

socialist

appeal

inside this month

★ *British economy*

★ *TUC 1997*

★ *Flexible friends*

★ *Building societies*

★ *Labour into power*

★ *Referendum*

Britain's economy

**Boom
or bust?**

**Labour:
fight for
socialist
policies**

The Marxist voice of the labour movement
issue 53 September 1997 price: one pound

Defend Labour Party conference democracy!

In the next few weeks, as we approach this years Labour Party conference, constituency Labour parties will be meeting to discuss conference resolutions and mandate their delegates accordingly. Clearly this conference will be something of a victory parade for the leadership, but this should not blind delegates from seeing that it is still important, if not more so, to discuss policy and the direction the new Labour government is taking.

However the ability of the party to carry out such discussions and democratically vote on policy is under threat. A new set of proposals on how the Labour party discusses and agrees policy called "*Labour into power*" (LIP) was issued by the leadership last spring. Given the summer holidays and the little matter of the general election there has been very little time to discuss this document. Nevertheless they are persisting in presenting the proposals to conference.

Trade unions

As described in previous articles the LIP proposals seek on the one hand to reduce the powers of the NEC and the Labour Party conference (including diminishing the role of the trade unions) and, on the other hand, to replace them with a mass of "*consultative*" bodies which we are told will "*empower*" more members into the policy making process. The reality of course is that these will be just talking shops, any disagreements or criticisms will simply be ignored. In any case the government will be under no obligation to listen to them or take any action arising from their deliberations. The Millbank Mafia believe, somewhat naively, that if criticism is stifled then all will be well whatever the government does. There is an obvious point to be made here: why exactly does the leadership feel that what it does will lead to criticism if they are supposedly doing such a good job? If they are confident about the way they are acting then they should be able to defend themselves through the normal channels.

But the truth is they are not confident. They remember how the last Labour government of Callaghan and Healey surrendered to the demands of the IMF and the City of London and acted against the interests of the workers who elected them, leading to the defeat of 1979. Rather than learning the lessons of 1974-9 they are try-

ing to smother any opposition hoping that, effectively by sticking their heads in the sand, they can get through any coming crisis. The Callaghan government was not defeated because of internal public wrangling but because of its policies—to think otherwise is to confuse a symptom with the cause.

The leadership have become obsessed with control. Labour MPs have been told that they must toe the line i.e. act as cheerleaders. The Millbank computer is being used to keep tabs on them. Now we are hearing about proposals to centrally vet parliamentary candidates so as to ensure that only "*suitable*" i.e. not left wing people get through. At the same time as they are looking to reduce the role of the unions they are also developing formal and informal links with big business groups and other parties—including the Tory reserve team, the Liberal Democrats. This has already lead to criticism, as Lew Adams from ASLEF said recently on BBC: "This government appears to be listening to the Liberals and the CBI and all other factions—why don't they listen to the trade unions? Why diminish their role?"

An example of what the leadership mean by listening is their proposal, now being floated, to send out cards asking people to tick them if they agree that the government has kept its promises. There will be no space for people to mark if they disagree or want to make alternative suggestions. This is the road down which the LIP proposals are taking us. We should reject this

sham democracy, which incidentally will also be seen through by the electorate. The large number of critical conference resolutions (over 100) passed on this issue by local parties, as well as by some union conferences and executives, shows that despite the euphoria of the election victory there is still considerable concern. The Uxbridge election defeat and the slippage in the opinion polls, despite the best efforts of the Tories to remain firmly in self destruct mode, shows that the Millbank machine is not as infallible as it thought. They certainly did not expect this level of opposition.

Reject

The LIP proposals should be firmly rejected by conference. At the very least delegates if they are not certain should support delaying the decision for a year to allow for proper discussion and consultation. Apart from anything else LIP is being used as the thin edge of a wedge to move towards breaking the trade union links, a move which should be opposed. Passing the LIP proposals will not in the end stifle criticism, where that criticism has been earned, but will simply lead to more anger and frustration on the part of the movement. Delegates therefore also need to address the political direction of the government and the need for it to break with big business and adopt clear socialist policies.

Steve Jones



Tony Blair addressing the PLP

Vote Yes in Scotland and Wales

September sees the referenda on devolution for Scotland and Wales. On September 11th people in Scotland will be asked to vote for or against the establishment of a Scottish parliament and, in a supplementary question, for or against that parliament having limited tax raising powers. In Wales, in the vote on the 18th, people will be asked to vote a straight yes or no for a Welsh assembly.

Some see the devolution plans as a first step towards the creation of a 'modern constitution,' Tories see it as the first step in the break up of the UK, while others see it as a complete waste of time. As Marxists, however, we need to look a little deeper.

The first point to make is that these votes were completely unnecessary. Labour Party policy was never for a referendum until Tony Blair did one of his 'on the hoof' policy u-turns in the run up to the general election. He was terrified of the Tories making capital out of the proposed constitutional changes, in particular what was known in the media as the 'tartan tax.' At best this was a gross miscalculation, for in the general election the Tories were driven to their worst defeat since 1832 - what they had to say on devolution was soundly rejected, particularly in Scotland and Wales where the Tories did not get one single MP elected.

Vote Yes

We urge people to vote yes - the establishment of the parliament in Scotland and assembly in Wales are very basic democratic reforms, they can become focal points for the aspirations of working class people. We would have given both these bodies real power - power over the economy, over welfare, health, education and so on. That is what will make the difference and that is what the Labour Party should have proposed. Rather than trying to appease Tory prejudice, Labour should be arguing for parliaments that can really tackle the problems faced in Scotland and Wales.

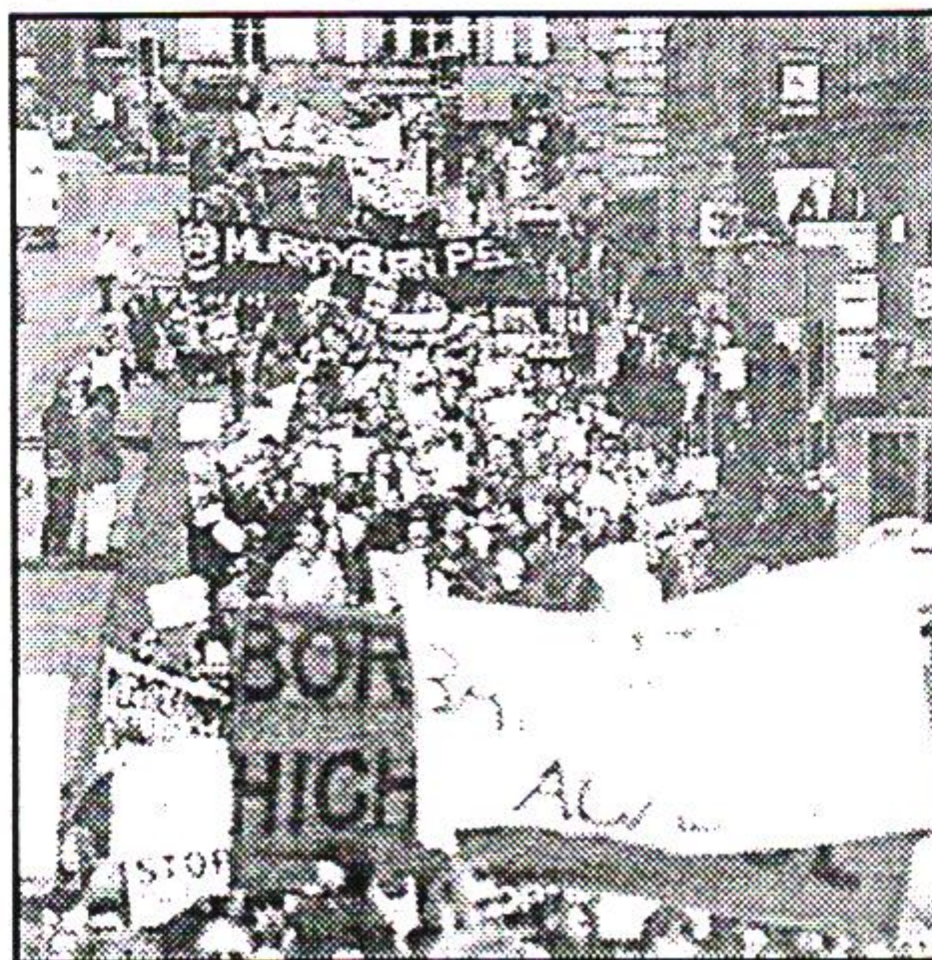
There has been the criticism that the proposed assembly in Wales is a very watered down one compared to Scotland's parliament, with little or no power, little more than a talking shop. The best answer to this would have been to give it the power. Wales is one of the poorest areas of Britain. An assembly that can set a minimum wage, an assembly with the power to tackle unemployment and poverty, that would be the answer to these criticisms. Unfortunately the lukewarm assembly on offer has been

met with apathy on the part of many voters.

In Scotland the parliament must also come forward with real solutions. For eighteen years Scotland and Wales returned big majorities for Labour. Yet for eighteen years they were treated as a testing ground for reactionary Tory policies. Just think about the poll tax! For this reason alone there should be a big majority in the vote in Scotland. However, we shouldn't stop there. The parliament will have power over many aspects of life, it may even have the power to raise some of its own revenue. The big question is what it will do with it.

A parliament will make no difference unless it starts to address the fundamental issues facing millions of working people in Scotland. That indicates the need for a socialist programme, a parliament with a big majority in favour of real socialist policies. Labour's right wing front bench are well aware of the potential. That's why people like Jack Straw, on the cabinet committee that drew up the proposals, argued all the way down the line for curtailment. They have attempted to give as little as possible while still being seen to maintain their manifesto commitment.

We support the establishment of both the parliament and the assembly. But alone they will solve nothing. Both bodies need Labour majorities committed to socialist policies. However, they will be elected using a form of proportional representation. In fact some of Labour's right wing are on record as saying they positively do not want big Labour majorities. They dream of partnerships and coalitions. It seems ironic that after years of voting Labour but being ruled by the Tories, Labour itself should usher in a new voting system that, in the first instance, may deny Scotland and Wales the Labour majorities most people have been trying to get for years!



Labour's campaign has been dogged by accusations of authoritarianism in Wales, as Welsh secretary Ron Davies tried to bully other MPs into keeping their opposition silent, and in Scotland by the 'Paisley affair.' Rather than positive campaigns on the issues that matter, Labour's front bench are spending their time deflecting questions about sleaze and corruption. It seems such a long way away from the clear and principled commitment to Scottish and Welsh parliaments.

Socialist policies

We need to start the campaign for Labour majorities committed to socialist policies. Just think what a difference that could make. Back in the eighties local authorities like Liverpool City Council showed what could be done even on a city-wide scale. Just think what a Scottish parliament committed to a fighting, socialist programme could do. The *Financial Times* recently recognised the potential, stating that it would only be a matter of time before conflict arose with Westminster, where the parliament did not have power it would end up arguing for it.

Capitalism has nothing to offer the people of Scotland and Wales. They have seen their industries destroyed, their young people forced to spend a life on the dole, low pay and job insecurity are rife. The parliament and assembly cannot be separate from these questions. To succeed they must play their part in the struggle for socialist change.

☆Vote yes

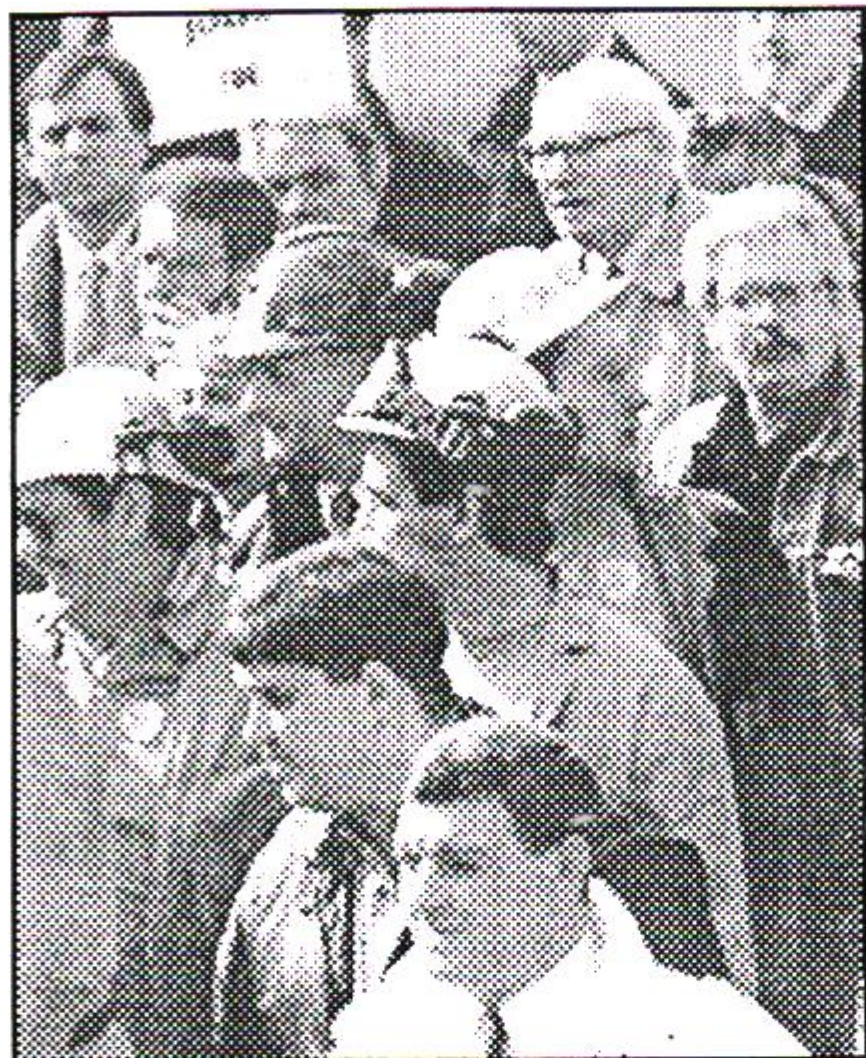
☆For Labour majorities in the Scottish parliament and Welsh assembly

☆For a socialist programme

**Socialist Appeal
issue 53
September 1997**

Socialist Appeal, PO Box 2626,
London N1 7SQ
tel 0171 251 1094
fax 0171 251 1095
e-mail:
socappeal@easynet.co.uk
editor Alan Woods
design Alastair Wilson
business manager Steve Jones

TUC: pressure builds up on new government



Following the historic defeat of the Tories on May 1st and the massive vote for change you would expect the 1997 TUC Congress agenda to lay out a blueprint for clear socialist policies to sweep away the nightmare of the last 18 years.

by **Jeremy Dear**
President, NUJ

Unfortunately, that is not what is on offer - at least not on the surface. But if you dig deeper the beginnings of discontent at the lack of pre-election promises and Labour's failure to make fundamental changes since being elected are there to be seen.

For years the unions have campaigned for a minimum wage and before the election Labour promised they would deliver. After more than 100 days we are still waiting, with no timetable for its implementation and figures being leaked to the press suggest such a wage will be at a level far below the rate demanded by last year's TUC.

On the preliminary agenda there was just one mention on the minimum wage which failed to mention any figure. But delegates at Unison's June national conference forced an amendment on to the TUC agenda, against the wishes of their own leadership, calling for £4.42 an hour and "effective enforcement" of the minimum wage. There will no doubt be calls from some unions to reject the amendment on the grounds that the figure must be decided by the government's Low Pay Commission. What right do those bosses who for years have forced down wages in order to maintain their profits have to sit in judgment on a minimum wage. We don't need a commission to tell us the scale of low pay, we need the government we elected to deliver!

One of the major debates at this year's Congress will be over the restoration of trade union rights. The 17 motions on the preliminary agenda will undoubtedly be composited but there are points we must not allow to be lost in the process.

Support should be given to calls from both the GMPU and the FBU to support the right of unions to take solidarity action without fear of intimidation, legal action against the union or sequestration of union assets. Backing should also be given to demands from a number of unions that employment rights should apply to all employees from day one of employment regardless of hours worked, length of service or the form of contract.

The FBU motion states: "Congress remains concerned that in a number of key

areas the new Labour Government's proposals are either silent, ineffective or flawed" and goes on to call for "opposition to any attempts to outlaw or restrict strike action in any sector of the economy, including the public sector."

As the workers at Magnet, Hillingdon, Mersey docks or Project Aerospace know the anti-union laws were never about "extending workplace democracy" as the Tories claimed but were a clear attempt to smash the unions and establish a legal framework to help the employers maximise profits at our expense. That is why we support the NUM's call for the repeal of all anti-trade union legislation introduced since 1979 and for the "labour movement to refuse to co-operate with laws designed to render ineffective the rule books and constitutions of trade unions and deny the basic democratic rights of trade union members."

The TGWU call on Congress to "reaffirm its commitment to full employment as an achievable social and economic goal" should be welcomed but as in many similar resolutions in recent years there is a failure to come up with a clear programme which can achieve full employment. As long as maximising profit remains the over-riding concern of employers, they will always seek to cut costs, primarily by slashing jobs.

Short termism

Under such a "free enterprise" system, especially given the short-termism of British capitalism, full employment is unachievable. For 18 years the Tories attacked the public services, slashing public spending at every opportunity. Many believe the election of a Labour government would mean a fundamental change in the status of the public sector. But with Labour pledging to keep within Tory spending targets and their refusal to abolish the Private Finance Initiative (PFI), which was introduced to replace public investment with private, public sector workers are still facing attacks on jobs and conditions.

This is reflected in a spate of resolutions opposing the PFI. Unison states "PFI... costs more and poses a serious threat to the future of publicly run services" however they fall short of calling for its outright abolition.

The RMT claim the PFI is "Simply another means of privatising... PFI is more expensive, another way of fracturing trade union representation and focuses on capital spending schemes attractive to the private sector instead of projects requiring investment based on need." They go on to call for



opposition to the use of the PFI and to "defend state finance, public control and operation."

The tens of thousands of workers sacked by the privatised utilities and the tens of thousands still working under worsening conditions and with the fear of more job cuts hanging over their heads will welcome the motion from the NUM calling on the Labour government to take back into public ownership all industries and services privatised by the Tories. Unfortunately the TUC General Council will not welcome it.

Given Tory attacks on the NHS it is little wonder that so many motions focus on the state of the health service. The Society of Radiographers calls on the TUC to campaign to ensure no NHS service, clinical or non-clinical, should be privatised.

The key is what sought of campaign can stop privatisation - clearly any such campaign has to be prepared to use the industrial strength of the trade union movement as a whole to support health workers - and it should begin with a demand to reinstate the Hillingdon workers who have been striking against private contractors for two years.

With growing concern over road-building programmes and a greater environmental awareness a number of unions have submitted motions dealing with transport policy. Calls for re-regulation of the bus industry and for a fully integrated transport policy should be supported.

The TSSA points out that rail privatisation

"has been a failure" resulting in job losses which threaten the safety and security of passengers and staff and the continuing need for taxpayers money to be pumped in to the ailing companies. The union calls for the government to achieve a "publicly owned publicly accountable railway system... during its first term in office", a call backed by the RMT.

Europe

If any debate reflects the real failure of the TUC leadership to offer a clear policy for tackling the problems faced by workers then it is the debate on Europe. All three motions welcome the prospect of a single currency, the social partnership approach of the EU and whilst they may express some concerns about the Maastricht timetable they fail to address the central question - that the EU is not about job creation or workers' rights but about creating a "free market" across Europe for the employers which will result in cuts in public spending, more job losses and falling wages.

However, it takes a motion from Unison to show the reality of the outcome of the sort of policies pursued by the current TUC leadership. Unison condemns the decision of the TUC to set up its own Energy Supply Company in conjunction with the privatised energy companies who have already sacked thousands of Unison members whilst handing out wads of cash to senior management, pointing out that "pressure on

wages and conditions of employment are increasing as companies seek to cut costs so as to compete for customers and increase profits and dividends to shareholders." The motion, calling for the TUC to pull out, must be backed and should be seen as a clear demonstration of the nature of an industry run for the benefit of shareholders and the profiteers.

With the Liverpool dockers fighting after two years, with Magnet workers marking one year on strike last month and with bitter disputes at Critchley Labels, Project Aerospace, Hillingdon and many others it is a scandal that not one resolution deals with these disputes. This year's TUC Conference is marked out as much for what is not on the agenda as for what is.

With the employers relentless drive to squeeze more and more profit from workers, through ever longer working hours, through lower wages, through casualisation and so on, the TUC should be discussing how we can organise to turn the tide. Instead we are being asked to enter into social partnerships with these very same employers.

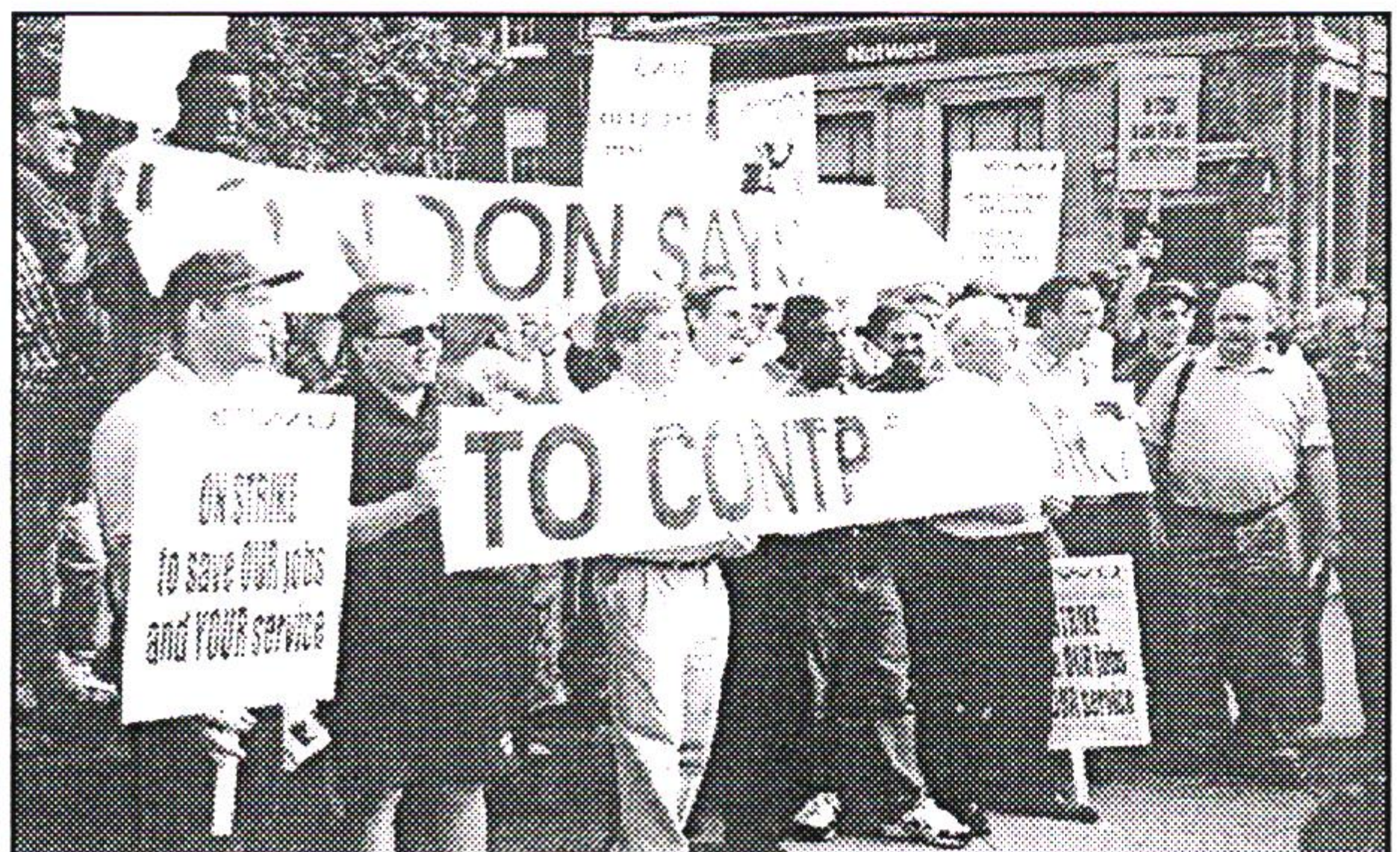
The TUC agenda undoubtedly lags behind the real mood amongst working people. They voted on May 1st not for social partnership but for real change - for full employment, a decent minimum wage, for an end to privatisation and profiteering at our expense and for an end to rotten Tory policies and their rotten system.

BT engineers take action

Last month, a successful one-day London strike took place involving 2,500 BT engineering workers over management's replacement of permanent jobs with contractors.

"Last year BT management reduced the staff in our work areas to a point where they knew we would not be able to cope with the work", stated a striker. "Since then we have been hounded every second of the working day to meet unrealistic productivity targets. Those not reaching the targets are threatened with the sack, and even if we do reach them, those at the lower end are threatened."

BT have disbanded certain work groups altogether and given the work out to contractors, while threatening to reduce the workforce by a further 5,000 by December. A mass meeting agreed to continue their campaign by 'working to rule'.



London teachers defeat amalgamation

Over the course of the last school year, teachers in the London Borough of Tower Hamlets were involved in a long running dispute with the council over the issue of compulsory amalgamation - the closure of separate infant and junior schools and their joining together into one large school. After months of meetings, lobbies, petitions, press publicity etc the council eventually backed down and reverted to their previous position of only amalgamating schools after consultation and agreement with all parties. **Veronica Patterson spoke to Paul Williams, NUT rep at Elizabeth Selby Infant School, and a leading figure in the successful campaign.**

How did this dispute arise?

In some areas of the country amalgamation of infant and junior schools has been going on for sometime, usually as a result of falling school rolls.

In Tower Hamlets, an area of rising school rolls, governing bodies were consulted over the issue in the Spring of 1996. All governing bodies of the 20 schools involved rejected the proposal. However just before Christmas, Tower Hamlets council Education Committee passed a motion to immediately proceed with amalgamating all infant and junior schools.

What was the feeling in the schools?

Initially disbelief that they could make such a decision without first informing schools that it was even something they were considering. However the more we learnt the more angry we got. The council was proposing to push through amalgamation by September 1997 without referral to the Secretary of State for Education, and to make the job easier they offered early

retirement to Head Teachers who would otherwise not have got it.

What happened next?

Very rapidly there became a polarisation between schools and the council. The council were clearly trying to pick off the weakest schools, first where there were headship vacancies (including through the early retirement offer!) and they were using all the council's resources to attack schools who were opposed to amalgamation. The teachers union, the NUT, took up the fight against amalgamation. A meeting was convened to fight the proposal.

What happened at the meeting?

It was obvious that staff in the schools were very worried for their future and they had serious educational concerns about the council's proposals. But there was an absence of a fighting mood to begin with. People didn't have experience of challenging the councils decisions. However, in our school we were sure that a united campaign with the teachers, other staff, parents and governors could force the council to back down. Initially there was no enthusiasm for our proposals.

How did that change?

It was a slow process of linking up with activists in different schools, whether it be teachers, parents or other union members. At the same time not letting the issue drop from the unions priorities. Steadily the support for our arguments were won in all the schools.

What were the key arguments against amalgamation?

Firstly, any large scale reorganisation of educational provision would mean uncer-

tainty about job security, especially for support staff in schools. Whilst teachers were having their class teachers post, but not other posts, and their salaries guaranteed for 3 years, support staff were being given no guarantees at all.

Secondly, we believed separate schools offered specialist education which gave parents a choice about the sort of schools they sent their children to. Added to this we were opposed to very large primary schools - almost all of the new amalgamated schools would have been considerably larger than the borough's current upper limit of 500 pupils and a couple would have been over 600 - larger than some secondary schools. Perhaps most importantly, whatever the council might say, we believed it to be an educational cut.

How did the campaign develop from that point?

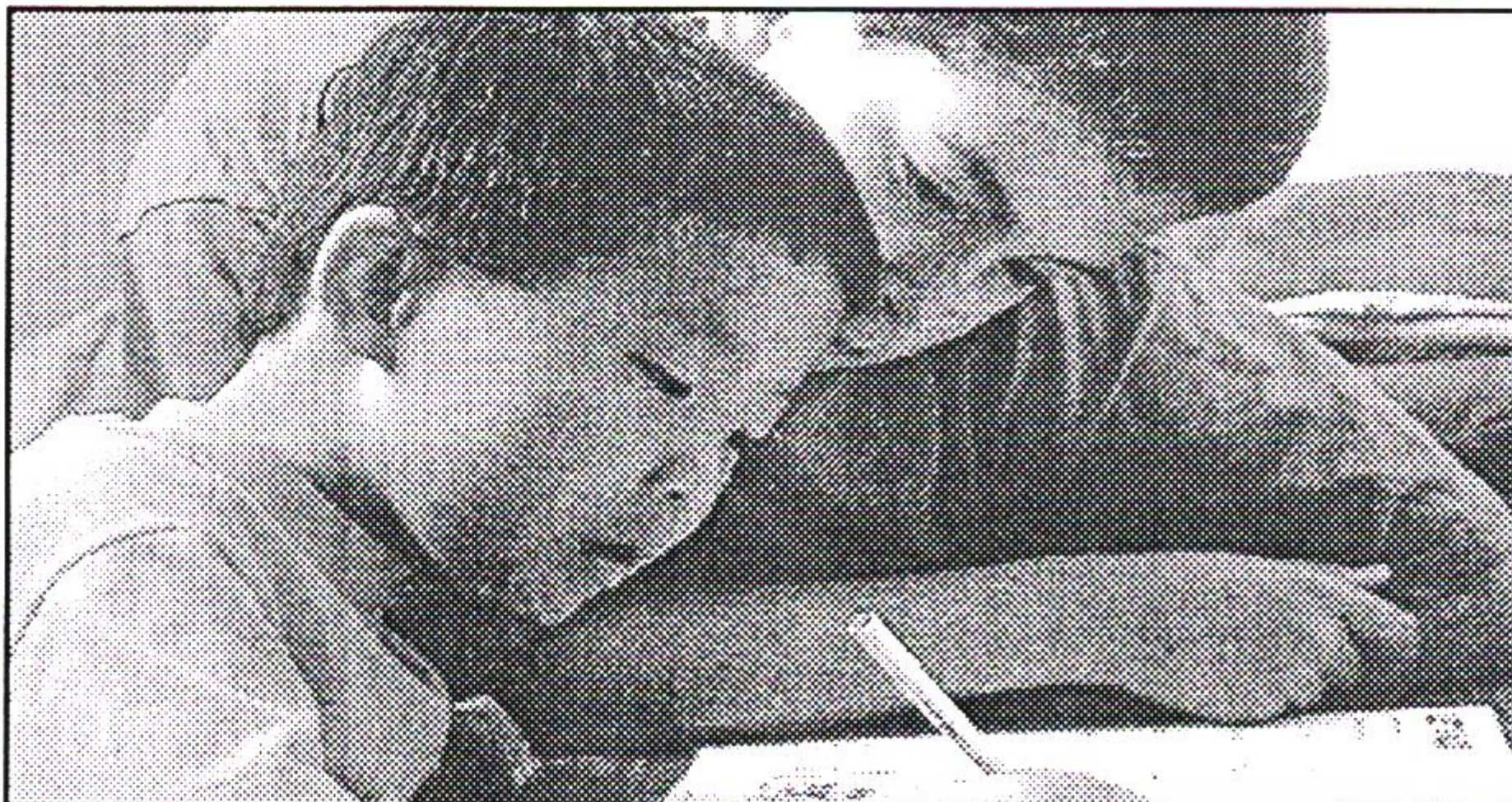
The council had arranged consultation meetings with parents, governors and staff in the schools concerned. We ensured that before these meetings our arguments were clearly understood by everyone. Consequently, they were the ones that the council heard - and very forcefully!

So after the consultation did the council back down?

I think the turning point was a mass lobby, organised by the NUT, of over 500 parents turning up at the council meeting that was debating the proposals. At this point the council realised that they had totally misjudged the strength of feeling to keep our schools as they were, and they didn't feel confident at that meeting to force through their proposals as we had expected them to do. They deferred the decision to a working party. The schools continued to make strong representations to the council's working party who realised whatever the view of the council there would be no future for the large amalgamated schools with everyone opposed to them.

What were the lessons of the dispute?

Over this issue and others (eg. baseline assessment) in our school we have found that by having a clear strategy to begin with, arguing it clearly with other trade unionists and parents, we can build enough support to change the council's policy. I am sure that many other schools who face reorganisation or cuts, but feel they are isolated, can build links, first with their trade unions then with parents and governors linking with the struggles of other schools - and win.



For a socialist transport policy

"The earth is the only planet in the solar system with an environment that can sustain life. Our solemn duty as leaders of the world is to treasure that precious heritage and to hand to our children and grand children an environment that will enable them to enjoy the same full life that we took for granted." Grandiose words from Tony Blair speaking at the second Earth summit in New York earlier this summer.

Indeed, he is correct in stressing the urgency of the problem as the effects of pollution have reached catastrophic levels. *"It is thought that the increase in the number of people with asthma, particularly young children, may be particularly attributable to an increase in vehicle emissions."* (Social Trends 1997 page 191).

The latest report from the Royal Commission on Environment Pollution claims that vehicle emissions are causing as many as 10,000 deaths annually and *"that continuing traffic growth poses a serious risk to the nation's health."*

On Thursday August 21st, John Prescott presented Labour's plans for an integrated transport system and steps to cut vehicle pollution. But according to The Times (22.8.97) *"The Green paper... contained few detailed plans."*

The need for action to be taken is simple—over the last 20 years vehicle mileage has doubled which has led to an increase in vehicle emissions of 50% with a further increase predicted of 30% over the next 15 years.

Proposals put forward by John Prescott include *"charging motorists for using congested urban roads and motorways"*. A recent survey by the Transport Research Laboratory found that the introduction of a £2 urban road charge would lead to a 20% reduction in car use. However, although road pricing would force some people off the road, it is really no answer to Britain's transport needs or in fact even a sensible long term answer to cut pollution levels.

There has been an enormous increase in car ownership in Britain over the last few decades. The AA says that 90% of shopping journeys are now made to out of town superstores. The whole infrastructure of local communities has changed dramatically leading to the situation where 80% of AA members in a recent survey say that life would be *"very difficult"* without a car.

In response to Labour's proposals, the Retail Motor Industry Federation said *"If we look at rural areas where is the funding to come from to pay for John Prescott's public transport? Until there is a clear, reliable and safe alternatives, people will not use public transport."*

The crux of the problem for the Labour government remains: how to fund a properly integrated transport system that can entice people into leaving their cars at home and be practical enough to enable them to go about their daily business?

On the day Labour's document was announced fares on Paris trains, tubes and buses were halved to try and reduce pollution levels by persuading motorists to use public transport. The city has a three level alert system. Public transport becomes free and vehicles only allowed to take to the roads on alternative days if pollution reaches level three. However on the day in question it rose to half that level, level 2, therefore the price of a single ticket or buses, tubes and trains was halved to four francs.

One of John Prescott's best ideas is an orbital rail route to relieve congestion in London and get freight off the roads. The orbital route will mainly use Victorian railway tunnels with a £120m cost to build the link in East London to link the circuit. Freight would not need to travel by road but could travel from ports like Felixtowe and Southampton by rail go round the orbital link without leaving the railway. However as John Prescott himself admits the problem Labour face is that although the cost is minimal, *"it is a question of finding out how to do it."*

Similarly with London Underground, which needs £1 billion to meet its investment needs, where all John Prescott proposes is to *"change the rules to allow public bodies to borrow... as they do in Europe."*

We are now paying the price for having a deregulated bus services, a privatised railway service and a long term situation of underinvestment.

Integrated

The only way forward for the Labour government is to create a fully integrated, publicly owned, transport system including local trams, buses, trains and city metros. A modern and relatively inexpensive to use system would result in a decrease in pollution since car usage would decline as people use public transport.

It is a disgrace that the transport fat cats are raking in millions of pounds on the backs of chaos, taking ever higher levels of subsidy from the government (much higher than under nationalisation) but giving nothing back. We need a socialist policy which will take back that which is rightfully ours. The alternative is that we continue down the road, literally, of increasing gridlock in the cities and worsening pollution.

Steve Forrest

UPS strike victory

American workers scored a big victory last month over the giant multinational company United Parcel Service (UPS). Ron Carey, general president of the Teamsters' union, described the settlement as a *"victory over corporate greed."*

For two weeks the biggest package delivery company in the US was effectively paralysed by a strike over part-time working, costing the UPS \$600m in lost revenue, despite the efforts of scab labour.

The strike arose over the terms of a new five-year contract. The union's grievance was chiefly about the use of part-time workers, which make up nearly 60% of the workforce and are paid less per hour than full-time workers. This has become an increasing tendency in the desires of big business for "flexible" labour and decreasing labour costs. Other issues in the dispute concerned sub-contracting, pensions and health and safety.

The Teamsters' union called for international solidarity to beat the company. Carey stated that *"The brown trucks won't be rolling unless this company agrees to provide the good jobs that American families need."* One union placard summed up the feeling of the strikers: *On strike to save the American Dream.*

According to the Bureau of Labour Statistics, the percentage of part-timers in the US workforce has grown from 14% in 1968 to 18% now. There are 23 million part-time workers in the US. *"Workers and their families cannot survive on part-time jobs with part-time benefits and part-time pensions"*, said Steve Trossman, a Teamsters' spokesman. *"The bottom line here is corporate greed: sheer, total greed,"* stated Tony Vee a UPS driver on the Manhattan picket. The UPS made over \$1 billion in profits last year.

The strike was the first big national strike by a major affiliate of the AFL/CIO under the leadership of Sweeney and Trumka. The new deal requires UPS to create an extra 10,000 full-time jobs by combining part-time jobs over the next five years. The company had originally proposed creating 1,000. It also agreed to increase part-timers' starting pay for the first time since 1982, adding an extra dollar to rates. It also agreed to increase full-time workers pay by \$3.10 an hour and allow the union to keep control of the pension funds.

The strike has sent shock-waves through the ruling class. As the Sunday Times commented: *"Just when Americans thought their economy was in perfect shape, a strike at UPS has raised the spectre of labour unrest and a premature end to America's boom."*

New turn for American labour

Rob Sewell interviewed Paul Felton, the recording secretary of the Detroit Labor Party and a shop steward of the American Postal Workers Union.

It is 12 months since the Labor Party was formed in the US. How do you think things have developed in that period?

Well, its probably too early to tell. There are about 9 or 10 international unions that have endorsed it but that is only a very small portion of the labour movement. And it is a question of getting some of the other big unions to budge and seek what their own self interest is. We really need to get some clout behind it, some resources, so that we can really do some organising, and move from what can bearty call itself a party to something that really means something in America. And its too early to say whether that is going to happen or not, but it certainly is necessary.

One of the major campaigns run by the Labor Party at the moment is to get a constitutional amendment in relation to jobs for all, how is that developing?

That's just in its earliest stages, but since the Labor Party is not ready to run candidates, what it wants to do is organise around an issue that really has appeal to working people, people out of work, to unionised workers, non-union, basically everyone that is in our constituency. We are saying that the right to a job at a living wage, which we define as \$10 an hour at the moment, is such a basic right it should be in our constitution. We are mainly using it as an organising tactic, to get unions to endorse it, and we are going door to door in our neighbourhoods getting people to sign petitions as a way to build our party. We

want to frame the issues people are talking about, and we want people to start talking about our issues, and this is part of that effort to get that going. And, like I said, its too early to tell. But I think its a good idea.

Why are the trade unions so slow to back the LP?

Well most of the trade union leadership in the US supports the Democratic Party, which is really a pro-business party. But every time you bring up the Labor Party running candidates they talk about taking votes away from the Democrats and helping get the Republicans elected. And they really go a long way in painting up the Democratic Party as our friend, and any little step Clinton takes, or any speech he makes where he says something favourable, or any symbolic gesture he takes, they go ecstatic over. And there are big headlines in whatever. Then he does something meaningful for big business, and you hardly hear a peep about it in the labour press. I feel like those of us trying to build a Labor Party are like trying to move a mountain by trying to get the labour movement to change the way its been for decades and decades.

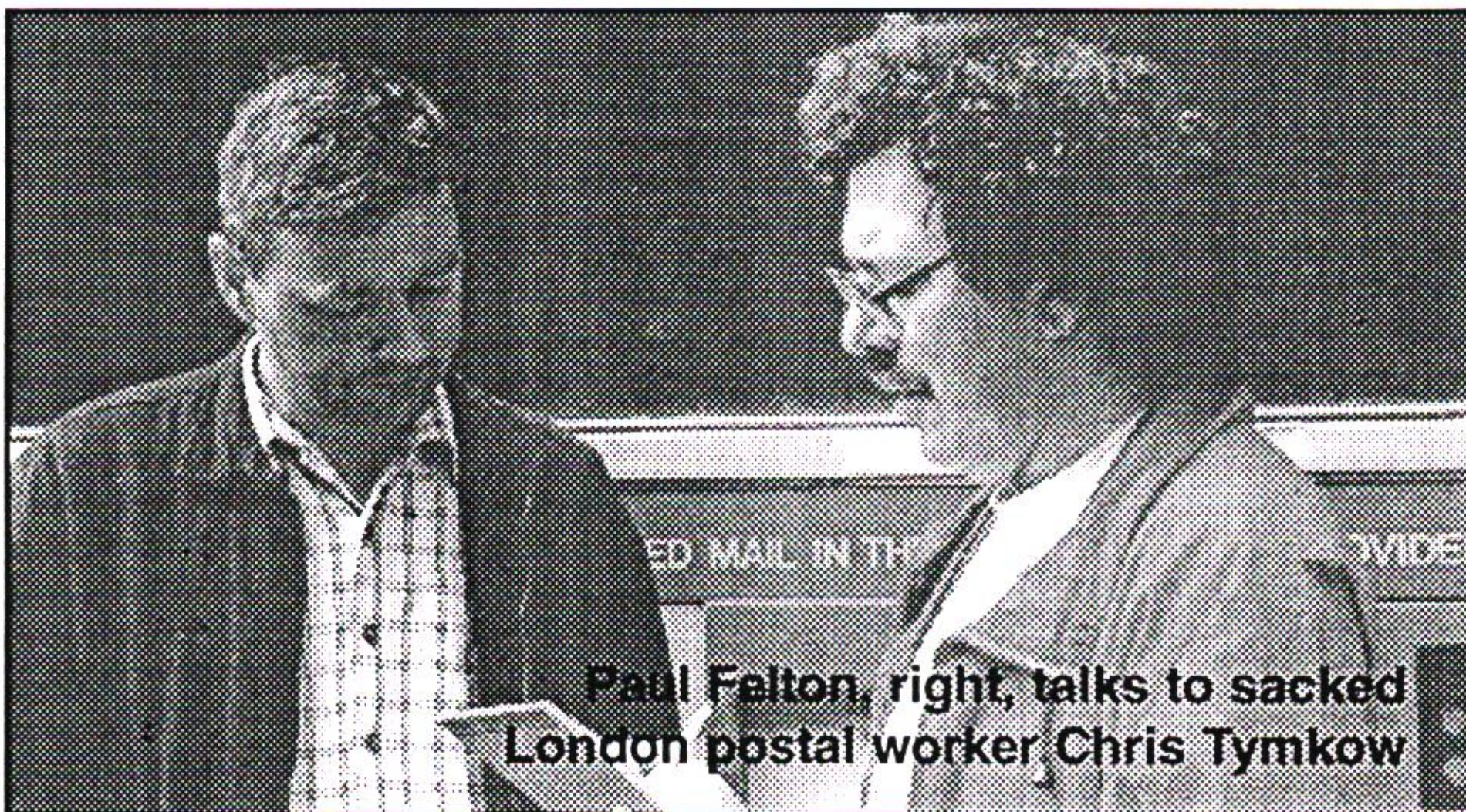
Can you let us know about the changes that have been taking place in the leadership of the AFL/CIO?

My feeling on that is that they are certainly better than the old Kirkland leadership. For one thing they are aggressively trying to organise non-union workers into unions, which is something the old Kirkland leadership ignored. And that's certainly a positive thing. And while there are certainly other deficiencies; he doesn't stand for everything a labour movement needs to do, he is a lit-

tle bit open-minded and there are more progressive people in lower echelons of the labour movement who are freer to do some progressive things, radical things, and not get stomped on by the higher level bureaucracy. So that in itself gives us something. And the Labor Party itself is an example of that. If Kirkland were head of the AFL/CIO, I don't think the Labor Party would have had 9 or 10 international unions endorse it, and I think a lot of the local unions would have felt a lot of pressure from above "Don't endorse this!" There would have been a lot of red-bating, saying this was a Communist idea. Red-bating is still very strong in America.

With Sweeney, he has pretty much left the Labor Party alone, in terms of pressure. And I have a hunch he is not to upset that it is growing and might put pressure on the Democrats. But he doesn't support it either. So there is more openness with his leadership. But we still have a long, long way to go.

The labour movement in America has taken one defeat after another over the last 20 years, it has given up concessions and greedy companies have come back for more. It is very common for companies where strikes are taking place for the bosses to introduce permanent replacement workers. Many a company will, come contract time, make a demand, make a contract offer that is so laughable that the unions have to go out on strike, they just replace the workers and bust the union. That's what the major newspapers did in Detroit two years ago. These union newspaper workers have been out 2 years. Given this situation, the labour movement is way behind in terms of strategy, tactics; its very timid.



Paul Felton, right, talks to sacked London postal worker Chris Tymkow

On the jobs question, the US is held up as a model of flexible labour markets, which in turn has created millions of jobs. How does that square with your experience in the States?

Well, I don't know the detailed statistics, but I know the Democratic Party in power wants to say that it has created millions of jobs, but I have seen the figures broken down, and when you see the type of jobs that are being created, a large number are temporary jobs without health benefits. And in America if you don't have health benefits you are in pretty bad shape when you get sick. A temporary job agency, called Manpower, is now one of the largest employers in the country. It rents people out to different companies for a day at a

Letters MATTERS

correspondence

Socialist Appeal
PO Box 2626
London N1 7SQ

tel: 0171 251 1094
fax: 0171 251 1095

e-mail:
socappeal@easynet.co.uk

time or a week or whatever. These temporary agencies are really growing as more and more companies do not want to hire people that they have to give guarantees to in terms of salary, health benefits and longevity. So there is more and more insecurity in the workforce in America than there ever was. And when you combine that with welfare reform, that's just gona kick thousands of people off the welfare roll and they will be looking for jobs that aren't there. I think unemployment is going to get worse. I think the whole situation is getting worse, until the labour movement is able to turn the whole direction of the country around.

The Clinton Welfare reforms are being emulated in Britain by the Blair government. How are they to be viewed?

This reform was very much a Republican pro-big business idea. They were the ones really pushing it. Their propaganda was focused on ending the "dependency culture", we have to help them get on their own feet. But just kicking them off welfare doesn't do that and there is nothing in these proposals that create jobs or that provide child care. If you provided child care, transportation to the job, and everything that a poor parent might need, and you provided jobs, then you might have something going. But I saw a good cartoon about a big cliff, and this rich guy with a suit and tie was kicking this kid off the cliff and saying "now you can learn how to swim." And the kid was looking down, saying "but there's no water down there." And the rich guy replied "OK then, fly." And this is about the way the welfare reform is working. It's just kicking people out there, and we haven't seen the full affects yet. Although there is a portion of it called "workfare", where people get to maintain some of their welfare benefits while they do some kind of work for some kind of wage, and these people are just displacing some unionised workers, which creates another division. So it is altogether a very right-wing thing, very anti-union, and even many of the Democratic Party politicians were against it, but it did pass. And I didn't hear as much opposition as I should have from the union movement, because it didn't affect their members as they have jobs. But it does affect their members, with the increased downward pressure on wages.



From Miles Todd,
Scunthorpe

Dear Comrades,

Recently, one of the Scunthorpe free papers carried a front page story headed "Lethal Cocktail Claimed Life—DHSS not to blame for suicide."

It told the story of a 35 year old who had suffered from chronic mental health problems. Last February, after being told by a DSS that he was fit to work, he took a lethal overdose of anti-depressants and alcohol at his home in a caravan park. His benefits had been stopped. The inquest was told that the death of his second wife on Christmas Day was just one of a series of catastrophic events which had begun when he was twice physically attacked whilst at university in Birmingham. The first assault came in 1984 followed by a another more serious attack in 1986.

He completed his degree in chemical engineering but then turned to drink and was frightened to leave his house. His problems worsened after divorce from his first wife. He remarried in 1994 but his mother-in-law died soon after and then his wife from cancer.

His half-brother told the inquest: "He definitely got worse after the death of his wife, he just seemed to get really down and he bumped along the bottom, we couldn't get him up at all. In fairness from the early 80s he was on a rocky road and as things built up he just couldn't cope. I think he was mentally shot and struggled to cope with the pace of everyday life. It's difficult to say that it was just one problem that led to his death. In all fairness it was due to a combination of things over the years." The coroner said the young man had been claiming Invalidity Benefit for some time after being certified unfit for work. But only weeks before his death he had been found "fit for work" by a DSS and his benefit was stopped. He went on to say that "I know the family feel this was the last straw, but on reflection they would probably agree that it was one of a number of problems that he suffered." He further added that the case should not adversely reflect on the DSS!

I had the misfortune to work at the DSS when Portillo as Minister for Social Security visited the Scunthorpe office. Both he and subsequently Lilley during the last days of the Tory government made it quite clear that everyone on the sick would have to undergo a so-called independent medical. But it was an open secret amongst staff that the remit of the doctors was to force as many claimants off benefit as possible. The above case shows exactly what that can mean in the real world.

This is the system that Labour has inherited and with Frank Field now thinking the unthinkable, how many more will die. The sick, the mentally ill, the youth, the OAPs, the low paid are all being made scapegoats and this government, which has pledged to maintain the hated Tory concept of 'independent' medicals, will have blood on its hands unless the labour movement and the civil service unions alongside the claimants unite to fight this barbarism of latter day capitalism. ☆

Socialist Appeal
badges available

Price £1.50
all proceeds to
press fund

contact SA, PO Box
2626, London N1 7SQ

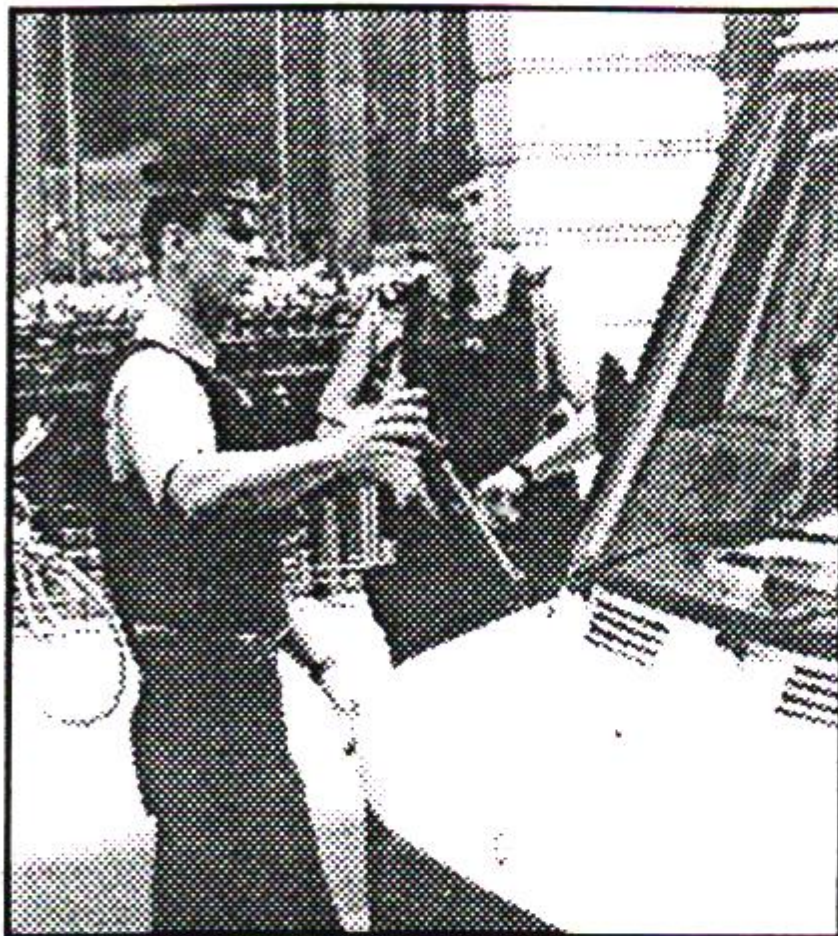
New pamphlets from
Socialist Appeal

The socialist alternative to
the European Union
price £1 plus 30p post

Russia: study guide
price £1 plus 30p post

Revolution in Albania
price 70p plus 30p post

Labour must abandon 'bipartisan' approach



The latest IRA ceasefire and the revived 'peace process' brought a collective sigh of relief from all workers. But their scepticism about the possibility of a successful outcome can be measured by the lack of any euphoria that greeted the announcement - unlike 1994, there was no outpouring of emotions, no celebrations in the streets. It was just another day.

A placard held up by a resident during the Garvaghy Road protests in July said it all: "Mo Mayhew - no change."

The continuation by the Labour Government of its bipartisan approach to Northern Ireland inevitably led to a return to the cycle of violence that the workers have suffered from for so long.

The decision to bludgeon a way through the Garvaghy Road to allow the Orange Order to parade saw residents placed under an effective curfew, local councillors arrested and even the church being forced to hold mass before a line of armoured cars.

The Garvaghy Road incident brought Northern Ireland dangerously to the brink of new sectarian conflict. The NI Secretary Mo Mowlam has learnt that attempting to use the Labour Government's current tactic of snakeing around the real issues, buying time with warm words and thinking that all can be solved with 'media friendly' soundbites does not work in Northern Ireland where the issues are much sharper.

Fury

There was fury amongst Catholic workers in particular when it was discovered that the Northern Ireland Office had already drawn up plans to allow the Orange Order through the Garvaghy Road, when Mo Mowlam was doing her rounds and pressing the flesh in supposed 'consultation' with local residents.

Ironically the Labour Government were saved from an explosion of anger by the U-Turn by the Orange Order which decided not to hold some of their more provocative marches, particularly in Derry.

As the Dublin newspaper, the Sunday Tribune (July 13) commented: "...It is no exaggeration to say that it would probably have paralysed her administration, making her, as the SDLP's Mark Durham put it, a 'dead duck' only eight weeks or so into

her term of office. Add to that another Orange march through the Lower Ormeau, and explosion of violence in Belfast and Derry, the death of any prospects for an IRA ceasefire and the demise of the Stormont talks, then Mo Mowlam would have presided over the collapse of politics in the North.

"Like her 1974 predecessors who watched helpless as Loyalists brought down the Sunningdale power-sharing experiment, she would be remembered as yet another British Labour direct-ruler whose cowardice in the face of Loyalist violence cost the North its best chance of peace. Suddenly she has a second chance."

There was of course a certain amount of cynicism by Catholic workers about the 'Orange Order U-turn,' not least in Derry. After magnanimously declaring to media fanfare that in the 'interests of peace' they would hold their march 14 miles away in Limavady, they still held a 'feeder' march in Derry to the coaches that would take them to Limavady: one of the Lodges spotted joining the march to the coaches was from Eglinton - only half a mile away from Limavady! And 'getting on their coaches' in Derry also entailed marching along behind eight Orange bands through most of the original contested route.

But the apparent concessions by the Orange Order along with the participation of the Unionists in the new round of peace talks - despite all their bluster - shows the pressure that the Unionists are under, which comes on two fronts.

The British ruling class have been looking for ways to withdraw from Northern Ireland for most of the post war period. It is an enormous drain on their resources - costing over £8 billion every year to maintain - and since the stabilisation of the South as a safe capitalist state they do not fear any threat to their moneyed interests. Meanwhile, the capitalist class actually in Northern Ireland - both home grown bosses and overseas investors - crave stability in whatever form, and will consider any form of rule as long as they can continue to make their profits.

In the past few years Northern Ireland has seen the most rapid economic expansion of any where in Europe, not only as a result of the 'peace dividend' but also because of the growing strength of the Southern Irish economy - whose GDP per



capita last year actually outstripped the UK for the first time in history.

Inward investment in Northern Ireland reached a record £490 million this year. Cross border trade has grown by 50%. Tourism has grown by 25%. If it can reach the levels of the comparable areas of Southern Ireland and Scotland, making up to 6% of GDP, tourism would be worth £750 million, creating 20,000 (albeit low paid) jobs. A return to sectarian conflict would jeopardise this new bounty for the bosses. The mainstay of the Orange Order and the Unionist parties is the Protestant small businessmen; as 98.7% of the Northern Ireland economy is made up of small businesses, these institutions are clearly under pressure to find a 'solution' that brings stability. Despite the tub thumping and 'No Surrender' rhetoric of the likes Ian Paisley, the Unionists are still dragging themselves to the conference table for talks with the Nationalists - and putting pressure of the Loyalist paramilitaries to hold to the ceasefire - because of the greater personal profits 'peace' can buy.

Sectarians

More importantly, the sectarians of both sides are under pressure from the working class who want peace. It was the mass movement by trade unionist in 1992-94 with large scale demonstrations and strikes against sectarian attacks that drove the sectarian parties to the conference table in the first place. Indeed, it was no accident that the announcement by the IRA of their latest ceasefire came only days after the huge protests by Spanish trade unionists against the methods of ETA. They were no doubt fearful that similar events would follow in Northern Ireland.

But the mobilisation of the mass of workers cannot be turned on and off like a tap, to keep the sectarians permanently in check. While the mass trade union protests in Northern Ireland in the early part of this decade were the engine that drove the peace process, the subsequent return to violence shows that industrial action alone is not enough. The workers must move onto the political plane.

The British Labour government must abandon its bipartisan approach - which brought Northern Ireland close to civil war in little over eight weeks - and, linking up

with its Southern Ireland counterparts, assist Protestant and Catholic workers in the formation of a non-sectarian party of labour, based on the 225,000 trade unionists in Northern Ireland. Such a party could then formulate a socialist programme of jobs, decent homes and fair pay for all, with the nationalisation of the multinationals currently exploiting the low paid workers of both communities alike.

Such a movement would cut across the antagonisms between the two communities and cut the ground from beneath the sectarians who perpetuate the conflict to serve their own narrow interests. It should never be forgotten that Ian Paisley, despite his austere appearance, is actually a millionaire! It would also inspire workers in both Britain and Southern Ireland, making the aspiration for a Socialist United Ireland within a socialist federation of the British Isles and Europe a reality.

This is the only solution to ensure peace. The previous 'peace process' floundered precisely because capitalism cannot resolve the national question. At the end of the day, the nub of the issue at the Stormont peace talks is whether the North stays with Britain or is unified with the South. There is no half-way house. Continuation of the Union means more of the same with the prospect of civil war simmering away in the background. And despite its growth, the Southern Ireland economy is still too weak to sustain the North - its public spending last year amounted to only just over £14 billion: where would it find the extra £8 billion needed just to keep the status quo in Northern Ireland? The Protestants understandably fear that should 'unification' take place on a capitalist basis, it is they who will become the oppressed minority, it would be they who would be made to pay for the inadequacies of capitalism.

The British Labour government must understand that the only way forward for Northern Ireland is socialism. It is bad enough that Blair's adherence to pro-capitalist Tory counter reforms means more of the same misery in Britain. In Northern Ireland it could lead to bloody civil war.

By Cain O'Mahoney

Russia: from revolution to counter revolution

by Ted Grant

intro by Vsevolod Volkov

available from Wellred

price: £11.95

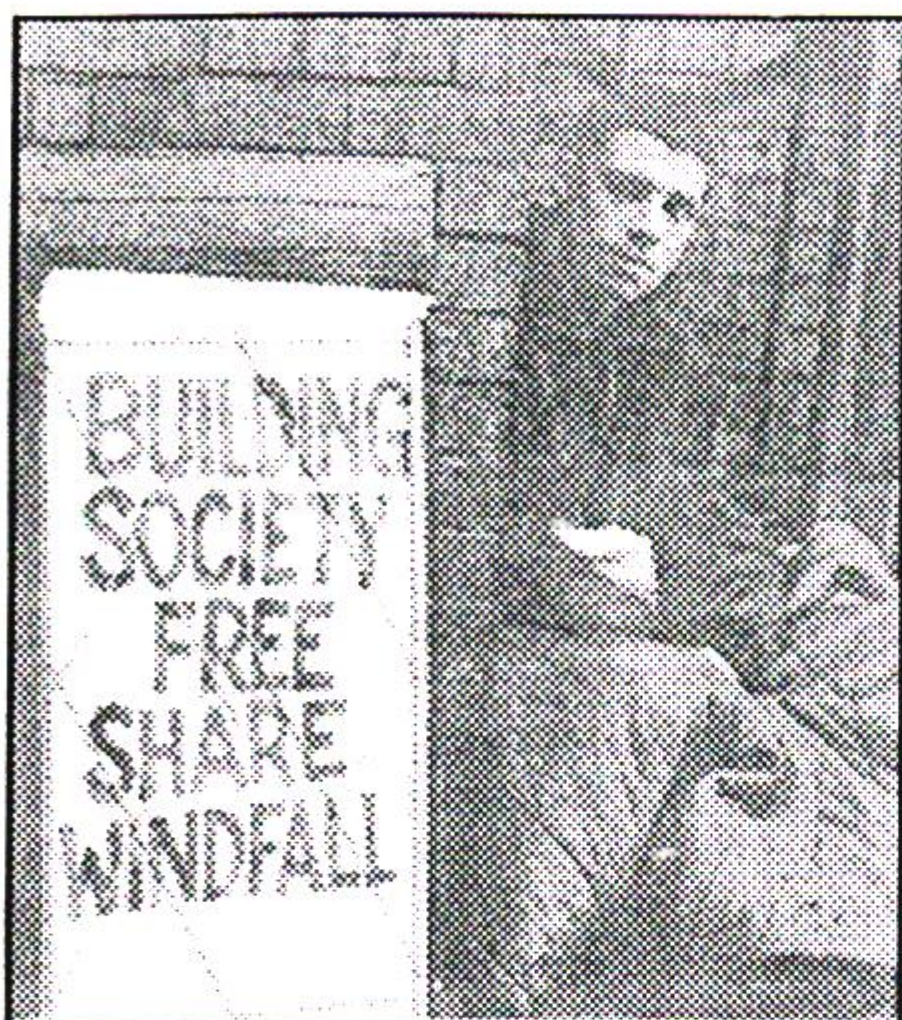


Following on from the successful publication of *Reason In Revolt* in 1995, Wellred Books have produced a new book written by Ted Grant on Russia.

The book is 585 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.

Windfall scam: pennies from heaven?



Why are the building societies all rushing to turn themselves into banks? And where does all the money they bribe people with to vote for the transfers come from?

by Mick Brooks

Building societies are actually not capitalist institutions—they are not owned by bosses. But they certainly are institutions that exist under the capitalist economy. They are called mutuals - hence the ugly term "demutualisation" to describe what is happening at the moment. Formally they are owned by their members - you have to join if you want to save or borrow for a mortgage. They grew up in the last century, when banks couldn't be bothered to go in for the boring business of lending to the upper layers of the working class or lower middle class people who wanted to buy a home. They were too busy making pots of money in the glitzy world of international finance. Building societies match the amount coming in from savers with the amount available to go out for people borrowing to buy a house and set interest rates accordingly.

What does it mean to own a piece of a modern building society? Not a lot. The executives effectively run the show and set their own salaries. But the managers couldn't help noticing that their money was not up to the mark set by exploding level of remuneration dished out by the big banks in the City. That's why they want building societies to become banks. If they change over they can raise money on the financial markets, not just from small savers, and lend to anyone for any purpose, not just for bricks and mortar.

Home ownership really took off after the War. During the 1960s building societies played around with less than half the savings of the banks, but by the 1980s they were handling more money than the whole banking sector. By 1990 they had total assets of £216 billions. Inevitably they were slipping out of control of their members. Readers may remember the old Halifax ad, showing a crane driver in a check shirt going to a building society that opens on a Saturday, when he can actually visit it. The advance of the building societies was seen as a turf war by the banks.

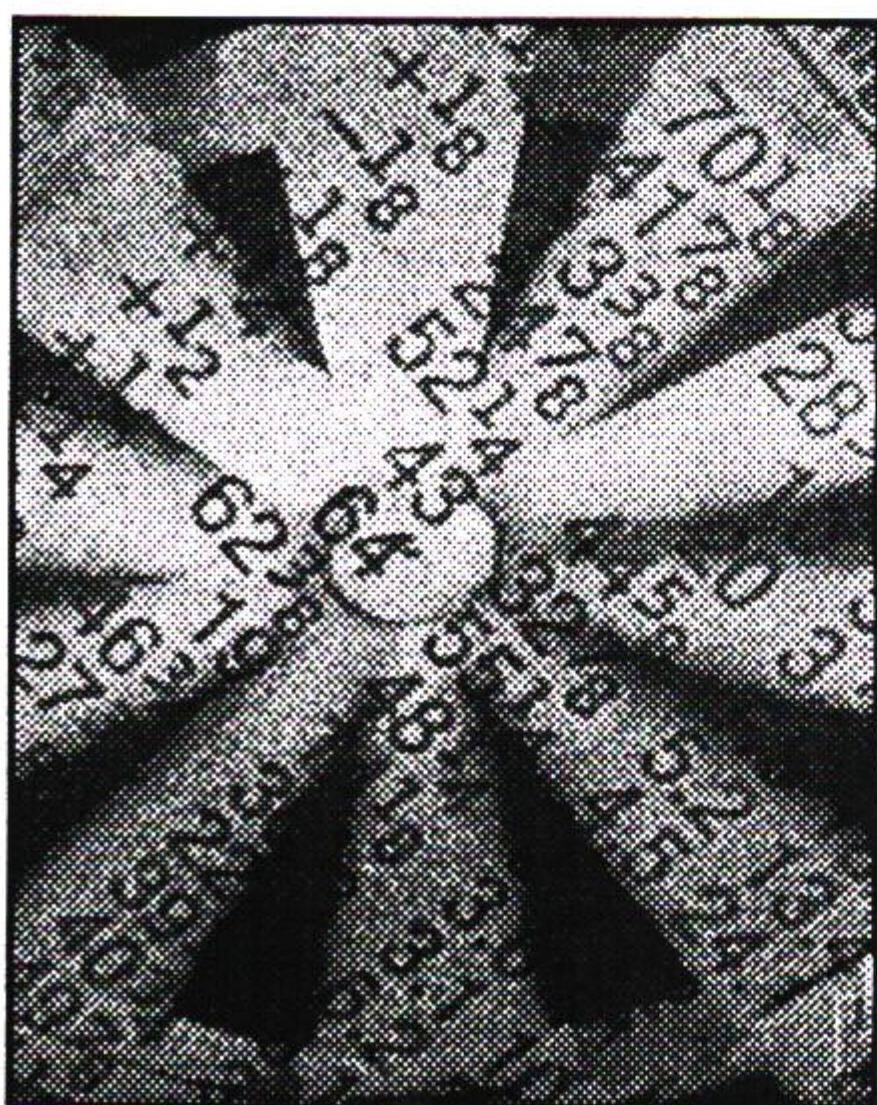
With the Thatcher deregulation of finance in the 1980s the banks bit back by starting to muscle in on mortgage lending.

So where does the money for the "free" shares come from? Capitalism is a three card trick. Profit is the unpaid labour of the working class. Where else could profit possibly come from? But under capitalism exploitation is veiled. Surplus values is divided into rent, interest and profit. All these continually vary against each other, so you can't see where the surplus value actually goes to. The capitalist class is riven into sections that rip each other off, and one of these sections is finance capital

But there's more. Abstract labour is the substance of value all right. But there's plenty of things that cost money but are not valued by the labour embodied in them, as Marx was well aware. For Marx such items have a price but not a value. After all the scale of production these days is so big that no one person can own a firm like General Motors. The ownership of the means of production is essentially the ownership of shares. These pieces of paper entitle their owner to a steady stream of surplus value, to the fruits of someone else's work. But that's exactly what is proposed to do with the building societies - dish out shares and turn them into straight capitalist institutions.

Profits

Share prices then are likely to reflect shareholders' expectations of future profits. Let Brian Davis, chief executive of Nationwide tell us how the demutualisation scam works. "Free shares are an illusion. When a conjuror takes a rabbit out of the hat we're entertained, but fully aware that the rabbit hasn't suddenly materialised out of thin air. The reality is that conversion does not itself create wealth. Share prices are talked up because of a belief in future profit streams, to be generated out of pockets of customers." So essentially the new shareholders are getting tomorrow's money today. Share prices then reflect nothing more than a hope. This is a classic example of what Marx called fictitious capital. Real capital on the other hand has a value representing the value of the underlying assets. Building society share



MI5 Plot Exposed

A scandal has emerged in the West Midlands after the former regional chairman of the National Front - now called the National Democrats - admitted he was an MI5 agent.

Andy Carmichael went on the MI5 payroll in 1991, and helped the secret services 'monitor' fascist involvement in the movement that built up around Euro-sceptic Tory MPs.

He was dropped by MI5 after they got cold feet about his involvement in a National Front plan to infiltrate the Referendum Party, Carmichael was to gain positions within the party and then wreck its electoral chances by withholding nomination papers of its candidates. This would have eliminated the Referendum Party from standing in key seats in the West Midlands, giving the Tories a better chance of fighting off the Labour landslide.

MI5 jettisoned Carmichael after, according to the Birmingham Post (28 July), "realising interfering with a General Election would prove a huge scandal".

While workers will have little sympathy for the fascists, disgruntled at the discovery that the establishment were pulling their strings, this small episode should still act as a warning.

MI5 infiltrated the NF, not to 'fight fascism' but to manipulate them as a weapon against the Tory Euro-sceptics who threatened the Tory government. The labour movement should demand that the Labour government hold an enquiry into the security services, to discover what other auxiliary roles MI5 have planned for the fascist groups to protect the interests of the ruling class.

prices reflect the hope that building societies will make more money by taking market share off the banks. The banks for their part believe they'll be successfully taking customers from the old mutuals. Can they both be right?

Even if the building societies make more money in the future than they have in the past (and there's absolutely no guarantee of that) where will it be coming from? Somebody must be losing out. As usual the punters pay. According to the bank of England (*Money Programme 2nd Feb*) building societies charge mortgage holders lower interest rates than banks, because they don't have to throw money at shareholders like a profit-making institution such as a bank. If building societies charged the same rate of interest as the banks, their members would have been £24 billion worse off. The expected payout from demutualisation at that time was £20 billion. No magic here - just a transfer from mortgage holders to windfall profits (usually the same person of course). You're being bribed with your own money.

In fact the giveaway could soar to over £35 billion, according to recent estimates. We are seeing a classic speculative bubble, where the "value" of mutuals assets are going up because people are buying.....and people are buying because they expect the "value" of mutuals assets to keep going up. We have the phenomenon of carpetbaggers taking their windfall from one conversion and putting it all straight in to another mutual to lay siege to it in turn, making the pressure on the next financial institution to convert all but

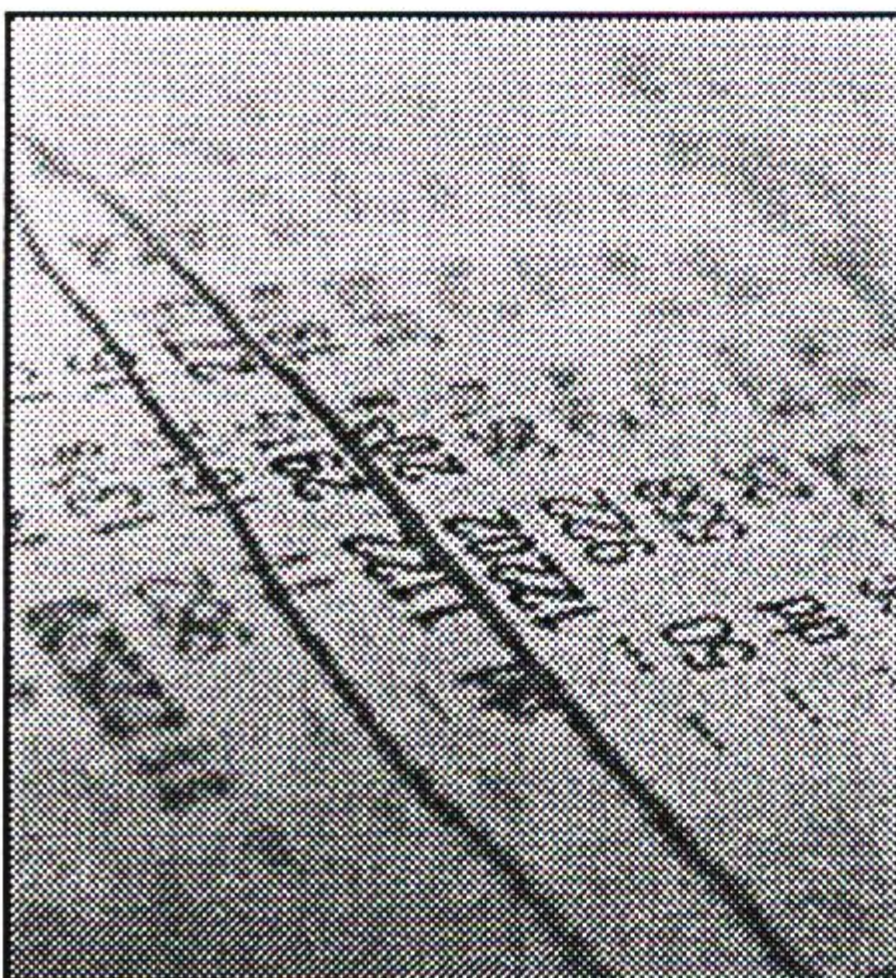
irresistible.

All this is pretty destabilising for the real economy. At the same time that we see a pound overvalued by about 15-20% strangling the livelihood of exporters, because British goods cost so much more in Deutschmarks or Francs, it seems up to £15 billion of the windfall may be spent right away, feeding an unstoppable consumer boom. Moreover because you can get so many drachmas or pesetas for sterling nowadays, what could be better than to blob it on a foreign holiday? That's where about a quarter of the money spent is likely to go. But while this may stimulate the Spanish or Greek economy, it's not providing any jobs for workers in Britain.

Savings and Loans

We've been there before. The American equivalent to building societies were called thrifts or S & Ls (Savings and Loans Institutions). Deregulation in the USA in the 1980s led them to stop "sticking to their knitting" and strike out to compete with the banks. All the financial institutions ended up fighting for a slice of the action, virtually hurling money at any dodgy character who knocked on their door. The end result is a \$100 billion plus disaster that has poisoned the stability of the American financial system, and will continue to do so for decades to come.

The case for social ownership of the financial institutions is overwhelming. Socialists always used to be told, "you can't do that" because the building societies were owned by their members. Not any more! Under capitalism, life is insecure. Workers have to try to put a little bit by to get a home, in case of illness, or to look after their old age. Inevitably we are letting the financial institutions play around with our money. In fact the capitalist system, through the channels provided by the financial system, uses our own money to exploit us at work. Your own money is used against you! All we want is to let it work for you. We can't promise you pennies from heaven. We can promise that your money will be safe and, much more important, that it will be used to help build a better socialist future.



Flexibility: bosses labour market model



'Flexibility, flexibility, flexibility' - that's the cry of bosses in workplaces all over the world. Along with 'globalisation', that other guru word of capitalism in the 1990s, flexibility of workers in the factory, office or shop is apparently essential to the health and wealth of workers everywhere.

by Michael Roberts

But what is meant by a flexible worker? It means what it says - a worker who bends over backwards to meet the demands of the boss. A fully flexible worker is one who works any sort of shift, is prepared to be employed temporarily or part-time to fit in with the rhythms of the business cycle and the company's sales, will do anybody else's job at the drop of a hat, even if not fully trained for it, will pay his or her own pension, and ideally take unpaid holiday or none at all, except when laid off. In other words, it's the Burger King boy, named after the infamous branch of that hamburger company in Luton which employed workers *'temporarily'* when the place was busy, then clocked them off the payroll in slack times during the day but kept them in the restaurant. Now that's flexibility!

If that's what the bosses really mean by flexibility, it does not take much to see what that means for the health and wealth of any *'fully flexible'* worker. It means pitiful pay, continual insecurity about work, health and skills, and it means no work at all for some of the time.

And that's why the struggle against flexibility has become one of the main industrial battles of the 1990s.

Let's look at the recent strike of American postal workers working for the private company, United Parcel Services (UPS). UPS handles 12m packages a day! It employs 185,000 workers - but not nine to five, and not full-time and not for equal pay for equal work. It employs them flexibly. Nearly 60% of UPS workers are part-time, and of the last 46,000 jobs created by the firm, 38,000 have been part-time. UPS is carrying out a conscious policy of making its workforce more flexible. And poorer - because part-timers are paid much less than full-time workers, only £5 a hour after two years service compared with £11 an hour for full-timers. And they work the bad shifts - sorting from 4am to 9am and then delivering till noon. It's part-time work with part-time pay, part-time pensions and benefits.

UPS says that it's rubbish that it's trying to drive down its wages bill and make workers' lives a misery by introducing flexible part-timers. The company says it employs lots of students, housewives and retired people who don't want full-time work. Flexibility is good for them and for the company. So all is well.

But do workers want more flexibility? Well, if flexibility means a shorter working week, they do. The European Commission commissioned a detailed survey of what workers think of flexibility. It concluded that all workers would like to work about two hours less a week. The average working week in Europe is now 35 hours, but as high as 40 hours in Portugal and as low as 32 hours in Holland. But only 36% of those interviewed were prepared to lose pay if the working week was reduced.

Shifts

The survey also showed that 20% of workers worked shifts (31% of British workers did shifts, the highest), 14% worked nights (25% in Britain, again the highest), while 38% worked Saturdays - no change since the 1980s. Again a higher proportion of British workers worked Saturdays, 47%! Only 17% in Europe worked Sundays, but 34% of British did. And only the Dutch did more overtime (just) than the British.

According to the survey, 40% of British workers would be prepared to work nights, although only 25% do so. And 70% would do shifts, although only 31% do! The explanation is complex. Some answered yes because they are desperate to keep their job. Others want the flexibility of when to work or not, to fit in with family

commitments etc - lone parents are an obvious group.

The truth is that it's rising unemployment throughout the 1970s and 1980s that has allowed employers to be able to increase part-time work dramatically in the last decade or so. Now 18% of American workers are part-time and it's only a little less in Europe - 17%. But the overall result of the EU survey was damning on part-time work. Only 13% of workers in Europe who were in full-time employment wanted part-time employment, while 65% of part-time workers wanted full-time work. While 28% of British workers were in part-time jobs (only beaten by the Dutch), 95% of full-time British workers did not want to drop down to part-time work, and 70% of British part-timers wanted full-time work. And of those leaders in part-time work, the Dutch, over 90% wanted a full-time job!

But even when workers do want part-time or temporary work, it's not the sort that they look for - on equal pay with full-timers, plus training and benefits. That's because the whole point of temporary and part-time work for the employers is to reduce wage costs and also non-wage costs (holiday and sick pay, pensions etc). In this way, the bosses can create what Marx called over 150 years ago in his seminal analysis of the workings of capitalism, Capital, an industrial reserve army. By this, he meant, not only the unemployed waiting outside the factory gates for the jobs of those inside, but also all those on part-time work or temporary *'casual'* work, desperate and so prepared to work without proper rights, representation, benefits or even equal pay. This army in reserve for capitalist employers helps drive down wage costs by keeping the wages of those in full employment down.

Much is made by employers and capitalist economists of the success of US capitalism in employing its people over the last 15 years compared with Europe. In the US, labour markets have been *'deregulated'* by anti-trade union laws, the weakening of safety and health legislation, the introduction of part-time and temporary work on lower pay and without benefits. As a result, it is argued, unemployment in the US is now below 5% while in continental Europe, with its regulations and *'Social Chapter'*, unemployment is more than double. In the UK, which under Maggie Thatcher adopted many of the US ideas, and which are to be continued by New Labour, unemployment is also falling fast.

But this form of flexibility in the US and the UK created jobs by only one method - it lowered wages for unskilled workers at the bottom of the work heap. In the US, the bottom 20% of low-income workers get only 4.7% of the total wage bill, while the top 20% get 42%! In the UK, the bottom 20% get 5.8% while the top 20% get 41%. In Europe, the bottom 20% get 6.5% and the top 20% get 39%. In the US the bottom 20% saw a 37% fall in real earnings from 1969 to 1989 against an 11% rise for the top 20%.

That's what the bosses want. Take General Motors. The US car company reports that its workers at Vauxhall in Luton cost the company about £12 an hour compared with £20 in France or £25 in Germany. But that's partly because benefits, payroll taxes, pensions etc are 40% cheaper in Luton than in Europe. Under British labour laws, bosses can fire a worker with less than two years service on the spot with no redundancy money. That's real flexibility. The result is that average unemployment in Luton is now just 6.2%, more than half the rate in 1993.

But that apparent success for flexibility hides the real story. In the inner parts of Luton, unemployment is closer to 15% and part-time and temporary workers are being employed in unskilled 'dead-end' jobs for as little as £1.80 an hour.

Deregulation

As the global management consultants, McKinsey, admitted in a recent report: "deregulation (that means flexibility) will lead to a higher number of low skill, low wage jobs".

The truth is not the myth painted by employers. Flexibility has not created jobs in the US while 'regulation' and restrictions have caused unemployment in Europe. If that was the case, why did Europe create more jobs than the US between 1985-89, when US and UK labour markets were already 'deregulated' and flexible, particularly after Reagan crushed the air traffic controllers strike and Thatcher had defeated the miners and Murdoch the printers?. And flexibility sure didn't protect jobs in the world recession of the early 1990s, when Britain and the US lost just as many workers from employment as did Europe.

Jobs are created not by flexibility but by the growth of production. All flexibility does is boost the profits of the employers at workers expense. As Marx called it, it raises the rate of exploitation of the workforce



by increasing the intensity of work, by ensuring workers work to the needs of machinery and the market, not to their own needs. Everywhere in the world, whether in 'flexible' America or 'inflexible' Europe or Japan, unemployment rates are higher than they were in the 1960s when national production was greater. If investment and output rises quickly, employers need more workers from the available labour force and the 'reserve army of labour' falls.

Recently the International Labour Organisation, a UN-financed body that looks at industrial and labour conditions globally, worked out what would be the average growth in national output necessary in order to ensure full employment by the year 2000. The table below shows the needed average GDP growth rate to get unemployment down to 5% and the current growth rate for various countries.

	Current growth	Needed growth
US	3.0%	2.6%
Japan	2.5%	2.4%
Germany	2.0%	4.4%
France	1.5%	6.2%
Italy	1.0%	5.6%
UK	3.0%	4.1%
Spain	3.0%	12.2%

The US is already on target, and so is Japan, where 'lifetime employment' ruled - at least until recently. And remember the US is at the height of a five-year economic boom. Will that be sustained for another three years? - unlikely. Everywhere else, including the UK, will not achieve full employment even if the world boom continues.

So flexibility will not solve unemployment as the apologists of capital argue. It's just a new word to describe an old practice - the increased exploitation of the workforce by taking away hard-won rights on benefits, job security, health and safety regulations etc, and breaking up the solidarity of the workforce into skilled and unskilled, full and

part-time, permanent and temporary employees.

The bosses think it is great news, so they spread the gospel. And so it is for employers - but only in the short run. Longer term, flexibility damages capitalism. First, making everybody do everybody else's job is impossible.

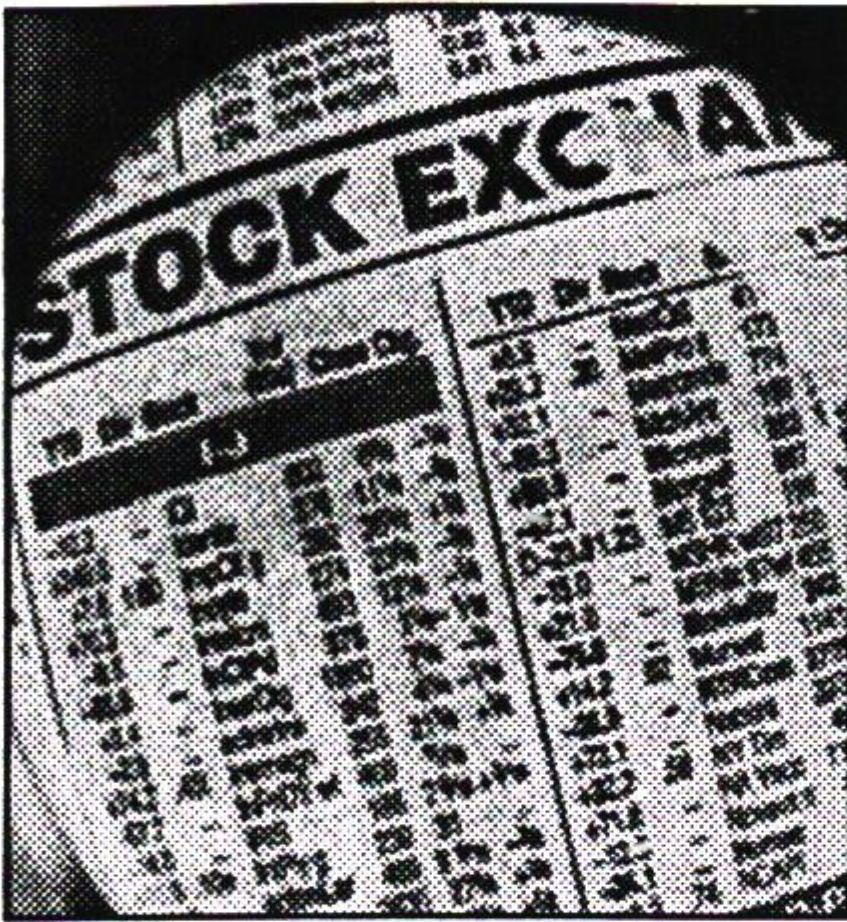
Knowledge

Specialisation, skills, knowledge are key to better production through innovation and higher productivity. A jack of all trades is master of none. Second, increasing the number of part-time or temporary workers reduces the level of training. Employers don't want to train temporary workers who may leave at the drop of a hat or may not be needed if sales fall. But less training means less skills and knowledge. Similarly, employers won't spend on health insurance or sick pay for temporary or part-timers. The result is a sicker workforce or employers only employing 'healthy people', and so reducing the employment that flexibility is supposed to create. And as companies try to spend less on benefits, training, pensions etc in order to get costs down, they lower the skills and efficiency of the labour force, and eventually that means slower economic growth.

But these costs to capitalism as a whole do not hit the bottom line on the accounts of an individual firm. So as individual capitalists strive to reduce costs and raise profits through flexibility, they drive up costs for capitalism as a whole and lower profitability!

Sure the idea of flexibility as a way of fitting work in with 'leisure' - human activity out of work - is a good one. But that can best be achieved by lowering the hours of work, creating a stable and highly trained and motivated workforce, and providing benefits and facilities that enable everybody to have flexible and productive working hours. But that's a pipe dream under capitalism.

Britain's economy: boom or bust?



"Deregulation may leave the consumer or the workforce helpless, but it is part of a growing global consensus. So is the notion of 'flexible labour markets,' for which read 'crunching the workforce beneath the heel.'"

Joe Rogaly, Financial Times 26&27/7/97

by Phil Mitchinson

Mr. Rogaly's vision of the future is a chilling one. Yet it is one we can all recognise. In the new millennium, he predicts, *"Business will rule. Politics will matter less, eventually hardly at all."* For *"Politics"*, Mr. Rogaly might have added, read *'democracy.'* He continues, *"I have spent a lifetime advocating decentralisation of power in Britain. Now that we are to get a semblance of it, why does my pulse fail to quicken? Because true power is to be found in the boardroom rather than parliaments or cabinet chambers."*

This is a candid admission. Yet for all his bluntness, Mr. Rogaly has drawn the same mistaken conclusion as so many of his colleagues. They believe the struggle is over, history has ended. *"The story of the last 200 years"* he writes *"has been one of a struggle between capital and labour. Capital won."* Here he is woefully premature. Labour has yet to have its last word.

Nevertheless, this idea has become commonplace not only amongst the short-sighted representatives of capital, but has penetrated deeply into the labour movement. The idea must be countered in the language of facts, figures, argument and analysis.

Developments in the world economy, and in international politics—the collapse of Stalinism, the explosive growth of information technology—have prompted some profound questions. Has capitalism solved all its problems? Has the system fundamentally changed? Has inflation been defeated, and can the present boom go on for ever?

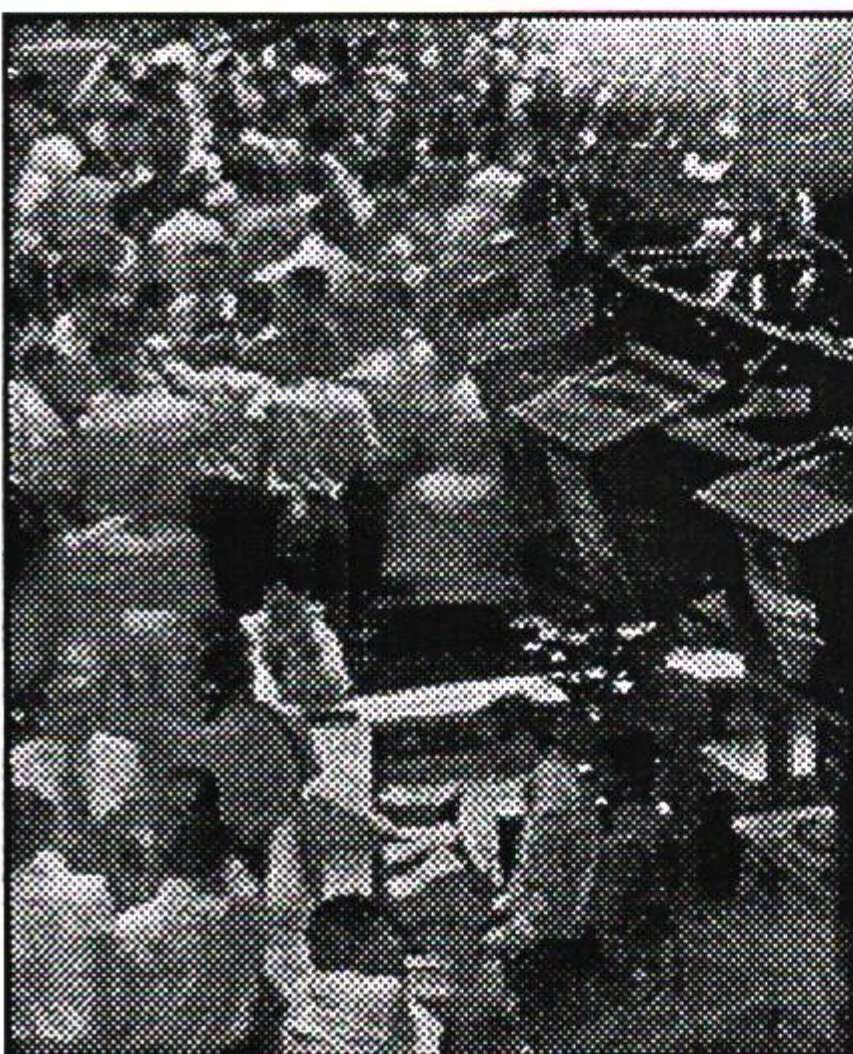
Marxism is not a dogma. At each successive stage it is necessary to subject our perspectives and analysis to a reappraisal, beginning with the fundamental ideas of Marxism themselves. In the field of economics, the basic laws governing the development of capitalist society were worked out by Karl Marx nearly 150 years ago and, despite some development by Lenin and Trotsky, remain fundamentally unaltered. There have certainly been enormous changes in the economy over these years, but these changes only tend to confirm the

brilliant analysis made by Marx.

Over a century ago, for example, Marx predicted the growth of monopolies and the concentration and centralisation of capital in fewer and fewer hands. Today this process has reached unparalleled heights. Not a day goes by without the news of another buy-out, merger or takeover, so that just 500 companies now control more than four-fifths of world trade. At the same time there has been an unprecedented polarisation of personal wealth. There are now over 400 dollar billionaires in the world, while hundreds of millions live a gutter existence. In Britain 1 in 500 of the population are millionaires - many of them the bosses of privatised utilities, and the newest fat cats on the block, the executives of newly demutualised building societies - while 1 in 14 are dependent on benefits. In America, The Economist (28/9/96) reports, *"The lowest paid 10% of...men have seen a drop in their real wages of almost 20% since 1980; the top 10% have enjoyed a pay rise of around 10%...And over the past 20 years, the pay of the average chief executive has increased from 35 times that of the average production worker to 120 times."* This is the case in Britain, Australia and New Zealand too. However, they complain, in most of continental Europe the income gap *"has remained much the same; indeed in Germany it has narrowed. High minimum wages, powerful trade unions, centralised wage bargaining, and generous social security benefits have set a floor for wages throughout the continent."* This, they argue, must change. It is not through new technology that capitalism sees its future, but through attacking trade unions, cutting welfare and driving down our wages and conditions. How will this help them? Let's go back to the fundamentals of Marxism.

Value

The discovery of the law of value by Marx, the equivalent in the field of political economy to the discovery of DNA in the life sciences, revealed the progressive role of capitalism in its heyday, and at the same time the inevitable development of crisis and the limits of the system. According to this law, the profits of the capitalists are derived from the surplus value created by our labour. We are paid less in wages than the value our work creates, this unpaid labour being the source of profit. Under the impetus of competition, a portion of this profit is then invested in new machinery, new techniques, expansion and so on.





Marx explained this as the division of the economy into department one (production of the means of production), and department two (production of the means of consumption), where the surplus produced by the working class, over and above its own subsistence, aside from the small part consumed by the capitalists, is ploughed back into production. This was capitalism's progressive role, developing the productive forces which represent the motor force driving society forward. However, the seeds of crisis are to be found here too. Being paid less than the value of our labour, we are unable to buy back all the goods in society. The capitalists are unable to consume all the surplus, and as a result we have periodic crises, slumps, where production must be cut back. A cycle of booms and slumps is set in motion. The capitalists attempt to export their surplus abroad, creating a world market in the process. This forestalls crisis, but eventually, as all the powers attempt to escape their problems on the export market, we end up back at square one.

This cycle of booms and slumps, inherent in capitalism, was also uncovered by Marx. Today, however the press is once again overflowing with claims that this cycle has ended, there will be no more slumps, inflation is dead, a future of uninterrupted growth dawns on the best of all possible, capitalist worlds. Alan Greenspan of the US Federal Reserve talks of a "new paradigm of sustainable growth without inflation." They should beware, pride

always comes before a fall. The 1929 depression was preceded by just such a rash of self delusion.

The charge which Marxism brings against capitalism is that it is no longer able to develop the productive forces in the way it did previously. This is the acid test for the existence of any particular system. In the words of *The Economist* (28/9/96), "new methods of production, new products or new forms of industrial organisation are the main driving force behind economic growth and hence rising living standards. Economies have limited amounts of capital and labour. Without technological progress, the opportunities for growth would eventually run out."

Globalisation

The "new" theory is that the development of information technology, and globalisation, have changed the nature of capitalism, and secured it - if not us - a bright future. The same wishful thinking has been expressed many times in the past. Before the war the mass production techniques of Fordism were the cure, after the war it was the intervention of the state in the economy.

In reality globalisation is nothing new. After all it is the task of capitalism to create a world market. Again *The Economist* (28/9/96) takes this up: "On some measures, economies at the turn of the century were every bit as open and integrated as they are today. Most industrial countries trade as a share of GDP is not much larger

now than it was a century ago. And whereas capital has certainly become incomparably more mobile in recent decades, net capital flows between countries were actually bigger relative to GDP in the late 19th century. Britain then invested a massive 40% of its savings abroad." On the topic of new technology they add, "On the technology side, too, it is arguable that railways, steamships and the first transatlantic submarine telegraph cable in 1860 were far more revolutionary than satellite links, the Internet and other current wizardry."

Marx had already explained that capitalism means the constant revolutionising of the means of production. There is nothing new here either. What we have is the same old washing powder packed in a glitzy new, computer generated, box.

Information technology certainly has the potential to transform all our lives for the better, but what uses has capitalism found for these modern marvels? Twenty years ago we were promised the dawning of the leisure age, where computers would make all our lives easier. Instead their main use has been to increase the productivity of our labour. Rather than using these remarkable machines to free us from the drudgery of our work, they have been used as tools for squeezing more work out of less workers. There will, however, be jobs for those elbowed out by new technology, *The Economist* promises us, "Jobs for guards and police officers are also expected to grow in response to increasing social strains." The US Bureau of Labour Statistics predicts a growth of 750,000 jobs in this sector.

There is also a massive growth in tele-sales jobs. Here the bosses have found a large pool of very cheap labour, and a saving in state expenditure, by offering tele-sales work to prisoners. Creating "factories within fences prepares prisoners for rehabilitation and helps offset the £420 a week cost of keeping each inmate in prison." *Sunday Times* (10/8/97)

The short sightedness of this system cannot see further than its bank balance. Yet even here, they have found not a solution, but a further source of crisis. The replacement of our living labour, the only source of new value in the productive process, with machines, inevitably leads to a tendency for the rate of profit to fall. Once again this was pointed out all those years ago by Marx.

How does capitalism attempt to overcome this crisis? According to Marx by finding new markets to exploit and by exploiting the old ones more thoroughly, or in the words of *The Economist* (28/9/96) "Growth can be sustained only by finding new and better ways to use the planet's limited resources."

This was at the heart of the massive expansion of world trade from the 50s to the 70s, which did indeed give the system a breathing space, but solved nothing. Now the role of the world market is reaching its limits. New markets, such as China and South East Asia, themselves facing severe crisis, have become new competitors,

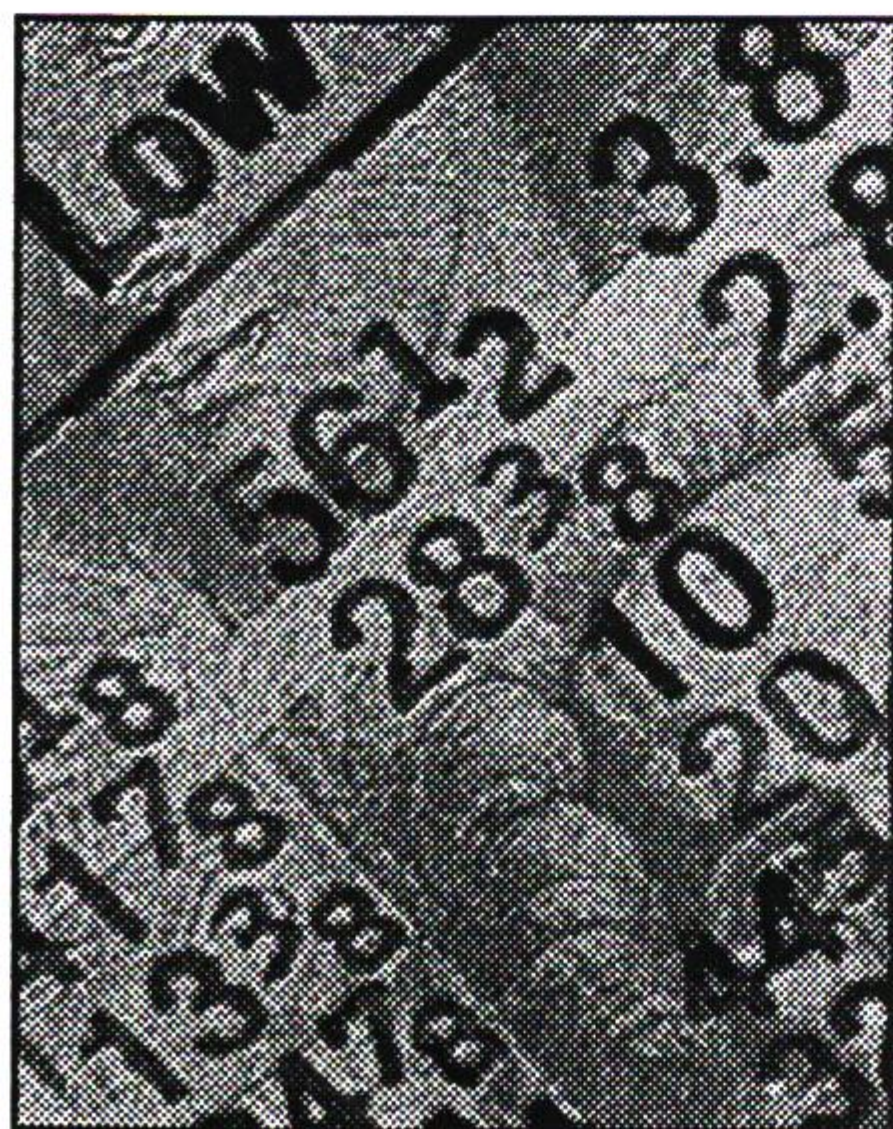
☐ Boom or bust

themselves taking a slice of the world market. The division of the world economy into competing nation states is enormously wasteful. The capitalists dream of a market where each country specialises in a particular sphere, instead competition means we have massive overcapacity for the purposes of profit.

If the bosses cannot make a profit out of increasing production, they attempt to squeeze out more profit by producing more cheaply, by making us work harder, this is what Marx called increasing relative surplus value.

Drive down

To maintain their profits the bosses have to drive down our share. "Profits in America and Britain are at a 20-year high," writes The Economist (28/9/96) "but workers are feeling more insecure than ever. Those profits they say are rising at the expense of wages. Most of the extra income generated by IT and globalisation is going straight to the owners of capital; workers are not getting their fair share...over the past three years America's corporate profits have risen by an annual average of 13%, while wages have risen by a paltry 3% a year. The share of corporate profits in national income has doubled over the past decade or so in both America and Britain, while the share of labour has fallen....Since 1975, output per man-hour in America's non-financial corporate sector has increased by about 40%, while real hourly compensation (pay plus pension and medical benefits deflated by the consumer price index) has gone up by less than 5%."



While their total profits have been soaring in a fireworks display of wealth, it is the rate of return on their investment with which the capitalists are ultimately concerned. In Britain the CBI has said that industry will not invest the profits that we make for them unless they can be guaranteed a rate of return of 20%. In other words, they are unable to develop the productive forces as they did in the past.

Marxism however does not suffer from the empiricism of the bourgeois economists who believe there will never be another slump. We recognise not only that there will be a slump, but also that there will be a new recovery and a further slump, until the system is changed. There will be no final, fatal collapse of capitalism. They will always find a way out, over our bodies, by "crunching the workforce under the heel."

Here we find the explanation for the new obsession with "flexible labour markets." This is the extent to which capitalism has changed. The leopard hasn't changed its spots, but it has begun to bare its teeth. The old 'Scandinavian model', capitalism with a kind face, providing welfare benefits and minimum wages, has been smashed, they can no longer afford to maintain it. Today's model is the Anglo-Saxon condition of the US, Britain, Canada, Australia, and New Zealand. Cut welfare, attack the unions, drive down wages and conditions, in order to squeeze out more and more profit. Sooner or later this must lead to a "worker backlash" as the economist Steven Roach of Morgan Stanley has predicted.

But even in theory this is no solution. In the first place this "superexploitation" has its limits, there is a line in the sand beyond which we cannot be pushed, as Mr. Roach correctly acknowledges. Even if that wasn't so, there are definite physical limits to how many hours a day, and how hard we can work, once they were reached, what then? But there is yet another problem for the capitalists. The producers are also the consumers. In cutting our share, cutting our wages, making more workers unemployed or low paid, they cut the market for their goods.

Incidentally, simply increasing our share, our wages - not that the bosses have any intention of doing so - would not solve the problem either. Ironically increasing our share, all else being equal, simply eats into the capitalists' profits, and would therefore just as inevitably lead to a fall in production.

They cannot invest the enormous profits they make now productively because there

is no market for the resultant goods. In the words of the Sunday Times (20/7/97), "Right now a banker is a much better prospect than an industrial exporter suffering from the high pound and depressed European demand." Private ownership, and therefore the profit motive, so often claimed to be a vital incentive to investment and progress, have become the greatest disincentive of all. This combined with the division of the world into competing nation states, has become a ball and chain holding back the development of the economy and society.

What do they do with all this "spare cash?" While millions starve, or die of curable diseases, while even in advanced countries like Britain there are people sleeping in the streets, they gamble this wealth on the roulette wheels of Wall Street and London. This is the cause of the current explosive growth of the world's stock exchanges. The gambling spree is not confined to Britain and America either, share prices in Germany, Switzerland and Holland have risen by more than 50% this year. It is "liquidity driven" we are told, in plain English, they've got so much money they don't know what to do with it.

Investment

At first sight this investment in shares would seem to express a deal of confidence in the strength of the economy. Look more closely, and you discover that the bulk of the money is invested in "blue chip" stock, the top companies, especially the banks, which are believed to be more protected from developments in the "real economy." Mark Brown of ABN Amro comments, "What we are seeing is a liquidity phenomenon on a global level. And in every market it has been the big stocks that have been performing. If the real economy needs less liquidity there is more cash to go into financial assets. They tend to go into things that are insulated from the real economy." Trade in medium and small size companies has been basically stagnant. So much for the entrepreneurial spirit. Meanwhile the value of HSBC shares has risen by 64% so far this year, while across the Atlantic the value of Microsoft shares is up 60%.

Wall Street is now valued at one and a half times the size of US GDP. This cannot be sustained. The capitalists call this a bull market, and they're certainly full of it. Be warned, the value of these shares can crash as well as rise. Barry Riley in the

□ Boom or bust

Financial Times (26&27/7/97) predicts "if the market should ever go down though the 90% level, investors could be staring into the abyss. Waves of stop-loss selling would surely begin...I am not brave enough to predict the date of a turning point, but it promises to be quite spectacular when it comes." One market strategist quoted in The Sunday Times (10/8/97) commented, "There was lots of cheering and clapping when the market went through 5000. But the old hands, sitting on the desks trading stocks, saw the unreality of it all." Barton Biggs of Morgan Stanley adds, "I still think a fire is going to start in a garbage can in the basement some dark night, and when it does, there is not going to be time for an orderly exit from the burning building by all the guests of the bull market."

David Shulman of Salomon Brothers believes, "It looks like a very late cycle blow off, similar to 1929 and 1987. I'm not predicting a 40% decline, but it could go down 20%."

Let's look at the British economy. Unemployment at a 17 year low, according to "official statistics," inflation at a 30 year low, but steadily increasing. If you've been abroad this summer, you'll have noticed your pound went a lot further than last year. Is a strong pound good for the economy? Well, what effect does it have on exports? 60% of Britain's exports are manufactured goods and 55% of them are sold in Europe. Exports expanded rapidly in 1992-3 as a result of the pound being kicked out of the ERM, effectively devaluing it, making exports cheaper. Now the strong pound is driving up the price of exports, with profound consequences for investment, jobs and prices. In May, even before the rise in the pound, official figures showed a 21% fall in the export of machine tools over two months, and a fall of 23% in orders. There are 8.5 million jobs in Britain directly or indirectly linked to manufacturing. On July 24th, the CBI predicted the biggest collapse in manufacturing orders for 17 years. Doug McWilliams, head of the Centre for Economics and Business research says the strong pound will mean that "British industry will take a big hit on profits. That will feed back into cuts in employment...This time around we will probably lose around 400,000 or so." Meanwhile analysts at British Steel think as many as 600,000 jobs could go. They should know, since they intend to axe 5,000 themselves this year. So much for record low unemployment. Remember that



when the bosses have the nerve to tell us that a minimum wage will cost jobs. The Economist (28/9/96), for example, claims "the best policy is for governments to allow wages to be freely determined in the labour market...This increases the incentive to take a job without distorting the labour market in the way that job-destroying minimum wages do...wage flexibility is a necessary, but not a sufficient, condition for lower unemployment." In reality, it is the wastefulness of production for profit that causes unemployment, and again cuts the market.

As far as the home market is concerned, there are few greater indications of the bankruptcy of this system than the concern over building society windfalls. £35 billion put in our hands to spend, is considered a disaster, creating new demand which will result in a rise in prices.

Consumers

Already the rise in consumer spending has brought back the fear of supposedly dead inflation. In the coming months the news will no doubt be full of stories about the danger of wage demands causing inflation. They do not. All else being equal wages and profits, not prices, rise and fall in relation to one another. Inflation, as The Economist (28/9/96) admits, "is primarily a monetary phenomenon: the result of too much money chasing too few goods."

Now these wiseguys demand that the economy should be "cooled down" by increasing taxes, which the government hasn't done, and by increasing interest rates, which the newly independent Bank of England has been doing with some zeal. What kind of economic system considers growth of a miserable 3% too strong. If the economy grew more strongly, if output rose, who would buy the extra goods and services produced? Everything is determined by the needs of the market and the god, profit.

Ironically, increasing interest rates has the effect of increasing inflation, by putting up the cost of mortgages, and while it doesn't stop you buying a car or a new kitchen with your windfall, on the sound basis that you won't miss what you never knew you had, it will stop the capitalists investing. Furthermore it keeps the value of the pound up, leading to a fall in exports, a

fall in production, the loss of jobs, and further squeezing of those in work.

The Labour government is really going to be put to the test. They will come under pressure from all sides. Already The Sunday Times (20/7/97) is demanding that plans for job creation and the minimum wage be shelved, "Encouraging companies to hire subsidised staff during a time of rising employment is one thing. Persuading them to do so when they are retrenching is different...Would it be wise to introduce a national minimum wage, with adverse employment consequences, at a time when unemployment was rising anyway?"

The working class in Britain, across Europe and internationally will be asked to foot the bill once again for keeping this decrepit system going. There will be a backlash. Indeed it has already begun. This is the meaning not only of the wave of strikes across Europe, but also the election of a Labour government here in Britain. As this struggle unfolds it will inevitably find a reflection in the unions and the workers parties.

In the 1930s John Maynard Keynes claimed, "We are suffering, not from the rheumatics of old age, but from the growing-pains of over rapid changes, from the painfulness of readjustment between one economic period and another. The increase of technical efficiency has been taking place faster than we can deal with the problem of labour absorption."

60 years on capitalism suffers from all the most chronic illnesses of old-age. It is now being kept alive artificially long after its natural life span.

It's time to pull the plug. Once it is replaced by the rational scientific planning of a socialist system, the use of new technology will really take off.

Such a planned economy would not suffer the constant dislocation of booms and slumps. Instead, using new technology to plan production, we will be able to use the vast productive capacity we have created to the full, to meet the needs of society, freeing ordinary people more and more to fully participate in the democratic running of every aspect of society, and to begin to enjoy a really human existence.

Detroit strike: bosses found guilty

Faced by armed private security guards about 600 of us gave Detroit Newspapers' owner Frank Vega a rude awakening as we gathered outside his house in the wealthy Detroit suburb of Sterling Heights.

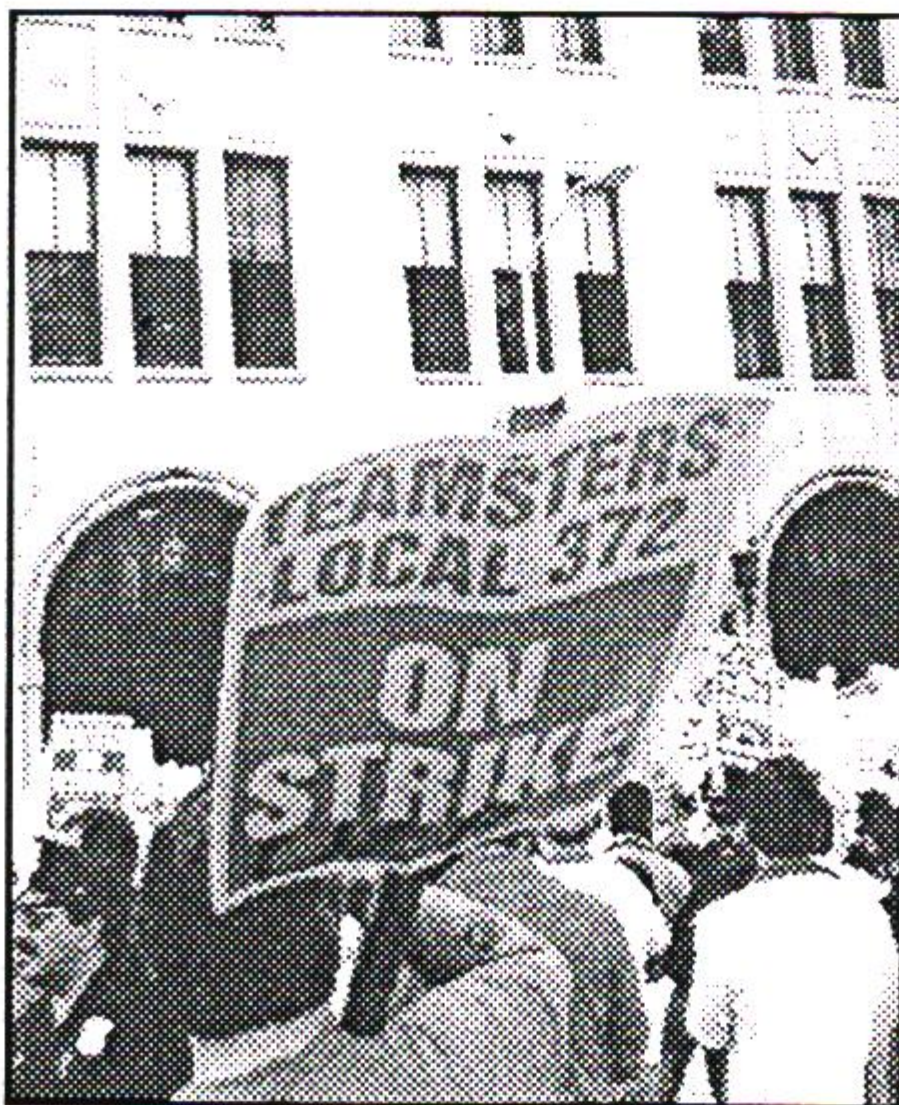
"Guilty, Guilty, Guilty" we chanted as strikers and supporters celebrated the legal ruling which placed the blame for the strike at the door of the employers. We were simply delivering the verdict!

reports by Jeremy Dear,
President NUJ

I was in Detroit as a representative of the National Union of Journalists to show our continuing solidarity with the striking newspaper workers at the Detroit Free Press and News. The early morning rally at Vega's house marked the start of *Motown Action '97*, two days of union action against Gannett and Knight Ridder, the owners of the two papers.

I could not have arrived in Detroit at a better time. Just 30 minutes earlier the courts had released their 108-page report on the strike. The report had found the company guilty on ten out of twelve charges of breaching US labour law and of provoking the strike by "bargaining in bad faith." Consequently the court had ruled that the company must reinstate the 2,500 locked-out workers, dispose of the 2,000 scab workers they had hired as replacements and pay upwards of \$31 million in back pay and to "bargain in good faith with the unions."

That of course provoked euphoria after 23 months of one of the most bitter strikes I



have ever witnessed.

However, things aren't over yet! The company plans to appeal and drag the process out, hoping the strikers will give up or be starved into submission.

The unions are going back to the courts to seek a 10-J federal injunction which would force the company to take back the workers while the appeal is being heard. And strikers are adamant that they are not just seeking a return to work but also a fair union contract, an amnesty for all those accused of picket line violations who are not covered by the court judgment and justice for the workers. It is vital that a militant campaign to force the courts and the company to act is waged.

The Detroit strike is like no other I have ever witnessed. The company employs its own private army to guard its premises and to harass and intimidate pickets, strikers and their families. During the course of the dispute hundreds have been hospitalised, beaten or arrested—including the President of the Newspaper guild, the 75-year old President of Detroit City Council, the Vice-President of the AFL-CIO and the local bishop! Other newspapers have revealed how some groups of local police have been paid to "protect" the company. One striker had his house 'bombed'.

Defiant

The workers remain defiant. The support from local residents and the community has been amazing. Over 800 Detroit religious leaders are actively involved in the dispute, one has been arrested nine times during direct action against the company. Circulation at the two titles has dropped 35% and advertising revenue has fallen 45%. The company have spent almost \$500 million fighting the dispute which began after they tried to force through redundancies, cuts in pay and derecognise one of the seven unions which form the Metropolitan Council of Newspaper Unions. Mike Zelinsky, one of the striking workers told me: "We are pleased with the court judgment but we have to recognise that we only got here today because of the courage and determination of the 2,500 workers and their families. The courts are there to hold working people down. The only lasting victories are those we win in the streets with the power of organised labour. We will be on strike and locked out until justice prevails."

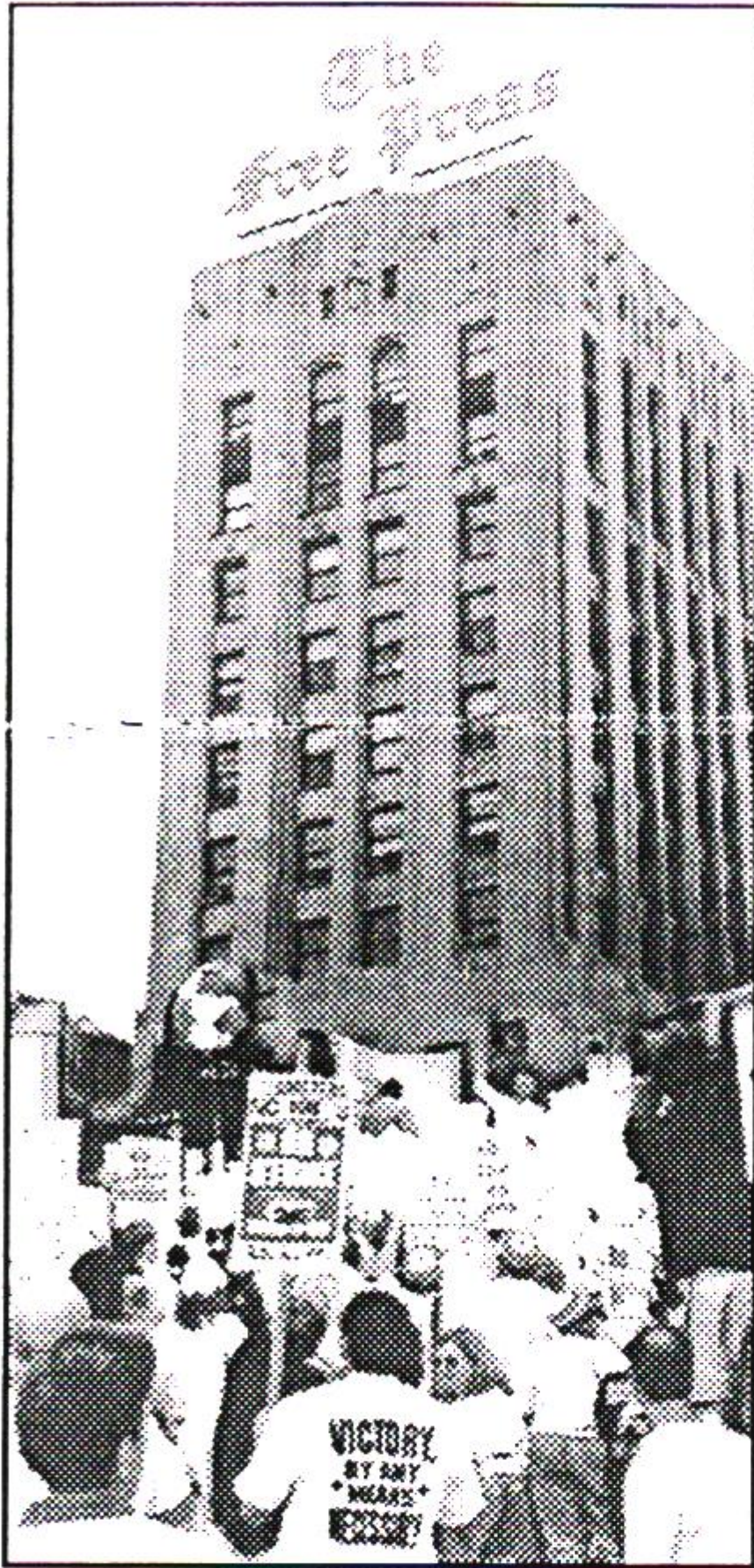
The strikers have launched their own Sunday newspaper which frequently scoops the Free Press and News and has been a

great help in encouraging advertisers to boycott the publications.

The NUJ in Britain has strongly backed the strikers. Last year we organised a speaking tour of Britain financed by the union for one of the strikers. They spoke at our last annual conference. The tour raised thousands of pounds. We have regularly featured the dispute in our union journal and have distributed thousands of leaflets about the strike and the boycott of USA Today (which is owned by the same company). The strikers have called for the USA Today boycott campaign to be stepped up as 27% of the company's revenues come from that title. The Detroit unions were overwhelmed that we had decided to send a representative to their *Motown Action '97* weekend and that our union banner was on the march. Over 100,000 trade unionists from all over the USA, Canada and beyond took to the streets of Detroit for the main march and rally to show our solidarity. Representatives of other recent disputes at Caterpillar, Watson Strawberry workers and others sent delegations to show their support. Along the way you could hear the sweet sound of newspaper vending boxes being trashed as workers took out their anger on the company's sales pitches. The police just stood back given the numbers.

Whilst the strikers have received sound financial backing from the US labour movement many activists are critical of the practical solidarity shown by many unions. They accuse union leaders of backing away from a major confrontation, using legal manoeuvres instead of mobilising the power of organised labour. When the injunctions began to fly the AFL-CIO leadership and other union leaders backed down from confronting the bosses' laws. Instead they maintained token picketing and relied on the boycott campaign whilst many of the most active strikers and supporters backed demands to organise to stop production with mass mobilisations.

It is clear that had the AFL-CIO adopted a strategy of mass action from the outset the dispute could have been settled before now. Many of the strikers recalled the successful United Mine Workers strike of 1989 which defied the injunctions, laws and fines imposed on the union with such vigour that the courts were compelled to back down and the miners prevailed. Newspaper and other employers the world over are watching the outcome of this major dispute. It is vital that the Detroit strikers are victorious. It is vital we continue to show solidarity until they secure justice.



Labor Party activists speak

"We shouldn't be looking simply to influence the 'masters'. We should be saying 'we shall rule'. That's why we need a Labor Party. A party for the workers. I believe we should have a government of bus drivers, postal workers, striking journalists and other workers. Don't keep moaning about the sell-outs—take over the leadership and transform your organisations. We shouldn't be waiting for a new society to emerge from the ashes of the old but should be building it today."

With these words Elaine Bernard, director of the trade union programme at Harvard University and a union activist brought cheers and applause for an AFL-CIO sponsored debate on *The Future of Economic and Social Justice*. Her no-holds barred speech really set the scene for one of the most vibrant trade union rallies I have witnessed.

Speaker after speaker pointed out that despite promises made by the Democrats and the continued financial support of the unions, conditions for working people had changed little.

John Stein, a postal worker and Labor Party member from Detroit said: *"We supported Clinton and got NAFTA which has brought job losses and yet most unions give money to the Democrats. They shouldn't."*

Another Labor Party member added: *"The only time the Democrats and the Republicans tell the truth is when they call each other liars. I've waited sixty years for a Labor Party, now it is up to each one of us to go out and build it."* Platform speaker Dr. Adolphe Reed warned that on the basis of the current economic and political system real change was not possible. *"We need to develop an independent working class based politics. Our aim should be to construct society on our terms instead of*

the bosses' terms. We need to build the Labor Party but not in isolation... we should be building the party and the unions as part of each other."

He went on to explain how the Labor Party's initial campaigns have focussed on fighting for a change to the US Constitution to guarantee everyone the right to a job and a living wage. The campaign has included door-to-door petitioning as well as organising union and workplace meetings.

Dr. Reed also warned against those who sought single issue solutions to problems facing US workers: *"Every item in the Labor Party's programme is a black workers issue, every item is a female workers issue, every item is a gay and lesbian workers issue."*

Gary Warnett, a United Autoworkers of America (UAW) member won strong backing when he called for the Labor Party and unions to campaign for an anti-scab law which would ban the use of a replacement workforce during industrial disputes.

Detroit Newspaper striker Mike Zelinsky drew parallels between their struggle and the struggles of workers across America and beyond. *"We will be on strike until justice prevails. We will keep on fighting until the Chief Executives' salaries are downsized and corporate greed busted."* Elaine Bernard said it was up to workers themselves to decide the outcome of the Detroit strike and to map out the future direction for American labour. *"What's needed is genuine solidarity not charity. No law, no corporation and no boss can stand in our way if we decide to take action. We need to start saying strikes can be won. Of course you get people saying 'Oh, but what about injunctions?'"*

Injunctions can be, and have been, successfully defied."

On the road

The Road Warriors has become a name to strike fear into the heart of even the most heartless senior managers at the Detroit News and Free Press. Formed by supporters of the Detroit strikers, the Road warriors have clocked up 20,000 miles, visited 30 cities and carried out over 100 'actions' against the management of the two papers.

One of their members told *Socialist Appeal*: *"We've organised rallies, pickets, demonstrations and other actions. We've invaded their country clubs, their estates, their offices and so on. We've been arrested at their homes, at the Rockefeller Centre... you name it we've done it. We always enjoy a good shouting match. Often we're waiting for them when they go jogging in the morning and follow them shouting 'Knight Ridder's on the run.'"*

When wages go down, crime goes up. That's the conclusion of a major new study into the causes of youth crime in the United States.

A report by the National Bureau of Economic Research shows that young people often turn to crime as "a rational economic choice" because the potential gains are far greater than a low-wage paying job. The study claims that real wages for full-time male workers aged 16 to 24 have dropped more than 20% whilst youth crime has risen substantially over the past two decades.

The effects of the 30,000 strong march in support of strawberry workers in Watsonville, California are beginning to be felt with the first major victory of the campaign.

The drive to organise 20,000 strawberry pickers took a big step forward with the announcement that the country's biggest strawberry grower will not oppose efforts to unionise the workplace and will reinstate 12 workers fired for union activity. The announcement comes on the back of a militant campaign by strawberry pickers and their supporters which culminated in the mass march on Watsonville.

Big gains for PRD in Mexican elections

On July 6 Mexico held elections to elect a third of the Senate, the Deputies Congress and, most important of all, for the first time ever, the Mayor of the Federal District.

This was the first time in its 700 year history that Mexico City would elect its own governor and also the first time in this century that the PRI (the Revolutionary Institutional Party), who have ruled the country since 1929, did not get an absolute majority in the Congress.

by our Mexican correspondent

The PRD (the left wing opposition Democratic Revolution Party) got 70 MPs and almost the same number of votes at a national level as the right wing PAN (National Action Party) with 26% of the votes. The PRI lost its absolute majority in the Congress with 38% of the votes, and the PAN fell to 27/28% of the votes, down from more than 30% in 1994.

The most important result was the overwhelming victory of the PRD, supported by the working class, in the Federal District, not only winning the mayor position but also all the federal and local deputies. This represented a major victory for the party and a clear indication of the aspirations of workers for change.

Process

On the other hand the process of weakening the PRI continues. An unequivocal symptom of the ending of their regime has been the increasing rottenness of these men and women who have been in power for years, increasingly resorting to deceit, lies, and murder within the different faction of the ruling elite.

But the defeat of the PRI cannot only be explained on the back of a series of mis-

takes and bad speeches. One of the main root causes for its fall is the the economic situation, completely stagnant since 1995 as far as the home market is concerned (for example, supermarket chain owners report that their sales have fallen by 22% in 1997), while those companies who export, who had made previously made some progress, are now seeing how the contraction of the US internal market threatens their recovery. Three years of asking the workers for sacrifices while big businessmen and bankers enriched themselves explain the extent of the vote against the PRI.

Another factor was the deep crisis within official trade unionism after the death of Fidel Velazquez, its historic leader who was at the head of the confederation for 60 years! Obviously this had a certain effect in reducing the ability of the official unions to force workers to vote for the PRI. Many workers thought "if the immortal 'charro' has died, then this means the system might also come to an end" and therefore voted for the PRD.

Nevertheless the PRI was still able to force some sections of the peasants, small business people and workers to vote for them, thus saving itself from an absolute catastrophe. This will allow the PRI to reach a deal with the PAN in order to control the Congress.

In any case, the PRI is going down a path which will lead to an explosion, as it increasingly no longer serves anyone it will gradually lose more and more component parts. The speed of this process will depend on events, specially on the economic situation.

The right wing PAN has seen its advance halted, and instead the beginning of a certain decline, despite the millions of pesos spent in TV election publicity. The social basis of the PAN, the bosses and the

remaining well off sections of the middle class, is too weak to allow it to go much further than the 28% it got with a programme exclusively aimed at these sections.

The PRD has experienced an explosive growth, increasing its share of the vote by 60% in the last three years, especially in the industrial areas of the country. Out of 30 polling districts in Mexico City, the PRD won 28. This fact shows that the working class expressed itself through Cardenas as its main leader. On the night of June 6, the Zocalo square in Mexico City was flooded by tens of thousands of workers celebrating the election victory. This too is a new feature in Mexican politics.

The left wing of the PRD has the responsibility in the next period to put forward the only programme which can offer a way forward to the country, a socialist programme. The left wing must organise itself mobilising the most advanced sections of the trade unions, peasant and popular movements, and must organise a fighting wing which should go further than just the electoral struggle.

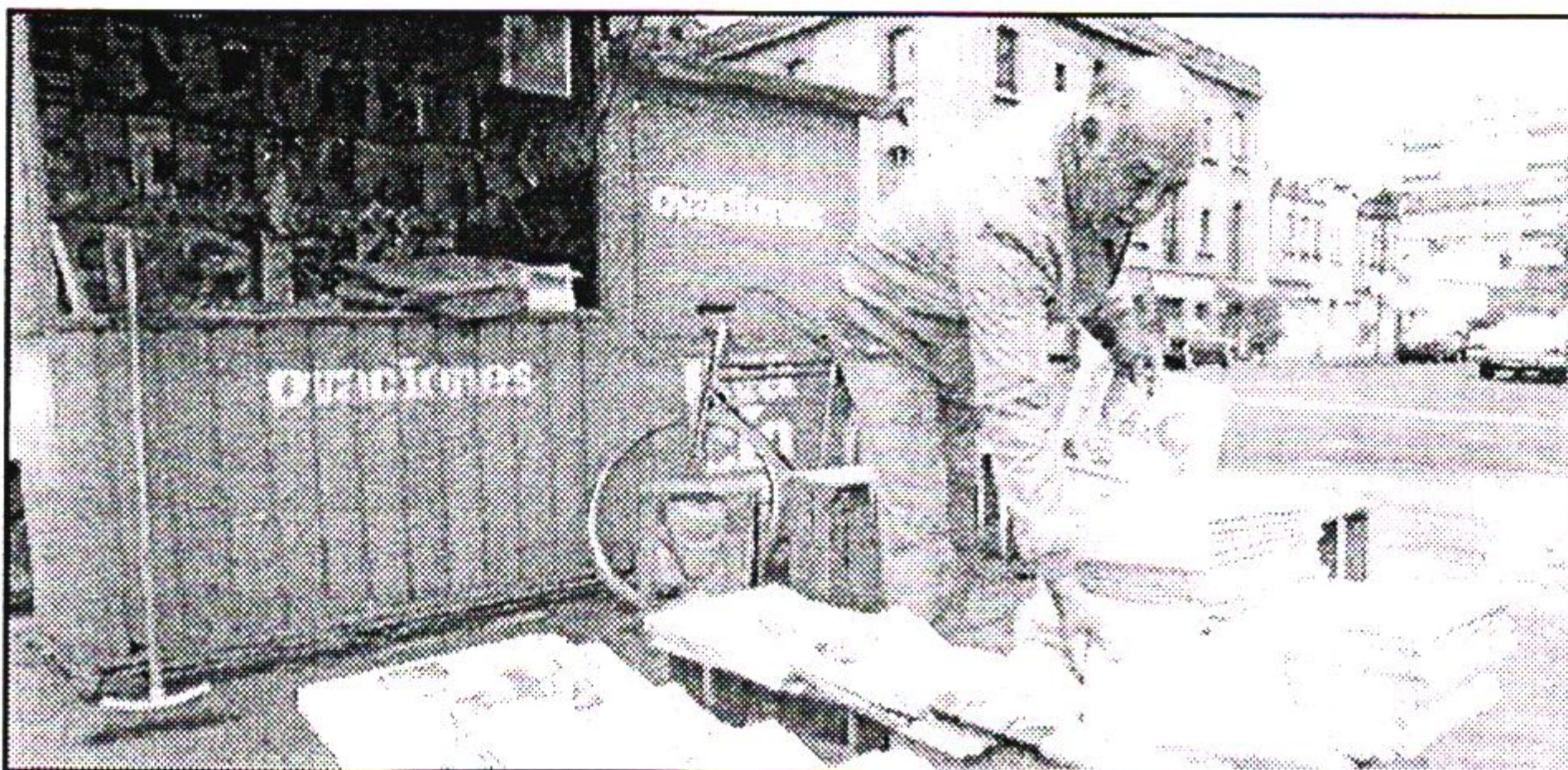
Popular

The PRD government in Mexico DF must appeal to popular mobilisation and implement a programme to defend the workers, otherwise it will be in the hands of a hostile national government which will try to make it lose popularity with all kind of tricks.

The PRI is on the ropes but has not been decisively defeated yet. It still has a relative majority in Congress (and the control of the Senate), the President and most of the state apparatus, especially the Army. It also controls an important section of the peasant and trade union movement through the official unions. So long as this situation remains it will be very difficult to say the PRI era has come to an end. It is not enough to defeat the PRI, it must be destroyed as a machine of control.

Therefore it is vital for PRD members to keep organising and preparing the continuation of the struggle, building an alternative for the workers in order to put an end, not only to the PRI, but also to the social system it defends which condemns the overwhelming majority of the workers to the most absolute impoverishment.

***Down with the Zedillo government
and its policies!
For a PRD government with a
socialist programme!***



Year 501 - the conquest continues

YEAR 501 - THE CONQUEST CONTINUES by NOAM CHOMSKY

Noam Chomsky's book, Year 501, published by Verso, is an outstanding exposure of the role of imperialism, particularly American imperialism, in the Third World today. It should be read by every socialist and class conscious worker interested in uncovering the duplicity and hypocrisy of the major capitalist powers in their search for new fields of exploitation and wealth.

by Rob Sewell

It is a story that begins 500 years ago with the conquest of the New World by the Spanish-Portuguese empires using the most barbaric and violent means. These powers were soon displaced firstly by Holland and then by England.

From the plunder of English pirates, most notably Francis Drake, the English state took the initiative in promoting the interests of her merchants. This was followed by a series of wars amongst the European powers, desperate to capture these new fields of exploitation. From mid-17th century, England was in a position to impose its supremacy through the Navigation Acts, barring foreign traders from its colonies and giving British shipping "the monopoly of trade of their own country" (Adam Smith). English merchants massively enriched themselves through the slave trade and the plunder of America, Africa and Asia. By 1700, the East India Company accounted for over half the nation's trade.

Domination

India was bled white by English domination. Bengal, once known for its fine cotton, and quality textiles, was ruined and forced to import textiles from the 'Mother' country. Local industry declined, and Bengal was converted to export agriculture, first indigo, then jute; Bangladesh produced over half the world's crop by 1900, but not a single mill for processing was ever built there under British rule.

The colonists and settlers of North America, relates Chomsky, drove out and exterminated the indigenous population, "hunting them down with savage dogs, massacring women and children, destroying crops, spreading smallpox with infected blankets, and other measures that readily come to the minds of barbarians..." After the colonies gained their independence,

Americans concentrated on "the task of felling trees and Indians." To Theodore Roosevelt, "the most ultimately righteous of all wars is a war with savages," establishing the rule of "the dominant world races."

With the growing power of the United States came the need to expand its influence, particularly into Central and South America. By the end of the 19th century, the US was strong enough to ignore the British deterrent and conquer Cuba, which was turned into a US plantation. While the New York press described the masses as "ignorant niggers, half-breeds, and dagoes", the Administration imposed in their name the rule of the white propertied classes. Later "unfriendly" governments were overthrown and new "friendly" governments imposed, ending with the Batista dictatorship.

The same was true of Haiti, where between 1849 and 1913, the US Navy entered Haitian waters 24 times to "protect American property and lives". The Haitians were considered "an inferior people" unable to govern themselves. For strategic reason Haiti was key for the US. In 1915, the Americans invaded, and carried out systematic murder and plunder of the island, even more savage than the invasion of the Dominican Republic. Major Smedley Butler recalled his troops "hunted the Cacos like pigs". As became the usual pattern, the invaders "legalised" the occupation with a "treaty", which the client state was forced to accept. Elections were not permitted as it was recognised the anti-US candidate would win. This system laid the basis for the emergence of "Papa Doc" and the brutal pro-US regime of the Duvaliers. Even with the fall of "Baby Doc" in 1986, the United States still wanted to call the shots. The victory of the radical Aristide, caused alarm in the US Administration, which constantly blocked his return to power. Under pressure, Aristide was also forced to bend the knee to American Capital.

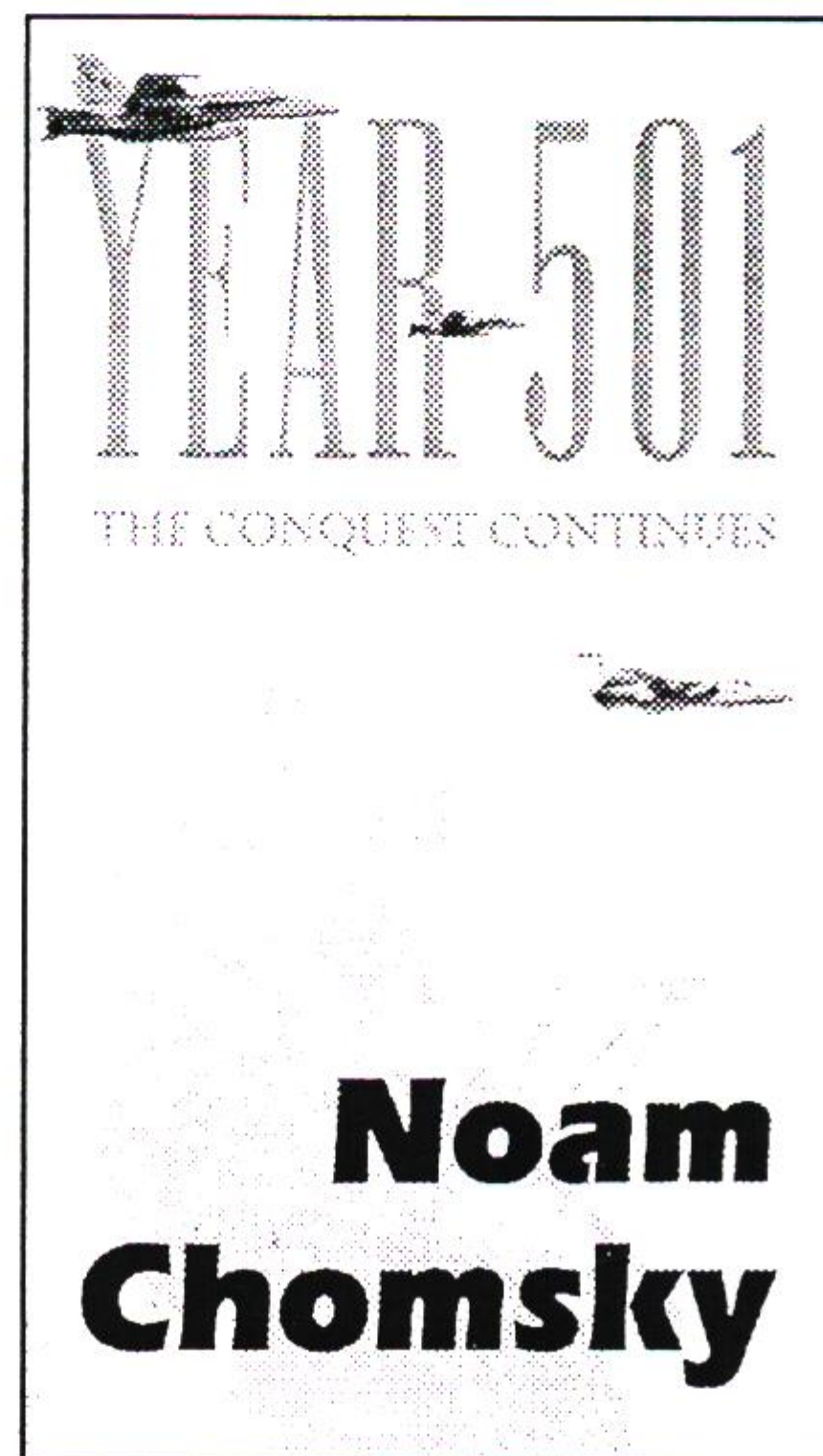
The whole of US foreign policy was based upon the interests of American capitalism: the drive for markets, spheres of influence, and profits. Latin American was regarded as the United States "backyard". The overthrow of capitalism in Cuba, despite its Stalinist regime, was seen as a major threat, that had to be eliminated. By October 1959, US planes bombed Cuban territory. In March, Eisenhower adopted the plan to overthrow Castro in favour of a regime "more devoted to the true interests of the Cuban people (!) and more accept-

able to the US." Sabotage, terror and aggression were escalated further by the Kennedy Administration, including the planned murder of Castro, which led to the unsuccessful invasion of the Bay of Pigs. After 30 years the trade embargo is maintained and strengthened. The US ruling class is still terrified that Cuba will still be an example to follow by the rest of Central and Latin America.

Horrific

Chomsky deals in detail with the US intervention in Indo-China, and the horrific lengths to which America went to destroy the revolution, in the name of "democracy". He produces huge quantities of material also on Latin America to show the double dealing and hypocrisy of the US's role in the continent.

The only real weakness of the book is the conclusion. Although Chomsky effectively exposes the crimes of capitalism, and especially US imperialism, he proves unable to offer a clear cut alternative. Nowhere does he mention socialism. He exposes the capitalist system, but only by its overthrow and replacement by a socialist organisation of society can the ills he so vividly describes be solved. Despite this, the book is a remarkable read.



Mutinies: British army's hidden tradition



The recent decision to look into the status of those First World War soldiers who were shamefully tried and executed for 'crimes' such as 'desertion' has raised the lid yet again on the treatment of troops during this most bloody of wars. But behind these cases lie a hidden history which, even now, those in authority would not wish to be widely known.

by Steve Jones

Between 1917 and 1920 a series of mass mutinies took place in the ranks of the Allied forces. Although they were usually sparked off by seemingly trivial complaints about bad treatment etc., they increasingly assumed a political character. These were not isolated cases of drunken unruliness but rather organised revolts carried out by men who were all too aware of the possible consequences of their actions. The wartime Defence Of The Realm Act (DORA) meant that the penalty for mutiny was death by shooting.

The most remembered of these mutinies, that of Etaples in September 1917, will not have its 80th anniversary this year marked by any parades or wreath laying. The very idea that good old British soldiers could stand up to the public school morons who commanded them is unacceptable to some even today. Yet in these struggles we see a spirit of comradeship and sacrifice amongst these workers in uniform which should not be forgotten.

The ruling class has always had a particular fear of mutiny in its armed forces. In the final analysis the power and authority of the state rests on "armed bodies of men in defence of property relations." If the discipline of troops can no longer be counted on then the consequences for a ruling class under conditions of crisis can be most serious. Revolutions are often marked by mutinies in the ranks of the armed forces as class pressures undermine military authority.

By 1917 the realities of war had well and truly sunk in for those soldiers lucky enough to be still alive. The indoctrination of men into believing that they were doing "God's work" in hunting down the "Hun" and that it would "all be over by Christmas" had been worn away by reality. Officers were increasingly used as 'battle police', training their weapons onto their own troops to force them to fight. Shootings following summary court martials increased dramatically as the army sought to frighten its own ranks into toeing the line. Deserters roamed every-

where, sometimes on the run for years. At home, strikes and civil unrest were on the up and the events in Russia were not going unnoticed.

During the summer of that year the French army had, following the carnage of the April assault at Aisne, become paralysed by rebellion—an event which was kept a closely guarded secret at the time, the details being reported to the French parliament in secret session. 21,000 French troops deserted affecting all but two of the French divisions. With the French all but out of the picture, the pressure was on the British troops to carry the burden of the Allied offensive. The terrible tactic of war by attrition remained in place and the battle of Passchendaele was about to begin. Surely the British Tommy could still be trusted?

The army base camp at Etaples, south of Boulogne in France, had picked up an all too deserved reputation for brutality and abuse as men were "prepared" for battle. The so-called Bull Ring at the centre of the camp was a hell hole of sadism and punishment so intolerable that many begged to be sent to the front, preferring to face the enemy. The permanent instructors—the so-called "Canaries" after the yellow armbands they wore—were "the most hated men" in the army. Mindless discipline and endless drilling in the sand dunes of the Bull Ring had already led to tension and a number of isolated incidents (including 'accidental' shootings of officers) prior to the events which started on Sunday September 9th. That afternoon a Corporal from the Gordon Highlanders had been shot at by a military policeman after an argument outside the camp. As news spread trouble begun.

Rebellion

Hundreds of men flowed out of the camp and headed towards the nearby town, chasing military policemen where they could be found. To the fore were the Scots and the Australians, both groups of whom were renowned for their rebelliousness and recognised that fact in each other. By mid evening the connecting bridge into town had been taken with little actual resistance and over 1,500 swarmed into the town itself. The office of the Base Commandant was raided and the town was not cleared of men until late into the night.

The next morning no one was obeying orders. Troops just sat down and refused to move, much to the dismay of the officers. The military police had disappeared, chased out of camp. Attempts were made to at least confine the men to camp but by late after-



noon many had again left for town where meetings and demonstrations were held. Prison compounds were stormed and prisoners released. In the town a thousand men broke up into 4 organised groups of equal size so as to cause maximum confusion. When the Base Commandant approached the men his car was stopped and his words drowned out. Sitting shaken in the back of his now rocking car, the terms for ending the mutiny were dictated to him. Opening of the town to the men, closure of the Bull Ring, removal of the military police and improved pay and conditions. After hearing this the Commandant's car was allowed to proceed away.

The military command were in a state of panic—first the French, now the British? Reinforcements were requested in vain and still the mutiny continued. On Wednesday, men again marched out of camp and headed through the town towards Paris Plage. Authority in the camp had ceased to exist. Some men were talking of setting up soviets. The Commandant now despaired of getting any help and that evening gave into some of the demands of the men. By the weekend, though things had in fact already started to subside, he had conceded the rest and the streets were full of dancing and singing.

The army did its best to hunt down and shoot those ringleaders it could find but it was probably relieved that the mutiny had not developed into full scale bloodshed. What would have been the effect of that on the rest of the British Army? It was not a question that the military command wanted answered.

Boulogne

However, Etaples was not to be an isolated incident. That same month two companies in Boulogne went on strike and were shot at with 23 men being killed and many more injured.

Mutinies were to continue and increase in number through into 1918-19. Evidence of socialist literature being read and distributed by troops was found in some cases. Incidents were not confined to foreign bases, in Britain too strikes and walk-outs occurred including those at Pirbright, Shoreham and Dover. In January of 1919 in Folkestone, over 2,000 men demonstrated against the threat of being sent back to Europe. The port was effectively occupied and no ships were allowed to set sail for France. Guards sent to quell the dispute were chased away. After a demonstration through the town of 10,000 a soldiers' union was formed and representatives elected.

Under pressure the men's demands were agreed to and demobilisation committees were formed. That same month 1500 members of the Army Service Corp seized and drove lorries into Whitehall itself in protest at delays in demobilisation. Also in January, 20,000 men went on strike and took over Southampton docks. Mutinies occurred in many other places during this period and one result of this was to severely limit the numbers which the authorities felt they could safely send to Russia to try and crush the Bolsheviks.

A strike by troops at Calais also in January 1919 led to the formation of a "Calais Soldiers' and Sailors Association" which forged links with other troops and French workers. Afraid of where this strike was going and the fact that the men were adopting trade union structures and methods, the army prudently caved in and settled their demands. It became a general tactic where large numbers were involved to give in rather than resort to the previously favoured methods of brutal suppression. The War Office was terrified of these movements unifying into a single force, even more so given the mounting unrest within post-war British society, the reasons for which cannot be dealt with here for lack of space. The question being asked was, given the talk of "trade union rights" in the army, could they be relied upon should Britain become "ungovernable"? The Cabinet was split and, despite the desires of people like Churchill to keep the armed forces intact, demobilisation was speeded up rather than being delayed.

Towards the end of January the War Office sent out a secret circular to all commanding officers asking a series of questions as to whether the men would be "prepared" to break strikes or be sent to Russia and also the extent to which they had been influenced by or organised trade unions. The results confirmed that there was little willingness in the ranks for trips to Russia or for strikebreaking. In May of 1919 men rose up in Aldershot over complaints with a demonstration taking place through the town led by a private carrying a red flag. Looting and fighting broke out. Since the men were reservists called back into uniform to 'deal' with the coal strike crisis, this incident hardly calmed the nerves of the Cabinet. By 1920 the Chief of the Imperial General Staff was warning the government in no uncertain terms that the army could not be used for non-military purposes except "in the last extremity." Using the army to break strikes etc. was clearly not seen as viable given the "mood" of the

men. It was conveniently subsequently discovered that using troops for strike breaking was, under current law, illegal. Needless to say, subsequent legislation would over the years remove this "loop-hole."

The situation not only affected British troops. In March of 1919, a mutiny of Canadian troops based at Kimmel Park in North Wales occurred. Conditions in the camp were terrible and there were suspicions that demobilisation was being delayed due to the economic crisis in Canada and a desire by the right wing Canadian government not to add to the numbers of the unemployed. It was said that the uprising was signalled with the call "Come on Bolsheviks". The mutiny was in the end suppressed with at least 12 men being killed. This was not the only incident to take place involving Canadian troops—at least 13 others have been recorded as occurring during this period.

Brutal

One fact stands out from all this. At every stage those in charge sought to stop any news of mutinies from getting out. They would rather surrender than let news of a mutiny spread. That they frequently combined brutal suppression with surprisingly clemency, with demands often being met and those punished then having their sentences remitted, showed that they felt they were hovering on a precipice. The fear of revolution was being heated up by many fires: Police strikes, strikes in Glasgow, the miners and more... Only the lack of a clear leadership would hold the movement back. This is the context in which these mutinies should be seen.

There is an interesting footnote to all this. One of those who led the striking troops of Etaples in 1917 was a rogue called Percy Toplis, the so-called "monocled mutineer". This most colourful of characters later went on the run and was shot dead in a police ambush in June 1920. When in 1986 the BBC transmitted a dramatisation based on his story, which included a reconstruction of the Etaples mutiny, there was uproar. Tory MPs and the likes of Mary Whitehouse led a barrage of complaints attacking the series for being "left wing", "unpatriotic" and "undermining the British way of life". Even nearly seventy years later the heroic actions of those men who stood up for their rights could still drive the representatives of the ruling class into a fury. Fury tinged with fear...?

Irish Labour's missed opportunities



The partition of Ireland, following the Government Of Ireland Act in 1920, gave strength to the reactionary 'theory' that has always been perpetuated by pro-Unionist elements amongst the Northern labour movement that workers' interests were better served by maintaining the link with British capitalism.

by Cain O'Mahoney

Its architect was William Walker, a carpentry trade union activist, who stood as a Labour candidate at the turn of the century. Having rejected revolutionary socialism, he could only envisage a 'united Ireland' that tied Northern workers to an impoverished, divided capitalist state, and therefore argued that workers had more to gain by forcing reforms from the wealthier British capitalism. Indeed, this is the logical conclusion of reformism in the Northern Ireland context.

Ever since, the pro-Unionist elements have argued that there were 'two traditions' in Ireland; the ideas of the giant of Irish socialism, James Connolly—that is revolutionary socialism—was 'for the Catholics' while the Walker Tradition was in the best interests of the Protestant worker.

But capitalism in Northern Ireland is incapable of providing decent jobs, homes and wages for all. At the same time it uses sectarianism to keep the working class divided, fearful that a united labour force would use its industrial muscle to force reforms which would cut into the bosses' profits and develop socialist demands that would challenge the very existence of capitalism. The danger for the working class is that if it capitulates to these capitalist inspired divisions, it merely reinforces sectarianism as the workers retreat into their respective sectarian camps to defend their own meagre interests. Indeed, if socialists fail to tackle the national question, and do not raise the demand for a Socialist United Ireland and a Socialist Federation of the British Isles within a Socialist Federation of Europe, they become mere apologists for either pro-imperialist Unionism or petit-bourgeois Southern nationalism and reinforce the sectarian wedge between Catholic and Protestant workers. This conundrum would dog the NILP throughout its existence—and for that matter still plagues the British Labour Party to this day.

The fate of Walker gives a graphic illus-

tration of this. In 1906 he came within a few hundred votes of winning a North Belfast by-election. The Unionists who had his ear subsequently argued that if only he had been more resolute in his Unionism, he could win those extra Protestant votes needed to tip the balance. He stood for the same seat in the 1907 General Election—this time the extreme loyalist Belfast Protestant Association demanded he answer a series of questions to demonstrate his 'Loyalty'. This he did, making remarks offensive to Catholics—in response to this heightening of sectarian tensions, the workers returned to an inevitable sectarian head count and Walker was heavily defeated.

Ironically, in the same year Jim Larkin demonstrated how workers unity could be achieved through the class based demands he raised in the 1907 Belfast strike wave, where Protestant and catholic workers fought side by side for trade union recognition and better conditions. Walker on the other hand betrayed this opportunity to transfer workers' industrial solidarity onto the political plane. His inability to understand the processes taking place alongside his lack of faith in the prospect of workers' unity soon put him on the slippery slope to reaction.

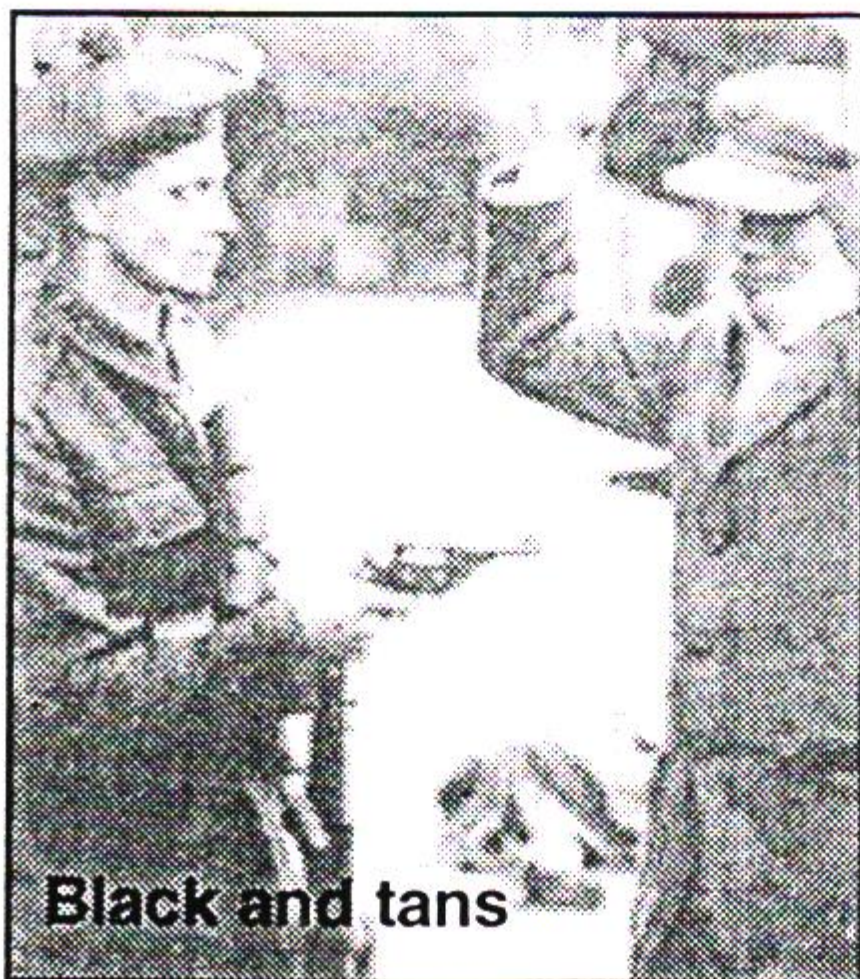
Deserted

Thus by 1912 he had deserted the labour movement and accepted a government position under Lloyd George. This has proved to be the well-trodden path taken by subsequent pro-Unionist labour leaders, until the final disintegration of the Northern Ireland Labour Party in the 1970s.

It was a route taken by Walker's successor, Henry Midgley. Despite dominating the NILP with his Unionist views between the two world wars, his frustration at the growing impotency of the NILP—precisely because of the pro-Unionist policies on which it stood—led him to split from the NILP to form the 'Commonwealth Labour Party' in 1944. When this project failed, he later became a Stormont cabinet minister and a staunch supporter of the Orange Order.

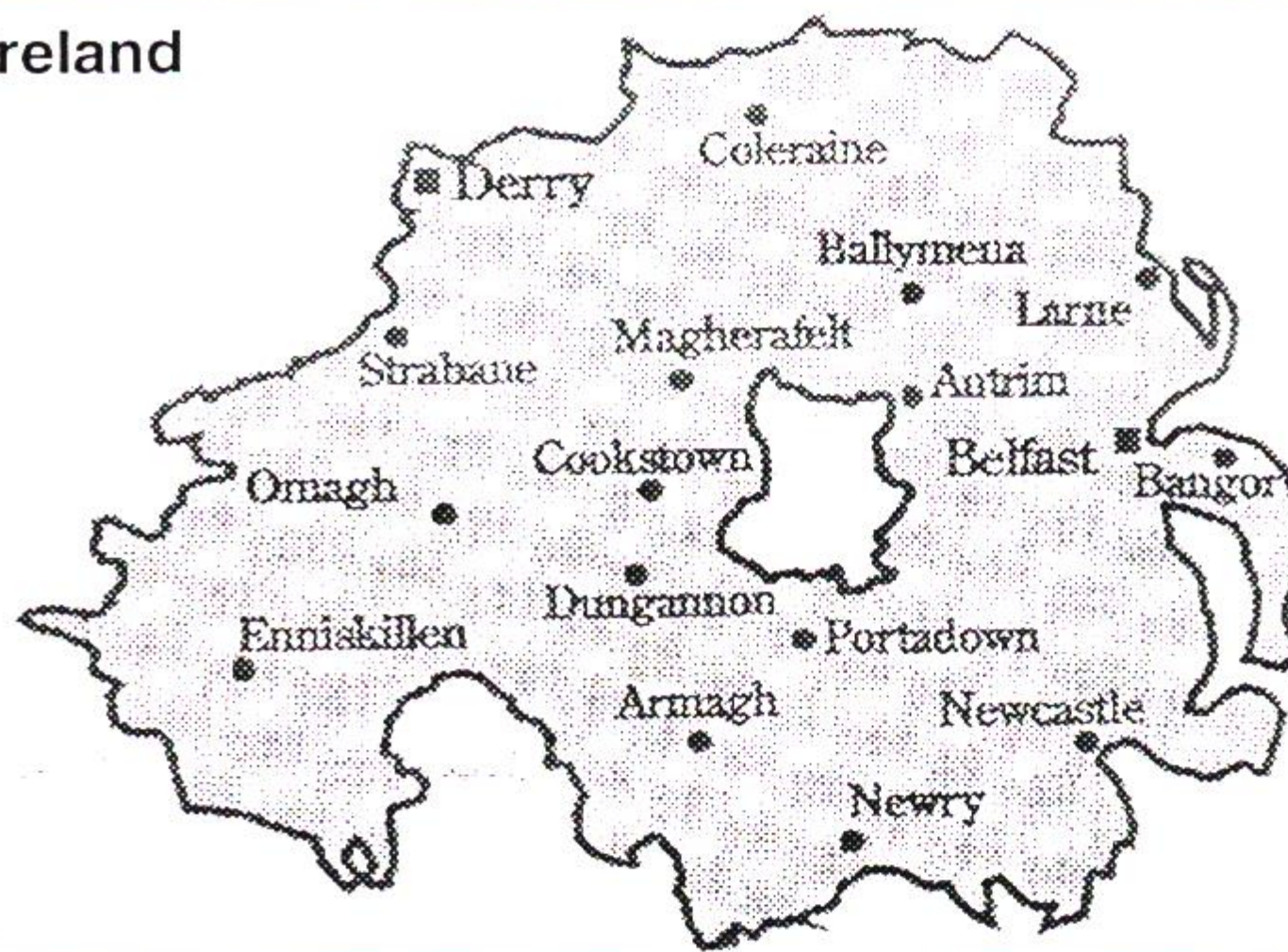
Tied to this Unionist straitjacket, the reformist leaders of the NILP failed to adopt policies that could break it out of the sectarian cul-de-sac, that could have rekindled the spirit of working class unity.

One such opportunity was the movement against unemployment and poverty in



Black and tans

Northern Ireland



1932. By the 1930s, Northern Ireland workers faced intolerable conditions.

Unemployment rose to 28%—Harland & Wolff, which had employed 20,000 in the 1920s was now down to a workforce of only 2,000. This was the reward for the 'loyalty' of the Protestant workers who had backed the Orange bosses drive for Partition.

Spontaneous protests broke out against 'Out of Door Relief,' slave labour schemes introduced supposedly to alleviate the hardship of unemployment. This was a degrading penalty of the Poor Law provision - for a painfully low supplement of , for example, 12 shillings a week for a married couple with one child, the unemployed were forced to complete two and a half days 'task work' as penance.

2,000 unemployed sent to work on the roads went on strike; they were joined by students from schools across the religious divide, and by Protestant and Catholic tenants who held a rent strike.

As the Orange bosses unleashed the police to baton the workers, rioting broke out in both the Catholic Falls Road, and the Protestant Shankill, which sent shockwaves through the Orange establishment.

The pressure put on the NILP gave a glimpse of what might have been achieved if they had taken a root and branch reappraisal of the policies and put forward a socialist programme. Albeit a token gesture to appease the rank and file, the NILP fought the 1933 Stormont elections on a 'workers unity' ticket, and doubled their representation from one seat to two.

This 'half way house' stance in the long term however proved to be the worst of both worlds. Still tied to Unionism, the enthusiasm for the NILP waned and the movement sparked by the events of 1932 was left directionless. At the same time the nominal advance by the NILP had provoked the Orange bosses into a frenzy. The following year they instigated actions that provoked a return to sectarianism—after the events of 1932, all demonstrations and public marches were prohibited, but the ban was lifted in time for the 1933 July 12th marching season which resulted in widespread rioting, many deaths and the British Army being called onto the streets to 'restore order'. The sectarian wedge returned.

The heightened political consciousness of Protestant workers who were looking for a lead during this period can be measured by the fact that even the staunchly nation-

alist IRA managed to form a cell on the Protestant Shankill Road by 1934! Had the leaders of the NILP put forward clear class based policies linked to socialist demands, the grip of loyalism could have been broken.

But the failure of the 1932 movement concretised the split in the Irish labour movement, consolidating the base of both Unionists and nationalist elements within the labour movement on both sides of the border.

Colours

In the North, the NILP nailed its colours to the Unionist mast, and began a downward spiral towards irrelevance in the eyes of Northern Ireland workers that would not be reversed until a brief period in the 1960s. Its failure to outline the socialist alternative meant that workers were left with the two stark choices presented by capitalism: 'more of the same' with the continuation of the Union, or unification with De Valera's impoverished Free State. Despite the appalling deprivation workers faced in the Northern Ireland statelet, Protestant workers looked on the South with horror.

For years it had been wracked by a bitter civil war. Now it was dominated by a reactionary Catholic 'theocracy' that stood guard over De Valera's backward, impoverished and isolationist state. Unification on a capitalist basis offered absolutely nothing to Protestant workers, indeed the perceived 'reverse discrimination' would only leave them worse off. In addition, De Valera was increasingly ambivalent towards the rising fascist threat in Europe, while pro-Nazi elements had taken control of the IRA. The Orange bosses in the North played on the workers' instinctive hatred of the fascists, in particular accusing the South of being the "open back door" to Britain should war break out with Nazi Germany.

Rather than raise a class based alternative, explaining how they could alleviate poverty for all and unite the country on a socialist basis, the NILP leaders lay prostrate before this Unionist mantra. The 1939 NILP conference confirmed that they

supported Northern Ireland staying within the British Commonwealth. Far from winning them more votes, workers just saw them as "little Sir Echoes" to the Unionists, and voted for the real thing—in 1940 all NILP candidates were heavily defeated.

There was a swing to the NILP in the 1945 General Election. But this was not because of their pandering to Unionism (which had still not been overt enough for Midgley!), but because of their association with the progressive policies of the British Labour Party, and reflected the huge swing to the left in society; even the Northern Ireland Communist Party picked up support.

This lesson however was lost on the NILP 'unionists'. In February 1949 the Stormont Government called an election which they made into a 'border referendum'. The NILP once again clamoured to demonstrate its Unionism - and did not win one seat.

Rather than draw the conclusion that the British Labour Party won huge support in 1945 because of its policies of widescale nationalisation of the service industries, transport and coal alongside its sweeping welfare reforms, the February 1949 conference of the NILP instead reaffirmed its fervour to "maintain unbroken the connection between Great Britain and Northern Ireland", arguing that it had not been "unequivocal enough" in its support for the Union with Britain.

This pandering to the agenda set by the Unionists was a further disaster. While throughout the rest of Britain Labour stormed ahead, the NILP in the 1949 May council elections were once again annihilated. Their representation shrunk from eight seats to only one.

Their pro-Unionism had two damaging effects. Firstly, it merely reinforced the illusions of Protestant workers in the Unionist Party. As the author of 'The Rise of Irish Trade Unions (1729-1970)', Andrew Boyd, recorded: "The Walker-Midgley philosophy has dominated the NILP since 1949. It has turned that unfortunate organisation into something little better than a shadow of the Ulster Unionists."

Secondly it drove a final sectarian

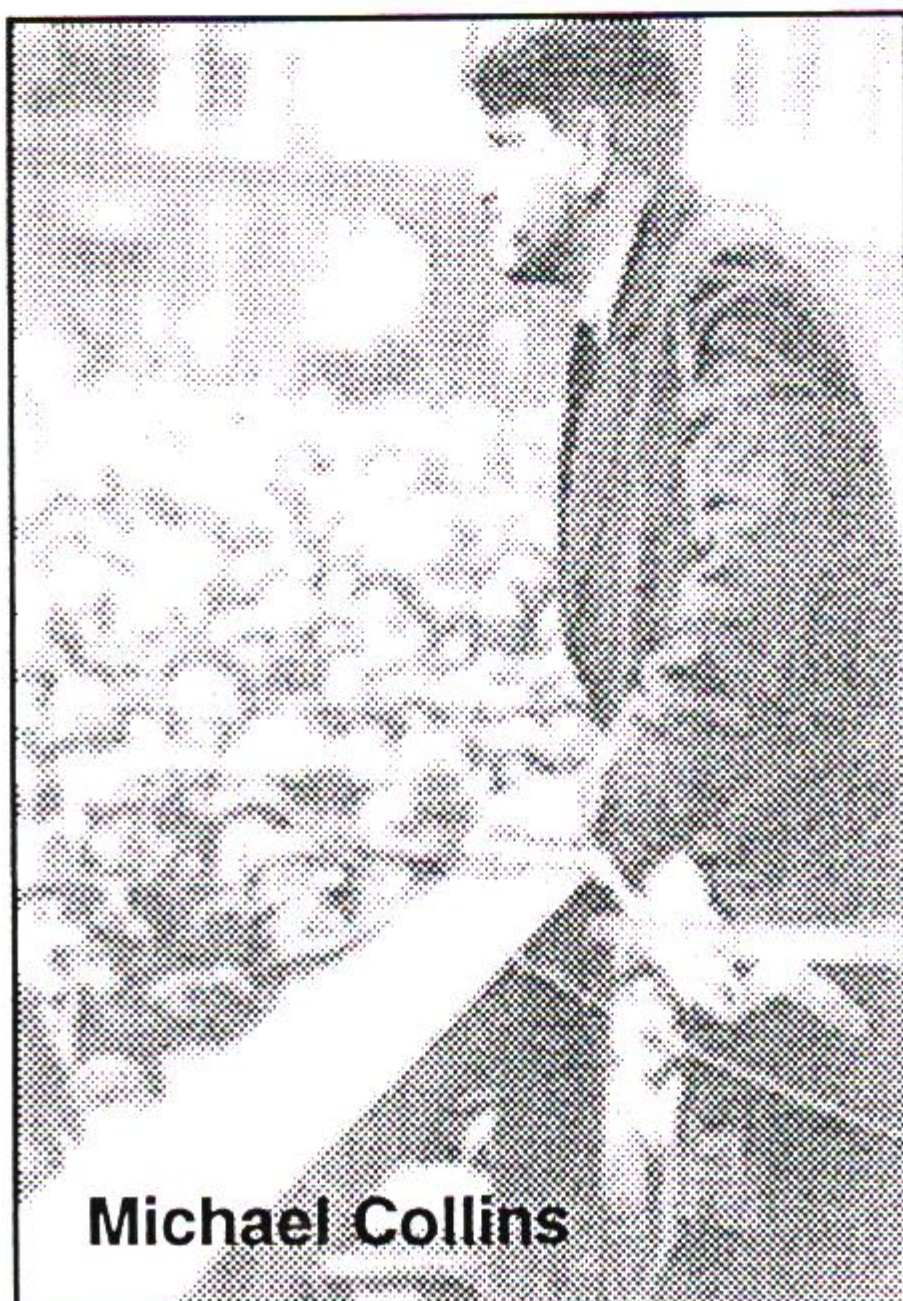
History: Labour and Ireland

wedge into the Northern Ireland labour movement. As a consequence of the 1949 conference, the NILP split in two, with pro-Nationalist elements forming 'Eire Labour'. Ironically—while the NILP was decimated—Eire Labour returned seven councillors but only, not surprisingly, from Catholic areas. It immediately became perceived as a 'nationalist party', while the NILP was confirmed as an Orange party.

Partition did not just reinforce reaction in the North however. A similar process was taking place in the South. The nationalists had always mistakenly urged trade unionists to split away from the 'British' trade union movement. In 1907 - when Larkin was successfully uniting Protestants and Catholic workers in Belfast—Sinn Fein urged the trade unions to split away from the Irish TUC, a sectarian move which fortunately failed. Connolly had raged against such a move, arguing in his pamphlet 'Yellow Unions in Ireland' that such a nationalist split off would be "... the first to betray the cause of labour."

But Partition and the subsequent reaction strengthened their hand, and by 1939 Sinn Fein eventually succeeded in persuading 18 trade unions to split from the ITUC and form the Advisory Council of Irish Trade Unions.

This was formalised in 1944 with the formation of the Congress of Irish Unions—the Irish working class was equally split, with the CIU representing 190,000 workers, and the ITUC representing 211,000.



Michael Collins

Similar to 1907, the Nationalists pushed through these demands at a time when the British labour movement was moving sharply to the left, with widescale unofficial strikes in the wartime industries and pressurising the British Labour Party to adopt a radical programme, which propelled it into power a year later.

This move left the ITUC severely weakened in the North. While Sinn Fein denounced the ITUC as a "tool of the British", the Stormont government took advantage of the Nationalist instigated split and refused to recognise what was left of the ITUC.

They had always wanted an 'Ulster TUC', an emasculated trade union version of the tame NILP. While they beat their chest in defence of 'Union with Britain', they wanted 'union' with the powerful British ruling class only and not with a labour movement which was successfully forcing concessions and reforms. They felt a 'loyal' trade union organisation cut off from British and Southern Irish workers could be kept safely in their pocket.

Federal

Stormont received backing from its allies in the NILP leadership, who argued the split in the movement was now an 'accomplished fact' and that the only way forward was for a 'federal' solution for trade unionists. The NILP leader David Bleakly—steeped in the 'Walker/Midgley tradition'—proclaimed in 1954: "It seems reasonable to suggest that the only solution that is likely to endure is one that recognises the essential realities of the situation ... a federal solution may be the most suitable."

Calls for such 'federal solutions' in various forms have been raised ever since by sections and individuals in the labour movement over the years who have become exasperated by sectarianism. It has never been—and never will be—a solution to the 'Troubles.' Workers' solidarity knows no boundaries—those who attempt to confine it to national borders merely reinforce acceptance of the limitations of the capitalist nation state and assist the bosses in setting worker against worker as the capitalist class play off one 'national interest' against another. In the context of Northern Ireland, to split the movement along North/South, Catholic/Protestant lines does not provide a detour around sectarianism—it merely reinforces it.

An 'Ulster TUC' would have created a Northern version of the 'yellow unions' feared by Connolly. Indeed, the experience in the South of those trade unions which split away from the ITUC was not that it gave them new found strength; rather that, severely weakened, they were trampled over as the Southern bosses stampeded towards the creation of a new capitalist nation state. Just as the Orange bosses after Partition 'rewarded' the Protestant workers with mass unemployment, wage cuts and repression, so the Green bosses of the South repaid the Southern trade unions with disempowerment, cutbacks and low wages.

Fortunately the working class in both the North and South understood these lessons and rejected such calls for federalism. They pursued their instinctive desire for unity against the bosses class, of whatever colour, and pressurised their leaders for re-amalgamation.

Against all the odds, the CIU and the ITUC merged in 1959, to form the Irish Congress of Trade Unions, which included a Northern Ireland Committee, uniting all workers, whether in Southern Irish or British based trade unions.

Despite decades of sectarianism, despite Partition, despite virulent opposition from Stormont, Southern nationalists and despite the pressures of their own so-called 'leaders', unity won through. Stormont still refused for five years to recognise the ICTU but eventually had to accept the inevitable.

As the Belfast Telegraph (24 July 1964) commented: "The desire for unity and solidarity among trade unionists throughout Ireland remained strong regardless of political differences ... this fact enabled the Northern Ireland Committee (of the ICTU) to enjoy wide support even without official recognition, while proposals for a separate Ulster TUC or a Northern Ireland Committee of the British TUC have attracted little interest."

Events from 1907 through to the formation of the ICTU in the 1950s illustrates that sectarianism is not the 'natural state of consciousness' of Irish workers, but rather is a barrier imposed by the intervention of British imperialism bolstered by the reactionary nationalism of the Southern Irish capitalist class; the instinctive aspiration for Irish workers, both North and South, is for unity against the class enemy. Unfortunately this class consciousness was never matched by political leadership.

A tribute to Andrew Jones

Andy, as West Yorkshire Socialist Appeal supporters knew him, died on July 5th, at the age of 39.

He had been confined to a wheel chair as a young man suffering from a degenerative disorder of the nervous system.

Andy was never one to feel sorry for himself - life was too precious, a comrade who was wholeheartedly committed to the ideas of Marxism.

Whatever came up in demonstrations and disputes you would be assured that Andy was there in support of his class.

Comrades will remember Andy as an activist in the Labour Party Young Socialists and a regular attendee at its national conferences. He worked for Bradford Council, involved with computers. He was a Unison shop steward and regularly went on union training courses.

About 18 months ago his condition deteriorated. Although his working life was finished, Andy remained active in the movement, still attending meetings and discussing the ideas.

His life of courageous struggle and commitment will be remembered for a long time in West Yorkshire.

*Jim Dallas
West Yorkshire*

Reason in revolt

**Marxist philosophy
and modern science**

**by Alan Woods
and Ted Grant**

From Well Red Books, PO
Box 2626, London N1 7SQ
Price £9.95 plus £1.50 post



Out of Africa

One of the longest lingering suppositions concerning the history of our species, Homo sapiens, has recently been shot to pieces; ie that humankind is in part descended Neanderthal Man.

The announcement by prominent Finnish scientist, Svante Paabo, that he and his team had successfully extracted and analysed a sample of mitochondrial DNA from a Neanderthal skeleton gave a clear message from the serious sector of the palaeoanthropological world that you and I and everyone else on this interesting little planet of ours is indeed descended from the continent of Africa; and that's final.

The significance of this discovery reaches beyond the curiosity of the scientific fraternity. For most of this century right wing anthropologists have claimed, hitherto without substantiated contradiction, that modern humanity consists of races whose differences are more than skin deep. American anthropologist, Milford Wolpoff, has for decades espoused the curious notion that an early hominid known as Homo Erectus whose remains have been found in parts of Europe, Western and Far Eastern Asia is in fact our direct ancestor. We do know that Neanderthals evolved from Homo Erectus but to accept that modern Homo Sapiens, too, share this particular lineage permits the thought that our genetic evolution began in earnest over a million years after the migration of an even earlier hominid, Homo Ergaster, from Africa. This school of thought gives rise to the ludicrous suggestion that the modern races are in fact several species within an umbrella genus.

Fossils

When questioned as to why the fossil record of the Neanderthals disappears completely at c. 30,000 years ago, when we already know for certain that cro-magnon (early homo-sapien) co-existed with his Neanderthal counterpart for at least 10,000 years. Wolpoff and his disciples claim that an assimilation occurred, that cro-magnon and Neanderthal interbred and that we are in fact descended, partly, from Homo Neanderthalensis.

And, incidentally, that this neat little assimilation exercise coincided with similar sorties on the evolutionary path of truth throughout the globe only, according to the zealots, with varying qualitative outcomes depending where they took place.

What in fact did happen to the much maligned Neanderthal was in fact a classic case of natural selection.

Archaeological evidence shows us that Neanderthals lived on a basic subsistence level and on a day to day basis, evidently without the capacity to plan ahead and even their tools and weapons were woefully primitive by comparison with those of their cromagnon neighbours. It is debatable whether they had the gift of functional language.

Unchanged

Neanderthals had existed in Europe and parts of the Middle East for around 100,000 years virtually unchanged in their ways. Enter modern human, newly arrived from Africa, advanced tools, weapons, organisational skills, coherent speech and a relative intellectual genius. Remember too that at this time ie 40,000-30,000 years ago, most of the planet was in the grip of the last ice age. The habitat of both hominids was indeed a very bitter terrain. Sustenance, be it either vegetational or mobile was at a premium, to put it mildly. Over a period of around 10,000 years, an evolutionary blink of the eyelid, poor old second rate competitor, Neanderthal didn't cut the mustard and for the first time Homo Sapien became the sole hominid to inhabit the planet.

Thanks to Svante Paabo and his team, we can now finally dismiss the utterings of Wolpoff and his crew. As Marxists have correctly asserted from the beginning of the evolutionary debate each and every human being has a common ancestral home; Africa. The differences between the plethora of races which populate Planet Earth are indeed skin deep. Genetically speaking there isn't a jot of difference between an Eskimo, a Kenyan, a German and a Geordie.

*Steve Holmes
Blackpool*

Start the autumn press fund campaign now

Let's raise £5,000 by the end of the year!

As the holiday season comes to an end, activists in the labour and trade union movement will be looking ahead to the work which awaits them in the Autumn. On the shop floor, in the union branches and in the Labour Parties as well there will be plenty to do.

Of course, one crucial difference to previous years will be that we have a Labour government in office. No more Thatcher, no more Tebbit, no more Major and especially no more Portillo. But what are Messrs. Mandelson, Straw and Field up to? In the struggles that will unfold it will be more important than ever that there is a voice to defend socialist ideas. That is the role of *Socialist Appeal*. However to do that we need the necessary financial support. As you can

see from the chart our summer appeal has raised nearly £6,000 of the original target. Congratulations go to our readers in the Eastern region for not only meeting their target but surpassing it. Well done also to readers on Merseyside and in the South. There are too many individual donations to mention them all but they include £500 from Unison supporters, £500 M. Roberts, £200 Des and Rachel, and others—we thank you all. However the drive goes on. Our ambition remains to raise £50,000 by the millennium. As part of that campaign we want to raise at least £5,000 by the end of the year. Any cash sent in now will go towards meeting that target so start laying plans and collecting now. Send in whatever you can, however small—remember, every bit counts. Lets mark the 80th anniversary of the Russian Revolution in fitting style with a big push on the Press Fund.

Area	percentage raised	Target
Scotland	46.0%	£1,200
Northern	13.0%	£900
Yorkshire	47.0%	£700
Manch/Lancs	48.0%	£500
Mersey	72.0%	£600
Midlands	46.0%	£400
Wales/SW	47.0	£800
London	57.0%	£3,000
Eastern	167.0%	£200
Southern	82.0%	£700
National	121.0%	£1,000
Total	58%	£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!



I want to subscribe to Socialist Appeal starting with issue number..... (Britain £15 / Europe £18 / Rest of World £20)

I want more information about Socialist Appeal's activities

I enclose a donation of £..... to Socialist Appeal's Press Fund

Total enclosed: £..... (cheques/PO to Socialist Appeal)

Name..... Address.....

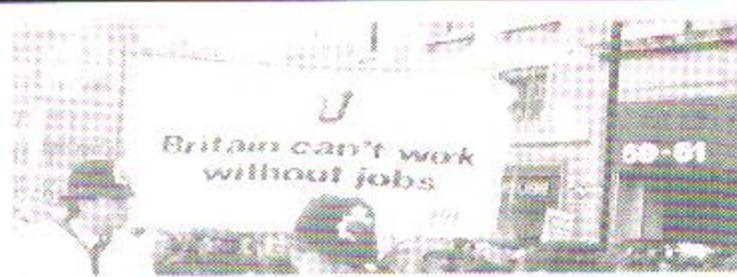
..... Tel.....

Return to: Socialist Appeal, PO Box 2626, London N1 7SQ

A socialist programme for Labour



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



✧ 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.

✧ 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.

✧ 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.

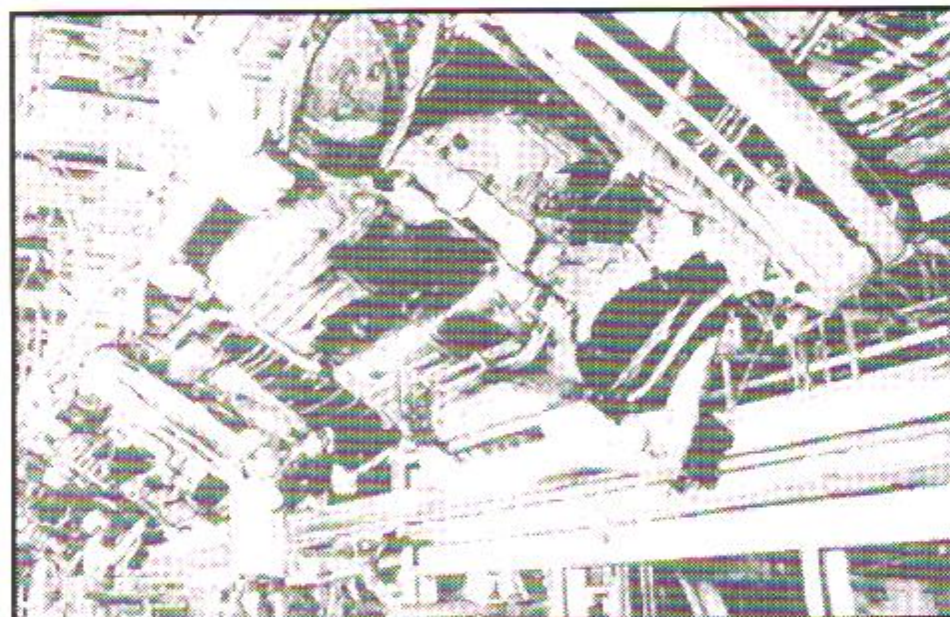


✧ A Labour government must bring in stringent environmental controls and regulations under the supervision of the relevant workforces, consumers and representatives of affected communities. These measures, along with nationalisation of the land, the big petro-chemical enterprises and the major food companies,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

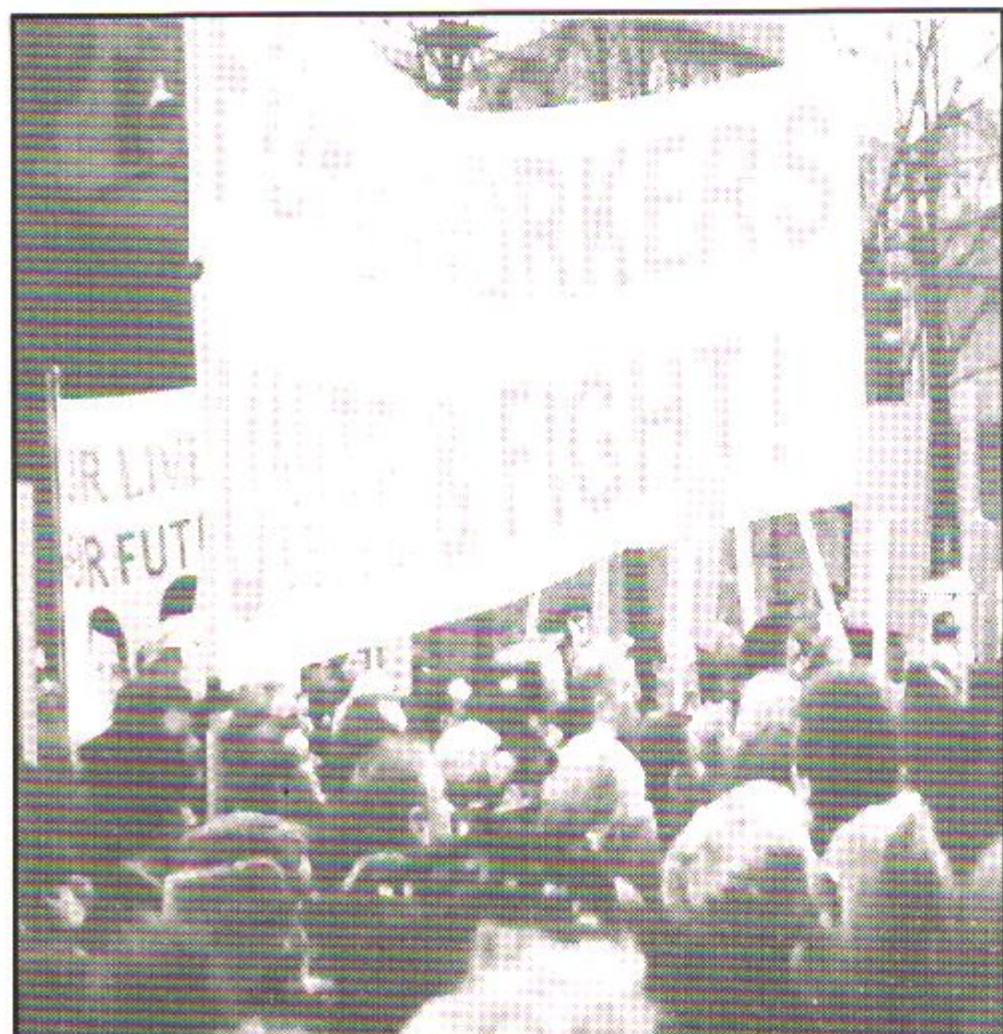
✧ Return education to real democratic control through the local authorities. For a fully funded and resourced, fully comprehensive education system. ✧ For a properly funded extension of higher education. No to student loans - for a decent living grant for all over 16. A guaranteed job, apprenticeship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



✧ 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.

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

✧ **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:

Name.....

Address.....

.....tel.....

return to: Socialist Appeal, PO Box 2626, London N1 7SQ

socialist

appeal

The Marxist voice of the labour movement no.53 September 1997

Defend our right to a free education

Grants abolished, £1000 tuition fees, just what we've come to expect from the Tories over the years. But this isn't coming from the Tories. Less than three months after Labour's landslide victory and the new government has announced one of the most far reaching series of attacks on the labour movement's commitment to a free education system available to all.

The ending of the student grant, the introduction of a £1000 a year tuition fee to be paid by all students and the new loan scheme will all hinder rather than help working class people to get into higher education. Students will now graduate with debts of at least £10,000 at the end of a 3 year course. According to education secretary David Blunkett these proposals are "the best way of encouraging access and free educa-

tion for the least well off". If that's encouragement I'd hate to see what would happen when he didn't want you to do something!

Capitalism needs an educated workforce to make money for them, the CBI has repeatedly called for an increase in higher and further education participation from the present 32% to around 45% like Germany and Japan. Unfortunately they are a little reluctant when it comes to paying for it. The Dearing committee into higher education asked business if they would contribute to this expansion, business said no.

While urging more and more young people into higher education, the bosses are just not prepared to finance it. The simple fact is that the capitalist system can no longer afford most of the things we used to take for granted. Not just free education, but healthcare, pensions and so on. This is why Tony Blair has given his ministers the green light to 'think the unthinkable' in relation to welfare and education 'reform.' Attacks on the welfare state and the standard of living of the working class are not accidental so we shouldn't treat them as such. Any student will have noticed with anger the implementation of CCT, short term contracts, shift work and pay freezes amongst university staff. The fight to defend a free and comprehensive education system is not an isolated one. Students should unite with the labour movement, starting with the staff and lecturers unions, to stop this onslaught. *The National Union of Students must seek affiliation to the TUC - the interests of students and workers are one, and those interests can only be safeguarded when the Labour government stops trying to patch up the capitalist system and brings forward policies that can really begin to answer all our needs and problems - socialist policies.*



Labour needs real socialist policies