predict the exact turn of events during the war, with the multiplicity of factors on the world arena. The victory of Stalinism in the war and the conquest of the whole of Eastern Europe temporarily gave an access of strength to Stalinism that was to last for decades.

What role has Stalinism played in the workers' movement internationally? Has the collapse of Stalinism opened up new possibilities or is it a setback?

EG: The movement towards capitalist counter-revolution in the former USSR is an enormous defeat for the workers' movement internationally. But this will not be a decisive defeat in the long term. The mighty Communist International was established with more support than any movement since the establishment of Christianity and the Moslem religion. However, what Marxists call the subjective factor is decisive. The Communist Parties abandoned all the fundamental ideas of Marxism and the class struggle and turned towards class collaboration and popular frontism (the collaboration of the liberal wing of the capitalists and the workers). This was despite Lenin's rejection of such policies. They led to disaster for the working class whenever they took to the road of revolution.

But new movements of the working class are inevitable, as the latest example of Albania shows. The struggle to transform society will develop through a struggle within the traditional mass organisations of the workers. The crisis within the Communist Parties with the collapse of Stalinism opens up big possibilities for a genuine Marxist tendency.

You have received offers for the book to be published in Russia. Do you think this work can have its greatest impact there?

EG: It can have a big impact in the former USSR and the other ex-Stalinist regimes. The book is an attempt to understand the processes over the last 80 years from the revolution to the counter-revolution that is taking place today. It can have a big effect in Russia as it deals with the past, the present and the future of Russia. The working class of Russia are looking for a new version of the October Revolution and the establishment of a genuinely healthy workers' state on the lines of 1917. Despite all the crimes of Stalinism, the first attempt of the workers after the first shock of the counter-revolution was to turn electorally towards the Communist Party of the Russian Federation (CPRF).

▣ New book

Trotsky's grandson, Vsievobod Volkov, wrote the foreword to your book. Did you ever meet Trotsky or any of his family?

EG: I never met Trotsky, although he sent us a letter congratulating us on republishing his pamphlet *The Lessons of Spain*, for which I collaborated in writing the introduction. I did meet his son and close political collaborator, Leon Sedov. It was in Paris when I was on my way to England from South Africa. We had a long discussion and he was very pleased that we came over to strengthen the British group. Sedov was a very impressive figure, totally devoted to the cause of the revolution. He was committed body and soul to Trotsky and the building of Trotskyism internationally. He was later murdered by the Stalinists.

I had the pleasure a few years back of speaking on the same platform as Veronica Volkov, Trotsky's great grand daughter, who was representing her father in London at the time. We are in close touch with Vsievobod and I have spoken to him over the phone. I was very pleased that he wrote the foreword. It represents an historic link.

Do you regard the book as a modern version of the *Revolution Betrayed*? What was your first impressions of this book when it was published in 1936?

EG: I based myself on *The Revolution Betrayed*. It is without doubt the best book on Russia. In that sense, my book is an attempt to continue where the *Revolution Betrayed* left off. I first read Trotsky's book when it first came out in late 1936 - in fact I remember lecturing about it at the time. It was a tremendous revelation of the events that had unfolded in the USSR and the perspectives that were to open up. I believe that everything that has happened since, despite the time lag, has confirmed Trotsky's analysis. Just compare any other writing on Russia at the time, say the Webbs' *Soviet Communism* for instance, to see how shallow and erroneous they were and the tremendous clarity and understanding that is contained in *The Revolution Betrayed*. It appeared at the time of the first big Moscow frame-up Trials, when all the Old Bolsheviks were accused by Stalin of counter-revolutionary activity and terrorism. I recall the ILP leaders did not want to take a position on the trials as they were under the pressure of the Communist Party and the propaganda of the popular front. We base ourselves on the analysis of Trotsky. Our task was to maintain this fundamental tradition that Trotsky had established in relation to the events that were

and are taking place in the former USSR.

What are the prospects of a new revolution in Russia?

EG: There will be new revolutions in Europe, which will open the road to the victory of the working class on a world scale. And what is inevitable is a new revolution in Russia. The ruling class of the West and above all American imperialism have established a NATO basis in Eastern Europe as they are not certain they will be able to hold the line in Russia, and that a new revolution, would have all the features of the October revolution, i.e., all the features of the working class control of the state. This will act as a tocsin to the workers of the west and the ex-colonial countries.

Obviously the book should be given the widest possible circulation?

EG: Yes. We hope that people will read the book and come to understand the revolutionary perspectives that are inherent in Russia and on a world scale for that matter. Trotsky had predicted the collapse of the USSR and the move to restore capitalism, but he also predicted the inevitability of a new October Revolution and the establishment of the workers' state on a much higher level. The Soviet Union was established on the basis of terrible backwardness, where the working class was less than 10% of the population. At that time there was only a small stratum of skilled workers. Today the number of scientists, technicians and engineers is greater than most other countries. The material basis for beginning to move in the direction of socialism now exists.

The revolution will be on a different material basis entirely from 1917. A new soviet government, based on workers' democracy, could introduce immediately a six hour day and a four day week, to allow the working class to participate in the running of industry and the state. Such a revolutionary regime would be an enormous attraction to the working class internationally. It would be the beginning of a world socialist revolution. Today the Western bourgeois are very worried at the prospect of a new revolution. They are not at all certain that they can establish capitalism in Russia. A new revolution would be on a new level internationally too, and would open the road for the workers in Britain, Spain, France, Italy, Greece and elsewhere, to take power into their hands and establish a Socialist United States of Europe, as a step to a Socialist World federation.

Russia: from revolution to counter revolution

by Ted Grant

intro by Vsevolod Volkov

new book from Wellred price: £11.95



Following on from the publication of *Reason In Revolt* in 1995, this month sees the publication by Wellred books of a new book written by Ted Grant on Russia.

The book is around 600 pages long and covers the key developments in Russia from the period following the revolution of 1917 right up to the present day. It is a unique book tracing the elimination of workers' democracy, the rise of Stalinism, the direction of the USSR before and after the Second World War through to the collapse of the bureaucratic system during the 1980s. Using the method of Marxism, Ted Grant analyses the contradictory developments which shaped the Soviet Union and led to its downfall. He also deals with the current situation and assesses the possibility for a successful restoration of capitalism. This book represents a comprehensive defence of the ideals of the October revolution. It is not simply a "history" but also a thorough explanation of Stalinism which can serve to politically re-arm a new generation of militants and labour movement activists. Not since the publication of Trotsky's book *Revolution Betrayed* in 1936 has such a detailed and comprehensive Marxist study of Russia been undertaken.

Copies can be ordered now at a cost of £14 each including postage. Order from Wellred Books, PO Box 2626, London N1 7SQ. Make cheques/POs payable to Wellred.

Dictator Mobutu bites the dust

On May 17 the forces of the Alliance of Democratic Forces for the Liberation of Congo-Zaire (ADFL) took Zaire's capital Kinshasa and changed the name of the country to Democratic Republic of Congo putting an end to 31 years of dictatorship by Mobutu Sese Seko.

by Jordi Martorell

The unstoppable advance of the ADFL began only seven months ago in Eastern Zaire. How has it been possible for these forces to take over a territory nearly as big as Western Europe? Who are they and who is backing them? And what will this new situation bring for the impoverished masses of the new Democratic Republic of Congo?

The immediate origins of the conflict can be traced back to Rwanda in 1994. The then president of Rwanda, Habyarimana, engineered a mass killing of the Tutsi minority of the population. In three short months, over a million people were killed. The massacre only ended when the forces of the Rwandan Patriotic Front (RPF) finally took power. Hundreds of thousands of Hutu fled the country, mainly to Zaire, fearing revenge. Amongst them were many of those directly responsible for the massacre, former Rwandan army officers and the Hutu (Interahamwe) militias, armed by the Rwandan president Habyarimana in order to organise the massacre.

Once in Eastern Zaire, the Rwandan Hutu militias started to reorganise their forces, hiding inside the refugee camps and actually running them. Using the refugee camps as military bases, they carried out attacks on

both the new Rwandan government and the local Tutsi population (the Banyamulenge). The latter had lived in the area for two centuries. The Hutu militias rearmed themselves with weapons supplied by British, French and South African arms companies. Most of the international aid companies turned a blind eye. In the meantime they and the Zairian regime made a big business out of the humanitarian aid sent by Western powers. The French and Belgian governments were especially keen to help the Hutu Interahamwe militias to take back control of Rwanda from the RPF government, which was backed by Washington.

The last straw was last October, when the regional governor issued a decree to expel all Banyamulenge Tutsi to Rwanda—probably an attempt by Mobutu to divert attention from the problems of the population by provoking a tribal-based conflict. This was the reason why the Eastern Zaire Banyamulenge Tutsi, supported by the Rwandan and Ugandan armies, attacked the refugee camps. A big section of the Hutu in the camps were being prevented from going back to Rwanda by the Interahamwe militias who were using them as a human shields for their operations. Once freed from their pressure, hundreds of thousands went back to Rwanda. Another section, mainly those responsible for the 1994 Rwandan massacre went further into Zaire with all those they managed to force to go with them.

By now in Eastern Zaire an alliance had been formed between different forces against the Mobutu regime. This alliance (the ADFL) was not an ethnic-based force as it has been presented in the Western

media, but included people from different areas of the country. The different groups in the Alliance were Kabila's People's Revolutionary Party created in 1967 after the defeat of the struggle against Mobutu's regime; the Democratic People's Alliance created in 1995 as a self defence organisation of the Banyarwanda and Banyamulenge in North and South Kivu; the Revolutionary Zairian Liberation Movement, created in 1994 in the Bukavu region; and the National Resistance Council created in 1993 by opposition forces in Kasai.

They were supported by the Rwandan government in order to put an end to the guerrilla war against Rwanda by the Hutu militias. The Ugandan government backed them as a reprisal against the Mobutu regime for its support to the Islamic rebels operating against Uganda from Zairian territory. The Angolan regime supported them in retaliation for Zaire's support for the UNITA troops in wrecking their country. And finally, US imperialism backed them as a part of its regional war of interest against French imperialism. But this was not the main reason for their success.

Stalinism

After the fall of Stalinism we were promised a New World Order of peace and prosperity. But we do not hear much about this these days! In fact one of the features of this new period is an increase of inter-imperialist conflicts in the search for new markets and new fields of investment, exacerbated by the crisis of capitalism. In Africa this struggle is mainly between French imperialism (the former, now much enfeebled, colonial ruler) and US imperialism. Different chapters of this drama have already been played out in Rwanda (where France supported Hutu president Habyarimana and the US were supporting the Tutsi RPF forces), Somalia, Liberia, Sierra Leone, Central African Republic (where France sent paratroops to defend "its" president against mutinies on a number of occasions), Sudan (where there is a renewed offensive of the South Christian forces in an alliance with other opposition forces, including the "Communist" Party, supported by the US and its local ally Ethiopia), and so on.

But the main reason for the rapid success of the ADFL forces can be found in the extreme unpopularity of Mobutu's regime; the extreme lack of willingness to fight of his Army, demoralised and badly armed and equipped and unpaid for months; and the support of the local population in the liberated areas. The pattern of the struggle was graphically described by Colette Braeckman



in *Le Monde Diplomatique* (February 1997): "The ADFL has not had to wage violent confrontations: it has been enough for the rumour that they were coming to spread, for the Zairian Army to retreat in a disorderly fashion. Every time the scenario has been the same: refusing to fight, the soldiers start looting the local population for the last time, extracting from them the tribute which they have got used to taking." Mobutu's regime had previously used the tactic of not paying its soldiers in order to provoke riots and looting against the population, thus preventing a popular revolt.

The disintegration of the army went so far as to affect layers of the officers. An army lieutenant was quoted by the *Times* on February 17 as saying: "There must be a change of government. Mobutu must go into exile or retire. If this does not happen and our comrades in the field are not paid, fed, armed, and properly led, we will clean out all the ministers and anyone above the rank of major" The hiring by the government of mercenaries, mainly former members of the South African army, made no difference. These "heroes", as could be predicted, ran like rabbits as soon as they met serious resistance.

The old regime had become one of the most hated in Africa. Mobutu and the clique around him were specialists in extracting wealth from the country and the population and transferring it to their own pockets. The regime became known as a kleptocracy (rule of the thieves) and Mobutu has been aptly described as a "walking bank account with a leopard skin hat".

Zaire is potentially one of the wealthiest countries in Africa. It leads the world in industrial diamond production, produces about a quarter of the world's cobalt, holds 80% of world reserves, and ranks sixth in copper production. The Mbuji May diamond mine (in Western Kasai) alone has annual profits of 450 million dollars. Zinc, tin, manganese, gold, silver, iron ore, and uranium are also found there. Energy resources include 13 percent of the world's total hydroelectric potential, oil reserves, and some coal deposits.

Nevertheless its population did not derive the slightest benefit from these riches. Per capita income is around \$100, when the World Bank puts the poverty line at \$370. This figure is actually the same as in the early 60s, while Mobutu's personal wealth is \$5 billion, almost as much as the country's foreign debt. In 1994 the amount of money going directly to the president (\$327 million), was more than the actual state budget of \$300 million. Life expectancy in Kinshasa is between 40 and 45 years. Hyperinflation has become chronic, reaching 6,030% in 1994.

But although all Western regimes now hypocritically expose his crimes and corruption, they conveniently forget that it was they who put him in power in 1965 when, with the help of the CIA, he betrayed and murdered the revolutionary leader Patrice Lumumba. The West defended him time and again from the revolt of his own people.

When the threat of "communism" had disappeared he was no longer of any use for imperialism. He was also becoming too expensive and difficult to control. They thought it would be better to reform from the

top in order to prevent a rebellion from below. It is not the first time that a puppet of imperialism has become useless for them and they try to replace it by a more reliable and cheap form of government (Haiti, Philippines). Sometimes they had even had to resort to military intervention (Iraq, Panama).

What does Kabila stand for? He started out as a left, fighting with Che Guevara against Mobutu's regime in the 1960s. Since then, however, he has travelled a long way and no longer talks about "Marxism", but of the need for a "social market economy". Now it seems he has excellent relations with the big multinational companies. He renewed the mining concessions to international companies even before the end of the civil war. The first major deal with the Alliance forces was signed in April by the US company American Mineral Fields, a \$1 billion agreement for AMF to mine copper, cobalt and zinc. Early in May the Canadian-based Tengke Mining Corporation shifted its contract with the Mobutu regime for the copper and cobalt mines in Shaba to an agreement with the Alliance. In both cases the ADFL received large amounts of money which was used to finance the military operations. It is hardly conceivable that mining companies would be financing Kabila if they thought he was going to take over the economy and run it in the interests of Zairian people.

In fact, one of the reasons why the US finally ditched Mobutu was his insistence in maintaining some sort of control over the mining exploitations through the state owned company (not for the benefit of the Zairian masses, but to increase his own wealth, of course!). As the *Financial Times* said when the ADFL took over the mining provinces: "Rebel control of Zaire's most important mining and diamond trading centres would enable the privatisation of Zaire's mineral wealth to proceed unhindered by the ailing president." This is quite clear. But nevertheless, things may not be as clear as this would suggest.

Military

The fact that Kabila has come to power on the basis of a military takeover does not please US imperialism, and even less French imperialism which supported Mobutu right to the end. They were insisting all the way in an "all inclusive agreement with all opposition forces" and a "peaceful transference of power". This was clearly expressed by the *Financial Times* (April 28): "The US and other Western powers are anxious for Kabila to win control of Kinshasa as part of a negotiated settlement (...) rather than at the head of an all-conquering rebel force, answerable to no one".

Obviously what worries them is the implications for other dictators in the area (supported by Washington). The *Times*, on May 20 carried the following declarations by a western ambassador in Zaire, which accurately reflect those worries: "What's worrying us is we don't know where, or when, these men are going to stop. Will they try to take on every bad guy on the continent: Is Sani Abacha [Nigeria's dictator] next? How comfortable is Mr Moi in Kenya?"

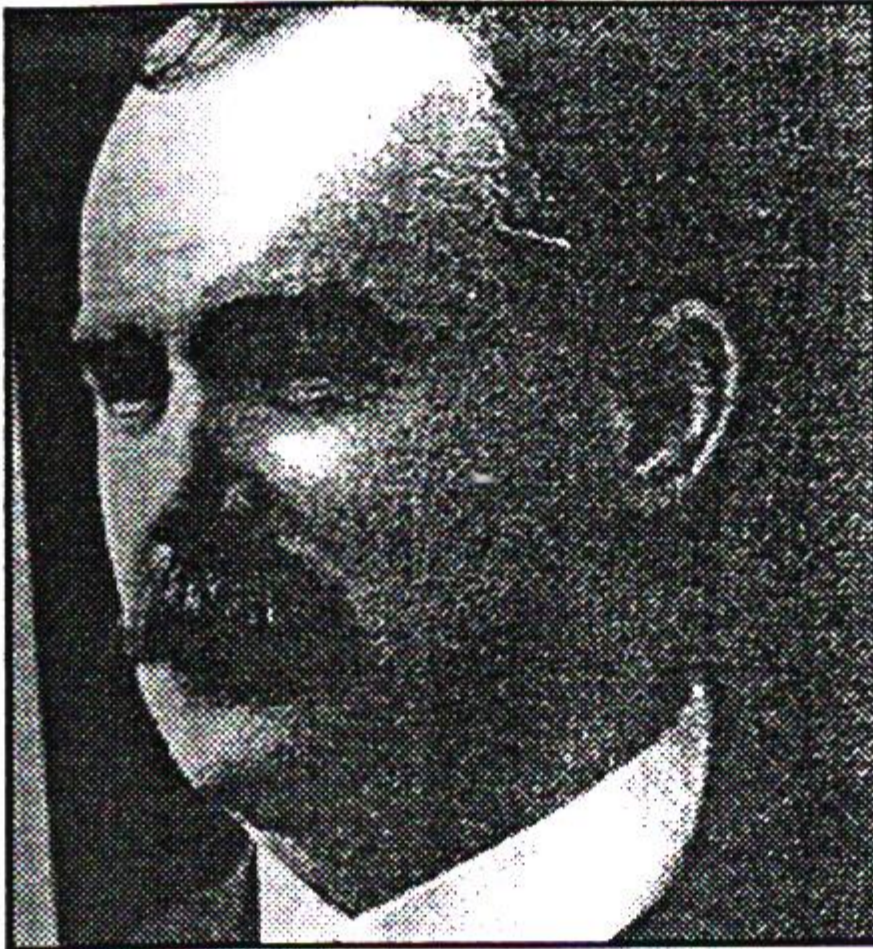


Understandably the new regime has raised a lot of expectations amongst the masses. After decades of oppression and plunder they wanted a change. There were several general strikes in the capital in the last few months demanding the end of Mobutu regime. "People want Kabila to win the war and come here, simply because we're fed up with the way of living here under Mobutu", Luke Mkaal, a business person, told Associated Press reporter Tina Susman on February 14.

Socialists and workers all over the world will welcome with enthusiasm the overthrow of Mobutu. But the problems of Zaire cannot be reduced to just one individual, Mobutu. He was only in there because he guaranteed the imperialist exploitation of the country's natural resources, and the general interests of imperialism against Stalinism in the area. The model the US is preparing for Zaire is Uganda, a country with an authoritarian regime (but one backed by the US), where the government is implementing all World Bank and IMF plans for the benefit of imperialism.

The only solution for workers and peasants in Zaire is independent class action to defend their own interests. Only by nationalising the country's vast natural resources and means of production and putting them to work in order to solve the many problems of the masses, can the situation begin to improve. We have to remember that it was precisely the drop in the coffee prices caused by the World Bank's Structural Adjustment Plan for Rwanda which forced many (mainly Hutu) small farmers into the Interahamwe militias which sparked the 1994 massacre in Rwanda. Capitalism can only mean war, starvation and misery for the African masses. But even on the basis of a socialist programme it would be impossible to solve the problems of the Zairian population on their own. The key to the solution lies in the countries a strong proletariat, especially South Africa and Nigeria. A socialist revolution in Zaire would be an important first step, but only the spreading of this to the rest of this plundered continent could offer hope for the masses. On the basis of a genuine socialist programme, the workers and peasants of Africa can yet light a beacon which can set the world ablaze. ☆

Workers unity: the only real solution



The election of a Labour Government in Britain has raised enormous expectations, not least by workers in Northern Ireland who are looking for a way out of the impasse they have faced for nearly a century. Yet the Labour leadership remain tied to a "bi-partisan" approach that has solved nothing in the past, and looks set to present more of the same for the future. In a short series of articles, *Cain O'Mahoney* examines labour's role in Northern Ireland and the lessons that must be learnt.

One of the greatest tragedies of this century was the premature rising in Dublin in 1916. Heroic though the Easter Rebellion was, it led to the execution of the giant of Irish socialism, James Connolly, and shattered the last remnants of the Irish Citizens Army, a potentially revolutionary force.

This beheading of the Irish labour movement came just two years before the momentous events of 1918-1920 which, with a correct workers leadership, could have changed the course of history in Ireland, Britain, and possibly the world.

James Connolly, a Scottish trade unionist blacklisted after standing as a Labour candidate in Edinburgh, was summoned to Ireland to work alongside Jim Larkin in bringing trade unionism to the lowest paid and most exploited section of the working class in the British Isles.

Larkin had already sent shockwaves through the ruling class with a successful struggle in 1907 in Belfast. Since the United Irishmen revolt of the 18th century, British Imperialism had used sectarianism to divide Northern Ireland workers, using the promise of "ascendancy" for the Protestants to buy their loyalty.

But the rise of trade unionism and socialist ideas was breaking this centuries' old grip. The grinding poverty of capitalism was driving Protestant and Catholic workers into each others' arms. As Connolly explained in his work 'Labour In Irish History': "... the presence of a common exploitation can make enthusiastic rebels out of a Protestant working class, (and) earnest champions of civil and religious liberty out of Catholics, and out of both a united social democracy."

The British ruling class had a taste of this in 1907. Jim Larkin led a campaign to unionise the dockers and transport workers, uniting Catholic and Protestant workers throughout Belfast in the fight for union rights. The ruling class were shaken after their age old method of 'playing the Orange card' to divide the workers totally failed. The Unionist press had denounced Larkin as a

"Catholic and a socialist" and attempted to whip up emotions around the July 12th parades.

Larkin responded by organising a united labour movement demonstration on the eve of July 12th, cutting the ground from beneath the sectarians and stamping the trade unions' authority on the city. He even won the support of the Independent Orange Order - a working class, 'pro-labour' breakaway from the official Orange Order - who backed the demonstration. Indeed, scabs had been brought in to break the strike, from Liverpool; that these class traitors came from Britain and not the 'Catholic enemy' in the South was not lost on Protestant workers.

The bosses were further weakened when the clamour for trade union rights spread to the Royal Irish Constabulary in Belfast. The leader of the movement demanding trade union rights for the police was threatened with a charge of mutiny. The rank and file of the RUC responded with a mass meeting at the Musgrave Street Barracks threatening immediate strike action, and the authorities backed down.

As the bosses saw the trappings of state power begin to unravel and their sectarian grip on Protestant workers collapse, they were only saved by the leaders of the British TUC. They rushed over to the North and imposed a settlement on the dockers, and the movement subsided.

The height of Connolly and Larkin's influence came in 1913, and the momentous events of the Dublin Lockout. There had been several minor but successful strikes led by their union, the Irish Transport and General Workers Union. Larkin then led the ITGNW in a campaign to organise the Dublin United Tramway Company, one of the major employers in the city refusing recognition.

Its owner, Murphy, one of the leading bosses in the city, called together the Southern employers in August and urged them to join him in a city-wide Lock Out. Over 400 employers responded to the attempt to smash the trade unions, and they were backed by the British state. The Police were unleashed to violently break up all mass meetings and pickets, the most infamous episode being Bloody Sunday which left hundreds of trade unionists badly injured. In all two pickets were killed by police, while a young girl was shot dead by an armed scab.

In the momentous battle over 100,000 trade unionists and their families backed Connolly and Larkin until they were literally starved back to work on Murphy's Brief six months later. The struggle was lost because of the failure, once again, of the British TUC leadership to give active support. They con-



fined the British labour movement to fund raising activities only, quickly moving in to quell sympathy strikes

that broke out in Liverpool, Manchester and Birmingham, fearing a general strike spreading throughout the whole movement which in turn would have challenged their comfortable positions.

The defeat of the Southern Irish workers in the Dublin Lockout alongside the onslaught of the First World War left the Irish labour movement battered, bruised and demoralised. By 1916 membership and funds had dwindled to dangerously low levels. Larkin was dispatched to the United States to raise new funds for the impoverished Irish Transport and General Workers Union—he was subsequently imprisoned and held in Sing Sing prison until 1922, in the purge of the American labour movement that followed the Russian Revolution.

Connolly meanwhile became increasingly isolated as reaction set in following the defeat of 1913, while his anger grew at the great betrayal of the labour movement leaders throughout Europe as they passively fell in line behind their respective national states in readiness for the mass slaughter of the First World War.

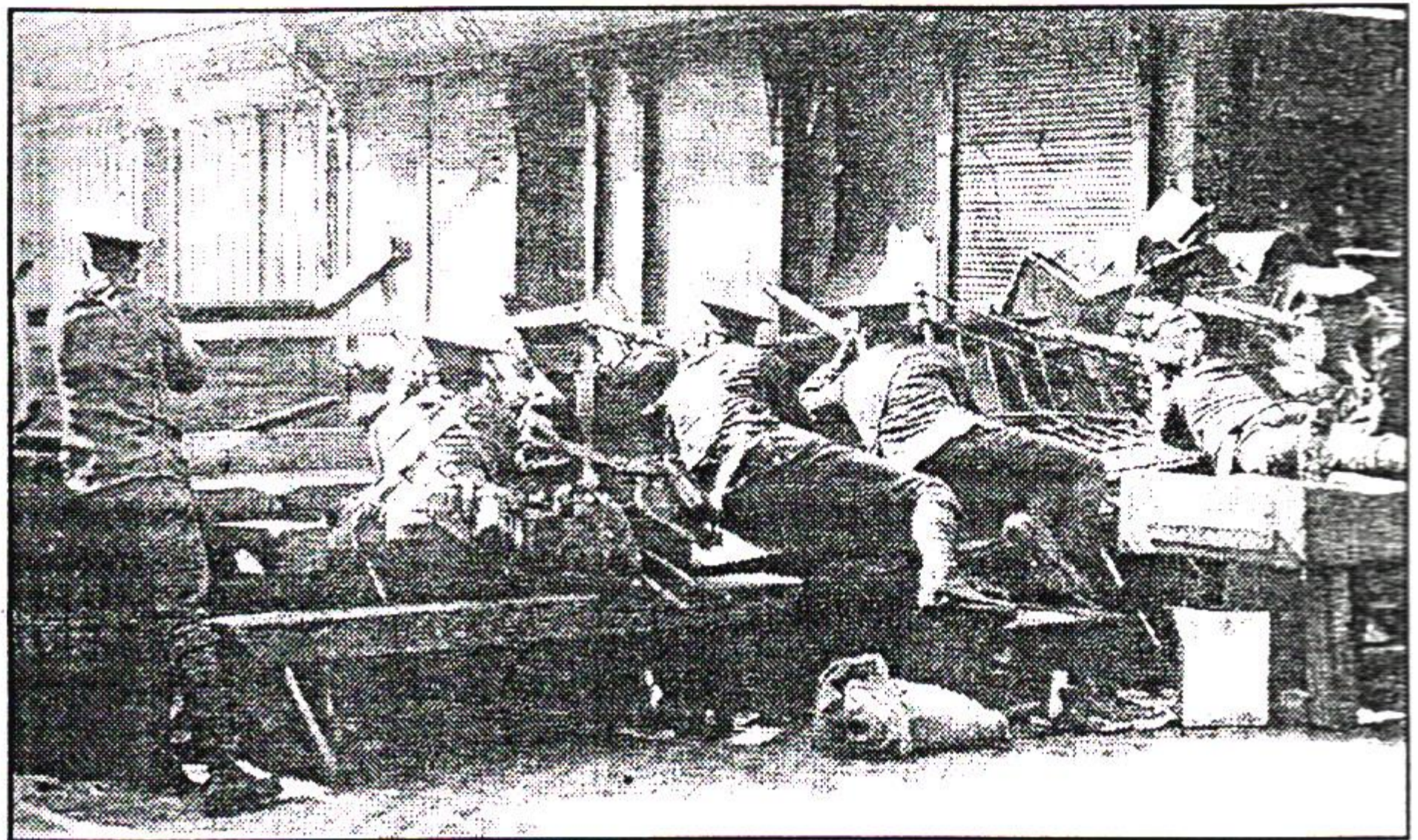
Connolly was in the tradition of the 'Zimmerwald Conference' labour leaders—which included Lenin, Luxemburg and Liebknecht—that condemned the great betrayal of the European reformist leaders.

Connolly had raged against the British TUC: "Time was when the unanimous voice of that Congress declared that the working class had no enemy except the capitalist class—that of its own coming at the head of the list!"

The Easter Rising, from Connolly's standpoint, was a last desperate act after fears grew that widescale conscription would be introduced in Ireland; the Irish working class, already starved and exploited, were now to provide the mass cannon fodder for the killing fields of France.

Connolly took the small remaining cadre in the Irish Citizens Army—formed in 1913 to defend picket lines from Police attack - into the ill-fated rebellion to fight alongside the Nationalists of the Irish Volunteers. The ill timed revolt received little support and was swiftly crushed by the British Army.

The failure of the rebellion was not only a disaster in that it prematurely removed a potential revolutionary leadership from the Irish working class for the decisive battles yet to come. It also played into the hands of labour's enemies in the North who would forever more link socialism to Irish bourgeois nationalism, and scare Protestant



workers away from revolutionary ideas.

This of course was a total smear on the true ideas of James Connolly. All his writings and works pointed towards workers' unity and the need for the socialist transformation of society. Indeed, he had no illusions about the dangers of joining the Nationalists for an armed rebellion. A week before the uprising, he told his followers in the ICA: "The odds against us are a thousand to one. But if we should win, hold onto your rifles because the Volunteers may have a different goal. Remember, we are not only for political liberty, but for economic liberty as well."

Connolly was reviled internationally for his actions by labour leaders, including Plekhanov. However, Lenin and Trotsky leapt to his defence. Lenin in particular made the point that although it was "...a misfortune that the Irish rose prematurely", he pointed out to other so-called 'revolutionaries' that "...it is only in premature, individual, sporadic and therefore unsuccessful revolutionary movements that the masses gain experiences, acquire knowledge, gather strength and get to know their real leaders..."

Trotsky developed this point in his essay 'Lessons of the Events in Dublin.' Highlighting the case of Sir Roger Casement, the former British Colonial Service official who attempted to smuggle in German rifles for the rebellion, he stated: "The experiment of an Irish Rebellion in which Casement represented, with undoubted personal courage, the outworn hopes and methods of the past, is over and done with. But the historical role of the Irish proletariat is only beginning. Already it has brought its class anger against militarism and imperialism into this rising, under an out-of-date flag."

Unfortunately the removal of Connolly, Larkin and the ICA cadre—who could have played a key role in the events of 1918-1920—meant the workers continued to take up the struggle under an 'out-of-date flag'.

The struggle for Irish independence was accompanied by spontaneous movements of the workers inspired by the Russian Revolution. There were widescale land seizures in County Clare. An effective Soviet was formed in Limerick, with workers

even producing their own money - 'Labour Notes' - and imposing price controls. Members of the ITGWU took over the Knocklong Creamery under the slogan: "We make cream, not profits". In Leitrim, miners took control of the Argina coalfield.

In addition, the struggle for national liberation was taking an increasingly class based nature. With the exception of Belfast, throughout Ireland there was a General Strike against conscription in 1918. In 1920, there was a further three day General Strike against the imprisonment of Republican prisoners, while trade unionists in the docks and railways refused to handle ammunition and supplies for the occupying British Army.

But this was not matched by a labour leadership of the calibre of Connolly and Larkin. Instead the labour leadership allowed themselves to become an auxiliary of the nationalists based around Sinn Fein, which represented the rising bourgeois and petit-bourgeois who would supplant British imperialism in the new Free State.

The nationalist leader De Valera adopted left wing language to ensure the support of the workers, even declaring "If I were asked what statement of Irish policy was most in accord with my views as to what human beings should struggle for, I would stand side by side with James Connolly." These were empty phrases however. In the crucial 1918 general election De Valera demanded the Labour Party—formed in 1912 through the intervention of Connolly—stand aside to allow Sinn Fein a free run, under the slogan: "Labour must wait". The Labour leaders dutifully obliged, paving the way for the formation of a capitalist Free State that could never win support from the Protestant workers in the North.

Even so, the spontaneous actions by the workers during this period struck terror into the heart of British ruling class. Around the globe, capitalism had been shaken by the Russian Revolution and the revolutionary struggles in Germany and Central Europe. Now Britain in 1919 faced an uprising in Ireland and growing class conflicts on the British mainland too, from the Red Clydeside revolt in Scotland to the mutiny by British soldiers awaiting demobilisation in France. Had Connolly "kept his powder dry" for three or four years, and instigated an

History: Labour and Ireland

uprising along socialist lines during this explosive period, the impact can be imagined.

It was these fears that drove British imperialism to enact its partition of Ireland. There were of course immediate material considerations for the ruling class. They wanted to retain the profitable heavy industries of the North and maintain the Northern ports to protect Britain's western flank from its European rivals. But a prime motivation was that Partition would act as a brake on the growing revolutionary awareness of workers both North and South.

The Orange bosses and the British ruling class had thought that the events in the North in 1914—where Edward Carson and the Unionists formed the Ulster Volunteer Force and threatened open revolt against Home Rule—had re-enforced sectarianism, destroying the gains made by the workers in 1907.

But the spectre of working class unity returned to haunt the ruling class in 1919. Belfast was not unaffected by the class movements emanating from the South and across Europe; and not least from Red Clydeside where the battle was on for the 44 hour week.

A virtual General Strike rapidly spread throughout Belfast, with Shipyard workers—led by a Catholic—fighting for a 44 hour week, and engineers fighting for better pay. The workers won a partial victory, with the working week being reduced to 47 hours in the shipyards, and pay in the maritime engineering plants being increased by five shillings.

The importance of the 1919 Belfast strike however, is that it awoke the political consciousness of many Protestant workers. From the industrial struggle they moved onto the political plane. Belfast Labour and the ILP fielded candidates for the 1920 municipal elections - many of them strike leaders from the 1919 dispute—winning 13 seats.

This success was all the more significant as they defeated so-called 'Unionist Labour' candidates.

Following the events of 1907, the ruling class had always feared the Protestant workers developing their own independent political consciousness and therefore attempted to create a safe 'Labour' party for Protestant workers that would not threaten the Unionist order. 'Unionist Labour' was created in 1914—its class composition can be judged by its three founding members; Edward Carson, the Unionist leader and architect of Partition; JM Andrews, the boss of a large linen company; and William

Grant, the sole trade union activist but who was also a prominent member of the Orange Order. Yet in the 1919 elections, Unionist Labour won less than half the seats won by the real, class based 'Belfast Labour'.

Faced with a potential social revolution in the South, and the rising voice of independent labour in the North, the bosses' class responded with a terrifying new assault. They instigated vicious pogroms in 1920, that paved the way for Partition. The Unionist press whipped up fears about Home Rule and called on Protestants to 'expel' not only Catholics but also "unreliable Protestants and Socialists" from the workplace.

The Belfast Protestant Association, an extreme right wing group, led the affray into the Shipyards and other major factories and mills, attacking Catholics and trade unionists. It is worth remembering that the pogroms did not emanate from inside the workplace, but were instigated from the outside. Fr. John Hassan, a Priest who chronicled the events, described the attacks: *"Men armed with sledge hammers and other weapons swooped down on the Catholic workers in the shipyards ... The gates were smashed down with the sledges, the vests and shirts of those at work were torn open to see were the men wearing Catholic emblems, and then woe betide the man who was..."*

By the end of this maelstrom, over 9,000 workers had been driven from their workplace, mainly Catholics but also over 2,000 Protestants, most of them trade union activists who attempted to defend their brothers.

The trade unions attempted to fight back, but the expulsions were compounded by an ill-thought out tactic by the Amalgamated Society of Engineers. What had been needed was a thorough, well organised campaign of pickets, canvassing in working class areas and demonstrations to win back those workers momentarily caught up in the sectarian madness of the pogroms, building up to a clear strike call coupled to socialist demands for a Workers Republic that would create a new equal society for all, cutting across the fears stirred up over Home Rule.

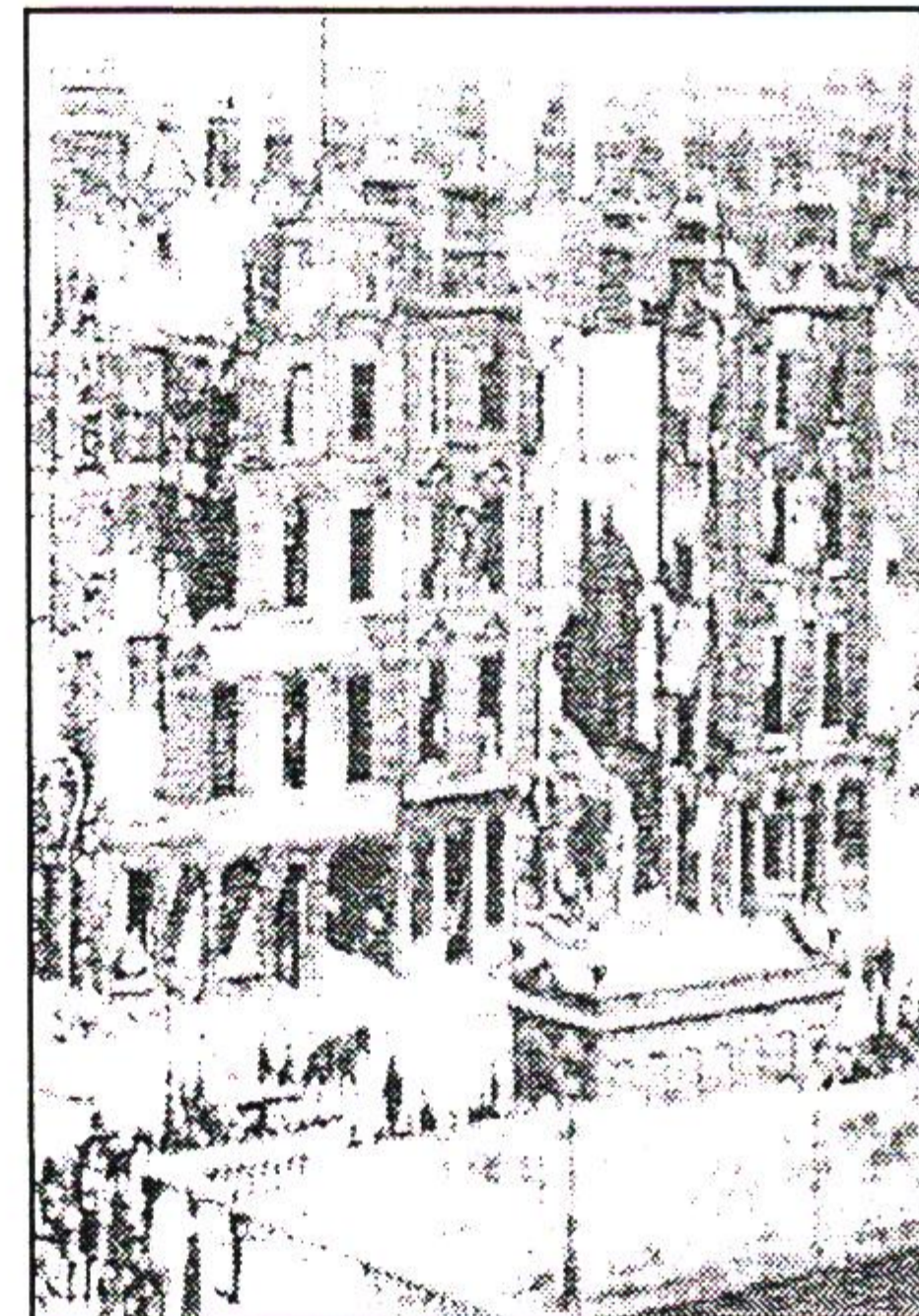
Instead the ASE reacted by drawing up a blacklist of all companies that had allowed the pogroms to take place and called on ASE members to "not accept employment" from them. This confused call was a disaster. Only 600 members responded - they were promptly sacked, and the 2,000 ASE members who stayed in were expelled from the union. The trade unions had successful-

ly been driven from the shipyards.

The aftermath of the 1920s pogrom was effectively the end of trade unionism in the North for the immediate period. Connolly had always warned that a Partition of Ireland would lead to a "Carnival of Reaction". This grim perspective was borne out.

The new Northern Ireland state became a seething cauldron of sectarianism, riots and pogroms. Wages were slashed in the shipyards and the marine engineering plants by up to 22 shillings a week. Joiners and carpenters lost 12 shillings a week, while the dockers had their meagre wages cut by three shillings. By 1925 the unemployment rate had shot up to 24 percent. This was the reward for the 'loyalty' of the Belfast workers.

Partition strengthened reaction on both sides of the new border however. Following the pogroms and Partition, alongside Labour's subservience to Sinn Fein in the South, there was a genuine attempt to re-establish a united labour movement in 1924, by the National Council of Labour Colleges. Although a project was established in Belfast, the plan failed because of opposition in Dublin. The NCLC's General Secretary JP Millar said the project was defeated by "strong nationalist feelings" in the South, adding that if Dublin had agreed, the plan would have *"made a substantial contribution towards creating unity between trade unionists in the North and trade unionists in the South."* ☆



Modes of production

Despite what the apologists of capitalism say, their system is a relatively new social system, three to four hundred years old. Before that different systems of society, based on different structures and modes of production existed.

For the bulk of human existence, society was based upon 'primitive communism', where no private property, the markets, or money existed. Around 5,000 years ago this gave way to class society - slave society and the emergence of the mighty slave empires of Ancient Egypt, Mesopotamia, Greece and Rome.

Slavery in its day represented an enormous leap forward over barbarism, in that it took society forward. On this basis, the Greeks and Romans developed scientific knowledge to tremendous heights. It was a necessary stage in the development of productive forces, culture and human society. As Hegel put it: *"it is not so much from slavery as through slavery that man becomes free."*

The collapse of slave society with the decline and fall of the Roman Empire resulted from the impasse of that social system. It had exhausted itself and could no longer develop the productive forces effectively. The slave empires had to constantly wage war to replenish the slave population, leading to greater and greater conquests, which eventually overstretched and doomed this form of society.

On the ruins of slavery emerged a new social system with a different mode of production: feudalism. Whereas the slave societies were based upon the ownership and exploitation of slave labour, feudal society based itself on land ownership and the exploitation of the serfs. Unlike the slave who owned nothing, but was himself the object of ownership, the serf was a tenant of the landlord. He had more rights than the slave: he could not be sold, but was tied to the land. For this security he was obliged to work on the lord's land for a set time without payment.

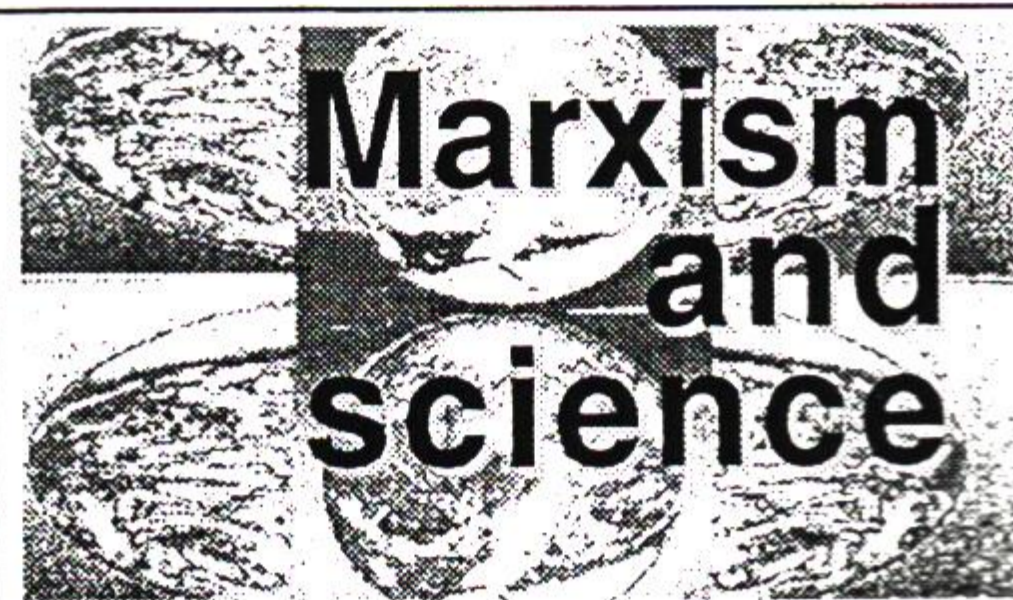
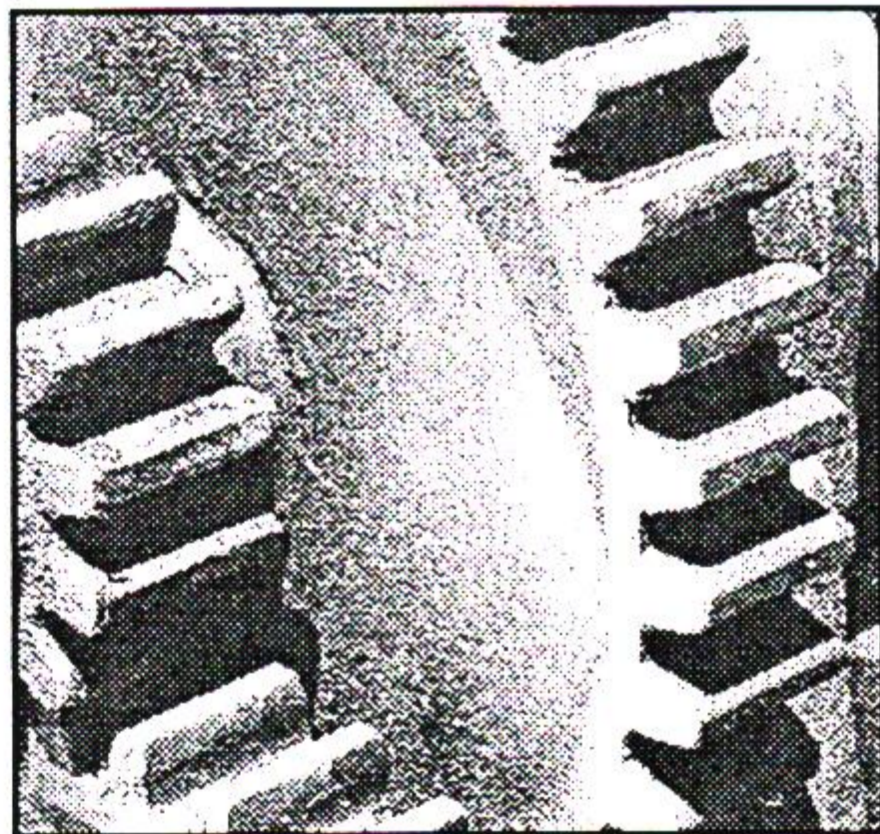
Within feudal society, the towns acted as a point of growth for elements of capitalism. Trade began to give rise to new forms of wealth. No longer was land the sole source of power and privilege. The merchant oligarchy that now dominated the towns soon came into conflict with the restrictions of feudalism. At first this new bourgeoisie sided with the absolute monarchies against the powers of the feudal barons. Then later, they sought power for themselves.

The basis of feudal economy was

undermined as the power of the new bourgeoisie increased. They developed new ideas, philosophies and morals to challenge the old feudal order, which had become a massive fetter on the further development of society.

In Holland, Britain and France, the young bourgeoisie overthrew the old feudal order and prepared the way for the massive growth of capitalism. These revolutions freed the serfs from the land to become wage workers for the new capitalist class. The means of production were forcibly separated from the peasants and the small artisans and drawn into the hands of the new ruling class. The new working class produced surplus value, as did the slave and serf, but the forms of exploitation changed. Wage labour served to disguise the exploitation. The proletariat was forced to sell their labour power. However, in the course of their work they produced greater values than they received in wages. This surplus value which was appropriated by the capitalists represented the unpaid labour of the working class.

Capitalism has its own laws of motion based on commodity production. It inevitably leads to a concentration of capital into fewer and fewer hands, resulting in the creation of giant monopolies. A boom and slump cycle characterises the convulsive development of capitalism, which periodically leads to overproduction. Capitalism also creates the modern nation state together with the world market. While it resulted in a massive development of the productive forces, it also led to mass unemployment and the polarisation of wealth. However, capitalist society lays the material basis for a new higher development of society. It creates its gravedigger in the form of the working class, which can only resolve its problems through the abolition of the private ownership of the means of production and the profit motive.



Man versus computer?

The stunning defeat of world chess champion Gary Kasparov at the hands of IBM's Deep Blue super-computer has revived the debate over human intelligence versus computer intelligence. According to Chung-Jen Tan, head of programmers at IBM, "Historically, for mankind, this is like landing on the moon."

But is it such a revolutionary step? Given the advances in computer technology, the defeat of Kasparov was inevitable. Nowadays, computers can store, learn and extract new knowledge at many times the rate of human beings. In relation to Deep Blue, all that was needed was to construct a computer that could calculate enough chess positions fast enough - in Deep Blue's case that is about 200 million per second - and you give it a simple set of rules and eventually you get a victory.

Kasparov won the first contest, but in this new contest he made mistakes and became frustrated. A large part of chess is the psychological aspect that Kasparov was master at - as long as he was playing against humans. The computer unnerved him - or rather Kasparov unnerved himself, which led him to defeat. But does this victory of machine over man constitute real advance of artificial intelligence?

The Turing Test stipulated that artificial intelligence was achieved when a person could converse with a computer via a keyboard and could not tell he was communicating with a computer. Kasparov's case he said he felt a glimmer of intelligence with Deep Blue - if you classify chess moves as a "conversation".

"I fully expect computers to become as intelligent as my dog within twenty years, and they will match the intelligence of humans within 50 years," states Nathan Myhrvold, chief technology officer at Microsoft.

Of course, this fails to see the truly dialectical relationships that exist within human intelligence - the brain, the senses, the environment.

Having said that, the advances in technology and science show the exciting possibilities to advance mankind. Obviously IBM's interest is not winning chess games but a rigorous test of its programming and hardware that would lead to applications in medicine and other areas of super profits. Only under socialism can science and technology be taken out of the hands of profit and used for the needs of society as a whole. We will then see a whole series of "revolutions" which will affect our planet and the human species itself, including the development of artificial intelligence.

Rob Sewell

Drive needed on Press Fund

With just a few weeks left a special push is needed by all our readers to help us meet our end-of-June target. If you include promises and pledges then over £2000 was raised during May.

Excellent collections were held at a number of post-election and union conference meetings, for example over £200 at the AEEU conference, £120 (Southampton), £80 Manchester, over £300 (London) and more. However, as we said last issue, there is a long way to go and a short time to get there. We've had some excellent individual donations including £50 from a London reader, £5 (Miles Barter), and others who we all thank. There is plenty of scope however for more readers to chip in and help us meet the £10,000 target. The publication of Ted Grant's Book on Russia should provide all sellers with an additional opportunity to approach people for

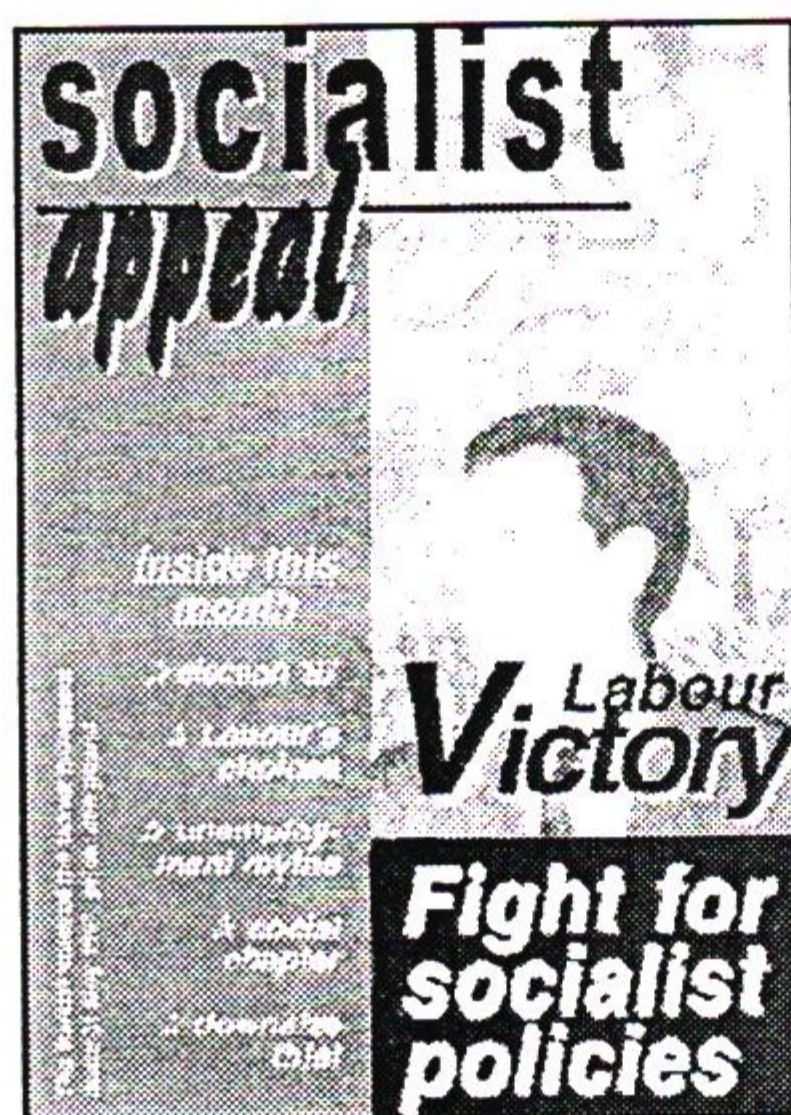
a donation. Summer socials should also be on the cards. As the dust settles after the general election, it is more important than ever for socialism to have a voice in the Labour and trade union movement. Reaching the £10,000 target will assist us in that most important of tasks. Rush us whatever you can.

Due to the disruption caused to our printing schedules by the general election (as well as a forthcoming move of offices) we have had to make some changes to our publishing timetable. As Issue 51 was produced late (for obvious reasons!), this issue you are now holding has also been produced late and will therefore cover June and July. Our next issue will be dated September but will actually be produced during August. Similarly our October issue will also come out towards the end of September! Hope this is all clear!

Area	percentage raised	Target
Scotland	44.0%	£1,200
Northern	12.0%	£900
Yorkshire	20.0%	£700
Manch/Lancs	29.0%	£500
Mersey	57.0%	£600
Midlands	31.0%	£400
Wales/SW	17.0	£800
London	31.0%	£3,000
Eastern	90.0%	£200
Southern	58.0%	£700
National	110.0%	£1,000
Total	42%	£10,000

Subscribe to Socialist Appeal *the Marxist voice of the labour movement*

Socialist Appeal was launched in April 1992 to provide trade unionists, Labour Party members and youth with a Marxist analysis of events. The election of a labour government marks a real turning point in British politics. That's why we have launched a new style magazine. If you want to keep abreast of what's happening inside the labour and trade union movement, in the workplace and in society at large, as well as key international coverage, then subscribe today!



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A socialist programme for Labour



✧ A Labour government must immediately introduce socialist policies that can really answer the needs and aspirations of working people.



✧ A national minimum wage of at least two-thirds of the average wage. Support for £4.42 per hour as an immediate step toward this goal.

✧ Outlaw all forms of discrimination. Equal pay for equal work. The development of quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act and other repressive legislation.

✧ For full employment. No redundancies. The right to a job or decent benefits - abolish the JSA. An immediate introduction of a 32 hour week without loss of pay. No compulsory overtime. Reduction of the age of retirement to 55 with a decent full pension for all.

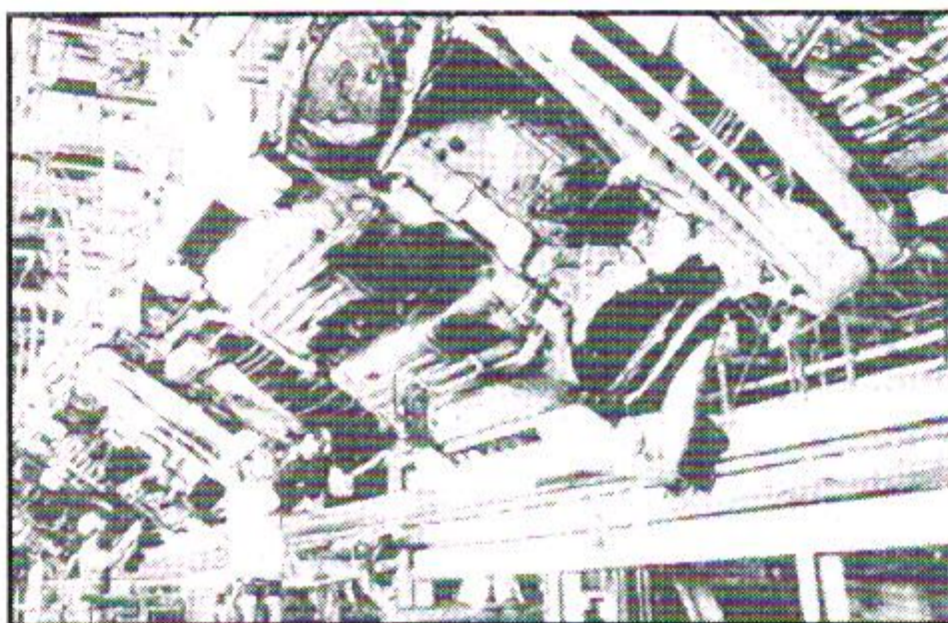
✧ Repeal all the Tories anti-union legislation. Full rights for all workers from day one of their employment. For the right to strike and the right to union representation and collective bargaining. Stop casualisation. Part time work only for those who want it. End the zero-hours contract scandal.



✧ A Labour government must bring in stringent environmental controls and regulations under the supervision of the relevant workforces, consumers and representatives of affected communities. These measures, along with nationalisation of the land, the big petro-chemical enterprises and the major food companies, can form the basis of a genuine socialist approach to the environment.

✧ Reverse all the cuts in the health service. End the trusts and the internal market. Abolish private health care. A properly funded health service must be available to all. Nationalisation of the big drug companies that squeeze their profits out of the health of working people.

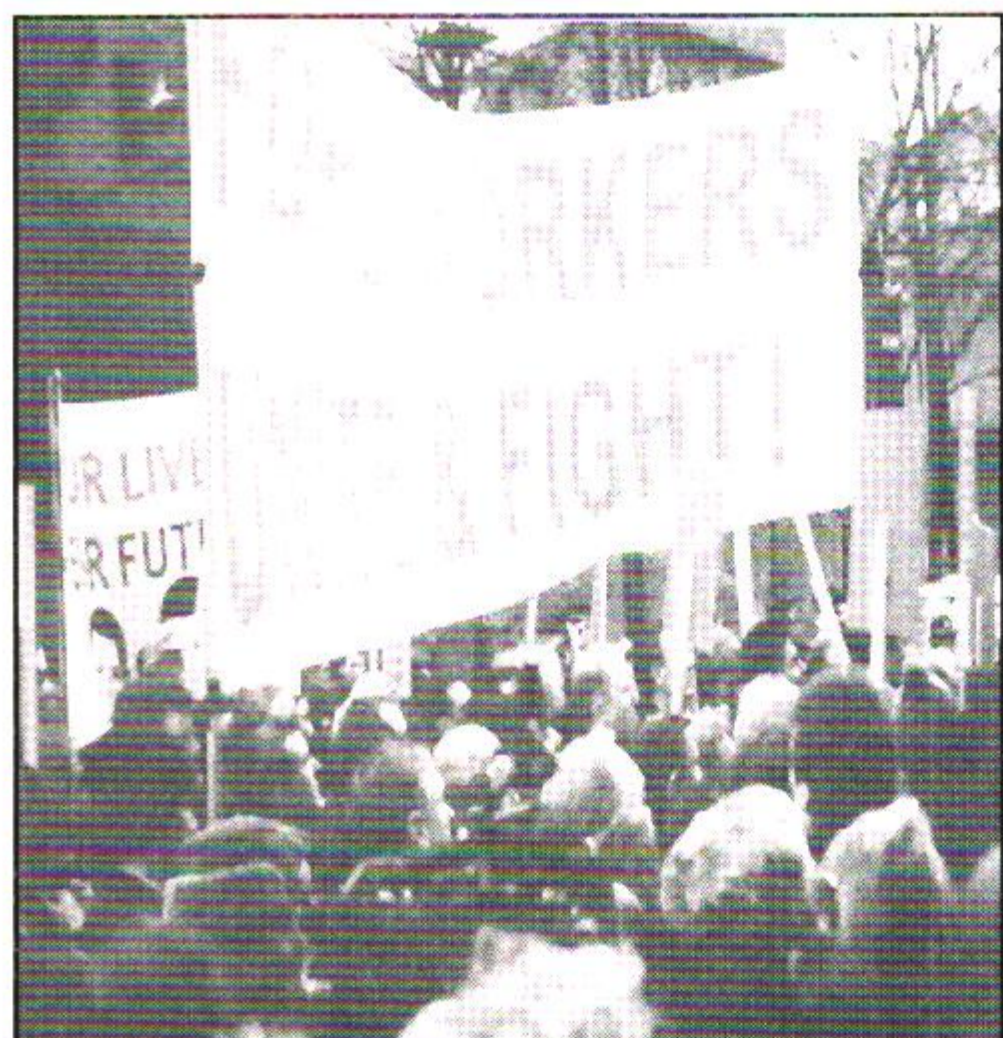
✧ Return education to real democratic control through the local authorities. For a fully funded and resourced, fully comprehensive education system. ✧ For a properly funded extension of higher education. No to student loans - for a decent living grant for all over 16. A guaranteed job, apprenticeship or place in further/higher education for all young people.



✧ For real internationalism. No to the bosses European Union. Yes to a socialist united states of Europe, as part of a world socialist federation.

✧ Reverse the Tories privatisation strategy. Renationalise all the privatised industries and utilities with minimum compensation according to need - not on the market price of shares.

✧ Labour must immediately take over the "commanding heights of the economy." Nationalise the big monopolies, the banks and financial institutions that dominate our lives. Compensation to be paid only on the basis of need. All nationalised enterprises to be run under workers control and management and integrated through a democratic socialist plan of production.



Join us in the fight for socialism!

Socialist Appeal supporters will be at the forefront of the fight to commit a Labour government to introduce bold socialist measures. We are campaigning on the above programme as the only solution for working people. Why not join us in this fight? For more details:

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The Marxist voice of the labour movement no.52 July 1997

Youth on the dole: decisive action needed

On May 1st we finally got rid of John Major and the Tories. A government that throughout its eighteen years in power had pursued policies that had devastated our manufacturing industry and created a low wage, low skill economy. In the process it destroyed the hopes and aspirations of a whole generation of Britain's youth.

Unemployment for young people in Britain today is endemic, standing at 20% even in this period of economic 'boom.' In the inner city housing estates of cities like Glasgow,

Newcastle and London, youth unemployment reaches levels up to 80%! This has driven sections of young people into petty crime, drug dependency and a life of despair as they look to the future with little or no hope.

It is estimated that over a quarter of a million young people have never worked, or even held a place on a training scheme.

But the election of the new Labour government has raised expectations that the problem of youth unemployment can really be tackled.

The plan to raise £3 billion from a one off windfall tax in the privatised utilities

to fund a 'welfare to work' programme for young people seems like a radical departure from the policies of the Tories.

However, we must ask the question: can it really solve the problem of youth unemployment?

The scheme will offer a) a job in the voluntary sector with a top up on the dole of £20 per week, or b) a full time education course, or c) joining the proposed new environmental task force and getting the £20 top up, or d) a job in the private sector where the employer will receive the sum of £65 a week tax incentive for every worker taken on. However the young worker will still only get the £20 top up - for a full weeks work!

If any young person refuses to take up any of the options on the scheme then their dole will be docked by 40% leaving them just £22.50 a week to live on. After years of mass unemployment, low wages, job insecurity and tremendous exploitation, people are looking for real solutions. And Labour's landslide victory is surely a mandate for just that. But the 'welfare to work' policy just does not get down to tackling the real problems. Young people want jobs, but they want real jobs. Not the so-called 'McJobs' that the private sector has been offering them, and not places on 'environmental taskforces' doing jobs that used to be done by local government before the Tories took away their budgets.

We need real jobs! What about apprenticeships in engineering, electronics, computers and information technology? Tony Blair has talked a lot about preparing Britain for the twenty first century, so why should we be so timid in our approach to these problems.

We should be fighting for real jobs, not workfare, full trade union rights for part time workers and young workers, full employment and a national minimum wage, and above all a socialist programme for the Labour government. Only on this basis can we really tackle the problems faced by the young unemployed. Let's end this nightmare with real socialist policies!



Labour needs real socialist policies